Interim Results

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CINEWORLD GROUP plc interim results for 26 week period 2 July 2015

Cineworld Group plc ("the Group") is pleased to announce its interim results for the 26 week period ended 2 July 2015

	Statutory[1]			Pro forma[2]
	26 weeks to 2 July 2015	26 weeks to 26 June 2014	v 2014	v 2014
Group revenue	£329.1m	£268.6m	+ 22.5%	+ 11.3%
EBITDA[3]	£64.7m	£45.9m	+ 41.0%	+ 22.5%
Profit before tax	£46.8m	£13.9m	+ 236.7%	
Profit after tax	£36.9m	£11.8m	+ 212.7%	
Diluted EPS	13.8p	5.1p	+ 172.5%	
Adjusted profit before tax[4]	£39.3m	£22.6m	+ 73.9%	
Adjusted profit after tax[4]	£31.0m	£18.6m	+ 66.7%	
Adjusted diluted EPS[5]	11.6p	8.0p	+ 45.0%	
Dividend per share	5.0p	3.8p	+ 31.6%	

Highlights

- Group revenue growth of 22.5% on a statutory basis, reflecting the combination with Cinema City part-way through the comparable period in 2014, and 11.3% on a pro forma basis;
- UK & Ireland revenue growth of 11.0% on 26 v 26 same week pro forma basis;
- CEE[6] & Israel revenue growth of 11.8% on a 26 v 26 same week pro forma basis;
- EBITDA growth of 41.0% on a statutory basis and 22.5% on a pro forma basis;
- Profit after tax of £36.9m is stated after tax adjusted expenses and amortisation of £5.1m[4] and tax adjusted one-off income of £11.0m[4] resulting in adjusted profit after tax of £31.0m, growth of 46.2%;
- Adjusted diluted EPS[5] growth of 45.0% on a rights issue adjusted basis;
- Interim dividend increased by 31.6% to 5.0p;
- Net cash generated from operating activities of £51.3m, representing growth of 34.3%.

Commenting on these results, Mooky Greidinger, Chief Executive Officer of Cineworld Group plc, said:

"We are pleased to announce gratifying first half results, with satisfactory increases in admissions, box office revenue and retail sales. The strongest titles released during the period, "Fifty Shades of Grey", "Fast and Furious 7", and "Jurassic World", all of which broke box office records, and alongside other titles such as "Avengers: The Age of Ultron" resulted in overall pro forma revenue growth of 11.3%. We have delivered on our expansion plans by opening nine new sites (93 screens), in the UK and abroad. Our solid performance, coupled with continuing focus on our synergies target and on integration, resulted in pro forma EBITDA growth of 22.5%, and the Board is pleased to declare an increased interim dividend of 5.0p.

The film release programme for the second half of the year is encouraging. Family titles such as "Minions" and "Jurassic World" have continued their strong performance into July, and the new Disney title "Inside Out" has also proved popular. Notable releases in Q3 and Q4 include "Star Wars: Episode VII", the final Hunger Games title "Hunger Games: Mockingjay Part 2" and the next Bond film "Spectre". We are currently contracted to open 10 more cinemas (85 screens) before the end of the year, taking the Group to over 2,000 screens. Overall, with the anticipated strength of the film line up in the second half, coupled with our solid first half performance, we are marginally ahead of our plans for the year as a whole."

1 The 2014 comparative statutory results for Cineworld Group plc "the Group" included the results of Cineworld Cinemas and Picturehouse for the 26 week period ended 26 June 2014 and the results of Cinema City for the 17 week period ended 26 June 2014.
2 Pro forma basis reflects the 26 week year on year performance of Cinema City which became part of the Cineworld Group on 28 February 2014. To provide information on a comparable basis, the pro forma % change vs. prior year information compares the 26 weeks ended 2 July 2015 to the trading for the 26 weeks from 3 January 2014 to 3 July 2014, adjusting the 2014 information to constant currencies by applying the 2015 average exchange rates.
3 EBITDA is defined as operating profit before depreciation and amortisation, impairment charges, onerous lease and other non-recurring charges, transaction and reorganisation costs and refinancing costs.
4 Adjusted profit before tax is calculated by adding back amortisation of intangible assets (excluding acquired movie distribution rights) and other one-off expense totalling £6.5m and eliminating one-off income of £14.0m (which includes profits on disposal of assets of £6.4m and net foreign exchange gains and translation losses of £7.6m). Adjusted profit

after tax is calculated by adding back amortisation of intangible assets (excluding acquired movie distribution rights) and other one-off income and expense and adjusting for the tax impact of such items (£1.6m) and the Group's current year effective tax rate (21.0%) (Please refer to Note 5).

5 The 2014 adjusted diluted earnings per share have been adjusted for the first 48 days of the period to take into account of the rights issue of 8 for 25 shares on 14 February 2014 and also restated to remove the net foreign exchange gain on the Euro loan of £2.7m. The adjusted diluted earnings per share as previously stated in the 2014 interim statement was 8.9p.

6 CEE is defined as Central and Eastern Europe and includes Poland, Hungary, Romania, Czech Republic, Bulgaria and Slovakia.

Cautionary note concerning forward looking statements

Certain statements in this announcement are forward looking and so involve risk and uncertainty because they relate to events, and depend upon circumstances that will occur in the future and therefore results and developments can differ materially from those anticipated. The forward looking statements reflect knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

The results presentation can be viewed online and is accessible via a listen-only dial-in facility. The appropriate details are stated below:

Date:	13 August 2015
Time:	9:30am
Dial in:	UK Number: 020 3059 8125
	All other locations: +44 20 3059 8125
Participant Instructions:	Please state "Cineworld Interim results" and state your name and company
Webcast link:	https://secure.emincote.com/client/cineworld/cineworld001

A replay of the webinar will be available for 12 months at https://secure.emincote.com/client/cineworld/cineworld001

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Chief Executive Officer's Review

Group Performance Overview

	Statutory			Pro forma
	26 weeks to 2 July 2015	26 weeks to 26 June 2014	v. 2014	v. 2014
Admissions	44.9m	35.8m	+ 25.4%	+ 5.4%
	£m	£m		
Box office	217.1	180.0	+ 20.6%	+ 10.9%
Retail	76.5	61.6	+ 24.2%	+ 12.9%
Other income	35.5	27.0	+ 31.5%	+ 10.4%
Total revenue	**329.1**	**268.6**	**+ 22.5%**	**+ 11.3%**

Cineworld Group plc results for the 26 week period ended 2 July 2015 reflect the trading and financial position of Cineworld Cinemas, Cinema City and Picturehouse (the "Group") for 26 weeks. Cinema City Holding N.V. and its subsidiaries ("Cinema City") became part of the Group on 28 February 2014 and as such, in the comparative interim period Cinema City was only consolidated for the final 17 weeks.

Unless explicitly referenced, all figures in the commentary below are on a pro forma 26 weeks for 2015 vs. 2014. Pro forma comparable information for 2014 has been calculated by including Cinema City performance for the full 26 week period. The information for both the UK and CEE & Israel has also been adjusted to exclude the trade of week ending 2 January 2014 and including the week ending 3 July 2014 in order to align the comparable periods. Where percentage movements are given, they reflect performance on a constant currency basis to allow a year on year assessment of the performance of the business eliminating the impact of changes in exchange rates over time. Constant currency movements have been calculated by applying the 2015 average exchange rates to 2014 performance.

Total revenue in the 26 week period ended 2 July 2015 was £329.1m. On a 26 week v 26 week pro forma basis, this equates to an increase of 11.3%. Overall admissions increased by 5.4%, with box office revenues increasing by 10.9%. The impact of the film mix during the period and the success of premium offerings such as IMAX and 4DX resulted in average ticket prices increasing by 5.2% to £4.84. Spend per person increased by 7.1% to £1.70 resulting in retail revenue growth of 12.9%. Other revenues increased by 10.4%.

UK & Ireland

The information below represents the pro forma trading performance of Cineworld Cinemas and Picturehouse. To provide information on a comparable basis, the pro forma % change vs. prior year information compares the 26 weeks ended 2 July 2015 to the trading for the 26 weeks from 3 January 2014 to 3 July 2014.

		Statutory		Pro forma
	26 weeks to 2 July 2015	26 weeks to 26 June 2014	v. 2014	v. 2014
Admissions	25.0m	25.1m	- 0.4%	+ 2.5%
	£m	£m		
Box office	150.4	140.2	+ 7.3%	+ 10.5%
Retail	50.6	47.0	+ 7.7%	+ 10.8%
Other Income	18.3	15.1	+ 21.2%	+ 16.3%
Total revenue	**219.3**	**202.3**	**+ 8.4%**	**+ 11.0%**

Box Office

Admissions and box office revenues increased by 2.5% and 10.5% respectively on a pro forma basis. Film performance for the first half the year was underpinned by the success of "Jurassic World", "Avengers: The Age of Ultron", "Fast and Furious 7" and "Fifty Shades of Grey" all of which grossed over £30m in the UK and Ireland. They were supported by a number of other good film performances including "Home", "Cinderella", "The Theory of Everything" and "Big Hero 6" all grossing over £20m.

The average ticket price achieved in the UK and Ireland grew by 7.9% to £6.02 (2014: £5.58). The increase reflects inflationary price rises but in most part was driven by the film mix. The most successful titles in the first half ("Jurassic World"- £51.m, "Avengers: The Age of Ultron" - £48.3m and "Fast and Furious 7" - £38.5m) were all available in the IMAX format (and in the case of "Jurassic World" and "Avengers: The Age of Ultron", 3D also). The popularity of these premium offerings, along with a greater proportion of tickets being sold to adults, had a significant upward impact on average ticket prices.

Retail

Retail revenue was 10.8% higher than the previous year. Retail spend per person increased by 8.1% to £2.02 (2014: £1.87). Spend per person has been positively impacted by the nature of the film mix in the first half, where blockbusters tend to attract higher retail spend per person. Inflationary price rises and our broadening range of retail offerings have also had a positive impact. During the first half of the year we have opened a further Starbucks outlet at our new Silverburn cinema, with a further opening at Broughton at the start of the second half, taking our circuit total to 15.

Other Income

Other income includes all other revenue streams outside of box office and retail. Included within other income is screen advertising. Trading at Digital Cinema Media ("DCM"), our joint venture screen advertising business, was stronger during the first half of 2015 than the comparative period due to the increase in admissions and the attractiveness of the film titles to prospective advertisers.

Competition and Markets Authority ("CMA")

In October 2013, the CMA published its decision on the acquisition of Picturehouse, resulting in the requirement to dispose of one cinema in each of Aberdeen, Bury St Edmunds and Cambridge. The process of disposing of a cinema in each of Aberdeen and Bury St Edmunds was completed during 2014 and these sites are no longer part of the Picturehouse circuit. During 2014 the decision was taken to dispose of the Cineworld Cinemas site at Cambridge. The disposal was completed on 29 January 2015.

Now that the CMA process has been resolved, Picturehouse has been integrated into the wider UK business. As such the performance of Cineworld and Picturehouse is now reported together as "UK & Ireland".

Central & Eastern Europe ("CEE") and Israel

The information below represents the pro forma trading performance of Cinema City as if it had been part of the Group for the full 26 weeks during the comparative period. To provide information on a comparable basis, the pro forma % change vs. prior year information compares the 26 weeks ended 2 July 2015 to the trading for the 26 weeks from 3 January 2014 to 3 July 2014 and is presented on a constant currency basis by applying the average exchange rates for the current 2015 period to the comparative period.

		Statutory		Pro forma
	26 weeks to 2 July 2015	17 weeks to 26 June 2014	v. 2014	v. 2014
Admissions	19.9m	10.7m	+ 86.0%	+ 9.3%
	£m	£m		
Box office	66.7	39.8	+ 67.6%	+ 11.7%
Retail	25.9	14.6	+ 77.4%	+ 17.3%
Distribution income	7.6	4.2	+ 81.0%	+ 12.0%
Other Income	9.6	7.7	+ 24.7%	+ 1.0%
Total revenue	**109.8**	**66.3**	**+ 65.6%**	**+ 11.8%**

Box Office

Admissions and box office revenue in CEE & Israel increased by 9.3% and 11.7% respectively, with average ticket prices increasing by 2.1% on a pro forma basis. Poland, Hungary, Romania and Israel all continued to generate strong admissions growth with Israel experiencing an increase of 14.2%. The remaining territories also experienced admission growth, with the exception of Slovakia which suffered a marginal decline.

As with the UK, film performance for the first half the year was underpinned by the success of "Jurassic World", "Avengers: The Age of Ultron", "Fast and Furious 7" and "Fifty Shades of Grey". However in certain markets, family films were more prominent and "The SpongeBob Movie: Sponge out of Water" and "Penguins of Madagascar" (which opened later in CEE & Israel than it did in the UK) featured in the top 5 movies for a number of territories.

Retail

Retail spend per person increased to £1.30 (2014: £1.21) during the period - an increase of 7.3%. The growth was driven by inflationary price increases, an increased retail offering across the region and improving front-of-house efficiencies, enabling a greater number of customers to be served prior to the start of each film.

Distribution Income

Distribution revenues relate to the Forum Film brand which is Cinema City's film distribution business. Forum Film operates across the CEE & Israel region and distributes films on behalf of the major Hollywood studios as well as owning the distribution rights to certain titles. Distribution revenues increased by 12.0% to £7.6m. Forum Film acted as distributor for a number of the biggest titles during the first half of the year including "Fifty Shades Of Grey" and "Fast and Furious 7" in Bulgaria and "Avengers: The Age of Ultron" and "Cinderella" in Israel and Hungary.

Other Income

The largest single element of other income is on and off-screen advertising. Advertising revenues include revenues generated by New Age Media which is Cinema City's advertising and sponsorship arm. As with the UK, the growth in admissions during the period, and the attractiveness of the film slate to advertisers has resulted in growth in advertising revenues.

Initiatives and Developments

Cinema Expansion

One of the key strategic priorities of the Group is expansion. We have the financial capability, through the cash generative nature of our business and our debt facility, to pursue such opportunities.

UK & Ireland

During 2015 to date, we have opened three new Cineworld cinemas in the UK (Swindon, Broughton and Silverburn with 31 screens in total) and one Picturehouse in East Dulwich (three screens) during the period. We have also recently relaunched our former Cineworld site in the West End of London as Picturehouse Central. Throughout the remainder of the second half we are currently contracted to open a further six cinemas in the UK (47 screens, of which five relate to a new Picturehouse cinema). We have 18 further development sites (130 screens) in the UK contractually scheduled to open in the next three years, 11 of which are scheduled for opening in 2016 (including two Picturehouse sites).

CEE & Israel

During 2015 to date, we have opened a new 14 screen cinema in Bucharest, Romania and extended our existing cinema Letnany, Czech Republic by four screens. Since 2 July, we have opened two new cinemas in Poland (Lublin and Starogard Gdanski with 15 screens in total), a new ten screen cinema in Constanta, Romania and a 16 screen cinema in the centre of Jerusalem, Israel. Throughout the remainder of H2 we are currently contracted to open a further four in CEE & Israel (38 screens). We have a further 33 development sites (359 screens) in CEE & Israel contractually scheduled to open in the next three years, seven of which are scheduled for opening in 2016.

Other Initiatives and Developments

As a Group, we are committed to ensuring our customers have the best possible experience when visiting our cinemas. The Cineworld estate is generally older than that of Cinema City, and a number of key sites have been identified for refurbishment to ensure our high standards continued to be consistently maintained across our estate. During the second half of 2014, we started this programme with the redevelopment of our Milton Keynes cinema. Our Milton Keynes cinema now includes the UK's first 4DX screen, an exciting new additional sensory cinema concept which has proved popular with Cinema City customers in other territories. It also includes a Superscreen (the Group's own large-screen format). The Milton Keynes site was re-launched in January 2015 and has performed strongly during the first half, with both 4DX and Superscreen being popular with our customers. Since the start of the year, we have also launched new 4DX screens in Yes Planet Haifa, Israel, Bucharest Mega Mall, Romania and most recently in Constanta, Romania and Yes Planet Jerusalem, Israel. We now have a total of 12 4DX screens across the Group with plans to open a further four during the remainder of the second half and a further six during 2016.

In addition to the introduction of 4DX, the Group has continued to expand the IMAX format across a selection of our sites. Since the start of 2015 we opened new IMAX screens at our new site in Broughton, UK and most recently at Yes Planet Jerusalem, Israel. We are scheduled to open a further IMAX during the second half at our new Solihull NEC site in the UK and a second new screen in Israel. By the end of 2015, the Group will operate 28 IMAX screens in total, with a further two scheduled in 2016.

Our Cineworld "Unlimited" programme has continued to grow during the period. This service continues to offer excellent value to regular film goers, who can visit Cineworld Cinemas to see as many standard films as they wish, while encouraging visits at off-peak times, which in turn improves seat utilisation at our Cinemas. Unlimited continues to be a pillar of our strategy of growing revenues and incremental admissions and we have remained committed to its expansion.

Statutory Financial Performance

	26 week period ended 2 July 2015			26 week period ended 26 June 2014
	UK & Ireland	**CEE & Israel**	**Total Group**	Total Group[1]
Admissions	25.0m	19.9m	**44.9m**	35.8m
	£m	£m	**£m**	£m
Box office	150.4	66.7	**217.1**	180.0
Retail	50.6	25.9	**76.5**	61.6
Distribution Income	-	7.6	**7.6**	4.2
Other Income	18.3	9.6	**27.9**	22.8

Total revenue	219.3	109.8	**329.1**	268.6
EBITDA[2]	40.0	24.7	**64.7**	45.9
Operating profit	30.0	13.8	**43.8**	19.6
Financial income			**9.6**	3.2
Financial expense			**(6.3)**	(6.8)
Net change in fair value of cash flow hedges reclassified from equity			**-**	(1.9)
Net financing costs			**3.3**	(5.5)
Share of loss from joint venture			**(0.3)**	(0.2)
Profit on ordinary activities before tax			**46.8**	13.9
Tax on profit on ordinary activities			**(9.9)**	(2.1)
Profit for the period attributable to equity holders of the Company			**36.9**	11.8

(1) Cinema City results consolidated for 17 weeks to 26 June 2014.
(2) EBITDA is defined as operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring or non-cash property charges, transaction and reorganisation costs.

The following commentary on the profitability, cash flow and balance sheet focuses on the Cineworld Group including Cinema City and Picturehouse, except where stated.

EBITDA and Operating Profit
Group EBITDA was up 41.0% to £64.7m (2014: £45.9m).

EBITDA generated by the UK & Ireland was up 23.0% during the year at £40.0m on a statutory basis (2014: £32.5m) and 26.4% on a pro forma same week basis. The EBITDA margin of 18.2% represented a 2.2 percentage point improvement from 2014. There have been savings across a number of direct cost lines, which were part offset by an increase in film hire costs due to a greater number of higher grossing titles, increases in labour due to higher staffing levels required during busier times and a small increase in concession cost of sales due to the increase in Starbucks as a proportion of total retail sales, which attracts a lower margin. Other cinema costs have remained in line with the prior period.

CEE & Israel generated EBITDA of £24.7m. On a pro forma basis, this represents growth of 16.6% (based on performance reported in the acquired management accounts). Pro forma EBITDA margin of 22.5% represented a 1.0 percentage improvement from 2014 on a constant currency basis. Direct cost savings were consistent across CEE & Israel, with savings in both labour and concession costs as a percentage of sales. These savings were part offset by an increase in film hire costs, again due to the film mix in the period. Other cinema costs have remained broadly in line with the previous year.

As the Group now operates in an additional seven territories, it has increased its exposure to exchange rate fluctuations. In the majority of instances, income and expenditure is received and settled in local currency to mitigate realised exchange losses. However, there are translation exchange differences arising when presenting the year on year performance of Cinema City in the reporting currency of the Group. During the period EBITDA of £64.7m was £1.3m lower than it would have been had it been translated by applying the exchange rates at the start of the year and £2.5m lower based on the average rate for the comparable 2014 period.

Operating profit at £43.8m was 123.5% higher than the prior period (2014: £19.6m). Of the £43.8m, £13.8m related to Cinema City performance. Operating profit included a number of non-recurring and non-trade related items. Impairments of £3.2m relate to the write off of capital expenditure on loss making sites during the period. Profit on the disposal of cinemas totalled £6.4m (2014: £0.1m) and was related to the disposal of Cambridge Cineworld.

The total depreciation and amortisation charge (included in administrative expenses) in the period totalled £23.7m. Of this, £11.5m related to depreciation in the UK & Ireland (which was consistent with the prior period) and £7.4m related to depreciation in CEE & Israel. Amortisation of £2.9m was incurred in respect of intangible assets recognised as part of the acquisition of Picturehouse in 2012 and the combination with Cinema City at the start of 2014 and amortisation of £1.9m was incurred in respect of acquired movie distribution rights.

Finance Costs
Net financing income totalled £3.3m during the period (2014: net cost of £5.5m).

Finance income of £9.6m (2014: £3.2) included net foreign exchange gains of £8.9m (2014: £3.0m) mainly relating to translation of the Euro Term loan at the balance sheet date. £0.6m (2014: £0.1m) related to interest income and £0.1m (2014: £0.1m) related to finance income on assets held by defined benefit pension schemes.

Finance expense of £6.3m (2014: £6.8m) included £4.4m in respect of interest on bank loans and overdrafts (2014: £4.2m), with the increase being the result of the change in financing structure of the Group following the combination with Cinema City. Other net finance costs of £1.9m included amortisation of prepaid finance costs of £0.9m, £0.4m in respect of the unwind of discount and interest charges on property-related leases and £0.6m of other financial costs.

Taxation
The overall tax charge during the period was £9.9m giving an overall effective tax rate of 21.1% (Full year 2014: 19.0%). The higher effective tax rate during the first half of 2015 reflects a marginal shift in the proportions of total profit generated in each territory where there are varying levels of applicable tax rate. The corporation tax charge in respect of the current period was £6.8m, resulting in a current period effective tax rate of 21.1% (Full year 2014: 20.3%). There was a charge of £1.0m relating to prior years recognised in the current period and a net £2.1m deferred tax charge principally relating to capital allowances (the difference between the tax written down value of the capital allowance and the net book value of the underlying assets).

Earnings
Profit on ordinary activities after tax in the period was £36.9m, compared to the comparative period (2014: £11.8m). The significant increase is attributable to the inclusion of Cinema City for the full 26 week period and the benefit of stronger trading performance across the Group. Basic earnings per share amounted to 14.0p (2014: 5.2p).

Eliminating the one-off, non-trade related items described above (totalling £6.5m of cost items and £6.4m profit on disposals within operating profit, and net foreign exchange gains of £7.6m), adjusted diluted earnings per share were 11.6p (2014: 8.0p). Following the business combination with Cinema City, the Group has taken the opportunity to consider how it presents its adjusted earnings per share calculation and has adjusted the 2014 comparative to remove the foreign exchange gains relating to the Euro Term loan and foreign exchange translation losses recognised in operating profit. The 2014 interim adjusted diluted earnings per share was 8.9p on a rights adjusted basis as previously stated.

Cash Flow and Balance Sheet
Overall, net assets have increased by £10.8m, to £517.1m since 1 January 2015. Movements in foreign exchange rates since the 2014 balance sheet has resulted in a reduction in the translated carrying value of goodwill by £21.9m.

The Group continued to be cash generative at the operating level. Total net cash generated from operations in the period was £51.3m (2014: £38.2m). The increase in cash generated from operations reflects the inclusion of the results of Cinema City since 28 February 2014.

Capital expenditure during the period was £47.3m. Included in this expenditure was £41.6m in relation to the development of new sites, £2.4m in respect of maintenance and £3.3m on other revenue-generating initiatives. The capital expenditure was net of reverse premium of £2.8m and opening and closing capital creditor movements of £4.0m resulting in cash outflow of £40.5m.

Net debt decreased to £270.5m at the end of the current period compared to the end of 2014 (2014: £281.9m). Of the net reduction of £11.4m, £5.5m related to the increase in cash during the period (after taking into account all capital expenditure and financing), £6.0m net foreign exchange gains on cash held and bank debt denominated in currencies other than sterling and £0.1m of other non-cash movements.

Risks and uncertainties
The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has an established, structured approach to risk management, which includes continuously assessing and monitoring the key risks and uncertainties of the business. The key business specific risks and uncertainties are set out below in summary form after the Independent Review Report. A description of the principal business specific risks and uncertainties existing as at 1 January 2015 and also some factors and actions taken by the Group which mitigate them were set out on pages 26 to 29 of the Group's Annual Report for 2014, a copy of which is available from the Group's website www.cineworldplc.com. Despite prevailing circumstances in the countries in which the Group operates, the risks and uncertainties are not expected to change materially in the remainder of the year.

Related party transactions
Details of related party transactions described in the Annual Report for the 26 weeks to 2 July 2015 are set out in Note 10 of the interim financial statements.

Going concern

Amendment and extension of existing facility
As part of the combination with Cinema City, the Group entered into a five-year facility in January 2014 which was used to part finance the combination, repay the pre-combination facilities of both Cineworld and Cinema City and fund the general working capital requirements of the Group. The facility included term loans of £165.0m and €132.0m and revolving credit facilities of £75m and €60.0m. In June 2015, the first pre-payments were made to the term loans, reducing the liabilities to £157.5m and €126.0m. The total facility at the balance sheet date (translated at the applicable exchange rate) totalled £364.6m.

On 29 July 2015 Cineworld Group plc signed an amendment and extension to its existing banking facility which was effective immediately upon signing and extends the facility to June 2020. As a result, the term loans have reduced from £157.5m and €126.0m to £130.0m and €63.0m. The Group now has a single multi-currency revolving credit facility of £190m (2 July 2015: £75m and €60.0m). Based on the exchange rate at the balance sheet date, the revised facility totalled £364.7m. Whilst the overall level of facility has not materially changed since the balance sheet date, management believe that revised structure better reflects the financing and working capital needs of the Group.

The facility remains subject to the existing two covenants: the ratio of EBITDA to net debt and the ratio of EBITDAR (pre-rent EBITDA) to net finance charges. A margin, determined by the results of the covenant tests at a given date is added to LIBOR or EURIBOR. The margin on the revised term loans can now range between 0.95% and 2.65% (previously 1.65% and 3.15%) and the revised margin on the single revolving credit facility can range between 0.70% and 2.40% (previously 1.40% and 2.90%). The margins currently applicable to Group are 1.65% on the term loan and 1.40% on the revolving credit facility.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its recently amended and extended facility, including compliance with the bank facility covenants. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing its consolidated interim financial statements.

Board changes
Following nine years of service, David Maloney and Peter Williams lost their independent status and stepped down as Non-Executive Directors from the Board at the AGM on 26 May 2015. At the same meeting two new directors, Julie Southern and Alicja Kornasiewicz, were elected. In addition Rick Senat was appointed Senior Independent Director on 26 May 2015, a position previously held by David Maloney.

On 9 June 2015 it was announced that Philip Bowcock would step down from his position of Chief Financial Officer, leaving the Board of the Group at this time, and ending his employment with the Company on 31 October 2015. Israel Greidinger (Deputy Chief Executive Officer, and formerly Chief Financial Officer of the Cinema City business before its combination with Cineworld) is currently assuming the responsibilities of Chief Financial Officer on an interim basis until a permanent successor has been recruited.

Dividends
The Board is declaring an interim dividend of 5.0p per share (2014: 3.8p per share), reflecting the solid performance in the first half of the year. The dividend will be paid on 2 October 2015 to ordinary shareholders on the register at the close of business on 4 September 2015.

Current trading and outlook
The film release programme for the second half of the year is encouraging. Family titles such as "Minions" and "Jurassic World" have continued their strong performance into July, and the new Disney title "Inside Out" has also proved popular. Trading during the first half of Q3 has outperformed the same period in 2014 (which was impacted by the Football World Cup) and is in line with Management's expectations. Notable releases towards the end of Q3 and Q4 include "Star Wars: Episode VII", the final Hunger Games title "Hunger Games: Mockingjay Part 2" and the next Bond film "Spectre". Overall, with the anticipated strength of the film line up in the second half, coupled with our solid first half performance, we are marginally ahead of our plans for the year

as a whole.

Mooky Greidinger
Chief Executive Officer

Cautionary note concerning forward looking statements

Certain statements in this announcement are forward looking and so involve risk and uncertainty because they relate to events, and depend upon circumstances that will occur in the future and therefore results and developments can differ materially from those anticipated. The forward looking statements reflect knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 2 July 2015

	Note	26 week period ended 2 July 2015 (unaudited) £m	26 week period ended 26 June 2014 (unaudited) £m	53 week period ended 1 January 2015 (audited) £m
Revenue		329.1	268.6	619.4
Cost of sales		(238.0)	(197.6)	(438.9)
Gross profit		91.1	71.0	180.5
Other operating income		1.2	0.2	2.0
Profit on sale of assets and liabilities classified as held for sale		6.4	0.1	-
Administrative expenses		(54.9)	(51.7)	(106.5)
Operating profit		43.8	19.6	76.0
Analysed between:				
Operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring charges or non-cash property charges, transaction and reorganisation costs and profit on disposals		64.7	45.9	126.6
- Depreciation and amortisation		(23.7)	(19.9)	(46.6)
- Onerous leases and other non-recurring charges		-	(1.4)	1.9
- Impairments and reversals of impairments		(3.2)	-	1.0
- Profit on disposal of assets and liabilities classified as held for sale		6.4	0.1	-
- Transaction and reorganisation costs		(0.4)	(5.1)	(6.9)
Finance income	4	9.6	3.2	6.6
Finance expenses	4	(6.3)	(6.8)	(13.3)
Net change in fair value of cash flow hedges reclassified from equity	4	-	(1.9)	(1.9)
Net financing costs		3.3	(5.5)	(8.6)
Share of loss of jointly controlled entity using equity accounting method, net of tax		(0.3)	(0.2)	(0.1)
Profit before tax		46.8	13.9	67.3
Taxation	3	(9.9)	(2.1)	(12.8)
Profit for the period attributable to equity holders of the Company		36.9	11.8	54.5
Other comprehensive income				
Foreign exchange translation (loss)/gain		(29.5)	(6.4)	(34.1)
Re-measurement of the defined benefit asset		0.8	0.3	1.6
Movement in fair value of cash flow hedges		0.7	0.2	0.8
Net change in fair value of cash flow hedges recycled to profit or loss		-	1.9	1.9
Income tax (charge)/credit on other comprehensive income		(0.1)	(0.1)	(0.3)
Other comprehensive income for the period, net of income tax		(28.1)	(4.1)	(30.1)
Total comprehensive income for the period attributable to equity holders of the company		8.8	7.7	24.4

Basic earnings per share	14.0p	5.2p	22.1p
Diluted earnings per share	13.8p	5.1p	21.9p

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 2 July 2015

	2 July 2015 (unaudited) £m	26 June 2014 (unaudited) £m	1 January 2015 (audited) £m
Non-current assets			
Property, plant and equipment	317.6	298.3	297.6
Goodwill	530.9	569.1	552.8
Other intangible assets	54.3	63.8	59.8
Investment in equity-accounted investee	0.3	0.4	0.5
Other receivables	4.9	1.4	6.0
Employee benefits	10.3	6.5	8.6
Deferred tax assets	2.4	12.4	13.5
Total non-current assets	**920.7**	**951.9**	**938.8**
Current assets			
Inventories	8.2	7.1	7.7
Trade and other receivables	63.3	50.6	61.3
Assets classified as held for sale	-	1.6	1.5
Cash and cash equivalents	37.4	32.4	37.4
Total current assets	**108.9**	**91.7**	**107.9**
Total assets	**1,029.6**	**1,043.6**	**1,046.7**
Current liabilities			
Interest-bearing loans, borrowings and other financial liabilities	(24.1)	(13.6)	(24.8)
Bank overdraft	(13.1)	(3.2)	(2.1)
Trade and other payables	(101.7)	(117.2)	(110.7)
Current taxes payable	(1.3)	(2.2)	(8.5)
Provisions	(4.2)	(9.5)	(6.6)
Total current liabilities	**(144.4)**	**(145.7)**	**(152.7)**
Non-current liabilities			
Interest-bearing loans, borrowings and other financial liabilities	(270.7)	(301.7)	(292.4)
Other payables	(60.5)	(57.4)	(57.1)
Government grants	(1.8)	(1.8)	(1.8)
Employee benefits	(1.4)	(0.9)	(1.0)
Provisions	(19.4)	(21.8)	(21.2)
Deferred tax liabilities	(14.3)	(14.1)	(14.2)
Total non-current liabilities	**(368.1)**	**(397.7)**	**(387.7)**
Total liabilities	**(512.5)**	**(543.4)**	**(540.4)**
Net assets	**517.1**	**500.2**	**506.3**
Equity attributable to equity holders of the Company			
Share capital	2.7	2.6	2.6
Share premium	295.8	294.7	294.9
Translation reserve	(61.9)	(4.7)	(32.4)
Merger reserve	207.3	207.3	207.3
Hedging reserve	(0.1)	0.2	(0.8)
Retained earnings	73.3	0.1	34.7
Total equity	**517.1**	**500.2**	**506.3**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the period ended 2 July 2015

	Issued	Share	Merger	Translation	Hedging	Retained	Total

	capital	premium	Reserve	reserve	reserve	earnings	
	£m	£m	£m	£m	£m	£m	£m
Balance at 26 December 2013	**1.5**	**188.2**	**-**	**1.7**	**(1.9)**	**4.4**	**193.9**
Profit for the period	-	-	-	-	-	11.8	11.8
Amounts reclassified from equity to profit and loss account in respect of cash flow hedges	-	-	-	-	1.9	-	1.9
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Re-measurement of the defined benefit asset	-	-	-	-	-	0.3	0.3
Tax recognised on items that will not be reclassified to profit or loss	-	-	-	-	-	(0.1)	(0.1)
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cashflow hedge	-	-	-	-	0.2	-	0.2
Retranslation of foreign currency denominated subsidiaries	-	-	-	(6.4)	-	-	(6.4)
Tax recognised on items that will be reclassified to profit or loss	-	-	-	-	-	-	-
Contributions by and distributions to owners							
Dividends	-	-	-	-	-	(16.9)	(16.9)
Movements due to share-based compensation	-	-	-	-	-	0.6	0.6
Issue of shares	1.1	106.5	207.3	-	-	-	314.9
Balance at 26 June 2014	**2.6**	**294.7**	**207.3**	**(4.7)**	**0.2**	**0.1**	**500.2**
Balance at 26 December 2013	**1.5**	**188.2**	**-**	**1.7**	**(1.9)**	**4.4**	**193.9**
Profit for the period	-	-	-	-	-	54.5	54.5
Amounts reclassified from equity to profit and loss account in respect of cash flow hedges	-	-	-	-	1.9	-	1.9
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Re-measurement of the defined benefit asset	-	-	-	-	-	1.6	1.6
Tax recognised on items that will not be reclassified to profit or loss	-	-	-	-	-	(0.4)	(0.4)
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cashflow hedge	-	-	-	-	(0.8)	-	(0.8)
Retranslation of foreign currency denominated subsidiaries	-	-	-	(34.1)	-	-	(34.1)
Tax recognised on items that will be reclassified to profit or loss	-	-	-	-	-	0.1	0.1
Contributions by and distributions to owners							
Dividends	-	-	-	-	-	(26.9)	(26.9)
Movements due to share-based compensation	-	-	-	-	-	1.4	1.4
Issue of shares	1.1	106.7	207.3	-	-	-	315.1
Balance at 1 January 2015	**2.6**	**294.9**	**207.3**	**(32.4)**	**(0.8)**	**34.7**	**506.3**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the period ended 2 July 2015

	Issued capital	Share premium	Merger Reserve	Translation reserve	Hedging reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2015	**2.6**	**294.9**	**207.3**	**(32.4)**	**(0.8)**	**34.7**	**506.3**

Profit for the period	-	-	-	-	-	36.9	36.9
Amounts reclassified from equity to profit and loss in respect of cash flow hedges	-	-	-	-	-	-	-
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Re-measurement of the defined benefit asset	-	-	-	-	-	0.8	0.8
Tax recognised on items that will not be reclassified to profit or loss	-	-	-	-	-	(0.1)	(0.1)
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cashflow hedges	-	-	-	-	0.7	-	0.7
Retranslation of foreign currency denominated subsidiaries	-	-	-	(29.5)	-	-	(29.5)
Tax recognised on items that will be subsequently reclassified to profit or loss	-	-	-	-	-	(0.1)	(0.1)
Contributions by and distributions to owners							
Dividends	-	-	-	-	-	-	-
Movements due to share-based compensation	-	-	-	-	-	1.1	1.1
Issue of shares	0.1	0.9	-	-	-	-	1.0
Balance at 2 July 2015	**2.7**	**295.8**	**207.3**	**(61.9)**	**(0.1)**	**73.3**	**517.1**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 2 July 2015

	26 week period ended 2 July 2015 (unaudited) £m	26 week period ended 26 June 2014 (unaudited) £m	53 week period ended 1 January 2015 (audited) £m
Cash flows from operating activities			
Profit for the period	36.9	11.8	54.5
Adjustments for:			
Financial income	(9.6)	(3.2)	(6.6)
Financial expense	6.3	6.8	13.3
Taxation charge	9.9	2.1	12.8
Net change in fair value of cash flow hedges	-	1.9	1.9
Share of loss of equity-accounted investee	0.3	0.2	0.1
Operating profit	43.8	19.6	76.0
Depreciation and amortisation	23.7	19.9	46.6
Non-cash property charges	(0.3)	-	(2.5)
Impairments and reversals of impairments	3.2	-	(1.0)
Surplus of pension contributions over current service cost	(0.8)	(0.8)	(1.6)
Decrease/(increase) in trade and other receivables	(2.1)	7.6	(3.4)
Decrease/(increase) in inventories	(0.5)	(0.2)	(0.8)
(Decrease)/increase in trade and other payables	(7.1)	(13.6)	(7.0)
Increase/(decrease) in provisions and employee benefits	(3.2)	10.2	(8.1)
Cash generated from operations	56.8	42.7	98.2
Tax paid	(5.5)	(4.5)	(12.1)
Net cash flows from operating activities	51.3	38.2	86.1
Cash flows from investing activities			
Interest received	0.6	0.1	0.2
Acquisition of subsidiaries net of acquired cash	-	(278.5)	(278.5)
Acquisition of property, plant and equipment	(40.5)	(19.5)	(48.1)
Proceeds from sale of property, plant and equipment	8.0	0.8	0.7
Net cash flows used in investing activities	(31.9)	(297.1)	(325.7)
Cash flows from financing activities			
Proceeds from share issue	0.9	107.2	107.4
Dividends paid to shareholders	-	(16.9)	(26.9)

Interest paid	(5.5)	(3.6)	(10.4)
Repayment of bank loans	(22.1)	(127.7)	(202.2)
Proceeds from bank loans	10.9	314.0	392.9
Payment of finance lease liabilities	(0.4)	(0.4)	(0.7)
Net cash used in financing activities	(16.2)	272.6	260.1
Net (decrease)/increase in cash and cash equivalents	3.2	13.7	20.5
Effect of exchange rate fluctuations on cash held	(3.2)	(0.3)	(2.1)
Cash and cash equivalents at start of period	37.4	19.0	19.0
Cash and cash equivalents at end of period	37.4	32.4	37.4

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

Reporting entity

Cineworld Group plc (the "Company") is a company domiciled in the United Kingdom. The interim condensed consolidated financial statements of the Company as at and for the 26 weeks ended 2 July 2015 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly controlled entities.

The consolidated financial statements of the Group as at and for the period ended 1 January 2015 are available upon request from the Company's registered office at Power Road Studios, 114 Power Road, Chiswick W4 5PY.

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 1 January 2015. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the 53 weeks ended 1 January 2015.

The comparative figures for the financial year ended 1 January 2015 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Significant accounting policies

These Condensed Consolidated Interim Financial Statements are unaudited and, have been prepared on the basis of accounting policies consistent with those applied in the Consolidated Financial Statements for the 53 weeks ended 1 January 2015.

2. Operating segments

Determination and presentation of operating segments

The Group has determined that is has two operating segments: UK and Ireland aggregation and Cinema City (Central and Eastern Europe and Israel).

	UK and Ireland[1]	Cinema City (CEE & I)	Total
	£m	£m	£m
26 weeks to 2 July 2015			
Total revenues	219.3	109.8	329.1
EBITDA	40.0	24.7	64.7
Segmental operating profit	30.0	13.8	43.8
Net finance costs/(income)	(3.6)	0.3	(3.3)
Share of loss of jointly controlled entities using equity method, net of tax	(0.3)	-	(0.3)
Profit before taxation	**33.3**	**13.5**	**46.8**
Segmental total assets	**489.8**	**539.8**	**1,029.6**

26 weeks to 26 June 2014			
Total revenues	202.3	66.3	268.6
EBITDA	32.5	13.4	45.9
Segmental operating profit	14.1	5.5	19.6
Net finance costs	(4.9)	(0.6)	(5.5)
Share of loss of jointly controlled entities using equity method, net of tax	(0.2)	-	(0.2)
Profit before taxation	**9.0**	**4.9**	**13.9**
Segmental total assets	**477.8**	**565.8**	**1,043.6**
53 weeks to 1 January 2015			
Total revenues	425.3	194.1	619.4
EBITDA	78.8	47.8	126.6
Segmental operating profit	47.4	28.6	76.0
Net finance costs	(7.6)	(1.0)	(8.6)
Share of loss of jointly controlled entities using equity method, net of tax	(0.1)	-	(0.1)
Profit before taxation	**39.7**	**27.6**	**67.3**
Segmental total assets	**489.7**	**557.0**	**1,046.7**

[1] Now that the Competition Commission process has been resolved, Picturehouse has been integrated into the wider UK business. As such the performance of Cineworld and Picturehouse is now reported together as "UK & Ireland".

3. Taxation

The taxation charge has been calculated by reference to the expected effective corporation tax rates in the UK for the 52 week period ending on 31 December 2015 applied against the profit before tax for the 26 week period ended 2 July 2015. Recognised in the income statement:

	26 week period ended 2 July 2015 (unaudited) £m	26 week period ended 26 June 2014 (unaudited) £m	53 week period ended 1 January 2015 (audited) £m
Current year tax expense			
Current period	4.9	2.2	13.7
Adjustments in respect of prior periods	-	0.1	(0.1)
Total current year tax expense	**4.9**	**2.3**	**13.6**
Deferred tax charge			
Current period	5.0	0.9	-
Adjustments in respect of prior periods	-	(1.1)	(0.8)
Total deferred tax expense	**5.0**	**(0.2)**	**0.8**
Total tax charge in the income statement	**9.9**	**2.1**	**12.8**
Effective tax rate	21.1%	15.1%	19.0%
Current year effective tax rate	21.1%	22.3%	20.3%

4. Finance income and expense

	26 week period ended 2 July 2015 (unaudited) £m	26 week period ended 26 June 2014 (unaudited) £m	53 week period ended 1 January 2015 (audited) £m
Interest income	0.6	0.1	0.3
Defined benefit pension scheme net finance income	0.1	0.1	0.3
Net foreign exchange gain	8.9	3.0	6.0
Financial income	**9.6**	**3.2**	**6.6**

Interest expense on bank loans and overdrafts	4.4	4.2	10.2
Amortisation of financing costs	0.9	1.1	1.8
Unwind of discount on property provisions	0.4	0.7	0.4
Other financial costs	0.6	0.8	0.9
Financial expense	**6.3**	**6.8**	**13.3**
Amounts reclassified from the hedging reserve to profit and loss in respect of cash flow hedges	-	1.9	1.9
Total financial (income)/expense	**(3.3)**	**5.5**	**8.6**

5. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of non-vested ordinary shares held by the employee ownership trust. Adjusted earnings per share is calculated in the same way except that the profit for the period attributable to ordinary shareholders is adjusted by adding back the amortisation of intangible assets and other one-off income or expense and then adjusting for the tax impact on those items which is calculated at the effective tax rate for the current period. The performance of adjusted earnings per share is used to determine awards to Executive Directors under the Group Performance Share Plan ("PSP"). Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of any non-vested ordinary shares held by the employee share ownership trust and after adjusting for the effects of dilutive options.

	26 week period ended 2 July 2015 (unaudited) £m	26 week period ended 26 June 2014[1] (unaudited) £m	53 week period ended 1 January 2015 (audited) £m
Profit after tax for the period attributable to ordinary shareholders	**36.9**	11.8	54.5
Adjustments:			
Amortisation of intangible assets[2]	**2.9**	2.4	5.4
Transaction and reorganisation costs	**0.4**	5.1	6.9
Impairments and reversals of impairments	**3.2**	-	(1.0)
Other non-recurring charges	**-**	1.3	(1.9)
Exceptional finance charges	**-**	2.6	2.6
Impact of foreign exchange translation gains and losses	**(7.6)**	(2.7)	(4.3)
Profit on disposal of assets	**(6.4)**	-	-
Total adjustments	**(7.5)**	8.7	7.7
Adjusted earnings	**29.4**	20.5	62.2
Tax effect of above items	**1.6**	(1.9)	(1.0)
Adjusted profit after tax	**31.0**	18.6	61.2

	Number of shares m	Number of shares m	Number of shares m
Weighted average number of shares in issue	**264.2**	228.2	246.3
Basic and adjusted earnings per share denominator	**264.2**	228.2	246.3
Dilutive options	**2.5**	2.6	2.1
Diluted earnings per share denominator	**266.7**	230.8	248.4
Shares in issue at period end	**265.2**	263.8	263.9

	Pence	Pence	Pence
Basic earnings per share	**14.0**	5.2	22.1
Diluted earnings per share	**13.8**	5.1	21.9
Adjusted basic earnings per share (rights adjusted)[3]	**11.7**	8.1	24.6
Adjusted diluted earnings per share (rights adjusted)[3]	**11.6**	8.0	24.4

[1]The information for the 26 week period ended 26 June 2014 has been restated to take into account the impact of net foreign exchange gains of £2.7m which were not originally eliminated from Adjusted Earnings. Management believe it is appropriate to remove this net gain as it not crystalised until the Euro Term loan is settled. In the June 2014 Interim Statement adjusted basic earnings per share was stated as 9.0p and adjusted diluted earnings per share was stated as 8.9p.

[2]Amortisation of intangible assets includes amortisation of the fair value placed on brands, customer lists, distribution relationships, and advertising relationships as a result of the Picturehouse acquisition and Cinema City business combination. It does not include amortisation of purchased distribution rights.

[3]The interim and annual 2014 adjusted basic and diluted earnings per share have been adjusted for the first 48 days of the period to take into account of the rights issue of 8 for 25 shares on 14 February 2014.

6. Dividends

The Directors have declared an interim dividend of 5p per share, amounting to £13.3m, which will be paid on 2 October 2015 to ordinary shareholders on the register at the close of business on 4 September 2015. In accordance with IAS 10, this will be recognised in the reserves of the Group when the dividend is paid.

7. Analysis of net debt

	Cash at bank and in hand	Bank overdrafts and short term loans	Bank loans	Finance leases	Interest rate swaps	Net debt
	£m	£m	£m	£m	£m	£m
Balance at 1 January 2015	37.4	(2.1)	(307.1)	(7.4)	(2.7)	(281.9)
Cash flows	3.2	(10.9)	12.8	0.4	-	5.5
Non cash movement	-	-	(0.6)	(0.2)	0.7	(0.1)
Effect of movement in foreign exchange rates	(3.2)	(0.1)	9.3	-	-	6.0
Balance at 2 July 2015	37.4	(13.1)	(285.6)	(7.2)	(2.0)	(270.5)

Fair Value Hierarchy of Financial Instruments:
The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2 July 2015				
Derivative financial instruments	-	**2.0**	-	**2.0**
26 June 2014				
Derivative financial instruments	-	1.7	-	1.7
1 January 2015				
Derivative financial instruments	-	2.7	-	2.7

There have been no transfers between levels in 2015 (2014: no transfers). No other financial instruments are held at fair value.

The carrying amount of the Group's financial assets and liabilities are generally the same as their fair value, with the exception of the interest rate swaps which have a fair value liability of £2.0m at 2 July 2015 (26 June 2014: £1.7m liability; 1 January 2015: £2.7m liability).

8. Property, plant and equipment

During the 26 weeks to 2 July 2015, the Group acquired assets of £47.3m (26 weeks to 26 June 2014: £23.3m; 53 weeks ended 1 January 2015: £49.5m).

9. Capital commitments

Capital commitments at the end of the financial period for which no provision has been made were £53.7m (26 June 2014: £22.1m and 1 December 2015: £31.9m, relating primarily to new cinema sites). Capital commitments at 2 July 2015 related primarily to new sites (£38.1m), cinema equipment and leasehold improvements (£10.3m) and distribution rights (£5.3m).

10. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Total compensation for the Directors during the 26 weeks to 2 July 2015 was £0.9m (26 June 2014 was £1.8m; 53 weeks ended 1 January 2015: £2.7m). At 2 July 2015 the balance owed to directors was £nil (26 June 2014: £0.3m; 1 January 2015: £nil).

Digital Cinema Media (DCM) is a joint venture between the Group and Odeon Cinemas Holdings Limited set up on 10 July 2008. Revenue receivable from DCM in the 26 weeks to 2 July 2015 was £7.0m (26 weeks ended 26 June 2014 totalled £6.7m and 53 weeks to 1 January 2015: £15.6m) and as at 2 July 2015 £1.7 was due from DCM in respect of trade receivables (26 June 2014: £nil; 1 January 2015 £nil). In addition the Group has a working capital loan outstanding from DCM of £0.5m (53 weeks to 1 January 2015 £0.5m).

Global City Holdings N.V (formerly Cinema City International N.V. and its subsidiary companies ("Global City Group") are considered to be related parties of the Cineworld Group as Global City Group own 28.97% of the Cineworld Group and Mooky Greidinger and Israel Greidinger are directors of both groups. As part of its business the Global City Group leases commercial properties to various Cineworld Group companies. Rent payable on these properties for the 26 weeks to 2 July 2015 totalled £3.3m (26 June 2014: £2.1; 1 January 2015: £3.2m)). At 2 July 2015 the balance owing to the Global City Group was £0.5m (26 June 2014: £0.4m; 1 January 2015: £nil), and the balance receivable from the Global City Group was £nil (26 June 2014: £1.0m; 1 January 2015: £nil).

11. Events after the balance sheet date

As part of the combination with Cinema City, the Group entered into a five-year facility in January 2014 which was used to part finance the combination, repay the pre-combination facilities of both Cineworld and Cinema City and fund the general working capital requirements of the Group. The facility included term loans of £165.0m and €132.0m and revolving credit facilities of £75m and €60.0m. In June 2015, the first pre-payments were made to the term loans, reducing the liabilities to £157.5m and €126.0m. The total facility at the balance sheet date (translated at the applicable exchange rate) totalled £364.6m.

On 29 July 2015 Cineworld Group plc signed an amendment and extension to its existing banking facility which was effective immediately upon signing and extends the facility to June 2020. As a result, the term loans have reduced from £157.5m and €126.0m to £130.0m and €63.0m. The Group now has a single multi-currency revolving credit facility of £190m (2 July 2015: £75m and €60.0m). Based on the exchange rate at the balance sheet date, the revised facility totalled £364.7m. Whilst the overall level of facility has not materially changed since the balance sheet date, management believe that revised structure better reflects the financing and working capital needs of the Group.

The facility remains subject to the existing two covenants: the ratio of EBITDA to net debt and the ratio of EBITDAR (pre-rent EBITDA) to net finance charges. A margin, determined by the results of the covenant tests at a given date is added to LIBOR or EURIBOR. The margin on the revised term loans can now range between 0.95% and 2.65% (previously 1.65% and 3.15%) and the revised margin on the single revolving credit facility can range between 0.70% and 2.40% (previously 1.40% and 2.90%). The margins currently applicable to Group are 1.65% on the term loan and 1.40% on the revolving credit facility.

INDEPENDENT REVIEW REPORT TO CINEWORLD GROUP PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 2 July 2015 which comprises the Condensed Consolidated statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 2 July 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Mark Summerfield
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
12 August 2015

RISKS AND UNCERTAINTIES

A summary of the key business specific risks and uncertainties is set out below. A description of the principal business specific risks and uncertainties existing as at 1 January 2015 and also some factors and actions taken by the Group which mitigate them were set out on pages 26 to 29 of the Group's Annual Report for 2014, a copy of which is available from Cineworld's website www.cineworldplc.com. Despite prevailing circumstances in the countries in which the Group operates, the risks and uncertainties are not expected to change materially in the remainder of the year.

Integration of the enlarged Cineworld Group

Principal Risk and Impact

The combination of Cineworld and Cinema City Holdings during the prior year has meant an increase in exposure to operating effectiveness and resilience of the enlarged Group due to the integration required for systems, people and processes.

Effective management of the integration process is key to ensure the enlarged Group maximises the benefits and synergies of the enlarged business and reduce the risk exposure to operational inefficiencies and or potential internal control failings.

Film distributor relationships, the release window and alternative media

Principal Risk and Impact

Cinema going is driven primarily by output from Hollywood, which is dominated by six film studios.

Maintaining the Groups relationships with the large Hollywood film studios, but also with distributors across the globe is critical to ensure timely access to first-run films, favourable film hire terms and agreements for on-going film distribution.

Any deterioration in these relationships could have a significant direct impact on our access to film content as well as the potential for the film distributers to consider alternative film delivery methods and/or, a reduction or elimination of the release window.

Furthermore, the continuing development of existing and new technology (such as 3D television and internet streaming) is also introducing increasing competitive forces as they offer alternative ways to release films.

Availability and performance of film content

Principal Risk and Impact

Underpinning the overall success of the Group is the quality of distributor film slate, the timeliness of their release and the appeal of such films to our customers.

A year where the film distributors do not produce the level of expected films or films underperform has a direct impact on cinema attendance and, therefore the principal box office revenue for the Group could decline.

Economic factors in terms of the availability of capital for financing film productions can also have an impact on the supply of films and/or their production.

Customer experience and competition

Principal Risk and Impact

Although Cinema admissions are predominantly driven by the quality and availability of movie product, ensuring that the Group continually aims to enhance the viewer experience through the quality of the products and services offered is also key to our focus of being the Cinema of choice.

Any decrease in the quality of the services we offer from the ease of booking, the technology we use to a friendly farewell on departure could result in loss of our customers to competitors and or other leisure/entertainment attractions.

Revenue from retail sales

Principal Risk and Impact

Retail sales generally fluctuate in line with admissions, therefore, if admissions were to fall, revenue from retail sales could decrease. Retail spend may also decrease due to changes in customer preferences, decreased disposable income or other economic and cultural factors.

In addition, the price of such items as energy and foodstuffs has a direct impact on costs which we may not be able to pass on to customers.

The ability of the Group to understand and react quickly to the changing customer need is a key part to maintaining and increasing this revenue effectively

Revenue from screen advertising

Principal Risk and Impact

The level of revenues earned is directly affected by the overall demand for advertising, the competitive pressures for that advertising spend and then ultimately by cinema admissions.

Expansion and growth of Cinema estate

Principal Risk and Impact

Our estate growth is dependent on our ability to effectively expand operations through the development of new sites or acquiring existing cinemas.

Planning laws, economic environment, availability of capital for developers and location choice are some of the factors that may impact the Group's development and growth initiatives. This is particularly heightened if the Group continues to expand in emerging markets as the risk of doing business in these areas can be high.

Retention and attraction of senior management and key employees

Principal Risk and Impact

The Group's performance and its ability to mitigate significant risks within its control depend on its employees and management teams.

Therefore, reliance is placed on the Groups ability to recruit, develop and incentivise senior management and other key employees.

If the Group loses the services of key people this is likely to have a direct impact on the ability to deliver business objectives.

Technology and data control

Principal Risk and Impact

The Group continues to grow in its reliance on IT systems and data control from booking tickets on the website to managing financial information and everything in between. Therefore, any critical system interruption for a sustained period could have a significant impact on the Group performance.

In addition, any breach (cyber or otherwise) of Data Protection rules or in security measures surrounding the storage of confidential or proprietary information held by the Group could result in access, loss or disclosure of this information leading to legal claims, regulatory penalties, disruption of operations of the Group and ultimately reputational damage.

Regulatory breach

Principal Risk and Impact

The Group's business and operations are affected by regulations covering such matters as planning, the environment, health and safety, licensing, food and drink retailing, data protection and the minimum wage.

Failure to ensure on-going compliance across the wide breadth of regulation/legislation may result in fines and/or suspension of the activity or entire business operation.

Film Piracy

Principal Risk and Impact

Film piracy (aided by technological advances) has long-term implications for the industry as a whole. If the Group is seen not to be proactively supporting the film distributors in combatting this, there could be a direct impact on our relationship with them and therefore, affect our access to film content.

Additionally if cinemas are the source of pirated copies of films, distributors will consider alternative means of release.

Terrorism and Civil Unrest

Principal Risk and Impact

Cinema businesses could be affected by civil unrest or terrorist acts/threats which could cause the public to avoid cinemas. This could be due to incidents in the locations in which the Group operates or in other areas that increase general unease in the locations in which it operates.

The Group may additionally be subject to an increased risk of boycott, targeted civil unrest or terrorist action/threat as a result of operating in and being linked to certain countries or types of film. This could adversely impact the results of operations and financial condition of the Group.

Extreme weather conditions

Principal Risk and Impact

Unusual weather patterns such as unseasonably warm summers or extreme snowfalls in winter can impact attendances at cinemas and, particularly where this coincides with a major film release could have a significant effect on revenues.

RESPONSIBILITY STATEMENT OF THE DIRECTORS' IN RESPECT OF THE INTERIM REPORT

The directors confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

The Chief Executive Officer's Review and the condensed set of financial statements include a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first 26 weeks of the financial period and their impact on the condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial period; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial period and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors of Cineworld Group plc are listed on the Cineworld Group plc website (www.cineworldplc.com).

By order of the Board

Moshe Greidinger
Director

Israel Greidinger
Director

13 August 2015

Shareholder Information

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Company Number
Registered Number: 5212407

Place of incorporation
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