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Cineworld Group plc
09 August 2018

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CINEWORLD GROUP plc Interim Results - Pro Forma Group Revenue +10.8%, Pro Forma Adjusted EBITDA +14.1%

Cineworld Group plc ("the Group") is pleased to announce its interim results for the 6 month period ended 30 June 2018. The interim financial statements include the results of Regal Entertainment Group ("Regal") following the completion of its acquisition on the 28 February 2018. These results are presented in US dollars following the Group's change in its presentational currency from pound sterling to remove the largest driver of currency translation volatility and provide greater transparency in the underlying trading performance of the Group.

Financial Highlights

	6 months ended 30 June 2018	Restated(1) 6 months ended 30 June 2017	v 2017 (statutory basis)	Pro Forma(2) 6 months ended 30 June 2018	v 2017 (pro-forma (2) constant currency (3) basis)
Admissions	123.0m	50.7m	142.6%	158.9m	+4.9%
Revenue	$1,862.9m	$528.7m	+252.4%	$2,456.0m	+10.8%
Adjusted EBITDA(4)	$413.6m	$107.5m	+284.7%	$553.8m	+14.1%
Profit before tax	$160.2m	$60.5m	+164.8%		
Adjusted profit before tax(5)	$190.2	$64.6m	+194.4%		
Profit after tax	$128.4m	$50.6m	+153.8%		
Adjusted profit after tax(5)	$152.4m	$54.0m	+182.2%		
Diluted EPS	11.1c	8.2c	+35.4%		
Adjusted diluted EPS	13.2c	8.8c	+50.0%		

- Pro-forma(2) Admissions of 158.9m up 4.9%;
- Pro-forma(2) Revenue up 10.8%;
    - US pro-forma(2) revenue growth of 14.3%;
    - UK & Ireland constant currency(3) revenue growth of 2.5%; and,
    - CEE & I(5) constant currency(3) revenue decline of 1.3%.
- Pro Forma Adjusted EBITDA(4) up +14.1%;
- Adjusted diluted EPS of 13.2 cents, reflecting a 50.0% increase from the prior year;
- Interim dividend 4.85 cents per share;
- Net debt of $3,650.0m and Adjusted Net debt(6) of $3,852.0m, which is equal to 3.8x Pro-forma LTM(7) Adjusted EBITDA.

Operational Highlights

- Following the acquisition of Regal, Cineworld is now the second largest cinema chain in the world (by number of screens);
- 6 new sites (56 screens) were opened during the period, taking the Group to 9,542 screens at 30 June 2018;
- 12 further sites, 111 screens, openings are planned for the second half of 2018;
- Significant new agreements were signed with IMAX (55 screens), 4DX (80 screens) and ScreenX (100 screens);
- Refurbishment programme progressing well across the estate, creating high quality, next generation cinemas with the latest audio and visual technology; and
- Integration plans for Regal are progressing well, further integration benefit opportunities being reviewed by management.

Anthony Bloom, Chairman of Cineworld Group plc, said:

"The first half of the current financial year was a successful and exciting time for the Group. It completed -

- the transformative $5.8 billion acquisition of the Regal Entertainment Group in the US;
- a successful $2.3 billion Rights Issue; and
- the renegotiation of the Group's debt facilities on advantageous terms.

At the same time, the existing operations in the Group were expanded, refurbished where necessary in accordance with our strategic policy and performed successfully in line with our expectations. This was not a trivial challenge and on behalf of the Board, I would like to convey appreciation for the exceptional amount of hard work that this entailed on the part of the Group's executive management, very competently led by our CEO and Deputy CEO.

Details of the strong financial performance are set out above and in the CEO's Report, and these results together with the Board's confidence for the Group's prospects in the forthcoming 6 months, enabled it to declare an interim dividend for the period of 4.85 cents per share.

I look forward to the second six months with confidence and to once again being able to demonstrate the ability of the Group to enhance shareholder value."

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

"We are pleased to announce strong first half results following the successful acquisition of the Regal Entertainment Group. Following the completion of the transaction, I have spent a lot a time in the United States getting to know our US business and implementing our strategy. I am very pleased with the Regal acquisition, we have already identified a significant number of opportunities. We are focused on delivering on the full potential of the combination through the strengths of our brands, focus on customer experience and investment in technology.

The second half of 2018 has started well with the release in July of "Mission Impossible: Fallout", "Mamma Mia! Here We Go Again" and "Equalizer 2", as well as the UK and CEE & I release of "Incredibles 2". Still to come in 2018 there is "Fantastic Beasts: The Crimes of Grindelwald", "Venom", "Aquaman" and "Mary Poppins Returns" and many more. 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 management's expectations."

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

Date:	9 August 2018
Time:	09:30am
Dial in:	UK Number: 020 3059 5868 All other locations: +44 20 3059 5868
Participant Instructions:	Please state "Cineworld Interim results" and state your name and company
Webcast link:	https://secure.emincote.com/client/cineworld/cineworld008

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1 Restated to present the Group's results for the 6 month period ended 30 June 2017 in US dollars.
2 Pro-forma results reflect the Group and US performance had Regal been consolidated for the entirety of the period from 1 January 2018. For the purposes of percentage movements, the same comparative period has been applied. Performance against the comparative period has been calculated by taking the Cineworld Group 2017 reported interim period and adding the Regal performance, converted to IFRS, for the same period from 1 January 2017 to 30 June 2017, to present the consolidated performance as if Regal had been acquired on 1 January 2017
3 Constant currency movements have been calculated by applying the 2018 average exchange rates to the 2017 performance.
4 Adjusted EBITDA is defined as Operating profit plus share of profits from joint ventures using the equity accounting method net of tax adjusted for depreciation and amortisation, onerous lease charges and releases, impairments and reversals of impairments, transaction and reorganisation costs, gains/losses on disposals of assets and subsidiaries, share based payment charges, and share of profits received from associates in excess of distributions or any undistributed such profits. Adjusted profit before tax is calculated by adding back amortisation of intangible assets (excluding acquired film distribution rights), and certain non-recurring or non-cash items and foreign exchange difference arsing on monetary assets and liabilities as set out in Note 5. Adjusted profit before tax is an internal measure used by management, as they believe it better reflects the underlying performance of the Group and therefore a more meaningful comparison of performance from period to period. Adjusted profit after tax is arrived at by applying an effective tax rate to taxable adjustments and deducting the total from adjusted profit before tax. Pro-forma results have also been adjusted to reflect acquisition related adjustments for the entire pro-forma period.
5 CEE & I is defined as Central, Eastern Europe & Israel and includes Poland, Israel, Romania, Hungary, Czech Republic, Bulgaria, Slovakia and Israel.
6 Adjusted Net Debt is calculated by adding $202m outstanding payable to Regal shareholders to Net Debt
7 Last Twelve Months

Chief Executive Officer's Statement

Overview

The results for the first six months of the year, along with the completion of the Regal acquisition demonstrate continued delivery of our strategy to create value for our shareholders. Although the Group has expanded significantly, our strategy and vision remains the same, to be "The best place to watch a movie" by continually focusing on providing the best customer experience, maintaining technological leadership, expanding and upgrading the estate and training and retaining highly motivated, experienced and loyal staff.

The film slate in the US performed particularly well in the period, largely driven by the success of "Black Panther" and "Avengers: Infinity War". The latter exceeded the previous opening weekend box office record in the US. Our European markets had a very strong comparative film slate in first six months of 2017, which included "Beauty and the Beast" and "The Fate of the Furious", and as expected this presented a challenging comparable admissions basis. The UK performed as expected with the highest grossing films being "Avengers: Infinity War", "Black Panther" and "The Greatest Showman".

During the period, we opened six sites (56 screens - 37 in the US, 13 in the UK and 6 in CEE & I). As at 30 June 2018, the Group had a total of 792 sites and 9,542 screens. We expect to open a further 12 sites (111 screens) by the end of 2018. We closed four sites (36 screens) during the period, all in the US, which were planned prior to the acquisition of Regal. Subsequent to the period end one site in the UK was closed, as active management of our estate remains a high priority.

Our refurbishment program is progressing well. Two refurbishments were completed in the UK, including our flagship Leicester Square site. A further four refurbishments are due to be completed before the year end in the UK and a further one in Hungary. During the period five 4DX screens were opened, three in the UK, including one at the Leicester Square cinema, and two in CEE & I. We have started the refurbishment plans in the US with a number of sites already identified for the first phase of the program.

Investment in technology continues to be a key pillar of our strategy. During the period we announced significant new agreements with both IMAX and 4DX, with plans to install a total of 55 new IMAX Laser projectors across the estate and 80 4DX screens in the US, which will bring the Group's total number of IMAX screens to 130 and 4DX screens to 145.

In addition, we recently announced our agreement to install 100 ScreenX auditoriums across the Group, with the first one opening today in Speke. ScreenX is the world's first multi-projection immersive cinema auditorium which provides a panoramic 270-degree viewing experience. The technology goes beyond the frame of a traditional screen by expanding the film scenes onto the side walls.

The integration with Regal is progressing well. We have assembled a great management team that leads the US operation, including our most talented people from both sides of the Atlantic, each fully aligned with our strategy and the goals we wish to achieve. Four months post-acquisition, we are encouraged by what we have learned to date and remain excited by the opportunities within Regal. We are confident that we will be able to achieve the transaction benefits identified during the deal process.

Without the dedication of our employees - across all departments and territories, we would not be able to continue delivering on our vision to be "The best place to watch a movie". I have been impressed by how well our teams across both sides of the Atlantic have been working together and sharing best practices.

I would like to thank them all for their continued hard work.

Current trading and outlook

The second half of 2018 has started well with the release in July of "Mission Impossible: Fallout", "Mamma Mia! Here We Go Again" and "Equalizer 2" and in the UK and CEE & I release of "Incredibles 2". Still to come in 2018 are "Fantastic Beasts: The Crimes of Grindelwald", "Venom", "Aquaman", "Mary Poppins Returns" and many more. 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 management's expectations."

Group Performance Overview

	6 months to 30 June 2018	Restated 6 months to 30 June 2017	v 2017 (statutory basis)	Pro-forma 6 months to 30 June 2018	Pro Forma 6 months to 30 June 2017 (Constant currency)	v. 2017 (constant currency basis)
Admissions	123.0m	50.7m	142.6%	158.9m	151.5m	+4.9%
	$m	$m		$m	$m	
Box office	1,146.0	336.3	+240.8%	1,514.4	1,372.6	+10.3%
Retail	517.5	129.9	+298.4%	685.2	618.5	+10.8%
Other Income	199.4	62.5	+219.0%	256.4	225.4	+13.8%
Total revenue	**1,862.9**	**528.7**	**+252.4%**	**2,456.0**	**2,216.5**	**+10.8%**

Cineworld Group plc results are presented for the period ended 30 June 2018 and reflect the trading and financial position of the US, UK & Ireland ("UK") and Central, Eastern Europe & Israel ("CEE & I") reporting segments (the "Group"). Regal Entertainment Group ("Regal") became part of the Group from 1 March 2018 and their post-acquisition results are reflected within the US reporting segment. The 2017 comparatives have been restated following the change in the Group's presentational currency to US dollars as from 1 January 2018.

Unless explicitly referenced, all percentage movements which are given reflect performance on a constant currency basis to allow a year-on-year assessment of the performance of the business without the impact of fluctuations in exchange rates over time. Constant currency movements have been calculated by applying the 2018 average exchange rates to 2017 performance. Pro-forma results reflect the Group and US performance had Regal been consolidated for the entirety of the period from 1 January 2017. Pro-forma results have also been adjusted to reflect acquisition related adjustments for the entire pro-forma period.

The principal income for the Group is box office revenue. Box office revenue is a function of the number of admissions and the ticket price per admission, less sales tax. In addition, the Group operates membership schemes, which provide customers with access to screenings in exchange for subscriptions fees, and this revenue is also reported as part of box office. Admissions (one of the Group's key performance indicators), depend on the number, timing and popularity of the films the Group is able to show in our cinemas.

Admissions are also a key driver for the two other main revenue streams for the Group. These are retail revenue, the sale of food and drink for consumption within our cinemas and screen advertising income, from advertisements shown on our screens prior to feature presentations.

US

The results below show the Group's performance in the United States (US). For consistency, the 2018 information for the US has been presented on a pro forma basis by including the two months pre-acquisition results for 2018, adjusted for indicative acquisition accounting entries, as well as the post-acquisition financial information for six month period to 30 June 2018. For the purposes of percentage movements, the same comparative period and acquisition accounting adjustments have been applied.

	4 months to 30 June 2018	Pro Forma 6 months to 30 June 2018	Pro Forma 6 months to 30 June 2017	v. 2017 (Pro forma basis)
Admissions	74.3m	110.1m	100.8m	+9.2%
	$m	$m	$m	
Box office	779.3	1,147.8	1,004.4	+14.3%
Retail	373.4	541.1	476.4	+13.6%
Other income	127.2	184.2	158.2	+16.4%
Total revenue	**1,279.9**	**1,873.1**	**1,639.0**	**+14.3%**

Box Office

Box office admissions and revenue increase by 9.2% and 14.3% respectively on a pro forma basis during the six month period to 30 June 2018. These results reflect the strength of the US cinema market in 2018 compared with 2017. Total US box office revenue for the six-month period was 9.6% higher compared to the prior period (Source: Comscore). The top three films during the period were "Black Panther", "Avengers: Infinity War" and "Incredibles 2" which together grossed $1,849m. This compares with the first six months of 2017 during which the top three titles were "Beauty and the Beast", "Guardians of the Galaxy: Volume 2" and "Wonder Woman", grossing $1,247m (Source: Comscore).

The average ticket price achieved in the US increased 4.6% on a pro-forma basis to $10.42 (2017: $9.96). The increase reflects inflationary price rises and importantly the expansion and popularity of our premium offerings. The top three films in the first half were available in a range of formats - IMAX, RPX (an alternative large-screen auditorium technology) and 3D.

Retail

Retail revenue increased by 13.6% from the prior period on a pro-forma basis. Retail spend per person increased by 4.0% on a pro-forma basis. The revenue increase is due to higher admissions, inflationary price rises and the nature of the film slate during the period. The US retail offering has also been expanded, mainly through the addition of food and alcohol sales at a number of theatres across the estate.

Other Income

Other income includes all revenue streams outside of box office and retail, predominantly advertising and booking fee revenue. Advertising revenue is earned through the sale of on and off-screen advertising space as well as online advertising through the website. Advertising revenue is impacted by the film slate and level of admissions. Booking fee income is driven by admissions levels and the proportion of tickets purchased through online channels. The overall increase of 16.4% in Other Income on a pro forma basis has been driven by the increase in admissions during the period.

UK & Ireland

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

	6 months to 30 June 2018	**Restated 6 months to 30 June 2017**	**v 2017 (statutory basis)**	**Restated 6 months to 30 June 2017 (Constant currency)**	**v. 2017 (constant currency basis)**
Admissions	25.6m	26.3m	(2.7%)		
	$m	$m		$m	
Box office	232.7	211.0	+10.3%	229.7	+1.3%
Retail	84.1	76.5	+9.9%	83.3	+1.0%
Other income	36.9	29.5	+25.1%	32.1	+15.0%
Total revenue	**353.7**	**317.0**	**+11.6%**	**345.1**	**+2.5%**

Box Office
Box office admissions decreased by 2.7% during the six-month period to 30 June 2018. Box Office revenue increased by 1.3% on a constant-currency basis. In the context of challenging weather conditions in the period and the popularity of the World Cup, this reflects a steady performance for the six-month period, compared with a very strong comparative period in 2017. In the UK and Ireland, the top three grossing films in the first six months of 2018 were, "Avengers: Infinity War", "Black Panther" and "The Greatest Showman". This compares to the first half of 2017 where the top three titles were "Beauty and the Beast", "Guardians of the Galaxy Vol. 2" and "The Fate of the Furious".

The average ticket price achieved in the UK and Ireland increased 4.1% on a constant currency basis to $9.09 (2017: $8.73). The increase reflects inflationary price increases and the increased availability and popularity of our premium offerings such as IMAX and 4DX. The top three films in the first half were available in a range of formats - IMAX, 3D and 4DX.

Retail
Retail revenue increased by 1.0% from the prior period on a constant-currency basis. Retail spend per person increased by 3.7% on a constant currency basis to $3.29 (2017: $3.17). Spend per person was positively impacted by the nature of the film mix in the first half, as well as the broader range of retail offerings, including Starbucks and our VIP offering. As at 30 June 2018, the Group had 29 Starbucks sites, an additional four sites compared to June 2017, and two VIP auditoriums.

Other Income
Other income includes all other revenue streams outside of box office and retail. The main driver for the increase in other income was voucher and event ticket sales which performed strongly compared to the comparative period. Advertising performance was stable year on year.

Central Eastern Europe & Israel

The results below for Central Eastern Europe & Israel ("CEE & I") includes Poland, Romania, Hungary, Czech Republic, Bulgaria, Slovakia and Israel.

	6 months to 30 June 2018	**Restated 6 months to 30 June 2017**	**v 2017 (statutory basis)**	**Restated 6 months to 30 June 2017 (Constant currency)**	**v. 2017 (constant currency basis)**
Admissions	23.1m	24.5m	(5.7%)		
	$m	$m		$m	
Box office	134.0	125.3	+6.9%	138.5	(3.2%)
Retail	60.0	53.4	+12.4%	58.8	+2.0%
Other income	35.3	33.0	+7.0%	35.1	+0.6%
Total revenue	**229.3**	**211.7**	**+8.3%**	**232.4**	**(1.3%)**

Box Office
Box office admissions and box office revenue in the CEE & I decreased by 5.7% and 3.2% respectively compared to the prior period on a constant currency basis. Admissions in Hungary increased from the prior year; however, admissions in Poland, Israel and Czech saw slight reductions, with Bulgaria, Romania and Slovakia experiencing more significant reductions. The comparative negative trends in admissions are the result of the record-breaking results in 2017 when box office admissions and revenue in the CEE & I increased by 10.4% and 14.1% respectively. In 2017, four territories experienced double-digit growth and only Hungary saw a decline.

The strong comparative results for 2017 were driven by "Beauty and the Beast" and "The Fate of the Furious", whilst the most successful films across CEE & I in the period to 30 June 2018 were "Avengers: Infinity War" and "Black Panther". There was also some strength in local films with "Kobiety Mafii" being the most successful film in Poland in 2018. The average ticket price increased by 2.6% to $5.80 on a constant currency basis. The increase is the results of inflationary price rises.

Retail

Retail spend per person increased to $2.60 during the period - an increase of 8.2% on a constant currency basis. The growth was driven by a combination of retail initiatives and inflationary price increases.

Other income

Other income includes distribution, advertising and other revenues and represents 15.4% (2017: 15.1%) of the total revenues. Forum Film is the Group's distribution business for the CEE & I and distributes films on behalf of the major Hollywood studios as well as owning the distribution rights to certain independent films. Key titles distributed in the period included "Black Panther" and "Tomb Raider". Advertising revenues performed strongly during the period.

Statutory Financial Performance

	6 month period ended 30 June 2018				Restated 6 month period ended 30 June 2017(1)
	US	**UK & Ireland(3)**	**CEE & I**	**Total Group**	Total Group
Admissions	74.3m	25.6m	23.1m	**123.0m**	50.7m
	$m	$m	$m	**$m**	$m
Box office	779.3	232.7	134.0	**1,146.0**	336.3
Retail	373.4	84.1	60.0	**517.5**	129.9
Other Income	127.2	36.9	35.3	**199.4**	62.5
Total revenue	**1,279.9**	**353.7**	**229.3**	**1,862.9**	528.7
Adjusted EBITDA(2)	300.8	57.8	55.0	**413.6**	107.5
Operating profit				**207.2**	65.0
Finance income				**39.4**	2.1
Finance expenses				**(92.6)**	(6.5)
Net finance costs				**(53.2)**	(4.4)
Share of profit/(loss) from joint ventures				**6.2**	(0.1)
Profit on ordinary activities before tax				**160.2**	60.5
Tax on profit on ordinary activities				**(31.8)**	(9.9)
Profit for the period attributable to equity holders of the Company				**128.4**	50.6

1) Restated to present the Group's results for the period ended 30 June 2017 in US dollars.
2) Adjusted EBITDA is defined as Operating profit plus share of profits from joint ventures using the equity accounting method net of tax adjusted for depreciation and amortisation, onerous lease charges and releases, impairments and reversals of impairments, transaction and reorganisation costs, gains/losses on disposals of assets and subsidiaries, share based payment charges, and share of profits received from associates in excess of distributions or any undistributed such profits.
3) Results for the UK operating segment include transaction costs incurred in connection with the acquisition of Regal of $49.8m.

Adjusted EBITDA and Operating Profit

Group Adjusted EBITDA has increased by 284.7% to $413.6m (2017: $107.5m). The Group Adjusted EBITDA margin of 22.2% is 1.9% higher than the comparative period. Of this increase, $300.8m was generated by the contribution of Regal for the four month period to 30 June 2018.

Adjusted EBITDA generated by the UK & Ireland of $57.8m has increased by 11.8% compared to the prior period (2017: $51.7m). On a constant currency basis Adjusted EBITDA for the UK increased by 3.2%. The Adjusted EBITDA margin of 16.3% represents a level consistent with 2017. CEE & I generated Adjusted EBITDA of $55.0m, a decrease of 1.4% on the prior year (2017: $55.8m). The Adjusted EBITDA margin of 24.0% for CEE & I represents a decline of 2.4% compared to the prior period, driven by the lower admission levels due to the film slate, primarily as a result of the popularity of the slate in the prior period. On a constant currency basis Adjusted EBITDA for CEE & I decreased by 11.1%

Operating profit at $207.2m was 218.8% higher than the prior period (2017: $65.0m). Of the $207.2m, $191.6m related to the results of Regal. Operating profit included a number of non-recurring and non-trade related items that have a net negative impact of $51.0m (2017: $1.1m). These primarily related to:

- Impairment costs of $0.4m (2017: $0.8m);
- A credit of $2.2m from arising from the release of onerous lease provisions (2017: $0.8m);
- A one off loss of $1.4m relating to the profit on disposal of assets (2017: gain of $2.8m);
- Share based payment charges of $1.6m (2017: $1.4m); and
- Transaction costs associated with the acquisition of Regal of $49.8m (2017: $0.9m in respect of the Empire acquisition).

The total depreciation and amortisation charge (included in administrative expenses) in the period totaled $144.4m (2017: $41.5m). The charge continues to increase primarily because of the acquisition of Regal and the number of new sites across the Group.

Net finance costs

As part the acquisition of Regal, the Group restructured its debt arrangement. The new arrangement consists of a USD and Euro term loan of $4.1bn and a $300.0m revolving credit facility. This new financing arrangement became effective on 28 February 2018, the Group's previous finance facilities were repaid at that date. The new facility is subject to floating interest rates, a margin of 2.5% for the USD denominated element and 2.625% for the EUR denominated element is added to the LIBOR and EURIBOR respectively. A floor of 0.0% is applied to the LIBOR and EURIBOR to calculate the interest charge. At 30 June 2018, the term loan totaled $4.0bn and the Revolving Credit Facility had not been drawn.

Net financing costs totaled $53.2m during the period (2017: $4.4m).

Finance income of $39.4m (2017: $2.1m) related to interest income of $2.0m (2017: $0.5m) and $37.3m of foreign exchange gains on monetary assets and non-USD$ denominated loans and $0.1m of amounts reclassified from equity to profit or loss in respect of settled cash flow hedges. The foreign exchange gains arose mainly on the retranslation of the Euro denominated portion of the Group's term loan.

The finance expense of $92.6m (2017: $6.5m) included $61.2m in respect of interest on bank loans and overdrafts (2017: $4.7m). The other finance costs of $31.4m (2017: $1.8m) included amortisation of prepaid finance costs of $6.3m (2017: $0.9m), $8.0m (2017: $0.9) in respect of the unwind of the discount and interest charges on property-related leases, $13.6m (2017: nil) in respect of the unwind of discount on deferred revenue and $3.5m (2017: nil) gains reclassified from equity to profit or loss in respect of settled net investment hedge.

Taxation

The overall tax charge during the period was $31.8m giving an overall effective tax rate of 19.9% (Full year 2017: 16.4%). The effective tax rate has increased because of the inclusion of the results of Regal following the acquisition, taxed at the higher US tax rate.

Earnings

Profit on ordinary activities after tax in the period was $128.4m, an increase of $77.8m compared to the comparative period (2017: $50.6m).

The one off and other adjusting items in the period generated a loss of $30.0m compared to a loss of $4.1m in 2017. A gain of $35.5m was recognised on the Euro Term loan in the period, which forms a natural hedge against the Group's investment in Euro denominated businesses despite not being designated as such. This compared to no foreign exchange loss in the prior period as the previous Euro Term Loan was designated as a net investment hedge. Basic earnings per share amounted to 11.1c (2017: 8.3c rights adjusted). Eliminating the one-off, non-trade related items totaling $30.0m, adjusted diluted earnings per share were 13.2c (2017: 9.0c rights adjusted). Following the acquisition of Regal, the Group has taken the opportunity to consider how it presents its adjusted earnings per share calculation. After a review of comparable companies, a decision was made to add back the charge for share-based payments and the credit arising from onerous lease provisions, as they are non-cash items (see Note 6). Management believe that these charges do not form part of the underlying cash profits of the Group and therefore the change in presentation better reflect performance going forward.

Acquisition of Regal

On 5 December 2017, the Group announced the acquisition of Regal by means of an acquisition of the entire issued, and to be issued, share capital of Regal. The acquisition was based on an implied enterprise value of $5.8bn. Due to the size of the acquisition, it was classed as a reverse takeover under the UK Listing Rules. The acquisition of Regal completed on 28 February 2018. Consideration for the acquisition of $3.6bn of which $3.4bn was settled in cash, funded by the proceeds of the fully underwritten rights issue at the rights issue price of 157.0p per New Ordinary Share, which raised $2.3bn plus an additional US4.1bn was raised through committed Debt Facilities. The restructured debt arrangement consists of a USD and Euro term loan of $4.1bn and an undrawn $300.0m revolving credit facility. The previous financing arrangements in place as at 31 December 2017 for the Group and Regal have been settled and replaced with the new financing arrangements from 28 February 2018. As the consideration was entirely paid in cash the acquisition has been accounted for as an acquisition under IFRS 3 rather than as a reverse takeover acquisition under IFRS 3, notwithstanding the size of the acquisition.

Cash Flow and Balance Sheet

Overall, net assets have increased by $2,391.7m, to $3,436.3m since 31 December 2017. Total assets increased by $8,119.1m, this includes the recognition of the fair value of net liabilities acquired with Regal, totaling $794m and the residual goodwill recognised on acquisition totaling $4,521.0.

The Group continued to be strongly cash generative at the operating level. Total net cash generated from operations in the period was $366.2m (2017: $85.3m). Net cash outflows from investing activities were $3,387.6m during the period (2017: $69.6m), $3,325.9m related to the acquisition of Regal. Excluding the Regal acquisition, net cash flows from investing activities during the period were $61.7m (2017: $69.6m).

Net debt of $3,650.0m at the period end is higher than the balance at 31 December 2017 by $3,274.3m. Of the net increase $3,597.7m related to the restructuring of the Groups debt arrangement on acquisition of Regal and $93.2m to acquired finance leases. This was in part offset by cash acquired at Regal of $330.8m. The remaining movements relates to $29.2m net foreign exchange gains on cash held and bank debt denominated in currencies other than USD and $56.6m of other 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 18-22 of the Group's Annual Report for 2017, 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 15 of the interim financial statements.

Going concern

At the year end the Group met its day-to-day working capital requirements through its bank loan, which consisted of a term loan
and a revolving facility. As a result of the Regal acquisition, on 28 February 2018 the Group restructured its debt arrangements. The previous financing arrangements in place as at 31 December 2017 for the Group and Regal Entertainment Group were settled and replaced by the new financing arrangements for the enlarged Group which consist of a USD and Euro term loan totalling $4.1bn and an undrawn $300.0m revolving credit facility. The revolving credit facility is currently undrawn and subject to springing covenants which are triggered above 35% utilisation.

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 the level of its new facilities for at least 12 months from the approval date of these interim consolidated financial statements. Accordingly, the Group continues to adopt the going concern basis in preparing its interim consolidated financial statements.

Dividends

On 11 May 2018, the Company announced that for financial periods beginning on or after 1 January 2018, the Company would change the presentational currency in which the Group presents its consolidated financial results from pounds sterling to US dollars. As a consequence of this change, dividends will be declared in US dollars and eligible shareholders will be able to elect to receive dividend payments in either US dollars or pounds sterling. The default payment currency for dividends will remain pounds sterling, unless shareholders elect for payment to be made in US dollars by providing an election form stating their preference to receive dividends in US dollars to the Company's registrars.

The exchange rate at which dividends declared in US dollars will be translated into pounds sterling will be announced in advance of the payment date of each dividend. Following an election to receive dividends in US dollars, that election will be maintained unless a subsequent election form is submitted to the Company's registrars.

Shareholders that hold shares in uncertificated form may elect to receive their dividend in US dollars by inputting a valid Dividend Election Input Message in accordance with the CREST procedures described in the CREST Manual. Shareholders may revoke an election once made in accordance with the procedures described in the CREST Manual. Shareholders that hold shares in certificated form and wish to elect to receive dividends in US dollars should contact Link Asset Services, the Company's registrars, to request an election form on: +44 (0)371 664 0321, at enquiries@linkgroup.co.uk, or via www.signalshares.co.uk.

The timetable for the dividend announced on 9 August 2018 is as follows:

· Interim Dividend Declared	· 9 August 2018
· Ex-Dividend Date	· 13 September 2018
· Record Date	· 14 September 2018
· Final Date for Currency Election	· 14 September 2018
· Exchange Rate Determined	· 21 September 2018
· Payment Date	· 5 October 2018

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 2018

	Note	6 month period ended 30 June 2018 (unaudited)	6 month restated Period ended 30 June 2017 (unaudited)	Restated Year ended 31 December 2017
		$m	$m	$m
Revenue		**1,862.9**	528.7	1,147.0
Cost of sales		(1,411.5)	(398.0)	(844.3)
Gross profit		**451.4**	**130.7**	**302.7**
Other operating income		2.5	1.8	4.5
Administrative expenses		(246.7)	(67.5)	(142.2)
Operating profit		**207.2**	65.0	165.0
Reconciliation from operating profit to adjusted EBITDA as defined in note 1:				
Operating profit		**207.2**	65.0	165.0
Share of profit / (loss) of jointly controlled entity using equity accounting method net of tax		6.2	(0.1)	0.1
Operating profit plus share of loss of joint ventures using equity accounting method net of tax		**213.4**	**64.9**	**165.1**
Adjusted for:				
- Depreciation and amortization		144.4	41.5	87.8
- Onerous lease charges and releases		(2.2)	0.8	1.7
- Impairments and reversals of impairments		0.4	0.8	(6.7)
- Transaction and reorganisation costs		49.8	0.9	10.0
- Gosses(/gains) on disposal of assets and subsidiaries		1.4	(2.8)	(2.6)
- Share based payment charges		1.6	1.4	2.4
- Undistributed profits from jointly controlled entities		4.8	-	-
Adjusted EBITDA as defined in note 1		**413.6**	**107.5**	**257.7**
Finance income	5	39.4	2.1	2.5
Finance expenses	5	(92.6)	(6.5)	(12.5)
Net financing costs		**(53.2)**	(4.4)	(10.0)
Share of profit / (loss) of jointly controlled entity using equity accounting method, net of tax		6.2	(0.1)	0.1
Profit before tax		**160.2**	60.5	155.1
Taxation	4	(31.8)	(9.9)	(25.6)
Profit for the period attributable to equity holders of the Company		**128.4**	50.6	129.5

Other comprehensive income

	Note			
Items that will not subsequently be reclassified to profit or loss net of tax				
Income tax (charge)/credit recognised on other comprehensive income		-	-	0.8
Items that will subsequently be reclassified to profit or loss net of tax				
Foreign exchange translation (loss) / gain		(79.9)	82.8	117.0
Movement in fair value of cash flow hedges		-	1.3	1.7
Net change in fair value of cash flow hedges recycled to profit or loss		0.1	-	-
Net change in fair value of net investment hedge recycled to profit or loss		(3.5)	-	-
Movement in fair value of net investment hedge		-	(1.6)	(1.8)
Other comprehensive (loss)/income for the period, net of income tax		**(83.3)**	82.5	117.7
Total comprehensive income for the period attributable to equity holders of the Company		**45.1**	133.1	247.2
Basic earnings per share	6	**11.1**	8.3	21.1
Diluted earnings per share	6	**11.1**	8.2	21.0

The notes on pages 14 to 26 are an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2018

		30 June 2018 (unaudited)		**Restated 31 December 2017**		**Restated 31 December 2016**
	$m	**$m**	**$m**	**$m**	**$m**	**$m**
Non-current assets						
Property, plant and equipment		2,611.5		703.5		549.3
Goodwill		5,578.8		911.0		802.1
Other intangible assets		557.9		63.8		66.7
Investment in equity-accounted investee		240.9		1.6		1.2
Other receivables		269.6		7.9		7.4
Total non-current assets		**9,258.7**		1,687.8		1,426.7
Current assets						
Assets held for sale	3.0		-		-	
Inventories	35.7		13.9		12.1	
Trade and other receivables	241.8		104.4		91.3	
Cash and cash equivalents	477.0		91.0		68.6	
Total current assets		**757.5**		209.3		172.0
Total assets		**10,016.2**		1,897.1		1,598.7
Current liabilities						
Interest-bearing loans, borrowings and other financial liabilities	(69.5)		(20.2)		(20.7)	
Trade and other payables	(684.0)		(195.6)		(216.8)	
Current taxes payable	(35.0)		(28.8)		(13.1)	
Bank overdraft	(0.8)		(0.6)		-	
Provisions	(338.5)		(4.7)		(11.4)	
Total current liabilities		**(1,127.8)**		(249.9)		(262.0)
Non-current liabilities						
Interest-bearing loans, borrowings and other financial liabilities	(4,056.7)		(446.0)		(396.6)	
Other payables and deferred income	(984.3)		(129.1)		(94.5)	
Employee benefits	(2.8)		(3.1)		(2.3)	
Provisions	(343.9)		(10.6)		(10.6)	
Deferred tax liabilities	(64.4)		(13.8)		(15.7)	
Total non-current liabilities		**(5,452.1)**		(602.6)		(519.7)
Total liabilities		**(6,579.9)**		(852.5)		(781.7)
Net assets		**3,436.3**		1,044.6		817.0
Equity attributable to equity holders of the Company						
Share capital		20.1		5.0		4.9
Share premium		678.5		548.1		561.4
Merger reserve		-		407.4		346.5
Translation reserve		(217.6)		(137.7)		(254.7)
Hedging reserve		-		(3.4)		(3.3)
Retained earnings		2,955.3		225.2		162.2

Total equity	**3,436.3**	1,044.6	817.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2018

	Issued capital $m	Share premium $m	Merger Reserve $m	Translation reserve $m	Hedging reserve $m	Retained earnings $m	Total $m
Restated balance at 1 January 2018	**5.0**	**548.1**	**407.4**	**(137.7)**	**(3.4)**	**225.2**	**1,044.6**
Profit for the period	-	-	-	-	-	128.4	128.4
Other comprehensive income							
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cashflow hedges	-	-	-	-	(0.1)	-	(0.1)
Retranslation of foreign currency denominated subsidiaries	-	-	-	(79.9)	-	-	(79.9)
Settlement of net investment hedge	-	-	-	-	3.5	-	3.5
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	-	-
Issue of shares	15.1	2,324.7	-	-	-	-	2,339.8
Capital reduction	-	(2,194.3)	(407.4)	-	-	2,601.7	-
Balance at 30 June 2018	**20.1**	**678.5**	**-**	**(217.6)**	**-**	**2,955.3**	**3,436.3**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the period ended 30 June 2018

	Issued capital $m	**Share premium $m**	**Merger Reserve $m**	**Translation reserve $m**	**Hedging reserve $m**	**Retained earnings $m**	**Total $m**
Restated balance at 1 January 2016	**4.9**	**548.0**	**346.5**	**(222.2)**	**0.4**	**117.7**	**795.3**
Profit for the period	-	-	-	-	-	109.1	109.1
Amounts reclassified from equity to profit or loss in respect of cash flow hedges	-	-	-	-	(2.6)	-	(2.6)
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Re-measurement of the defined benefit asset	-	-	-	-	-	(6.9)	(6.9)
Tax recognised on items that will not be reclassified to profit or loss	-	-	-	-	-	1.4	1.4
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cashflow hedges	-	-	-	-	0.7	-	0.7
Movement in fair value of net investment hedge	-	-	-	-	(1.8)	-	(1.8)
Retranslation of foreign currency denominated subsidiaries	-	-	-	(32.5)	-	-	(32.5)
Tax recognised on items that will be subsequently reclassified to profit or loss	-	-	-	-	-	0.1	0.1
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(61.4)	(61.4)
Movements due to share-based compensation	-	-	-	-	-	2.2	2.2
Issue of shares	-	13.4	-	-	-	-	13.4
Restated balance at 31 December 2016	**4.9**	**561.4**	**346.5**	**(254.7)**	**(3.3)**	**162.2**	**817.0**
Profit for the year	-	-	-	-	-	129.5	129.5
Amounts reclassified from equity to profit and loss in respect of cash flow hedges	-	-	-	-	-	0.4	0.4
Other comprehensive income							
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cash flow hedge	-	-	-	-	1.7	-	1.7
Movement in net investment hedge	-	-	-	-	(1.8)	-	(1.8)
Retranslation of foreign currency denominated subsidiaries	-	-	-	117.0	-	-	117.0
Tax recognised on items that will be reclassified to profit or loss	-	-	-	-	-	0.4	0.4
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(69.7)	(69.7)

Movements due to share-based compensation	-	-	-	-	-	2.4	2.4
Transfer	-	(13.3)	13.3	-	-	-	-
Issue of shares	0.1	-	47.6	-	-	-	47.7
Restated balance at 31 December 2017	**5.0**	**548.1**	**407.4**	**(137.7)**	**(3.4)**	**225.2**	**1,044.6**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June 2018

	6 month period ended 30 June 2018 (unaudited)	6 month period restated Period ended 30 June 2017 (unaudited)	Restated Year ended 31 December 2017
	$m	$m	$m
Cash flows from operating activities			
Profit for the period	**128.4**	50.6	129.5
Adjustments for:			
Financial income	(39.4)	(2.1)	(2.5)
Financial expense	92.6	6.5	12.5
Taxation charge	31.8	9.9	25.6
Share of (profit) / loss of equity-accounted investee	(6.2)	0.1	(0.1)
Operating profit	**207.2**	65.0	165.0
Adjustments for			
Depreciation and amortization	144.4	41.5	87.8
Non-cash property, pension and remuneration credit/(charges)	3.8	2.2	4.1
Impairments and reversals of impairments	0.4	0.8	(6.7)
Loss on sale of assets	1.4	(2.8)	(2.6)
Exceptional transaction costs	49.8	0.9	-
Surplus of pension contributions over current service cost	-	-	(9.4)
Decrease/(increase) in trade and other receivables	14.0	1.4	(14.6)
Decrease/(Increase) in inventories	1.6	(2.0)	(1.8)
(Decrease)/increase in trade and other payables	(46.9)	(14.4)	27.5
Decrease in provisions and employee benefits	15.5	(0.4)	(5.8)
Cash generated from operations	**391.2**	92.2	243.5
Tax paid	(25.0)	(6.9)	(15.4)
Net cash flows from operating activities	**366.2**	85.3	228.1
Cash flows from investing activities			
Interest received	1.6	0.4	0.7
Acquisition of subsidiaries net of acquired cash	(3,325.9)	(8.9)	(8.9)
Acquisition of property, plant and equipment and intangible assets	(73.8)	(63.6)	(133.2)
Proceeds from sale of property, plant and equipment	-	2.5	(3.9)
Investment in joint ventures	(0.6)	-	2.5
Dividends received from investments	11.1	-	-
Net cash flows from investing activities	**(3,387.6)**	(69.6)	(142.8)
Cash flows from financing activities			
Proceeds from share issue	2,339.8	0.2	1.2
Dividends paid to shareholders	-	(47.5)	(69.7)
Interest paid	(61.5)	(4.7)	(8.5)
Repayment of bank loans	(2,842.0)	(6.4)	(14.4)
Proceeds from bank loans	3,982.6	5.4	22.4
Payment of finance lease liabilities	(5.0)	(0.7)	(5.7)
Net cash from financing activities	**3,414.3**	(53.7)	(74.7)
Net increase / (decrease) in cash and cash equivalents	392.5	(38.0)	10.6
Effect of exchange rate fluctuations on cash held	(6.5)	8.1	11.8
Cash and cash equivalents at start of period	91.0	68.6	68.6
Cash and cash equivalents at end of period	**477.0**	38.7	91.0

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 2018 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 2017 are available upon request from the Company's registered office at 8th Floor, Vantage London, Great West Road, Brentford,TW8 9AG.

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 2017. 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 2017.

The comparative figures for the financial year ended 31 December 2017 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.

Presentational currency
Following the acquisition of Regal, which completed on 28 February 2018, the majority of the Group's revenue and trading profit is now generated in US dollars. The Group has therefore elected to change its presentational currency to US dollars from 1 January 2018 to remove the largest driver of currency translation volatility and provide greater transparency of the underlying trading performance of the Group.

A change in presentational currency is a change in accounting policy which is accounted for retrospectively. Financial information included in the interim condensed consolidated financial statements for the six months ended 30 June 2017 and annual results for the year ended 31 December 2017 previously reported in sterling have been restated into US dollars using the procedures outlined below:

- Assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the closing rates of exchange on the relevant balance sheet date;
- Non-US dollar income and expenditure were translated at the average rates of exchange prevailing for the relevant period; and
- Share capital, share premium and the other reserves were translated at the historic rates prevailing on the date of each transaction. The cumulative foreign currency translation reserve has been restated on the basis that the Group has reported in US dollars since 2004, the inception date of the Company.

Joint operations
Where the Group is a party to a joint operation, the consolidated financial statements include the Group's share of the joint operations assets and liabilities, as well as the Group's share of the entity's profit or loss and other comprehensive income, on a line-by-line basis

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 2017, except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Group
A number of new or amended standards became applicable for the current reporting period and the Group has changed its accounting policies as a result of adopting the following standards:

- IFRS 9 *Financial instruments, and*
- IFRS 15 *Revenue from Contracts with Customers*

The impact of the adoption of these standards and the new accounting policies are disclosed in note 2 below. The impact of change in accounting policies due to adopting these new standards did not result in retrospective adjustments being made.

As a result of the acquisition of Regal some asset classes were depreciated over a useful economic life different to that of the existing Group. As a result, the useful economic lives of the following asset classes have been revised:

Asset class	**Existing useful life accounts (Years)**	**Revised useful life (Years)**
Fixtures and fittings	3 - 16	3 - 20
Projectors	3 - 16 (Life of lease)	3 - 20

The useful economic lives of all other asset classes remains consistent to those disclosed at 31 December 2017.

Impact of standards issued but not yet applied by the entity
IFRS 16 Leases
IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low value leases.

The standard will primarily affect the accounting for the Group's operating leases. The adoption of IFRS 16 is expected to materially affect the Group's lease accounting and financial statements. One of the first considerations is the transition method which the Group should adopt. There are three options: fully retrospective; modified; and modified retrospective. Each option has a slightly different impact on the financial statements on the initial transition date and going forward. Initial assessments have been undertaken for each of these options based on a sample of leases and management are in the process of concluding which will be the transition method selected. From the initial analysis performed the Group's profit after tax, operating profit, finance costs EBITDA and Adjusted EBITDA will be materially affected by the adoption of IFRS 16. The Group's finance costs and depreciation charge will materially increase; however, the rental charge for leases classified as finance leases under IFRS 16, which will substantially be all of the Group's property leases, will no longer be recognised in the Consolidated Statement of Comprehensive Income. The Group's Statement of Financial Position will be materially impacted in respect of total assets, total liabilities, net debt and equity. For all leases which fall under the scope of IFRS 16 a right of use asset and related lease

liability will be recognised in the Statement of Financial Position. At the reporting date, the Group has non-cancellable operating lease commitments of $5,288.2m. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future lease payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

Alternative performance measures
The Group uses alternative performance measures (APM's), which are not defined or specified under IFRS. The Group believes that these APMs, which are not considered to be a substitute for IFRS measures, provide additional helpful information. APMs are consistent with how business performance is planned, reported and assessed internally by management and the Board and provide comparable information across the Group.

The Group uses the following APMs:

Adjusted EBITDA
Adjusted EBITDA as reported in the Consolidated Statement of Profit and Loss is defined as Operating profit plus share of profits from associates using the equity accounting method net of tax adjusted for depreciation and amortisation, onerous lease charges and releases, impairments and reversals of impairments, transaction and reorganisation costs, gains/losses on disposals of assets and subsidiaries, share based payment charges, and share of profits received from joint ventures in excess of distributions or any undistributed such profits. Adjusted EBITDA is considered an accurate and consistent measure of the Group's trading performance. Items adjusted to arrive at Adjusted EBITDA are considered to be primarily non-cash items or items outside the Group's ongoing trading activities.

The Group believes including cash distributions from associates up to the level of the profits earned in the period is an appropriate reflection of the contribution that these investments make to the Group's operations and reflects the way these operations have been and will continue to be monitored.

Adjusted profit before tax
Adjusted profit before tax is calculated by adding back amortisation of intangible assets (excluding acquired film distribution rights), and certain non-recurring or non-cash items and foreign exchange differences arising on the translation of non USD$ denominated monetary assets and liabilities as set out in Note 5. Adjusted profit before tax is an internal measure used by management, as they believe it better reflects the underlying performance of the Group and therefore a more meaningful comparison of performance from period to period.

Adjusted profit after tax
Adjusted profit after tax is arrived at by applying an effective tax rate to taxable adjustments and deducting the total from adjusted profit before tax.

Constant currency
The Group measures some financial metrics on both a reported basis and at constant exchange rates. The constant exchange rate basis re-translates the prior period financial information at the current period exchange rate to eliminate the effect of exchange rate translation differences when comparing information year-on-year.

2. Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 *Financial instruments* and IFRS 15 *Revenue from Contracts with Customers* on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

Despite a change in the entity's accounting policies both IFRS 9 and IFRS 15 were adopted without materially changing the application of the existing policies in place and therefore the comparative information has not been restated.

IFRS 9 *Financial Instruments* - Impact of adoption
IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

Classification and measurement
On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. There has been no reclassification of previously held assets or liabilities as a result of this.

Derivatives and hedging activities
The interest rate swaps in place as at 31 December 2017 qualified as cash flow hedges under IFRS 9. The Group's risk management strategies and hedge accounting documentation are aligned with the requirements of IFRS 9 and these relationships are therefore treated as continuing hedges.

As a result of the Regal transaction on 28 February 2018, the Sterling and Euro term loans held at 31 December 2017 were repaid. The interest rate swaps attached to the Sterling term loan was settled resulting in a profit of $0.6m. Prior to resettlement on 28 February 2018 the fair value of these swaps recognized within the hedging reserve was $0.5m. On settlement this was recycled from the hedging reserve.

A Euro term loan was drawn down as part of the new facilities and therefore the existing Euro interest rate swap remains in place to mitigate the Group's interest rate risk. As the swap was designated to the previous Euro term loan it no longer qualifies for hedge accounting. The fair value of this swap recognized within the hedging reserve prior to repayment on 28 February 2018 was $0.1m and it was recycled to the profit or loss on this date. Any subsequent movements in fair value of this swap should be recognised directly within the profit or loss.

The existing Euro term loan was designated as a net investment hedge to mitigate translation exposure on certain net investments in subsidiary companies. On repayment of this loan on 28 February 2018 the value recognised in the hedging reserve in relation to this net investment hedge was $3.5m. This portion of the hedging reserve was recycled to the profit or loss on repayment date.

Impairment of financial assets
The Group's trade receivables resulting from sales (30 June 2018: $128.1m; 31 December 2017: $40.3m) are subject to IFRS 9's new expected credit loss model. The Group was required to revise its impairment methodology under IFRS 9 for this class of asset. There was no material impact as a result in this change in impairment methodology.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

At 31 December 2017, the Group's loss allowance in place was $0.5m. We have recalculated the loss allowance at 1 January 2018 as a result of adopting the new approach. The loss allowance in place remained at $0.5m.

IFRS 9 *Financial Instruments* - Accounting policies applied from 1 January 2018
Derivative Financial Instruments and Hedging
Cash Flow hedges and Interest swap policy.
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other income (expenses).

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Trade and Other Receivables
Trade and other receivables are measured at amortised cost. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

Trade and other payables
Trade and other payables are measured at amortized cost.

Interest-Bearing Borrowings
Interest-bearing borrowings are measured at amortised cost less transaction costs. Any difference between cost and redemption value is recognised within the Statement of Profit or Loss over the period of the borrowings on an effective interest basis.

IFRS 15 *Revenue from Contracts with Customers* - Impact of adoption
The Group has adopted IFRS 15 *Revenue from Contracts with Customers* from 1 January 2018. IFRS 15 now applies a five-step model for revenue recognition. In assessing the impact of the adoption of IFRS 15 management considered each revenue stream individually and applied the five step model in recognising revenue for each respective stream. On conclusion of this assessment, revenue for each revenue stream would be recognised at the same point as if the existing policy had remained in place and therefore there has been no changes to the Group's existing revenue recognition policy.

3. Operating segments

The acquisition of Regal has led to the Cineworld Group Board (the "CODM") realigning its management information. This change has given rise to the inclusion of an additional operating and reporting segment for Regal, referred to as the "US". The combination has not affected the information provided to the Board in respect of Cineworld Cinemas or Picturehouse operating segments and they continue to be presented on a consistent basis to the prior period within the UK & Ireland reporting segment. The reporting segment previously referred to as the "ROW" has been re-named to Central Eastern Europe and Israel "CEE & I". The operating segments included in the CEE & I reporting segment continue to be presented on a consistent basis to the prior period and include; Poland, Romania, Hungary, Czech Republic, Bulgaria, Slovakia and Israel.

The Group has determined that is has three reporting segments: the US, the UK and CEE & I.

	US	**UK**	**CEE & I**	**Group**
	$m	$m	$m	$m
Period ended 30 June 2018				
Total revenues[(1)]	1,279.9	353.7	229.3	1,862.9
Adjusted EBITDA as defined in Note 1	300.8	57.8	55.0	413.6
Segmental operating profit / (loss)	191.6	(21.3)	36.9	207.2
Net finance income / (costs)	(45.2)	(8.7)	0.3	(53.2)
Share of loss of jointly controlled entities using equity method, net of tax	6.6	(0.4)	-	6.2
Depreciation and amortization	95.1	24.1	25.2	144.4
Transaction and reorganisation costs	1.7	48.2	0.2	49.8
Profit / (loss) before taxation	**153.5**	**(30.4)**	**37.1**	**160.2**
Segmental total assets	**7,848.2**	**1,159.5**	**1,008.5**	**10,016.2**
Restated period ended 30 June 2017				
Total revenues[(1)]	-	317.0	211.7	528.7
Adjusted EBITDA as defined in Note 1	-	51.7	55.8	107.5
Segmental operating profit	-	30.7	34.2	64.9
Net finance income / (costs)	-	(6.3)	1.9	(4.4)
Share of loss of jointly controlled entities using equity method, net of tax	-	(0.1)	-	(0.1)
Depreciation and amortization	-	20.6	20.9	41.5
Transaction and reorganization costs	-	0.9	-	0.9
Profit before taxation	-	24.3	36.2	60.5
Segmental total assets	-	704.9	1,015.6	1,720.5
Restated year ended 31 December 2017				

Total revenues[1]	-	675.5	471.5	1,147.0
Adjusted EBITDA as defined in Note 1	-	131.4	126.3	257.7
Segmental operating profit	-	66.8	98.2	165.0
Net finance income / (costs)	-	(12.2)	2.2	(10.0)
Depreciation and amortization	-	42.2	45.6	87.8
Transaction and reorganisation costs	-	8.8	1.2	10.0
Profit before taxation	-	54.8	100.3	155.1
Segmental total assets	-	871.5	1,025.6	1,897.1

[1] All revenues are from third parties

4. 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 2018 applied against the profit before tax for the period ended 30 June 2018. The overall tax charge during the period was $31.8m giving an overall effective tax rate of 19.9% (Full year 2017: 16.5%). The effective tax rate has increased from the prior period. This primarily results from the inclusion of results of the Regal US business following the acquisition, taxed at an effective US tax rate which is higher than that of the other markets in which the Group operates. Additionally, one-off acquisition costs may not be fully tax deductible.

In the medium term we expect our effective tax rate to be in the range of 19-20%, reflecting the Group's geographical mix of profits.

Tax recognised in the income statement during the period is as follows:

	Period ended 30 June 2018 (unaudited)	Restated Period ended 30 June 2017 (unaudited)	Restated Year ended 31 December 2017
	$m	$m	$m
Current year tax expense			
Current period	28.7	13.1	31.0
Adjustments in respect of prior periods	-	-	(1.4)
Total current year tax expense	**28.7**	13.1	29.6
Deferred tax charge/(credit)			
Current period	3.1	(3.2)	(3.3)
Adjustments in respect of prior periods	-	-	(0.7)
Total deferred tax (credit)/expense	**3.1**	(3.2)	(4.0)
Total tax charge in the income statement	**31.8**	9.9	25.6
Effective tax rate	19.9%	16.4%	16.5%
Current year effective tax rate	19.9%	16.4%	17.9%

5. Finance income and expense

	Period ended 30 June 2018 (unaudited)	Restated Period ended 30 June 2017 (unaudited)	Restated Year ended 31 December 2017
	$m	$m	$m
Interest income	2.0	0.5	0.8
Foreign exchange gain	37.3	1.6	1.7
Amounts reclassified from equity to profit or loss in respect of settled cash flow hedges	0.1	-	-
Financial income	**39.4**	2.1	2.5

5. Finance income and expense (Continued)

	6 month period ended 30 June 2018 (unaudited)	6 month restated Period ended 30 June 2017 (unaudited)	Restated Year ended 31 December 2017
Interest expense on bank loans and overdrafts	61.2	4.7	8.1
Amortisation of financing costs	6.3	0.9	1.9
Unwind of discount on onerous lease provision	0.3	0.1	0.2
Unwind of discount on finance lease liability	2.8	0.7	1.5
Unwind of discount on market rent provision	4.9	0.1	-
Unwind of discount of deferred revenue	13.6	-	-
Amounts reclassified from equity to profit or loss in respect of settled net investment hedge	3.5	-	-

Foreign exchange loss	-	-	0.8
Financial expense	**92.6**	6.5	12.5
Net financial expense	**53.2**	4.4	10.0

6. 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 recognised as part of business combinations 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 year attributable to ordinary shareholders by 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.

	6 month period ended 30 June 2018 (unaudited)	**6 month restated Period ended 30 June 2017 (unaudited)**	**Restated Year ended 31 December 2017**
	$m	$m	$m
Profit after tax for the period attributable to ordinary shareholders	**128.4**	50.6	129.5
Adjustments:			
Amortisation of intangible assets[(1)]	**11.0**	3.0	6.6
Transaction and reorganisation costs	**49.8**	0.9	10.0
(Impairments) and reversals of impairments	**0.4**	0.8	(6.7)
Onerous lease charges and reversals	**(2.2)**	0.8	1.7
Share based payment charges	**1.6**	1.4	2.4
Foreign exchange translation gains on financial liabilities [(2)]	**(35.5)**	-	-
Loss/(profit) on disposal of assets	**1.4**	(2.8)	(2.6)
Recycle of fair value on hedging reserve	**3.5**	-	-
Total adjustments	**30.0**	4.1	11.4
Adjusted profit	**158.4**	54.7	140.9
Tax effect of above items	**(6.0)**	(0.7)	(1.9)
Adjusted profit after tax	**152.4**	54.0	139.0

	Number of shares	**Number of shares**	**Number of shares**
	m	m	m
Weighted average number of shares in issue (prior to rights adjustment) [(3)]	-	269.3	271.4
Weighted average number of shares in issue (rights adjusted) [(3)]	**1,158.4**	**607.7**	**612.4**
Basic earnings per share denominator (prior to rights adjustment) [(3)]	**-**	269.3	271.4
Basic earnings per share denominator (rights adjusted)[(3)]	**1,158.4**	607.7	612.4
Dilutive options (prior to rights adjustment) [(3)]	**-**	2.6	1.4
Dilutive options (rights adjusted)[(3)]	**3.1**	5.9	3.2
Diluted earnings per share denominator (prior to rights adjustment)[(3)]	**-**	271.9	272.8
Diluted earnings per share denominator (rights adjusted)[(3)]	**1,161.5**	613.5	615.6
Shares in issue at period end	**1,370.6**	610.3	613.8

	Cents	Cents	Cents
Basic earnings per share (rights adjusted)[(3)]	**11.1**	8.3	21.1
Diluted earnings per share (rights adjusted)[(3)]	**11.1**	8.2	21.0
Adjusted basic earnings per share (rights adjusted)[(3)]	**13.2**	8.9	22.7
Adjusted diluted earnings per share (rights adjusted)[(3)]	**13.2**	8.8	22.6
Basic earnings per share (prior to rights adjustment)[(3)]	-	18.8	47.7
Diluted earnings per share (prior to rights adjustment)[(3)]	-	18.6	47.5
Adjusted basic earnings per share (prior to rights adjustment)[(3)]	-	20.1	51.2
Adjusted diluted earnings per share (prior to rights adjustment)	-	19.9	51.0

(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 Cinema City business combination and Regal acquisition (from 1 March 2018). It does not include amortisation of purchased distribution rights.
(2) In 2018 a foreign exchange loss of $35.5m was recognized on the retranslation on the Euro term loan. No such gains or losses were recognized in 2017 as a result of the net investment hedge taken out in the second half of 2016 in respect of the previous Euro term loan held.
(3) In accordance with IAS 33 basic and diluted EPS figures have been restated to reflect the bonus element Rights issue described in note 10.

7. Dividends

A final dividend for 2017 of 4.1 cents per share was paid on 6 July 2018 to ordinary shareholders. The board have declared an interim dividend of 4.85 cents per share (2017 interim dividend on a rights adjusted basis: 3.6 cents). This will result in total cash payable of approximately $66.4m (2017: $22.2m) on 5 October 2018 to ordinary shareholders on the register at the close of business on 14 September 2018. In accordance with IAS 10, this will be recognised in the reserves of the Group when the dividend is paid.

8. Analysis of net debt and borrowings

	Cash at bank and in hand	Bank overdrafts	Bank loans	Finance leases	Interest rate swaps	Net debt
	$m	$m	$m	$m	$m	$m
Restated balance at 1 January 2017	**68.6**	**-**	**(398.8)**	**(18.5)**	**(1.4)**	**(350.1)**
Cash flows	9.7	(0.6)	(4.2)	1.7	-	6.6
Non-cash movement	-	-	(1.8)	(2.8)	1.5	(3.1)
Effect of movement in foreign exchange rates	12.7	-	(39.9)	(1.9)	-	(29.1)
Restated balance at 1 January 2018	**91.0**	**(0.6)**	**(444.7)**	**(21.5)**	**0.1**	**(375.7)**
Cash flows	60.4	(0.2)	(1,102.2)	5.1	(0.6)	(1,037.5)
Regal net debt at acquisition date	330.8	-	(2,495.5)	(93.2)	-	(2,257.9)
Non cash movement	-	-	(8.3)	(0.2)	0.4	(8.1)
Effect of movement in foreign exchange rates	(5.2)	-	33.7	0.6	0.1	29.2
Balance at 30 June 2018	**477.0**	**(0.8)**	**(4,017.0)**	**(109.2)**	**-**	**(3,650.0)**

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 2018				
Derivative financial instruments	-	-	-	-
Restated 31 December 2017				
Derivative financial instruments	-	0.1	-	0.1

There have been no transfers between levels in 2018 (restated 2017: 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.

On 28 February 2018, the Group restructured its debt facilities in place repaying existing borrowings. The restructured debt consists of a US Dollar and Euro term loan totaling $4.1bn and a $300.0m revolving credit facility. The term loans were fully drawn down and the 300.0m revolving credit facility remains undrawn at 30 June 2018.

There are no covenants attached to these facilities.

9. Property, plant and equipment

During the period to 30 June 2018, the Group purchased assets of $91.5m (restated year ended 31 December 2017: $64.3m; restated year ended 31 December 2016: $151.8m).

10. Business combinations

2018 Acquisition of Regal Entertainment Group
On the 5 December 2017, the Group announced the proposed acquisition of Regal by means of an acquisition of the entire issued, and to be issued, share capital of Regal. The acquisition was based on an implied enterprise value of $5.8bn.The acquisition of Regal completed on 28 February 2018.

Management believe that the acquisition will drive growth and enhance shareholder value by: providing access to a new geographic market, the opportunity to develop an estate and drive returns through investment, giving the enlarged Group significant scope to drive additional benefits from its combined operations through operational improvements and the sharing of best practice across the Cineworld and Regal businesses; and delivering an attractive return on invested capital.

Consideration Transferred
Of the total consideration for the acquisition, $3.4bn was settled fully in cash, funded by the proceeds of the fully underwritten Rights Issue at the Rights Issue Price of 157.0 pence per New Ordinary Share, which raised $2.3bn, plus an additional $4.1bn was raised through committed Debt Facilities. The restructured debt arrangement consists of a US Dollar and Euro term loan totaling $4.1bn and a $300.0m revolving credit facility. The previous financing arrangements in place as at 31 December 2017 for the Group and Regal have been terminated and superseded by the new financing arrangements from 28 February 2018. As the consideration was entirely paid in cash the acquisition is being accounted for as an acquisition under IFRS 3 rather than as a reverse takeover acquisition under IFRS 3, notwithstanding the size of the acquisition.

Fair Value of Consideration Transferred

	$m
Cash consideration	3,727
Total fair value of consideration transferred	**3,727**

Provisional Identifiable Assets Acquired and Liabilities Assumed

	$m
Fair value of total net identifiable assets upon acquisition	
Intangible assets	549
Property, plant and equipment	1,959
Investments	233
Inventory	24
Trade and other receivables	324
Cash and cash equivalents	327
Finance lease liability	(79)
Deferred tax liabilities	(66)
Loans and borrowings	(2,502)
Provisions for liabilities	(415)
Trade and other payables	(1,148)
Total net identifiable liabilities	(794)
Goodwill	4,521
Consideration transferred	3,727

Management provisionally assessed the fair value of the acquired identifiable intangible assets and acquired property, plant and equipment and as a result their respective fair values are measured on a provisional basis. Any subsequent change in valuation of the intangible assets or property, plant and equipment will result in a reallocation between the assets and goodwill. As at 30 June 2018, a number of adjustments have been made to the book values of the acquired assets in order to reflect their fair value. The material adjustments are summarised below.

Property and leases

The provisionally assessed fair value of property, plant and equipment of $1,959m include a number of adjustments. Land and buildings assets at 55 sites were revalued to reflect open market at the date of acquisition, resulting in a fair value uplift of $240m. Assets with a value of $36.6m were written down where the forecast cashflows of a cash generating unit (discounted by applying an indicative acquisition internal rate of return) did not support its value at the date of acquisition. A fair value uplift of $33.0m on right of use assets included within Property, Plant and Equipment in respect of finance leases was recognized as a result of forecast income at the lease sites exceed the recorded value of the assets.

As well as considering the fair value of acquired property, plant and equipment, management have also considered the lease contract or each of the acquired sites. A provision of $27.2m has been recognised in respect of onerous lease contracts. The provision reflects the present value of the future lease payments under these lease contracts to the extent that the contract results in the site making a loss. An initial exercise was conducted to compare the current rentals of each of the sites to the current market rental rate. Accordingly, a net provision of $166.8m has been recognised in respect of a number of sites where the current rental rate is either above or below the assumed average market rental rate. The provisions in respect of the lease agreements have been recognised on a provisional basis.

Deferred income of $186.4m in respect of landlord contributions received by Regal prior to the acquisition have been eliminated as they have already been taken into account in other fair value calculations. A liability of $87.0m in respect of contractual increments in rent has been eliminated, future incremental rent charges will be recorded in the income statement in line with IAS 17.

Provisional fair value adjustments

A provision for costs in respect of the loyalty scheme operated by Regal has been increased by $16.7m to reflect the forecast increase in the redemption of loyalty rewards.

An assessment of the expected fair value of revenue attributable to performance obligations under advertising contracts was derived by generating an expected fair value of the contract using current market advertising prices. This resulted in a fair value uplift of $245.7m being applied to deferred revenue.

The fair value of the Group's investment in a listed Joint Venture was increased by $51.0m, reflecting the Group's holding and the share price of the entity at the acquisition date.

Acquired identifiable intangible assets include $356.0m in respect of brands and $141.0m in respect of customer relationships. Management consider the residual goodwill of $4,545.0m to represent a number of factors including the skills and industry knowledge of Regal's management and workforce, synergies expected to be realised post acquisition and the future value expected to be generated by the Group from Regal's pipeline of new sites and the potential for refurbishing the existing estate. None of the goodwill is expected to be deductible for income tax purposes. The contribution Regal has made to the Group since 28 February is represented by the US segment amounts in note 3.

Tax

The acquired deferred tax liability is £66.0m. This includes deferred tax liabilities of $158.2m resulting from applying the group's effective US tax rate to temporary differences arising on the provisional fair value adjustments made to acquired assets and liabilities.

11. Equity securities issued

	2018 Shares (thousands)	2017 Shares (thousands)	**2018** $m	2017 (restated) $m
Issues of ordinary shares during the half-year				
Exercise of options issued under the Employee share scheme and employee performance plan	**986.9**	6,335	**0.2**	1.2
Rights issue (net of transaction costs)	**1,095,705.2**	-	**2,339.6**	-
	1,096,692.1	6,335	**2,339.8**	1.2

12. Provisions

	30 June 2018 (unaudited)	31 December 2017 Restated	31 December 2016 Restated

	$m	$m	$m
Property provisions[1]	**367.4**	12.1	11.7
Other provisions[2]	**315.0**	3.2	10.3
	682.4	15.3	22.0

(1) Property provisions include amounts in respect of onerous leases and leases assessed as above market level
(2) Included within other provisions is a provision of $203.4 in relation to dissenting shareholder litigation.

13. Capital commitments

Capital commitments at the end of the financial period for which no provision has been made were $147.4m (restated 30 June 2017: $73.3m, restated 31 December 2017: $31.6m and restated 31 December 2016: $55.0m). Capital commitments at 30 June 2018 related primarily to new sites ($109.0m), cinema equipment and leasehold improvements ($34.0m) and distribution rights ($4.4m).

14. Events occurring after the reporting period

On 5 July 2018 the Group increased its investment in National CineMedia LLC from 19.29% to 26.11% for cash consideration of $78.4m.

15. 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 2018 was $2.7m (restated period ended 30 June 2017 was $2.0m; restated year ended 31 December 2017: $6.6m and restated year ended 31 December 2016: $7.1m). At 30 June 2018 the balance owed to directors was nil (restated period ended 30 June 2017: nil; restated year ended 31 December 2017: nil and restated year ended 31 December 2016: nil).

Digital Cinema Media (DCM) is a joint venture between the Group and Odeon Cinemas Holdings Limited. Revenue receivable from DCM in the period to 30 June 2018 was $11.4m (restated period ended 30 June 2017 $11.3m; restated year ended 31 December 2017: $26.8m and restated year ended 31 December 2016: $24.7m) and as at 30 June 2018 $6.8m was due from DCM in respect of trade receivables (restated period ended 30 June 2017: $2.0m; restated year ended 31 December 2017 $5.1m and restated year ended 31 December 2016 nil). In addition the Group has a working capital loan outstanding from DCM of $0.7m (restated 30 June 2017: $0.7m; restated 31 December 2017 $0.7m and restated 31 December 2016 $0.7m).

National CineMedia (NCM) is a joint venture between AMC Entertainment Holdings Inc, Cinemark Holdings Inc and NCM. The Revenue receivable from NCM during the period to 30 June 2018 was $21.4m. As at 30 June 2018 $1.8m was due to NCM in respect of trade payables and $3.4m was due from NCM in respect of trade receivables.

Fathom AC is a joint venture between AMC Entertainment Holdings Inc, Cinemark Holdings Inc and NCM. There were no transactions during the period. As at 30 June 2018 $1.3m was due to Fathom AC in respect of trade payables

Digital Cinema Implementation Partners (DCIP), Digital Cinema Distribution Coalition (DCDC), Siam UATC Company Limited, United Artist Singapore Theaters Pte. Ltd, United Stonestown Corporation and Vogue Realty Company are all Group joint ventures. No transactions occurred during the period with these related parties. There were no amounts owing from or owing to these related parties at 30 June 2018.

The Group holds a minority interest in Atom Tickets LLC. At 30 June 2018 $3.1m was due from Atom in respect of trade receivables.

During the year the Group incurred property charges of $5.8m (restated 30 June 2017: $5.4m; restated 31 December 2017: $11.2m and restated 31 December 2016: nil) and had amounts receivable of $2.2m from companies under the ownership of Global City Theatres B.V. ("GCT"), which is considered a related party of the Group as Moshe Greidinger and Israel Greidinger are directors of both groups.

INDEPENDENT REVIEW REPORT TO CINEWORLD GROUP PLC

Conclusion

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 30 June 2018 which comprises condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related explanatory notes.

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 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

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. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) 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.

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 International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 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.

The purpose of our review work and to whom we owe our responsibilities

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 DTR of 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.

Hugh Green

for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square,
London,
E14 5GL
9th August 2018

RISKS AND UNCERTAINTIES
Except for the impact of the recently completed acquisition of Regal, the Directors consider
that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining six months of 2018 are largely the same as those described in detail pages 18-22 of the Group's Annual Report for 2017, a copy of which is available from the Group's website www.cineworldplc.com.

These include:

1. Technology and Data Control	A critical system interruption or major IT security breach encountered
2. Availability and Performance of Film Content	Lack of access to high quality, diverse and well publicised movie product
3. Viewer Experience and Competition	The quality of products and services offered fails to meet the needs of the customer and deliver an enhanced viewer experience
4. Revenue from Retail/Concession Offerings	Delivery of a retail/concession offering that does not meet the requirements and preferences of our customers
5. Cinema operations	Failure to maintain and operate well run and cost effective cinemas
6. Regulatory Breach	A major statutory, regulatory or contractual compliance breach
7. Strategy and Performance	The approach to setting, communicating, monitoring and executing a clear strategy fails to deliver long-term objectives
8. Retention and Attraction of Senior Management and Key Employees	Failure to attract and retain Senior Management and/or other key personnel
9. Governance and Internal Control	A critical internal control and/ or governance failing occurs
10. Terrorism and Civil Unrest	Inability to respond to a major incident

Updated/New Risks
Following the acquisition of Regal one of the Principal risks (Risk 3 as set out in the Group's Annual Report for 2017) has been updated and an additional two risks introduced. The updated/new risks are:

1. Provision of next generation cinemas (Updated Risk 3)	**2. Integration (New Risk)**	**3. Treasury management (New Risk)**
Maintaining/refurbishing existing sites and/or developing new sites fails to provide a circuit of next generation cinemas. Risk Owner - CEO	Failure to deliver expected benefits from the Regal acquisition and/or integrate the business into Cineworld Group effectively. Risk Owner - CEO	Ineffective treasury management slows down our ability to service our debt and deliver against our planned strategic initiatives (e.g. refurbishment programmes). Risk Owner - CFO
Impact Ensuring our Cinemas are of state of the art design and have the latest cutting edge cinema experience technology are both key for our strategy to provide the best place to watch a movie.	**Impact** This significance of the acquisition for the Group means that execution of an effective integration strategy is critical. If any part of this is not optimised then the Group might not achieve the expected financial and operational benefits which may have an adverse impact on growth, profitability and future cash flow.	**Impact** A key future strategy for the Group is ensuring it has the ability to use the cash generative nature of the business to reduce the net debt to adjusted EBITDA ratio. Balancing this with the level of planned investment in strategic initiatives globally will be a continual focus for the Board.
Mitigation Activity - Site prioritisation analysis for the selection of refurbishments, new sites and or closures - Project Management expertise that allows the unique position of renovating without Cinema closures	**Mitigation Activity** - Review of operational structures to ensure they are optimised globally - Retention of key expertise within the Group - Some senior management transfers to the US from the UK - On-going Executive Director presence in the US	**Mitigation Activity** - Integration of Regal and Cineworld treasury functions .
Opportunity	**Opportunity**	**Opportunity**

The impact of bringing what the Group has completed in Europe to the US.	As the Group grows in its understanding of both Regal and the US market further benefit opportunities will arise.	Reduction of overall net debt to adjusted EBITDA could lead to upgrades in credit ratings and therefore access to enhanced borrowing rates for future growth.

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

9 August 2018

Shareholder Information

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Place of incorporation
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