

2015 Interim Results

13th August 2015

Financial Review

Financial Highlights

	Group H1 2015	Group H1 2014¹	Group FY 2014¹
Admissions	44.9m	35.8m	82.9m
Box office	£217.1m	£180.0m	£399.2m
Retail	£76.5m	£61.6m	£141.9m
Other	£35.5m	£27.0m	£78.3m
Total revenue	£329.1m	£268.6m	£619.4m
EBITDA	£64.7m	£45.9m	£126.6m
Adjusted profit before tax	£39.3m	£22.6m	£61.2m
Adjusted diluted EPS	11.6p	8.0p	24.4p
Dividend per share	5.0p	3.8p	13.5p

- Statutory revenue growth of 22.5%
- Statutory EBITDA² growth of 41.0%
- Investment in new sites of £41.6m and existing estate £5.7m
- Strong cash generation – net debt reduced to £270.5m (Dec 2014 - £281.9m)
- Adjusted EPS up 45.0%
- Interim dividend increased by 31.6% to 5.0p

1. Group statutory results includes the results for Cinema City for 17 weeks in H1 2014 and 44 weeks in FY 2014

2. EBITDA is defined as operating profit before depreciation and amortisation, impairment charges, adjustments to goodwill, onerous leases and other non-recurring charges, transaction and reorganisation costs and profit on disposal of cinema sites

Pro Forma Performance

	UK & Ireland		CEE & Israel		Group	
	H1 2015	% PY ¹	H1 2015	% PY ²	H1 2015	% PY
Admissions	25.0m	+ 2.5%	19.9m	+ 9.3%	44.9m	+ 5.4%
Box office	£150.4m	+ 10.5%	£66.7m	+ 11.7%	£217.1m	+ 10.9%
Retail	£50.6m	+ 10.8%	£25.9m	+ 17.3%	£76.5m	+ 12.9%
Other	£18.3m	+ 16.3%	£17.2m	+ 4.9%	£17.2m	+ 10.4%
Total revenue	£219.3m	+ 11.0%	£109.8m	+ 11.8%	£329.1m	+ 11.3%
EBITDA	£40.0m	+ 26.4%	£24.7m	+ 16.6%	£64.7m	+ 22.5%
EBITDA Margin	18.2%	+ 2.2 pts	+22.5%	+ 1.0 pts	19.6%	+ 1.8 pts

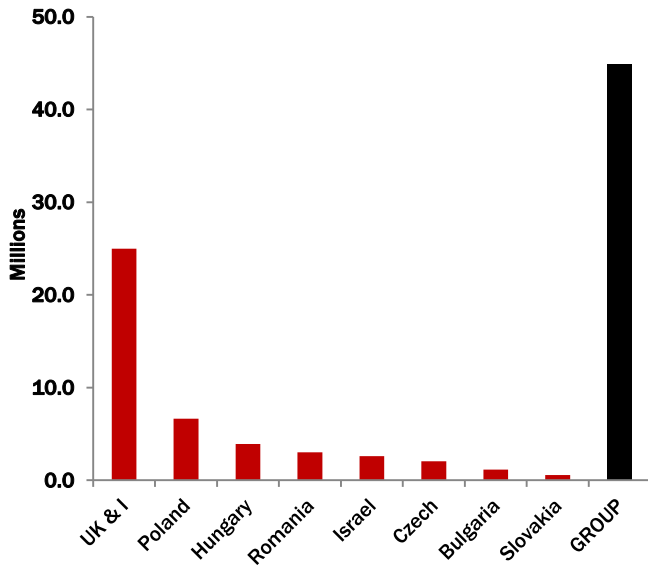
- Group revenue growth of **11.3%**
- Group EBITDA growth of **22.5%**
- Group EBITDA margin of **19.6%**, an improvement of **1.8 percentage points**

1. Pro forma performance of UK & Ireland compares the 26 week period ended 2 July 2015 to the 26 week period ended 3 July 2014

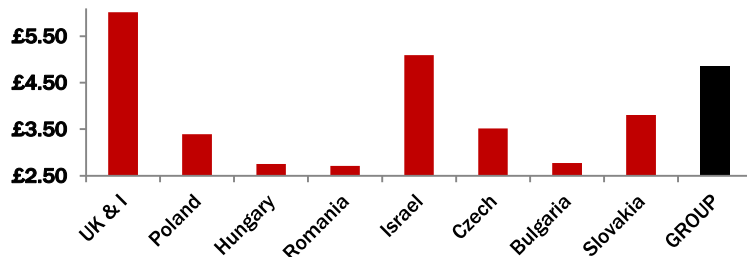
2. Pro forma performance of CEE & Israel compared the 26 week period ended 2 July 2015 to the 26 week period ended 3 July 2014, with % change calculated on a constant currency basis

Box Office and Retail Performance

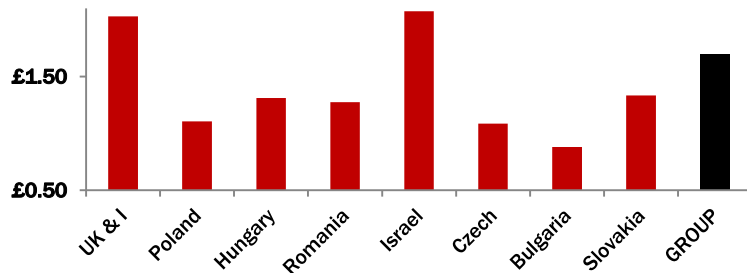
Admissions - m



Average Ticket Price



Retail Spend Per Person



Other Income

- **Other income includes advertising, distribution, and other**
- **Overall, other income has increased by 10.4% on a pro forma basis¹**
- **Good distribution income during the first half**
 - **Distributor of key titles across the CEE & Israel**
- **Increase in revenue generated from the sale of advertising in both the UK and CEE & Israel**



digital cinema media



new age media
MULTIPLEX ADVERTISING



1. Year on year performance compares the 26 week period ended 2 July 2015 to the 26 week period ended 3 July 2014, with % change calculated on a constant currency basis

Group Income Statement

£m	Adjusted basis ¹		Statutory basis	
	H1 2015	H1 2014	H1 2015	H1 2014
Revenue	329.1	268.6	329.1	268.6
EBITDA	64.7	45.9	64.7	45.9
Depreciation and amortisation	(20.8)	(17.5)	(23.7)	(19.9)
Exceptional income / (cost)	-	-	2.8	(6.4)
Foreign exchange losses ²	1.3	0.3	-	-
Operating profit	45.2	28.7	43.8	19.6
Finance income / (expense) ³	(5.6)	(5.9)	3.3	(5.5)
Share of JV losses	(0.3)	(0.2)	(0.3)	(0.2)
Profit before tax	39.3	22.6	46.8	13.9
Tax	(8.3)	(4.0)	(9.9)	(2.1)
Profit after tax	31.0	18.6	36.9	11.8
Diluted EPS			13.9p	5.1p
Adjusted diluted EPS	11.6p	8.0p		

- Includes depreciation of £18.9m, of which £11.5m relates to the UK and £7.4m relates to CEE & Israel
- Of the £4.8m amortisation, £2.9m is acquisition accounting related and £1.9m is the amortisation of acquired movie rights

- The £2.8m net exceptional income includes the following cash items:

- £0.4m of reorganisation costs
- £3.2m impairment charges
- £6.4m profit on disposal of Cambridge

- Net finance income of £3.3m includes £3.8m of underlying net cash interest paid on bank loans, £8.9m foreign exchange gains, and £1.8m other non-cash finance charges

1. Adjusted information presented to demonstrate the basis of the adjusted diluted EPS calculation.

2. Foreign exchange losses relates to translation losses recognised in EBITDA.

3. Adjusted finance income and expense presented after eliminating the £8.9m forex gain on the translation of the Euro term (2014: £3.0m) and in the case of 2014, other non-recurring finance costs in respect of restructuring the debt facility totalling £2.6m.

Cash Flow & Net Debt

£m	Cash	Debt	Other	Net debt
Opening position at 2 January 2015	37.4	(309.2)	(10.1)	(281.9)
Operating profit	43.8	-	-	43.8
Non-cash movements	13.0	-	-	13.0
Cash generated from operations	56.8	-	-	56.8
Tax paid	(5.5)	-	-	(5.5)
Net interest paid	(4.9)	-	-	(4.9)
Capital related items	(40.5)	-	-	(40.5)
Proceeds from disposal of assets	8.0	-	-	8.0
Proceeds from share issue	0.9	-	-	0.9
Proceeds from bank loans	10.9	(10.9)	-	-
Repayment of bank loans	(22.1)	12.8	-	(9.3)
Forex and other non-cash movements	(3.6)	8.6	0.9	5.9
Closing position at 2 July 2015	37.4	(298.7)	(9.2)	(270.5)

- Of the £13.0m net non-cash movement, £23.7m relates to the add back of depreciation and amortisation

- Movement in working capital resulted in a £10.7m outflow

- Total cash spent on capex of £40.5m is net of reverse premiums totalling £2.8m

- Spend on new sites, revenue generating capex and maintenance totalled £41.6m, £3.3m £2.4m respectively

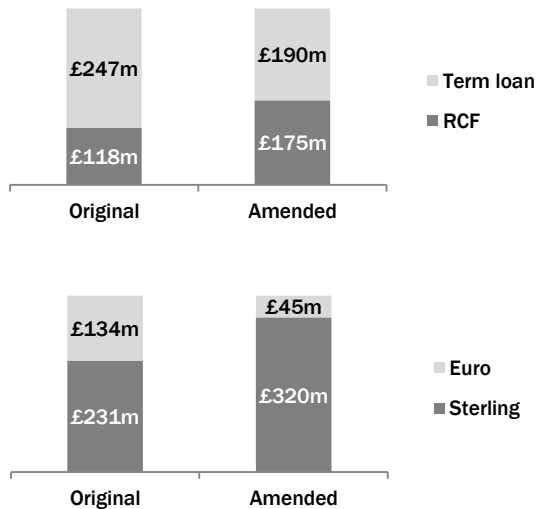
- £4.0m movement in capex creditors

- Non-cash movements includes foreign exchange gains of £9.3m

- Other non-cash movements relate to accrued interest and movements on finance leases

Amendment and Extension

- Existing debt facility extended to June 2020
- Overall size of facility remaining the same (£365m following June prepayment of term debt)
- Reduction in margin by 50 bps
- New structure to better suit financing and working capital requirements of the Group
 - Rebalance between Term Loan and RCF
 - Rebalance between Euro and Sterling



- **Business on track to be marginally ahead of our plans for 2015**
- **On track with £3.5m - £4.0m synergies savings in 2015 on an annualised basis, with scope for further business initiatives going forward**
- **Acquisition accounting adjustments now finalised and no changes from 2014 year end**
- **Net debt to remain level**
- **Tax rate expected to remain consistent at 21%**

Business Update

Business Update

- Solid financial performance in all territories
- Strong film slate during H1
- Continuing to integrate the business
- Expansion plans on track
- Investing in the existing estate
- Focus on the customer experience and new technology
- Promising slate for the remainder of the year



2015 New Openings

- **Nine new sites and 93 screens opened since the start of the year**
 - UK – 4 sites, 34 screens
 - Romania – 2 sites, 24 screens
 - Poland – 2 sites, 15 screens
 - Israel – 1 site, 16 screens
- **Current chain has 210 sites with 1,960 screens**
- **Plan to open 10 additional sites with 85 screens by the year end**

Over 2,000 screens by the end of the year

2015 New Openings

No. of screens	UK	Poland	Romania	Israel	Czech Rep	Other	Group
2 January 2015	897	339	154	104	111	270	1,875
Swindon	6						6
Broughton	11						11
Silverburn	14						14
East Dulwich	3						3
Letnany ¹					4		4
Bucharest			14				14
Lublin		9					9
Starograd Gdanski		6					6
Constanta			10				10
Jerusalem				16			16
Closures ²				(8)			(8)
13 August 2015	931	354	178	112	115	270	1,960

Target for the end of the year... 978 354 198 130 115 270 2,045



1. Letnany – 4 screens added to an existing site
2. Closures in Israel relate to Gat (1 screen) and the old site in Jerusalem (7) which was replaced by the new site

New Sites – UK

Swindon – 6 screens



Broughton – 11 screens



New Sites – Poland

Lublin – 9 screens



Starogard Gdanski – 6 screens



New sites – How to Make A Cinema

- **Mega Mall Romania**
- **Opened May 2015**
- **14 Screens**
- **IMAX and 4DX**

Investment in our Estate

- **Milton Keynes successful during H1 2015**
 - New format
 - First 4DX in the UK – strong occupancy
 - Superscreen
 - Starbucks
- **Picturehouse Central**
- **More to follow**
 - Sheffield (underway)
 - Glasgow



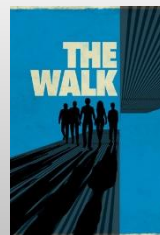
The Customer Experience

- **Cinema of the Future**
 - Providing our customers with the choice of how they see the movie
- **The best technology**
 - IMAX
 - 4DX
 - Superscreen
- **The cinema experience**
 - VIP concept



Films for H2 2015

Q3



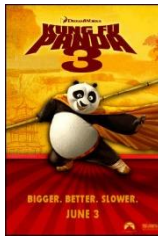
Q4



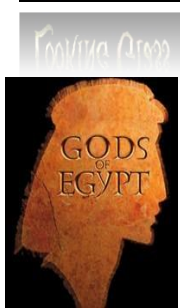
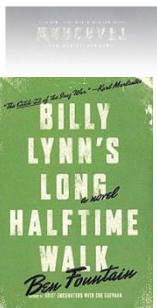
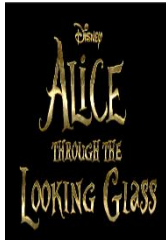
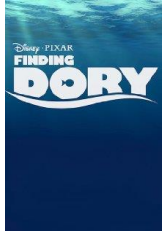
Plus...

- Adam Jones
- Hotel Transylvania 2
- Crimson Peak
- Black Mass
- The Good Dinosaur
- Steve Jobs
- Bridge Of Spies

2016 – Key Titles



2016 – Key Titles



Q & A

Appendices

New Openings : Signed Contracts¹

	2015 H2		2016		2017		2018 +	
	Sites	Screens	Sites	Screens	Sites	Screens	Sites	Screens
UK (Including Picturehouse)	6	47	11	69	4	38	3	23
Poland			1	11	1	20	4	49
Romania	3	20	5	54	12	116	8	67
Bulgaria							1	12
Czech Rep					1	18		
Israel	1	18	1	12				
Total	10	85	18	146	18	192	16	151

1. The new openings schedule is based on signed contracts. Management believe that the expected opening dates of the cinemas are accurate as at the time of this presentation. The Group continues to work together with third parties to develop sites and there is therefore also the risk that a site may be subject to delays which are out the control of the Group.

Cineworld
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