

January 31, 2007

The Royal Bank of Scotland and New Line Cinema Sign \$350 Million Co-Financing Pact

NEW YORK, NY, (January 31, 2007) – New Line Cinema, a division of Time Warner Inc. (TWX), and The Royal Bank of Scotland (RBS) are pleased to announce the closing of a \$350 million film financing arrangement. This arrangement will provide co-financing for New Line Cinema films over an approximate two-year period covering an estimated 20 films.

The deal will include “Hairspray,” “Rush Hour 3,” and “The Golden Compass,” all scheduled to be released in 2007, which marks the studio’s 40th anniversary. Also, it will cover 2008 titles such as “Inkheart” (starring Brendan Fraser and Helen Mirren), “Ghosts of Girlfriends Past” (starring Matthew McConaughey), and “Semi-Pro” (starring Will Ferrell).

“We welcome The Royal Bank of Scotland’s involvement in our exciting line-up of films,” New Line Cinema’s Co-Chairmen and Co-CEOs Bob Shaye and Michael Lynne commented in a joint statement. “We look forward to a successful, mutually beneficial financial relationship.”

The deal will cover films of varied genres and production budgets, including potential new tentpole films.

“The ability to work with New Line Cinema on this exciting transaction is a fantastic opportunity for The Royal Bank of Scotland and underlines our commitment to New Line as filmmakers of the highest caliber,” commented Alex Brown, Managing Director and Head of Structured Asset Finance, Media & Entertainment at RBS.

New Line Cinema Corporation:

Founded 40 years ago, New Line Cinema is the most successful independent film company in the world. Its mission is to produce innovative, popular and profitable entertainment in the best creative environment. In addition to the production, marketing and distribution of theatrical motion pictures, the fully-integrated studio has divisions devoted to home entertainment, television,

music, theater, merchandising and an international unit. A pioneer in franchise filmmaking, New Line's Oscar-winning The Lord of the Rings trilogy is one of the most successful film franchises in history. New Line is a division of Time Warner, Inc. (TWX).

The Royal Bank of Scotland Group:

The Royal Bank of Scotland Group is one of the world's leading financial services companies providing a range of retail and corporate banking, financial markets, consumer finance, insurance, wealth management and other finance-related activities.

The Media & Entertainment division of Structured Asset Finance provides a wide range of structured media finance solutions to major international production and distribution companies and major US film studios. Structured Asset Finance is part of The Royal Bank of Scotland's Global Banking & Markets (GBM) division, which is a leading banking partner to major corporate and financial institutions around the world, specialising in providing these customers with a full range of debt financing, risk management and investor services.

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