Half-year Report

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Cineworld Group plc
11 August 2016

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CINEWORLD GROUP plc interim results for 6 months ended 30 June 2016

Cineworld Group plc ("the Group") is pleased to announce its interim results for the 6 months period ended 30 June 2016

	6 months ended 30 June 2016	6 months ended 2 July 2015	v 2015 (statutory basis)	v 2015 (constant currency basis) [1]
Group revenue	£356.7m	£329.1m	+ 8.4%	+ 6.8%
EBITDA[2]	£70.5m	£64.7m	+ 9.0%	+ 7.2%
Profit before tax	£30.6m	£46.8m	- 34.6%	
Adjusted profit before tax[3]	£39.4m	£39.3m	+ 0.3%	
Profit after tax	£24.4m	£36.9m	- 33.9%	
Adjusted profit after tax[3]	£32.7m	£31.0m	+ 5.5%	
Diluted EPS	9.1 p	13.8 p	- 34.1%	
Adjusted diluted EPS	12.2 p	11.6 p	+ 5.2%	
Dividend per share	5.2 p	5.0p	+ 4.0%	

Financial Highlights

- Group revenue growth of 8.4% on a statutory basis and 6.8% on a constant currency basis[1];
  - UK & Ireland revenue growth of 3.0%,
  - ROW[4] revenue growth of 13.9% on a constant currency;
- EBITDA growth of 9.0% on a statutory basis and 7.2% on a constant currency basis;
- Adjusted profit after tax increased by 5.5% to £32.7m;
- Adjusted profit before tax remains broadly flat at £39.4m;
- Statutory profit after tax decreased to £24.4m, predominantly due to:
  - a £6.4m one-off gain on a disposal in the prior year period, and
  - adverse currency movements of £6.1m compared to an exchange rate gain of £8.9m in the prior year period;
- Adjusted diluted EPS growth of 5.2% to 12.2p;
- Interim dividend increased by 4.0% to 5.2p;
- Net cash generated from operating activities of £44.4m; and
- Net debt broadly flat at £250.3m compared to £245.2m at 31 December 2015.

Operational Highlights

- Admissions growth of 2.7% to 46.1m;
- Strategic expansion continued with four more site openings, taking the Group to 2053 screens;
- Estate management progressing well, with six major refurbishments to be completed by the end of 2016;
- Driving technological innovation with the first 4DX screen in Slovakia and first IMAX Sound Experience in the UK; and
- CEO, Mooky Greidinger awarded the Global Achievement Award in Exhibition at Cinemacon 2016.

Post balance sheet acquisition

- Acquisition post-period end of five cinemas from Empire Cinema Limited, including the Empire in Leicester Square.

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

"We are delighted to have continued the Group's strategic expansion with the opening of four new sites, 45 screens, during the six months to 30 June 2016. The acquisition announced on 28 July 2016, of five cinemas from Empire Cinema Limited, is an exciting development and reinforces our commitment to growth by operating high quality cinemas.

The results for the first half of the year are in-line with our expectations. We have achieved growth in admissions, box office revenue, and retail sales, with a particularly strong performance in our Rest of the World segment, achieving double digit growth in admissions. The strongest titles released during the period were "The Jungle Book", "Deadpool" and "Captain America: Civil War."Our solid performance has resulted in constant currency revenue growth of 6.8%, and EBITDA growth of 7.2%. The Board is pleased to declare an increased interim dividend of 5.2p (2015: 5.0p).

The film release programme for the second half of the year is promising, with a number of family titles scheduled during the summer including "The Secret Life of Pets", "The BFG" and "Finding Dory" as well as "Star Trek Beyond", "Jason Bourne", "Bridget Jones Baby", "Fantastic Beasts and Where to Find Them" and "Star Wars: Rogue One" later in the year. We are currently contracted to open a further 6 sites, 47 screens, before the end of the year. Based on the film slate in the second half and our first half results, we remain confident of delivering a performance for the year as a whole in line with current market expectations."

1 To provide information on a comparable basis, where % change vs. prior period information includes performance generated in currencies other than sterling, the % is presented on a constant currency basis. Constant currency movements have been calculated by applying the 2016 average exchange rates to 2015 performance.
2 EBITDA is defined as profit before depreciation and amortisation, onerous leases and other non-recurring charges, impairments and reversals of impairments, transaction and reorganisation costs, profit on disposals of assets.
3 Adjusted profit before tax is calculated by adding back amortisation of intangible assets (excluding acquired movie distribution rights), and certain non-recurring, non-cash items and foreign exchange as set out in Note 5. Adjusted profit after tax is arrived at by applying an effective tax rate to adjusted profit before tax.
4 ROW is defined as Rest of the World and includes Poland, Israel, Romania, Hungary, 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:	11 August 2016
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:	http://secure.emincote.com/client/cineworld/cineworld003

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Chief Executive Officer's Review

Overview

We have continued with the Group's vision to be "The best place to watch a movie", expanding our estate, enhancing existing cinemas and providing a variety of formats of how to watch a movie, as well as a wide choice of retail offerings.

The film slate for the first half of 2016 was solid, but significant events such as the Euro 2016 Football Championships impacted the timing of important movie releases. In the comparative period last year there was a particularly strong slate, including "Jurassic World", which was released in June and became the 10th biggest film of all time in the UK in terms of admissions (Source: UK Cinema Association).

Our results reflect the benefit of operating in nine different territories, particularly in growth markets such as Romania and Poland, where there was strong growth in admissions, box office and retail revenues, compared to more mature markets such as the UK. The later saw a comparative decline in admissions as a result of the comparatively weaker film slate.

Whilst we remain vigilant, we do not believe the result of the EU referendum will have a significant impact on the underlying trading performance of the Group going forward based on the nature of our business which has a proven consumer appeal throughout all economic cycles.

We continued to focus on expansion, with four new sites, 45 screens, being opened in the period to 30 June 2016. Two sites were opened in the UK; Yate (6 screens) and Loughborough (8 screens), one in Romania; Timishoara Nepi (13 screens) and one in Israel; Beer Sheeva (18 screens). We are currently contracted to open a further six cinemas, 47 screens across the Group during the second half of the year, three in the UK and three in the ROW. Two projects originally planned for 2016 in the ROW were postponed until early next year.

We pro-actively focus on the management of our estate, with an extensive refurbishment programme which is progressing well. We plan to complete three major refurbishments in the UK by the end of the year, in Crawley, Stevenage and Glasgow Renfrew Street, and three in ROW, AuPark and Polus in Slovakia and Compana in Hungary. One four-screen site in the UK, Hammersmith, was closed during the period and a further two sites, Liverpool and Staples Corner will close in the second half of the year.

Ensuring that our cinemas have the latest digital and technological innovations is an important part of our strategy. During the period we opened the first 4DX screen in Slovakia, as well as our fourth 4DX screen in the UK and a further two 4DX screens in the ROW. At the 30 June 2016 we have a total of 18 4DX screens and 30 IMAX screens throughout the Group. We installed the first IMAX Sound Experience in the UK in May.

We have continued to expand the retail offerings across the circuit, opening a further two Starbucks coffee outlets during the period, in Stevenage and Loughborough, taking the total number to 19 at 30 June 2016. We have a further five openings planned for the second half of 2016. The launch of our VIP experience in the UK in Sheffield at the end of 2015 is proving popular and we are due to open the second one in Glasgow during the second half of the year. Our "Unlimited" programme was launched in Poland at the end of 2015 and is performing in line with expectations.

An important development was the acquisition of fives cinemas (64 screens) from Empire Cinemas which was announced on 28 July 2016. This will complement our existing estate and enhance our London presence, with the acquisition of the iconic Empire Leicester Square cinema in the heart of London's West End. The EBITDA of the acquired cinemas for the twelve months to 31 March 2016 (based on unaudited results) was£9.0m, which only included a partial contribution from 9 screens at Hemel Hempstead and the UK's first IMAX Laser (in Leicester Square) which were only opened part way through the period. The acquisition is expected to complete on 12th August 2016.

I would like to express my thanks to the whole Cineworld team for all their continued hard work, for without them I would not have been able to receive the Global Achievement Award in Exhibition at Cinemacon 2016. Teamwork remains the key to our future.

Current trading and outlook

The film release programme for the second half of the year includes strong family titles during the summer such as "The Secret Life of Pets", "The BFG" and "Finding Dory". The performancefor July was encouraging with the UK market box office increasing 21.7% in the period 1 July 2016 - 7 August 2016 compared to the comparative period (Source: Rentrak). Other key releases include "Star Trek Beyond", "Jason Bourne", "Bridget Jones Baby", "Fantastic Beasts and Where to Find Them" and "Star Wars: Rogue One"Based on the film slate in the second half and our solid first half results, we remain confident of delivering a performance for the year as a whole in line with current market expectations."

Group Performance Overview

	6 months to 30 June 2016	6 months to to 2 July 2015	v. 2015 (statutory basis)	v. 2015 (constant currency)
Admissions	46.1m	44.9m	+ 2.7%	
	£m	£m		
Box office	227.0	217.1	+ 4.6%	+ 3.1%
Retail	84.7	76.5	+ 10.7%	+ 9.0%
Other income	45.0	35.5	+ 26.8%	+ 23.8%
Total revenue	**356.7**	**329.1**	**+ 8.4%**	**+ 6.8%**

Cineworld Group plc results for the 6 months period ended 30 June 2016 reflect the trading and financial position of Cineworld Cinemas, Picturehouse, Cinema City and Yes Planet (the "Group").

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 2016 average exchange rates to 2015 performance.

The Group's box office revenue is driven by admissions, which depend on the number, timing, format and popularity of the movies we are able to show in our cinemas. Admissions in turn drive the other main revenues for the Group, which are retail revenue (the sale of food and drink for consumption within our cinemas) and screen advertising income (revenue from advertisements shown on our screens prior to feature presentations).

Total revenue in the 6 month period ended 30 June 2016 was £356.7m. On a constant currency basis, this equates to an increase of 6.8%. Overall admissions increased by 2.7%, with box office revenues increasing 3.1%. 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 0.5% to£4.92. Retail spend per person increased by 6.2% to £1.84 resulting in retail revenue growth of 9.0%. Other revenues increased by 23.8% largely as a result of our advertising activity, which was stronger during the first half of 2016 than the comparative period reflecting the attractiveness of film titles to prospective advertisers.

UK & Ireland

The results below for the UK & Ireland include the two cinema chain brands in the UK, Cineworld and Picturehouse.

	6 months to 30 June 2016	6 months to to 2 July 2015	v. 2015 (statutory basis)
Admissions	24.0m	25.0m	- 4.0%
	£m	£m	
Box office	150.0	150.4	- 0.3%
Retail	53.5	50.6	+ 5.7%
Other income	22.4	18.3	+ 22.4%
Total revenue	**225.9**	**219.3**	**+ 3.0%**

Box Office
Box office admissions and box offices revenues decreased by 4.0% and 0.3% respectively which is reflective of the film slate during the first half of 2016 compared to 2015. The total UK box offices admissions for the six month period was 4.9% lower compared to the prior period (Source: UK Cinema Association). In the UK and Ireland as a whole the top three movies in the first six months of 2016 were, "The Jungle Book", "Deadpool" and "Captain America: Civil War" which grossed£120.0m compared to the first half of 2015 which was underpinned by the success of "Jurassic World", "Avengers: The Age of Ultron" and "Fast and Furious 7"which grossed over £138.0m in the UK and Ireland.

The average ticket price achieved in the UK and Ireland increased to£6.25 (2015: £6.02). The increase reflects the increased availability and popularity of premium offerings and price rises. The top three movies in the first half were all available in the IMAX, 3D and 4DX format.

Retail
Retail revenue was 5.7% higher than the comparative period. Retail spend per person increased by 10.0% to £2.23 (2015: £2.02). Spend per person has been positively impacted by the nature of the film mix in the first half, as well as our broader range of retail offerings, including Starbucks and our VIP experience alongside modest price rises. During the first half of the year we have opened a further two Starbucks outlets, one in our new Loughborough cinema, and one in Stevenage.

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 2016, increasing by 12.5% compared to the comparative period. Other key drivers for the increase in other income include revenue from the online booking fee where there is a continuation of the trend to book online and the hire of our cinemas for event space.

Rest of the World

The results below for the Rest of the World ("ROW") includes Poland, Israel, Romania, Hungary, Czech Republic, Bulgaria and Slovakia.

	6 months to 30 June 2016	6 months to to 2 July 2015	v. 2015 (statutory basis)	v. 2015 (constant currency)
Admissions	22.1m	19.9m	+ 11.1%	
	£m	£m		
Box office	77.0	66.7	+ 15.4%	+ 10.6%
Retail	31.2	25.9	+ 20.5%	+ 15.1%
Other income	22.6	17.2	+ 31.4%	+ 25.0%
Total revenue	**130.8**	**109.8**	**+ 19.1%**	**+ 13.9%**

Box Office
Total admissions and box office revenue in the ROW increased by 11.1% and 10.6% respectively compared to the prior period on a constant currency basis. Romania, Poland, Hungary, and the Czech Republic experienced double digit growth in admissions with Romania increasing 23.0%. Admissions have increased in these territories as a result of the continued improvements in the local economies as well our new sites. During 2015, there were five new sites

opened in Romania, two in Poland and one in Israel with a further 2 sites opened in the first half of 2016, Timishoara Nepi (Romania) and Beer Sheeva (Israel). Slovakia also experienced admissions growth with Israel and Bulgaria experiencing marginal declines.

The average ticket price remained broadly flat at £3.48 on a constant currency basis. Although there were small increases in certain territories due to the expansion of our premium offerings and some inflationary increases the main factor affecting the price was film mix during the period.

As with the UK, movie performance for the first half of the year was underpinned by the success of "Deadpool" and the "Jungle Book" as well as the family movie "Zootopia". Locally produced movies continue to be popular in the ROW, in Poland "Planeta Singli" and "Pitbull. Nowe porzadki" were the top two performing movies for the period.

Retail
Retail spend per person increased to £1.41 during the period - an increase of 3.8% with increases in most territories. The growth was driven by a combination of an expanded retail offering across the region, inflationary price increases, and the film mix.

Other income
Other income includes distribution, advertising and other revenues and represents 17.3% (2015: 15.7%) of the total revenues. Forum Film operates across the ROW region and distributes movies on behalf of the major Hollywood studios as well as owning the distribution rights to certain independent movies. Key titles distributed in the period include "Star Wars: The Force awakens" at the start of 2016, "Zootopia", "The Jungle Book" and "Me Before You". New Age Media, Cinema City's advertising and sponsorship arm also performed very strongly during the period.

Statutory Financial Performance

	6 month period ended 30 June 2016			6 month period ended 2 July 2015
	UK & Ireland	**ROW**	**Total Group**	Total Group
Admissions	24.0m	22.1m	**46.1m**	44.9m
	£m	£m	**£m**	£m
Box office	150.0	77.0	**227.0**	217.1
Retail	53.5	31.2	**84.7**	76.5
Other Income	22.4	22.6	**45.0**	35.5
Total revenue	225.9	130.8	**356.7**	329.1
EBITDA[1]	37.7	32.8	**70.5**	64.7
Operating profit			**41.8**	43.8
Financial income			**0.5**	9.6
Financial expense			**(11.6)**	(6.3)
Net financing costs			**(11.1)**	3.3
Share of loss from joint venture			**(0.1)**	(0.3)
Profit on ordinary activities before tax			**30.6**	46.8
Tax on profit on ordinary activities			**(6.2)**	(9.9)
Profit for the period attributable to equity holders of the Company			**24.4**	36.9

(1) EBITDA is defined as reported in the Consolidated Statement of Profit and Loss as Operating profit before depreciation and amortisation, onerous leases and other non-recurring charges, impairments and reversals of impairments, transaction and reorganisation costs, profit on disposals of assets.

EBITDA and Operating Profit
Group EBITDA has increased by 9.0% to £70.5m (2015: £64.7m).

EBITDA generated by the UK & Ireland of £37.7m has decreased by 5.8% compared to the prior period (2015: £40.0m). The EBITDA margin of 16.7% represents a 1.6% decline from 2015. The ROW generated EBITDA of£32.8m (2015:£24.7m), on a constant currency basis this represents growth of 27.7%. The ROW EBITDA margin of 25.1% is an improvement of 2.6% compared to the prior period. The key driver for the movements in both segments has been the change in admission levels year on year with a reduction in the UK due to the weaker film slate and the improvement in the ROW as a result of the growing economies and popular locally produced movies.

The Group is exposed 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 the ROW in the reporting currency of the Group. During the period EBITDA of£70.5m was £1.6m higher than it would have been had it been translated by applying the exchange rates at the start of the year and £1.4m higher based on the average rate for the comparable 2015 period.

Operating profit at £41.8m was 4.6% lower than the prior period (2015: £43.8m). During the period there have been impairments of £0.7m (2015: £3.2m) relating to the write off of capital expenditure on loss making sites and £1.0m in respect of reorganisation costs (2015: £0.4m). In 2015 operating profit included a £6.4m profit on disposal in respect of the Cambridge Cineworld site.

The total depreciation and amortisation charge (included in administrative expenses) in the period totalled £27.0m (2015: £23.7m). Of this, £12.8m related to the UK & Ireland and£14.2m related to the ROW. The charge has increased from the prior period result of the number of new sites opened across the Group, particularly in the ROW. Amortisation of £3.0m was incurred in respect of intangible assets recognised as part of the acquisition of Picturehouse and the combination with Cinema City and £1.8m was incurred in respect of acquired movie distribution rights.

Net financing costs
Net financing costs totalled £11.1m during the period (2015: £3.3m income).

Finance income of £0.5m (2015: £9.6) mainly related to interest income of £0.3m (2015: £0.6m) and finance income on assets held by defined benefit pension schemes of £0.2m (2015: £0.1m).

Finance expense of £11.6m (2015: £6.3m) included £4.3m in respect of interest on bank loans and overdrafts (2015: £4.4m), and £6.1m of movement on foreign exchange, primarily relating to the translation of the Euro Term loan at the balance sheet date (2015: gain of £8.9m). Other net finance costs of £1.2m (2015: £1.9m) included amortisation of prepaid finance costs of £0.7m (2015: £0.9m), £0.3m (2015: £0.4m) in respect of the unwind of the discount and interest charges on property-related leases and £0.2m (2015: £0.6m) of other financial costs.

Taxation
The overall tax charge during the period was £6.2m giving an overall effective tax rate of 20.2% (Full year 2015: 18.5%). The net increase in the effective tax rate results from a non tax-deductible loss on the translation of the Euro Term loan partially offset by changes in the proportions of total profit generated in

each territory where there are varying levels of applicable tax rate. Excluding the impact of the Euro Term loan adjustment the effective tax rate is 17.0%.

Earnings
Profit on ordinary activities after tax in the period was £24.4m, compared to the comparative period (2015: £36.9m). The decrease year on year is primarily attributable to no one-off gains on disposals in the period, such as Cineworld Cambridge in the prior year for £6.4m, the loss incurred on the Euro Term loan and other exchange movements of £6.1m compared to a gain of £8.9m in the prior period and impairments of £0.7m compared to £3.2m in 2015. Basic earnings per share amounted to 9.2p (2015: 14.0p).

Eliminating the one-off, non-trade related items (relating to £4.7m of cost items and net foreign exchange losses of £4.1m), adjusted diluted earnings per share were 12.2p (2015: 11.6p).

Cash Flow and Balance Sheet
Overall, net assets have increased by £82.5m, to £617.2m since 31 December 2015. Movements in foreign exchange rates since the 2015 balance sheet has resulted in an in increase in the translated carrying value of goodwill by £33.7m.

The Group continued to be cash generative at the operating level. Total net cash generated from operations in the period was £44.4m (2015: £51.3m). Capital expenditure during the period was £38.6m.

Net debt of £250.3m at the period end is broadly in-line with the balance at 31 December 2015 of £245.2m. Of the net increase of £5.1m, £2.1m related to the decrease in cash during the period (after taking into account all capital expenditure and financing), £1.2m net foreign exchange losses on cash held and bank debt denominated in currencies other than sterling and £1.8m of other non-cash movements.

Risks and uncertainties
The Board retains ultimate responsibility for the Group's Risk Management Framework, and continues to undertake on-going monitoring to review the effectiveness of the Framework and ensure the principal risks of the Group are being appropriately mitigated in line with its risk appetite.

The principal risks and uncertainties which could impact the Group for the remainder of the current financial year remain those detailed on pages 22-28 of the Group's Annual Report for 2015, a copy of which is available from the Group's website www.cineworldplc.com. A summary of the principal risks is included after the Independent Review Report.

Related party transactions
Details of related party transactions are set out in Note 10 of the interim financial statements.

Going concern
On 29 July 2015 the Group signed an amendment and extension to its existing banking facility which was effective immediately upon signing and extended the facility to June 2020. As a result, the term loans were reduced from £157.5m and €126.0m to £130.0m and €63.0m. The Group now has a single currency revolving credit facility of £190m.

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 margins currently applicable to Group are 1.65% on the term loans and 1.40% on the revolving credit facility.

At 30 June 2016 the Group had drawn down £105.0m of the RCF and the term loans outstanding were £122.5m and €57.0m. The Group has been in compliance with the covenants throughout the period and at the period end. Post the period end the RCF has been extended by £25.0m to partly finance the Empire acquisition.

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 current 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.

Dividends
The Board is declaring an interim dividend of 5.2p per share (2015: 5.0p per share), reflecting the solid performance in the first half of the year. The dividend will be paid on 9 September 2016 to ordinary shareholders on the register at the close of business on 19 August 2016.

Post balance sheet events
On 28 July 2016 the Group announced the acquisition of five cinemas from Cinema Holdings Limited, the holding company of Empire Cinema Limited. The acquisition complements and expands the Group's portfolio and is in-line with the Group's strategy to expand the existing estate, adding 64 screens to the UK portfolio. The cinemas acquired include Empire Leicester Square, Basildon, Hemel Hempstead, Poole (all of which will take on Cineworld branding) and Bromley which will become a Picturehouse to make the best use of its size and location.

The total consideration for the acquisition is expected to be £94.0m which will be settled 50% in cash and 50% in Cineworld plc ordinary shares. The Cineworld Haymarket site will also be included as part of the consideration. The shares will be issued in five installments during a 12 month period, based on an issue price reflecting 20 days' average trading price prior to the date of each issuance. The acquisition is expected to complete on 12th August 2016.

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 30 June 2016

	Note	Period ended 30 June 2016 (unaudited) £m	Period ended 2 July 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Revenue		**356.7**	329.1	705.8
Cost of sales		(267.7)	(247.0)	(517.2)
Gross profit		**89.0**	82.1	188.6
Other operating income		1.2	7.6	8.7
Administrative expenses		(48.4)	(45.9)	(94.2)

	Note			
Operating profit		**41.8**	43.8	103.1
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		70.5	64.7	155.3
- Depreciation and amortisation		(27.0)	(23.7)	(49.4)
- Onerous leases and other non-recurring charges		-	-	1.7
- Impairments and reversals of impairments		(0.7)	(3.2)	(9.0)
- Profit on disposal of assets and liabilities classified as held for sale		-	6.4	6.4
- Transaction and reorganisation costs		(1.0)	(0.4)	(1.9)
Finance income	4	0.5	9.6	8.7
Finance expenses	4	(11.6)	(6.3)	(12.1)
Net financing costs		**(11.1)**	3.3	(3.4)
Share of loss of jointly controlled entity using equity accounting method, net of tax		(0.1)	(0.3)	-
Profit before tax		**30.6**	46.8	99.7
Taxation	3	(6.2)	(9.9)	(18.4)
Profit for the period attributable to equity holders of the Company		**24.4**	36.9	81.3
Other comprehensive income				
Items that will not subsequently be reclassified to profit or loss				
Re-measurement of the defined benefit asset		1.5	0.8	0.2
Income tax (charge) on other comprehensive income		(0.3)	(0.1)	-
Items that will subsequently be reclassified to profit or loss				
Foreign exchange translation gain/(loss)		57.0	(29.5)	(16.9)
Movement in fair value of cash flow hedges		(0.9)	0.7	1.1
Income tax charge on other comprehensive income		-	-	-
Other comprehensive income for the period, net of income tax		57.3	(28.1)	(15.6)
Total comprehensive income for the period attributable to equity holders of the company		81.7	8.8	65.7
Basic earnings per share		9.2p	14.0p	30.7p
Diluted earnings per share		9.1p	13.8p	30.4p

The notes on pages 13 to 18 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	30 June 2016 (unaudited)		2 July 2015 (unaudited)		31 December 2015 (audited)	
	£m	£m	£m	£m	£m	£m
Non-current assets						
Property, plant and equipment		380.3		317.6		345.4
Goodwill		573.0		530.9		539.3
Other intangible assets		53.4		54.3		52.5
Investment in equity-accounted investee		0.7		0.3		0.6
Other receivables		6.5		4.9		6.1
Employee benefits		12.8		10.3		10.5
Deferred tax assets		-		2.4		-
Total non-current assets		**1,026.7**		**920.7**		**954.4**
Current assets						
Inventories	9.7		8.2		9.2	
Trade and other receivables	65.8		63.3		67.8	
Cash and cash equivalents	32.5		37.4		62.5	
Total current assets		**108.0**		**108.9**		**139.5**
Total assets		**1,134.7**		**1,029.6**		**1,093.9**
Current liabilities						
Interest bearing loans, borrowings and other financial liabilities	(17.8)		(24.1)		(15.7)	

Bank overdraft	-		(13.1)		-	
Trade and other payables	(119.2)		(101.7)		(141.8)	
Current taxes payable	(9.6)		(1.3)		(8.4)	
Provisions	(5.9)		(4.2)		(4.7)	
Total current liabilities		**(152.5)**		**(144.4)**		**(170.6)**
Non-current liabilities						
Interest-bearing loans, borrowings and other financial liabilities	(265.0)		(270.7)		(292.0)	
Other payables	(68.5)		(60.5)		(67.0)	
Government grants	(1.7)		(1.8)		(1.8)	
Employee benefits	(1.4)		(1.4)		(1.3)	
Provisions	(17.8)		(19.4)		(18.5)	
Deferred tax liabilities	(10.6)		(14.3)		(8.0)	
Total non-current liabilities		**(365.0)**		**(368.1)**		**(388.6)**
Total liabilities		**(517.5)**		**(512.5)**		**(559.2)**
Net assets		**617.2**		**517.1**		**534.7**
Equity attributable to equity holders of the Company						
Share capital		2.7		2.7		2.7
Share premium		295.9		295.8		295.7
Translation reserve		7.7		(61.9)		(49.3)
Merger reserve		207.3		207.3		207.3
Hedging reserve		(0.6)		(0.1)		0.3
Retained earnings		104.2		73.3		78.0
Total equity		**617.2**		**517.1**		**534.7**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2016

	Issued capital £m	Share premium £m	Merger Reserve £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Balance at 1 January 2016	**2.7**	**295.7**	**207.3**	**(49.3)**	**0.3**	**78.0**	**534.7**
Profit for the period	-	-	-	-	-	24.4	24.4
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Re-measurement of the defined benefit asset	-	-	-	-	-	1.5	1.5
Tax recognised on items that will not be reclassified to profit or loss	-	-	-	-	-	(0.3)	(0.3)
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cashflow hedges	-	-	-	-	(0.9)	-	(0.9)
Retranslation of foreign currency denominated subsidiaries	-	-	-	57.0	-	-	57.0
Tax recognised on items that will be subsequently reclassified to profit or loss	-	-	-	-	-	-	-
Contributions by and distributions to owners							
Dividends	-	-	-	-	-	-	-
Movements due to share-based compensation	-	-	-	-	-	0.6	0.6
Issue of shares	-	0.2	-	-	-	-	0.2
Balance at 30 June 2016	**2.7**	**295.9**	**207.3**	**7.7**	**(0.6)**	**104.2**	**617.2**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the period ended 30 June 2016

	Issued capital £m	Share premium £m	Merger Reserve £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Balance at 2 January 2015	**2.6**	**294.9**	**207.3**	**(32.4)**	**(0.8)**	**34.7**	**506.3**
Profit for the period	-	-	-	-	-	36.9	36.9
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 hedge	-	-	-	-	0.7	-	0.7
Retranslation of foreign currency denominated subsidiaries	-	-	-	(29.5)	-	-	(29.5)
Tax recognised on items that will be 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**
Balance at 2 January 2015	**2.6**	**294.9**	**207.3**	**(32.4)**	**(0.8)**	**34.7**	**506.3**
Profit for the period	-	-	-	-	-	81.3	81.3
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Re-measurement of the defined benefit asset	-	-	-	-	-	0.2	0.2
Tax recognised on items that will not be reclassified to profit or loss	-	-	-	-	-	-	-
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cashflow hedge	-	-	-	-	1.1	-	1.1
Retranslation of foreign currency denominated subsidiaries	-	-	-	(16.9)	-	-	(16.9)
Tax recognised on items that will be reclassified to profit or loss	-	-	-	-	-	-	-
Contributions by and distributions to owners							
Dividends	-	-	-	-	-	(39.0)	(39.0)
Movements due to share-based compensation	-	-	-	-	-	0.8	0.8
Issue of shares	0.1	0.8	-	-	-	-	0.9
Balance at 31 December 2015	**2.7**	**295.7**	**207.3**	**(49.3)**	**0.3**	**78.0**	**534.7**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June 2016

	Period ended 30 June 2016 (unaudited) £m	Period ended 2 July 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Cash flows from operating activities			
Profit for the period	24.4	36.9	81.3
Adjustments for:			
Financial income	(0.5)	(9.6)	(8.7)
Financial expense	11.6	6.3	12.1
Taxation charge	6.2	9.9	18.4
Share of loss of equity-accounted investee	0.1	0.3	-
Operating profit	41.8	43.8	103.1
Depreciation and amortisation	27.0	23.7	49.4
Non-cash property charges	(1.2)	(0.3)	(5.7)
Impairments and reversals of impairments	0.7	3.2	9.0
Surplus of pension contributions over current service cost	(0.8)	(0.8)	(1.6)
Decrease/(increase) in trade and other receivables	1.4	(2.1)	(8.3)
Increase in inventories	(0.5)	(0.5)	(1.5)
(Decrease)/increase in trade and other payables	(20.3)	(7.1)	32.1
(Decrease)/increase in provisions and employee benefits	(0.1)	(3.2)	(0.2)
Cash generated from operations	48.0	56.8	176.3
Tax paid	(3.6)	(5.5)	(10.4)
Net cash flows from operating activities	44.4	51.3	165.9

Cash flows from investing activities			
Interest received	0.2	0.6	0.3
Acquisition of property, plant and equipment	(38.6)	(40.5)	(88.6)
Proceeds from sale of property, plant and equipment	-	8.0	8.0
Net cash flows used in investing activities	(38.4)	(31.9)	(80.3)
Cash flows from financing activities			
Proceeds from share issue	0.1	0.9	0.9
Dividends paid to shareholders	-	-	(39.0)
Interest paid	(4.0)	(5.5)	(9.4)
Repayment of bank loans	(36.1)	(22.1)	(98.6)
Proceeds from bank loans	-	10.9	89.3
Payment of finance lease liabilities	(0.5)	(0.4)	(0.9)
Net cash used in financing activities	(40.5)	(16.2)	(57.7)
Net (decrease)/increase in cash and cash equivalents	(34.5)	3.2	27.9
Effect of exchange rate fluctuations on cash held	4.5	(3.2)	(2.8)
Cash and cash equivalents at start of period	62.5	37.4	37.4
Cash and cash equivalents at end of period	32.5	37.4	62.5

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 period ended 30 June 2016 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 year ended 31 December 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 31 December 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 year ended 31 December 2015.

The comparative figures for the financial year ended 31 December 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 year ended 31 December 2015.

Reclassification of items in the consolidated statement of profit or loss

To ensure the cost allocations within the consolidated statement of profit or loss are consistent with the operations of the Group, the classification of items between administrative expenses and cost of sales have been reviewed.

Two reclassifications have been made to the comparative results for the period ended 2 July 2015 and the year ended 31 December 2015.

- A proportion of UK cinema wage costs have been reclassified from administrative expenses to costs of sales so all cinema employee costs are now included in cost of sales.
- For consistency, credits to the statement of profit or loss in respect of operating leases have been reclassified from administrative expenses to cost of sales to net against the charges. All operating lease items are now shown in cost of sales.

Overall there is no impact on EBITDA, operating profit, the profit after tax or the net assets for the Group.

2. Operating segments

Determination and presentation of operating segments

The Group has determined that is has two operating segments: UK and Ireland aggregation and the Rest of the World aggregation.

	UK and Ireland	Rest of the World	Total
	£m	£m	£m
Period ended 30 June 2016			

Total revenues	225.9	130.8	356.7
EBITDA	37.7	32.8	70.5
Segmental operating profit	15.1	26.7	41.8
Net finance costs	10.3	0.8	11.1
Share of loss of jointly controlled entities using equity method, net of tax	(0.1)	-	(0.1)
Profit before taxation	**4.6**	**26.0**	**30.6**
Segmental total assets	**483.6**	**651.1**	**1,134.7**
Period ended 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	(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**
Year ended 31 December 2015			
Total revenues	465.9	239.9	705.8
EBITDA	95.7	59.6	155.3
Segmental operating profit	71.3	31.8	103.1
Net finance costs	(3.0)	(0.4)	(3.4)
Share of loss of jointly controlled entities using equity method, net of tax	-	-	-
Depreciation and amortisation	25.6	23.8	49.4
Profit before taxation	**68.3**	**31.4**	**99.7**
Segmental total assets	**519.4**	**574.5**	**1,093.9**

3. Taxation

The taxation charge has been calculated by reference to the expected effective corporation tax rates in the UK for the year ending on 31 December 2016 applied against the profit before tax for the period ended 30 June 2016. Recognised in the income statement:

	Period ended 30 June 2016 (unaudited) £m	Period ended 2 July 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Current year tax expense			
Current period	3.8	4.9	11.2
Adjustments in respect of prior periods	-	-	-
Total current year tax expense	**3.8**	**4.9**	**11.2**
Deferred tax charge			
Current period	2.4	5.0	7.2
Adjustments in respect of prior periods	-	-	-
Total deferred tax expense	**2.4**	**5.0**	**7.2**
Total tax charge in the income statement	**6.2**	**9.9**	**18.4**
Effective tax rate	20.2%	21.1%	18.5%
Current year effective tax rate	20.2%	21.1%	18.5%

4. Finance income and expense

	Period ended 30 June 2016 (unaudited) £m	Period ended 2 July 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Interest income	0.3	0.6	0.3
Defined benefit pension scheme net finance income	0.2	0.1	0.4
Net foreign exchange gain	-	8.9	8.0
Financial income	**0.5**	**9.6**	**8.7**
Interest expense on bank loans and overdrafts	4.3	4.4	9.3
Amortisation of financing costs	0.7	0.9	1.3

Unwind of discount on property provisions	0.3	0.4	1.2
Other financial costs	0.2	0.6	0.3
Net foreign exchange loss	6.1	-	-
Financial expense	**11.6**	**6.3**	**12.1**
Total financial expense/(income)	**11.1**	**(3.3)**	**3.4**

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.

	Period ended 30 June 2016 (unaudited) £m	Period ended 2 July 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Profit after tax for the period attributable to ordinary shareholders	**24.4**	36.9	81.3
Adjustments:			
Amortisation of intangible assets[1]	**3.0**	2.9	4.2
Transaction and reorganisation costs	**1.0**	0.4	1.9
Impairments and reversals of impairments	**0.7**	3.2	9.0
Other non-recurring charges	**-**	-	(1.7)
Impact of foreign exchange translation gains and losses[2]	**4.1**	(7.6)	(3.9)
Profit on disposal of assets	**-**	(6.4)	(6.4)
Total adjustments	**8.8**	(7.5)	3.1
Adjusted profit	**33.2**	29.4	84.4
Tax effect of above items	**(0.5)**	1.6	(0.6)
Adjusted profit after tax	**32.7**	31.0	83.8

	Number of shares m	Number of shares m	Number of shares m
Weighted average number of shares in issue	**265.4**	264.2	264.7
Basic and adjusted earnings per share denominator	**265.4**	264.2	264.7
Dilutive options	**1.8**	2.5	2.5
Diluted earnings per share denominator	**267.2**	266.7	267.2
Shares in issue at period end	**265.6**	265.2	267.2

	Pence	Pence	Pence
Basic earnings per share	**9.2**	14.0	30.7
Diluted earnings per share	**9.1**	13.8	30.4
Adjusted basic earnings per share	**12.3**	11.7	31.7
Adjusted diluted earnings per share	**12.2**	11.6	31.4

[1] 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.

[2] Net foreign exchange losses included within earnings comprises of £5.7m foreign exchange loss recognised on translation of the Euro term loan at 30 June 2016 and £1.6m foreign exchange losses recognised on translating overseas operations into the reporting currency of the Group.

6. Dividends

The Directors have declared an interim dividend of 5.2p per share (2015: 5.0p), amounting to £13.8m (2015:£13.3m), which will be paid on 9 September 2016 to ordinary shareholders on the register at the close of business on 19 August 2016. 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	Bank loans	Finance leases	Interest rate swaps	Net debt

	hand £m	£m	£m	£m	£m
Balance at 1 January 2016	62.5	(299.3)	(6.8)	(1.6)	(245.2)
Cash flows	(34.5)	31.9	0.5	-	(2.1)
Non cash movement	-	(0.7)	(0.2)	(0.9)	(1.8)
Effect of movement in foreign exchange rates	4.5	(5.7)	-	-	(1.2)
Balance at 30 June 2016	32.5	(273.8)	(6.5)	(2.5)	(250.3)

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
30 June 2016				
Derivative financial instruments	-	**2.5**	-	**2.5**
2 July 2015				
Derivative financial instruments	-	2.0	-	2.0
31 December 2015				
Derivative financial instruments	-	1.6	-	1.6

There have been no transfers between levels in 2016 (2015: 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 as disclosed above.

8. Property, plant and equipment

During the period to 30 June 2016, the Group purchased assets of £40.6m (period ended 2 July 2015: £47.3m; year ended 31 December 2015: £99.6m).

9. Capital commitments

Capital commitments at the end of the financial period for which no provision has been made were £35.9m (2 July 2015: £53.7m and 31 December 2015: £35.0m, relating primarily to new cinema sites). Capital commitments at 30 June 2016 related primarily to new sites (£19.4m), cinema equipment and leasehold improvements (£15.0m) and distribution rights (£1.5m).

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 period to 30 June 2016 was £1.6m (2 July 2015 was £0.9m; year ended 31 December 2015: £4.2m). At 30 June 2016 the balance owed to directors was £nil (2 July 2015: £nil; 31 December 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 period to 30 June 2016 was £7.7m (period ended 2 July 2015 £7.0m and year ended 31 December 2015: £18.4m) and as at 30 June 2016 £nil was due from DCM in respect of trade receivables (2 July 2015:£1.7m; 31 December 2015 £nil). In addition the Group has a working capital loan outstanding from DCM of £0.5m (2 July 2015: £nil; 31 December 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. As part of its business the Global City Group leases commercial properties to various Cineworld Group companies. Rent payable on these properties for the period to 30 June 2016 totalled £3.7m (2 July 2015: £3.3m; 31 December 2015: £6.9m)). At 30 June 2016 the balance owing to the Global City Group was £nil (2 July 2015:£0.5m; 31 December 2015: £nil), and the balance receivable from the Global City Group was £1.6 (2 July 2015: £nil; 31 December 2015: £nil).

11. Events after the balance sheet date

On 28 July 2016 the Group announced the acquisition of five cinemas from Cinema Holdings Limited, the holding company of Empire Cinema Limited. The acquisition complements and expands the Group's portfolio and is in-line with the Group's strategy to expand the existing estate, adding 64 screens to the UK portfolio. The cinemas acquired include Empire Leicester Square, Basildon, Hemel Hempstead, Poole all of which will take on Cineworld branding and Bromley which will become a Picturehouse to make the best use of its size and location.

The total consideration for the acquisition is expected to be £94.0m which will be settled 50% in cash and 50% in Cineworld plc ordinary shares. The Cineworld Haymarket site will also be included as part of the consideration. The shares will be issued in five installments during a 12 month period, based on an issue price reflecting 20 days' average trading price prior to the date of each issuance. The acquisition is expected to complete on 12th August 2016.

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 interim results announcement for the six months ended 30 June 2016 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 interim results announcement 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 interim results is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results 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 interim results announcement 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 interim results 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 interim results announcement for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Hugh Green
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
11 August 2016

RISKS AND UNCERTAINTIES

A summary of the Principal Risks which are set out in detail on pages 22-28 of the Group's Annual Report for 2015, a copy of which is available from the Group's website www.cineworldplc.com.

1. Technology and Data Control	Critical system interruption and or breach (cyber or otherwise) of data protection rules or security measures surrounding the storage of confidential and proprietary information.
2. Availability and Performance of Film Content	Quality of the distributors' film slates, the timeliness of their release and the appeal of such films to our customers.
3. Expansion and Growth of Our Cinema Estate	Expansion of operations through the development of new sites or acquiring existing cinemas.
4. Viewer Experience and Competition	Maintaining the quality services from the ease of booking, the technology we use, to a friendly farewell on departure.
5. Revenue from Retail/Concession Offerings	Reduction in admissions and or changes in customer preferences, decreased disposable income or other economic and cultural factors.
6. Cinema operations	Ensuring management understand their local market (film scheduling, pricing and retail offerings), effectively manage their employees, maintain service standards, and are able to react to incidents should they occur.
7. Regulatory Breach	The Group's business and operations are affected by regulations covering such matters as planning, the environment, health and safety (cinemas and construction sites), licensing, food and drink retailing, data protection and the minimum wage.
8. Strategy and Performance	Delivery of our long-term objectives requires effective setting, communicating, monitoring and executing a clear strategy.
9. Retention and Attraction of Senior Management and Key Employees	The Group's ability to recruit, develop and retain senior management and other key employees.
10. Governance and Internal Control	Maintaining corporate governance standards and an effective and efficient risk management and internal control system proportionate to the needs of the Group.
11. Terrorism and Civil Unrest	Civil unrest or terrorist acts/threats, resulting in the public avoiding going to the cinemas.

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 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

The Chief Executive Officer's Review report includes 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 six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity 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

11 August 2016

Shareholder Information

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Website
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www.picturehouses.co.uk

Company Number
Registered Number: 5212407

Place of incorporation
England and Wales

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Auditor
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