

**ACADEMY AWARD-WINNER PETER JACKSON AND  
NEW LINE CINEMA JOIN WITH MGM  
TO PRODUCE "THE HOBBIT,"  
EAGERLY-ANTICIPATED FANTASY ADVENTURE EPIC**

**NEW LINE CINEMA AND MGM TO CO-PRODUCE AND  
SHARE WORLDWIDE DISTRIBUTION RIGHTS**

**PETER JACKSON AND FRAN WALSH TO EXECUTIVE PRODUCE  
TWO FILMS BASED ON "THE HOBBIT"**

**Los Angeles, CA (Tuesday, December 18, 2007)** Academy Award-winning filmmaker Peter Jackson; Harry Sloan, Chairman and CEO, Metro-Goldwyn-Mayer Studios Inc. (MGM); Bob Shaye and Michael Lynne, Co-Chairmen and Co-CEOs of New Line Cinema have jointly announced today that they have entered into the following series of agreements:

\* MGM and New Line will co-finance and co-distribute two films, "The Hobbit" and a sequel to "The Hobbit." New Line will distribute in North America and MGM will distribute internationally.

\* Peter Jackson and Fran Walsh will serve as Executive Producers of two films based on "The Hobbit." New Line will manage the production of the films, which will be shot simultaneously.

\* Peter Jackson and New Line have settled all litigation relating to the "Lord of the Rings" (LOTR) Trilogy.

Said Peter Jackson, "I'm very pleased that we've been able to put our differences behind us, so that we may begin a new chapter with our old friends at New Line. 'The Lord of the Rings' is a legacy we proudly share with Bob and Michael, and together, we share that legacy with millions of loyal fans all over the world. We are delighted to continue our journey through Middle Earth. I also want to thank Harry Sloan and our new friends at MGM for helping us find the common ground necessary to continue that journey."

"Peter Jackson has proven himself as the filmmaker who can bring the extraordinary imagination of Tolkien to life and we full heartedly agree with the fans worldwide who know he should be making 'The Hobbit,'" said Sloan, MGM's Chairman and CEO. "Now that we are all in agreement on 'The Hobbit,' we can focus on assembling the production team that will capture this phenomenal tale on film."

Bob Shaye, New Line Co-Chairman and Co-CEO comments, "We are very pleased we have been able to resolve our differences, and that Peter and Fran will be actively and creatively involved with 'The Hobbit' movies. We know they will bring the same

