12 March 2020

CINEWORLD GROUP plc
Preliminary Results for year ended 31 December 2019

Cineworld Group plc ("the Group") is pleased to announce its final results for the year ended 31 December 2019. The comparative period includes the ten months results of Regal Entertainment Group ("Regal") following the completion of its acquisition on the 28 February 2018. These results are presented in US Dollars.

Financial Highlights

- Group revenue of $4,370m (2018 Pro-forma(2): $4,657m) softer as expected compared to 2018, predominantly due to the strong comparative film slate
- Group Adjusted EBITDA of $1,033m (under IAS 17(1)) (Pro-forma 2018(2): $1,072m) and 23.6% margin, up 80bps
- Integration benefits from Regal exceeded initial expectation, with estimated run-rate synergies at the time of the acquisition increasing from $100m to $190m
- Reduced Net debt(3) to $3.5bn (excluding leases) from $3.7bn at 31 December 2018 and $4.0bn at the time of the acquisition of Regal
- Declared full year dividend of 15.5 cents up 3.3%

Operational Highlights

- Successful launch of our Unlimited program in the US in July 2019 - generating positive impact on cash flow, market share and box office performance
- Regal refurbishment and integration programme progressing well with two sites completed in 2019. Further 20 sites to be completed in the next 12 months. We have also closed 16 sites in the period which has impacted the results against the comparative.
- Continued investment in optimising the customer experience and cutting-edge technology with more ScreenX and 4DX screens, enhanced food offerings, bars and launch of "Lavazza Coffee Joints" in the US

Outlook

- Solid box office performance year to date with compelling film slate scheduled for 2020
- There can be no certainty as to the future impact of COVID-19 on the Group, however we are taking measures to ensure that we prepare our business for all possible eventualities. We have highlighted the potential impact this could have on the Group within our going concern statement in this document
- Management expects further market share gains and increased Unlimited members in the United States
- Proposed acquisition of Cineplex Inc, leading Canadian cinema chain, for $2.3bn expected to complete in the first half of 2020 following receipt of strong shareholder approval. Acquisition expected to deliver $130m of synergies with Group leverage to be reduced towards 3x by end of 2021

Key Financial Information

	Year ended 31 December 2019 (under IAS 17(1))	Pro-forma(2) Year ended 31 December 2018	2019 results under IAS 17 vs. 2018 pro-forma results(2)	Statutory Year ended 31 December 2019 (under IFRS 16(1))	Statutory Year ended 31 December 2018
Admissions	275.0m	308.4m	(10.8)%	275.0m	272.6m
Revenue	$4,369.7m	$4,657.0m	(6.2)%	$4,369.7m	$4,119.1m
Adjusted EBITDA(3)	$1,032.6m	$1,072.4m	(3.7)%	$1,580.3m	$925.4m
Profit before tax	$432.6m			$212.3	$349.0m
Adjusted profit before tax(3)	$474.5m			$355.4m	$417.0m
Profit after tax	$348.1m			$180.3m	$284.3m
Adjusted profit after tax(3)	$385.3m			$293.0m	$325.9m
Diluted EPS	25.9c			13.1c	22.4c(4)
Adjusted diluted EPS(3)	28.0c			21.3c	25.7c(4)

- Revenue decreased by 6.2% on a pro-forma basis from 2018 basis due to the strong comparative film slate and closure of loss making sites in the US.
  - US pro-forma(2) revenue decrease of 9.0%;
  - UK & Ireland constant currency(2) revenue decrease of 2.7%; and,
  - Rest of the World constant currency(2) revenue increase of 10.0%.
- Completed two sale and leaseback transactions for total proceeds of $556.3m relating to 35 US-based sites, half of the proceeds used to reduce gross debt and the other half to reward shareholders by way of a one-off special dividend of 20.27 cents per ordinary share ($278.1m)

1. From 1 January 2019, the Group has adopted IFRS 16 "Leases", applying the modified retrospective approach. To provide comparability of the underlying results year on year, the results have also been presented excluding the impact of IFRS 16 and have been prepared in accordance with the previous leasing standard IAS17. A reconciliation of the IFRS 16 2019 results to IAS 17 is provided in the Chief Financial Officer's Review.
2. Pro-forma results reflect the Group and US performance had Regal been consolidated for the entirety of the comparative period from 1 January 2018 to 31 December 2018. Revenue is shown on a constant currency basis for the UK&I and the ROW reporting segments by applying the 2019 average exchange rates to the 2018 performance. Refer to Note 3 for the full reconciliation.

3. Refer to Note 3 and Note 6 for the full definition and reconciliation.
4. The 2018 Adjusted Basic Earnings Per Share and adjusted diluted Earnings Per Share has been restated as detailed in Note 1.

Anthony Bloom, Chairman of Cineworld Group plc, said:

“2019 was a solid year for Cineworld, a year in which over 275 million customers watched movies on our screens, adjusted EBITDA exceeded a billion dollars, the synergy expectations in the Regal acquisition were virtually doubled in a well handled integration exercise, net debt was reduced and the dividend increased. I consider that to be a successful year. In the future, the Group will be well positioned to capitalise on our scale as the second largest cinema chain in the world, our deep experience and wide geographic diversification.

It is thus ironic that these achievements should be overshadowed by the negative impact of the global COVID-19 crisis, even though that at the time of writing the Group’s operations have not been affected to a material degree. I am of course conscious of the possibility that events could develop adversely very quickly and change this position in the short term, but I remain confident that the crisis will ultimately pass and that the cinema exhibition industry will continue to play a major role in providing fun, laughter, happiness and joy to millions of dedicated movie fans, just as it has for over a century”.

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

“Cineworld has delivered a solid set of full year 2019 results despite 2018 being a very strong comparative period. In particular, I am proud of our integration with Regal which continues to progress well. The refurbishment plan is on track, our “Unlimited” subscription plan was successfully launched in July 2019, we’ve upgraded our synergy target to $190 million from $100 million and Union Square in New York is due to open in the coming weeks. This gives us confidence in our ability to achieve our synergy target for the proposed transaction with Cineplex Inc, which we expect to complete in the first half of this year having received overwhelming universal support from shareholders.

We remain committed to our long-term strategy and vision to be “The Best Place to Watch a Movie”. Throughout our global estate, our cinemas offer cutting edge formats and technologies, such as ScreenX and 4DX; products from the likes of Starbucks and PepsiCo that are favoured by consumers; and staff that are amongst the most experienced and loyal in the industry. Our strong cash generation also allows us to focus on deleveraging whilst delivering returns to shareholders.

We are closely monitoring the evolution of COVID-19 and so far, we have seen minimal impact on our business. However, there can be no certainty on its future impact on our activities, hence we are taking measures to ensure that we are prepared for all possible eventualities. Should conditions relating to COVID-19 continue or worsen, we have measures at our disposal to reduce the impact on our business including, but not limited to, capex postponement, cost reduction, in order to maintain cash liquidity, however we have highlighted the potential impact this could have on the Group within our going concern statement. Nevertheless, we are excited by upcoming films for 2020 which includes ‘Black Widow’; ‘Wonder Woman 1984’; ‘Top Gun Maverick’; ‘Minions: The Rise Of Gru’; ‘Tenet’; ‘Venom 2’; the latest James Bond ‘No Time To Die’; ‘Godzilla vs. Kong’; ‘Dune’; ‘West Side Story’ and many more".

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:	12 March 2020
Time:	09:30am
Webcast link:	https://secure.emincote.com/client/cineworld/cineworld014

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Chief Executive Officer's Review

2019 was another step forward in the Group's transformational journey

Over the past 50 years, the global theatrical industry has demonstrated stability and resilience again and again across numerous economic cycles and phases of technological advance. This year's global box office all-time record of $42.5 billion demonstrates the strength of our industry across around the world, however this has not been the case in the main markets in which we operate. In North America, where we have 75% of our operations, box office revenue amounted to the territory's second highest figure at $11.4 billion, following a record year in 2018 of $11.8 billion. The Group's performance in 2019 has therefore been softer, largely as a result of the stronger comparative period in 2018 for the US and a tougher competitive environment in the UK.

Our strategy for 2020 remains unchanged as we continue to focus on optimising customer experience in order to be "The Best Place to Watch a Movie" Below are some of our key achievements over the last 12 months in fulfilling that purpose.

The integration of Regal

Over the past two years, our integration plan significantly progressed and we are proud of our key achievements and developments:

- Synergies upgraded from $100.0 million at the time of the acquisition to $190.0 million;
- Our US subscription programme, "Unlimited", successfully launched in July 2019;
- Refurbishment plan on track. Several sites under refurbishment as at 31 December 2019;
- Roll out of reserved seating throughout the Regal estate;
- Optimisation of the estate with the closure of 26 loss-making sites;
- Rebranding, with new Regal logo;
- New website and apps driving online penetration to 40%;
- Enhanced concession offering with Lavazza coffee bars, alcohol bars and food menus;
- New strategic partnership with PepsiCo;
- Introduction of ScreenX technology and the opening of a further 23 4DX screens;
- Increased the number of laser projectors, thus improving the customer experience while benefiting from significant operating cost savings; and
- Strengthened our partnership with NCM ("National CineMedia") and introduced post-show advertising.

Our customers' experience

Our cinemas offer up to seven formats for watching movies: regular screens (2D), 3D, 4DX, ScreenX, IMAX, Premium Large Format ("PLF") and our VIP offering in the UK and ROW. Through both our expansion and our refurbishment programme, we are focused on ensuring as many of our sites as possible provide a good range of these formats, giving our customers the choice of not only which movies to watch, but also of how to watch them. Ensuring a continued superior experience is key to maintaining our competitive advantage. In the UK over the past 18 months we have maintained our leading market share position despite competitive pricing pressure.

As well as developing our exhibition offerings and ensuring world-class customer service, we continue to pay particular attention to our retail products and services. During the year we have continued our partnership with Starbucks at 37 locations in the UK. In the US, we have partnered with Lavazza and opened our first coffee "joint" in Manhattan's Union Square, with many more to come. During the year we added our alcohol beverage service to an additional 35 theatres, taking our total to 248 theatres, over 45% of our circuit. We have also signed a new partnership agreement with PepsiCo to provide refreshing non-alcoholic drinks to all our US cinemas.

We launched our Unlimited programme, which has successfully operated in the UK and Poland for several years, in the US in July 2019 and it has been extremely well received. Unlimited is one of the pillars of our strategy for growing revenues and admissions. The schemes also bring operational benefits by encouraging repeat visits, often at off-peak times and accompanied by friends and family.

Technology and innovation

Investment in technology and innovation continues to be a key pillar of our strategy to make our cinemas "The Best Place to Watch a Movie". In 2019, we opened 31 ScreenX and 30 4DX screens globally. At the end of 2019, we had 135 IMAX screens, 83 4DX screens, 50 ScreenX and 118 Premium Large Format screens ready and waiting to delight our customers.

We strengthened our partnership with Barco and Christie to acquire more than 2,000 next-generation projectors to further improve the quality of the picture across our estate through high-quality projection. The laser projectors we use also provide considerable operating savings and, with sustainability in mind, are much more environmentally friendly.

As we continue our investments in IT systems and customer interface, I am pleased to report that the number of tickets booked online and through our app has reached a record high.

Expansion and refurbishments

Despite a slow start to our US refurbishment plan, we are now making great progress, with the first two sites completed and ten other sites under refurbishment at the end of 2019. We plan to refurbish 100 sites in the first phase of the US programme. In the UK, eight refurbishments were completed, including our O2 site, the biggest cinema in London. We aim to provide consistent high-quality cinemas across the estate. By combining refurbishments with new sites, our "cinema experience" for customers is enhanced, ensuring that our Group is "The Best Place to Watch a Movie".

Also as part of our proactive estate management, we closed 18 sites during 2019: 16 in the US, one in the UK and one in ROW, as the lease terms expired and it was not commercially beneficial or feasible to renew such leases. The site closure had a negative impact on admissions and revenue performance during the year which was partly offset by the launch of our Unlimited program in the second half of the year in the US. During the period, we completed the sale and leaseback of 35 properties in the US for $556.3m in line with our leasehold operating model.

In terms of expansion, we opened 14 cinemas: seven in the US, five in the UK and two in ROW, a total of 160 screens. A further 127 screens scheduled to open in 2020 across the Group.

HR and our communities

As a global company with more than 30,000 employees across 10 territories, creating shared purpose and unifying around our values and combined business knowledge are vital to the successful delivery of our strategy. I am extremely proud of our people and the progress we have made on our plan to transform Regal. I wish to thank our motivated and dedicated teams for their loyalty, commitment and support in achieving this remarkable transformation. We are committed to ensuring our people have the opportunity to develop personally and to reach their full potential. With the continually expanding Group, there are now even more opportunities and we continue to nurture our talent and promote internally wherever possible. Our training programmes are specifically tailored for each level and department within the business to ensure everyone has the right knowledge and skills to provide the best customer service.

Our wider communities are also important to us. Every year we undertake a range of activities and initiatives along with charities, schools and community groups. Through the Regal Foundation, a non-profit charitable organisation, we have raised over $5million to support selected charities in the US in 2019. In the UK, we were proud to partner with the BBC's Children in Need fundraising initiative for the fourth year in which we raised over £650,000.

Value for shareholders

The cash generative nature of our business underpins our business model. Our priorities for the use of our cash remain consistent: to invest in the business to support growth in revenue and earnings, de-leveraging and to grow the dividend. During 2019, we have been able to reward shareholders with growth of 9.1% in the adjusted diluted earnings per share ("EPS") under IAS 17. The Group increased the proposed full year dividend to 15.5c per share from 15.0c per share in 2018.

Future outlook

In December 2019, we announced the proposed acquisition of Cineplex, which is due to complete in the first half of 2020. I would like to thank our shareholders for their support demonstrated by the 99.6% of votes cast being in favour of the transaction. The combination of Cineplex and Regal will create the leading North American cinema operator with unrivalled scale and opportunity. By deploying our operational best practices and our experience in integrating new businesses, we expect the transaction to create compelling value for shareholders and to be strongly EPS and free cash flow accretive.

While we delivered satisfactory results in 2019, this is another step in the Group's journey. Looking forward, we are well positioned to execute on our strategy in 2020 and look forward to working with the Cineplex team. We have an excellent estate in North America, the UK and ROW which is growing and constantly being upgraded to enhance the cinema experience for our customers. Studios are more committed than ever to provide great content through the theatrical release, including sequels as well as original movies, while our commitment is as strong as ever to provide the infrastructure, the great service and a top-level experience for all customers.

Thus far, we have observed no material impact on our movie theatre admissions due to COVID-19. However in view of the uncertainty as to the future impact of coronavirus, we are taking measures to ensure that our business is prepared for all possible eventualities including, but not limited to, capex postponement and cost reduction. Following a positive start in January and February, we look forward to the strong film slate for the remainder of 2020 including: "Black Widow"; "Wonder Woman 1984"; "Bond 25: No Time To Die"; "Quiet Place Part II"; "Mulan"; "The New Mutants"; "Fast & Furious 9"; "Soul"; "Top Gun Maverick"; "Minions: The Rise Of Gru"; "Tenet"; "Jungle Cruise"; "Venom 2"; "Death on The Nile; "The Eternals"; "Godzilla vs. Kong"; "Dune"; "West Side Story" and many more.

2019 has been a successful year for the Group despite some challenges. I am proud to say that this is mainly driven by our motivated and dedicated teams: their loyalty, commitment and support has helped us reach our remarkable achievements, especially with regards to the Regal acquisition. I look forward to continuing the Group's journey secure in the knowledge that our excellent team is ready to face our challenges and drive the Group to another great year in 2020.

Moshe (Mooky) Greidinger

Chief Executive Officer

Chief Financial Officer's Review

	Year ended 31 December 2019	Year ended 31 December 2018	Statutory movement	Pro-forma constant currency Year ended 31 December 2018	Pro-forma constant currency movement
Admissions	275.0m	272.6m	0.9%	308.4m	(10.8)%
	$m	$m	%	$m	%
Box office	2,536.1	2,496.6	1.6	2,830.7	(10.4)
Retail	1,240.3	1,145.2	8.3	1,299.1	(4.5)
Other Income	593.3	477.3	24.3	527.2	12.5
Total revenue	**4,369.7**	**4,119.1**	**6.1**	**4,657.0**	**(6.2)**

Cineworld Group plc (the 'Group') results are presented for the year ended 31 December 2019 and reflect the trading and financial position of the US, UK and Ireland ('UK&I') and the Rest of the World ('ROW') reporting segments. Regal Entertainment Group ('Regal') became part of the Group from 1 March 2018 and their post-acquisition results are included within the US reporting segment.

Pro-forma results for 2018 reflect the Group and US performance had Regal been consolidated for the entirety of the comparative period from 1 January 2018 to 31 December 2018. Pro-forma results are presented to provide a comparable basis to understand the performance year-on-year. Pro-forma results have also been adjusted to include acquisition-related adjustments for the entire pro-forma period. Unless explicitly referenced, all percentage movements 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 2019 average exchange rates to 2018 performance.

Total admissions decreased by 10.8% year-on-year to 275.0m on a pro-forma basis. Total revenue for the year ended 31 December 2019 was $4,369.7m, a decrease of 6.2% on a pro-forma constant currency basis. On a statutory basis revenue increased by 6.1% compared with the prior year, when the US was only included for 10 months.

The principal revenue stream for the Group is box office revenue, which made up 58.0% (2018: 60.8%) of total revenue. Box office revenue is a function of the number of admissions and the ticket price per admission, net of sales tax. Admissions (one of the Group's Key Performance Indicators) depend on the number, timing and popularity of the movies the Group is able to show in its cinemas. In addition, the Group operates membership schemes which provide customers with access to screenings in exchange for subscriptions fees, and this revenue is reported as part of box office.

The Group's second most significant revenue stream is from retail sales of food and drink for consumption within cinemas, which made up 28.4% (2018: 27.9%) of total revenue. Retail revenue across the Group is driven by admissions trends within each operating territory. Other Income represents 13.6% (2018: 11.3%) of total Group revenue.

Other Income is made up of all income other than box office and retail, predominantly revenue from advertisements shown on screen prior to film screenings and revenue from booking fees associated with the purchase of tickets online. The Group also generates distribution revenue in the UK and ROW, which is included within Other Income.

US

The results below show the Group's performance in the United States ('US').

	Year ended 31 December 2019	Year ended 31 December 2018	Statutory Movement	Pro-forma Year ended 31 December 2018	Pro-forma movement
Admissions	177.3m	170.7m	3.9%	206.5m	(14.1)%
	$m	$m	%	$m	%
Box office	1,859.6	1,762.8	5.5	2,131.2	(12.7)
Retail	953.9	851.3	12.1	1,019.0	(6.4)
Other Income	396.1	319.0	24.2	375.1	5.6
Total revenue	**3,209.6**	**2,933.1**	**9.4**	**3,525.3**	**(9.0)**

Box office
Box office revenue represented 57.9% (2018: 60.5%) of total revenue. Admissions and box office revenue decreased by 14.1% and 12.7% respectively on a pro-forma basis during the year to 31 December 2019. These results reflect the mix of the movies year on year and the strength of the US cinema market in 2018 compared with 2019. The total North American industry box office revenue for the year was 4.0% lower compared with the prior year (Source: Comscore). The top three movies in 2019 were "Avengers: Endgame", "The Lion King" and "Toy Story 4", which in total grossed $1.8bn. The top three movies in 2018 were “Black Panther”, “Avengers: Infinity War" and “Incredibles 2”, which together grossed $2.0bn. Admissions have also been partly impacted by the closure of seven sites (68 screens) in the second half of 2018 and 16 sites (168 screens) in 2019 as part of the active estate management following the acquisition. Although our Unlimited program was launched successfully, this was not until July 2019. The programme has been very well received by our customers and has contributed positively to our market share over the second half of the year. The average ticket price achieved in the US increased by 1.6% to $10.49 (2018: $10.32). The increase reflects some inflationary price rises and, importantly, the expansion and popularity of our premium offerings. The top five movies in the year were available in a range of formats – IMAX, RPX (an alternative large screen auditorium technology), 4DX and 3D.

Retail
Retail revenue represented 29.7% of total revenue (2018: 28.9%). The retail revenue decreased as a result of the lower admissions in the year but this was partly offset by the increase in retail spend per person which increased by 9.1% on a pro-forma basis to $5.38 (2018: $4.93). The increase in spend per person was due to selective price increases as well as an increase in popcorn, food and beverage sales. In the second half of 2018 and in 2019 alcoholic beverage availability was added to 59 sites, as well as enhanced food offerings in 16 sites. With the introduction of reserved seating and the growth in online bookings this is also having a positive impact on dwell time and spend per person.

Other Income
Other Income represented 12.4% of total revenue (2018: 10.6%). Other Income is made up of on-screen advertising revenue, corporate and theatre income and revenue from online booking fees charged on the purchase of tickets for screenings, which is driven by the demand for tickets and the propensity of customers to book tickets online. Screen advertising revenue is earned through the Group’s agreements with National CineMedia ('NCM') and direct contracts with concession vendors and distributors. NCM operates on behalf of a number of US exhibitors to sell advertising time prior to screenings. Advertising revenues are driven primarily by admissions levels and the value of advertising sold. Other Income also includes less significant elements related to the sale of gift cards and bulk ticket programmes and the hire of theatres for events. Despite the impact of lower admissions, on a pro-forma basis the Other Income has increased by 5.6% largely due to continued uptake for bookings online and a one-off vendor termination fee. The termination payment of $22.0m from a vendor was agreed to compensate the Group for future revenue which would have been received under the terms of the existing contract.

UK&I

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

	Year ended 31 December 2019	Year ended 31 December 2018	Statutory Movement	Constant currency Year ended 31 December 2018	Constant Currency Movement
Admissions	48.2m	51.6m	(6.6)%	51.6m	(6.6)%
	$m	$m	%	$m	%
Box office	405.7	453.5	(10.5)	433.2	(6.3)
Retail	156.7	167.5	(6.4)	160.0	(2.1)
Other Income	86.0	76.7	12.1	73.3	17.3
Total revenue	**648.4**	**697.7**	**(7.1)**	**666.5**	**(2.7)**

Box Office

Box office revenue represented 62.6% of total revenue (2018: 65.0%). Admissions decreased by 6.6% and box office revenue decreased by 6.3% on a constant currency basis. Whilst the industry box office is also down in the UK over the past 18 months there has been competitive pricing pressure in the market. The average ticket price achieved in the UK&I has remained relatively flat, with a marginal increase on a constant currency basis to $8.42 (2018: $8.40). In the UK and Ireland, the top five grossing movies were, “Avengers: Endgame”, "The Lion King", "Toy Story 4”, "Joker" and "Frozen 2" which grossed $427.9m (Source: Comscore). This compares to the top five titles in 2018 which were “Avengers: Infinity War”, "Mamma Mia: Here We Go Again", "Incredibles 2", “Black Panther” and “The Greatest Showman” which grossed $392.9m (Source: Comscore).

Retail

Retail revenue represented 24.2% (2018: 24.0%) of total revenue. Retail revenue decreased by 2.1% from the prior year on a constant-currency basis. This was driven by the decrease in admissions net of the 4.8% increase in retail spend per person on a constant currency basis to $3.25 (2018: $3.10). Spend per person was positively impacted by our investment in a broader range of retail offerings, including Starbucks and our VIP offering. As at 31 December 2019, the Group had 37 Starbucks sites, an additional five sites compared to the end of 2019, and five sites with a VIP offering.

Other Income

Other Income represented 13.2% (2018: 11.0%) of total revenue. Other Income includes all other revenue streams outside of box office and retail, mainly advertising, online booking fee revenue and some distribution revenue through Picturehouse. Advertising revenue is primarily generated by on-screen adverts and is earned though our joint venture screen advertising business Digital Cinema Media Limited (“DCM”). DCM sells advertising time on-screen; on behalf of the UK cinema industry and advertising revenue is impacted by admissions trends and the value of advertising sold. The main driver for the increase in Other Income was an increase in online bookings, voucher and event ticket sales, which performed strongly, compared with the prior year. Advertising revenue performance was also stronger due to the nature of the film mix in 2019.

ROW

The results below for the ROW include Poland, Romania, Hungary, the Czech Republic, Bulgaria, Slovakia and Israel.

	Year ended 31 December 2019	Year ended 31 December 2018	Statutory Movement	Constant currency Year ended 31 December 2018	Constant Currency Movement
Admissions	49.5m	50.3m	(1.6)%	50.3m	(1.6)%
	$m	$m	%	$m	%
Box office	270.8	280.3	(3.4)	266.3	1.7
Retail	129.7	126.4	2.6	120.1	8.0
Other Income	111.2	81.6	36.3	78.8	41.1
Total revenue	**511.7**	**488.3**	**4.8**	**465.2**	**10.0**

Box Office

Box office revenue represented 52.9% (2018: 57.2%) of total revenue. Box office admissions in the ROW decreased by 1.6% and box office revenue increased 1.7% compared to the prior year on a constant currency basis. Admissions in Czech Republic and Bulgaria increased from the prior year, there was a marginal decline in Israel admissions, and admissions in Poland, Romania, Hungary and Slovakia decreased. Poland had very strong comparatives in 2018 supported by the results of local release “Kler”, which achieved box office revenue of $28.0m (Source: Box Office Mojo) and became one of the most successful films in history in the Polish market. This was also followed by another local movie “Kobiety Mafii”. The most successful movies in the year across the ROW were "Avengers: End Game", "Frozen 2", "The Lion King" and "Joker". In the Czech Republic, the second highest performing movie in the period was a local release, “Ženy v běhu” demonstrating the continued popularity of local movies. The average ticket price increased by 3.4% to $5.47 (2018: $5.29) on a constant currency basis. The increase is partly due to inflationary price rises and the increasing popularity of premium offerings such as 4DX and IMAX.

Retail

Retail revenue represented 25.4% of the total revenue (2018: 25.8%). Retail spend per person increased to $2.62 (2018: $2.39) during the year – an increase of 9.6% on a constant currency basis. The growth was driven by a combination of retail initiatives and inflationary price increases.

Other Income

Film is the Group’s distribution business for the ROW and distributes movies on behalf of certain major Hollywood studios as well as owning the distribution rights to certain independent films. Distribution revenue performed very strongly in 2019, due to increased box office results on the films distributed compared to 2018, driven by the key titles distributed in the year including, but not limited to "Avengers: Endgame", "The Lion King", "Frozen 2", "Spider-Man: Far from Home", and "Star Wars: Episode IX - The Rise of Sky Walker". New Age Media is the Group’s advertising arm in ROW and this has also performed well based on the film mix in 2019.

Financial Performance

	Year ended 31 December 2019				Year ended 31 December 2018
	US	UK & Ireland	Rest of the World	**Total Group**	Total Group
Admissions	177.3m	48.2m	49.5m	**275.0m**	272.6m

	$m	$m	$m	$m	$m
Box office	1,859.6	405.7	270.8	2,536.1	2,496.6
Retail	953.9	156.7	129.7	1,240.3	1,145.2
Other Income	396.1	86.0	111.2	593.3	477.3
Total revenue	**3,209.6**	**648.4**	**511.7**	**4,369.7**	4,119.1
Adjusted EBITDA as defined in note 3 excluding IFRS 16 impact				**1,032.6**	925.4
IFRS 16 impact on Adjusted EBITDA				**547.7**	–
Adjusted EBITDA as defined in note 3				**1,580.3**	–
Operating profit				**724.7**	492.9
Finance income				**26.3**	53.9
Finance expenses				**(568.0)**	(225.2)
Net finance costs				**(541.7)**	(171.3)
Share of profit from joint ventures				**29.3**	27.4
Profit on ordinary activities before tax				**212.3**	349.0
Tax on profit on ordinary activities				**(32.0)**	(64.7)
Profit for the year attributable to equity holders of the Group				**180.3**	284.3

Impact of IFRS 16 "Leases"

From 1 January 2019, the Group has adopted IFRS 16 "Leases", applying the modified retrospective approach. The new accounting standard requires that lease agreements with a fixed or minimum rent are recognised in the Group's Statement of Financial Position as a right-of-use asset and a lease liability. IFRS 16 has a significant impact on the Group's Statement of Financial Position and Statement of Comprehensive Income. Adjusted EBITDA on an IFRS 16 basis has increased significantly as the reported cost of operating leases decreased while depreciation of the right-of-use assets and interest expenses for the lease liability increased. With the current portfolio of lease agreements, the Group's profit after tax for the year ended 31 December 2019 has been negatively affected by $167.8m.

	Pre IFRS 16 Results $m	**Impact of IFRS 16 $m**	**Statutory Results $m**
Revenue	4,369.7	–	4,369.7
Cost of sales	(3,294.1)	545.0	(2,749.1)
Other operating income	5.3	0.4	5.7
Administrative expenses	(422.0)	(479.6)	(901.6)
Operating Profit	**658.9**	**65.8**	**724.7**
Adjusted EBITDA as defined in Note 3	**1,032.6**	**547.7**	**1,580.3**
Net financing costs	(255.6)	(286.1)	(541.7)
Share of profit from joint ventures	29.3	–	29.3
Profit on ordinary activities before tax	**432.6**	**(220.3)**	**212.3**
Tax on profit on ordinary activities	(84.5)	52.5	(32.0)
Profit for the year attributable to equity holders of the Group	**348.1**	**(167.8)**	**180.3**

The implementation of IFRS 16 increased total assets as at 1 January 2019 by $2.7bn due to the right-of-use assets being recognised. The total liabilities also increased as a result of the corresponding lease liability. The equity was affected negatively by $0.2bn.

	31 December 2018 $m	Impact of IFRS 16 $m	1 January 2019 $m
Total assets	9,703.7	2,723.8	12,427.5
Total liabilities	(6,283.4)	(2,897.1)	(9,180.5)
Net assets	**3,420.3**	**(173.3)**	**3,247.0**
Total equity	**3,420.3**	**(173.3)**	**3,247.0**

Adjusted EBITDA (excluding the impact of IFRS 16)

On a pro-forma basis, excluding the impact of IFRS 16, the Adjusted EBITDA has decreased by 3.7% to $1,032.6m (2018: $1,072.4m). This was mainly driven by the net impact of the reduction in admissions and as a result total revenues for the year and the post-acquisition synergies achieved in the US. The Adjusted EBITDA margin of 23.6% is 0.8% higher on a pro-forma basis (excluding currency effects). On a statutory basis Adjusted EBITDA has increased by 11.6% to $1,032.6m (2018: $925.4m). The increase is largely due to the contribution of Regal for 12 months in 2019 compared to 10 months in 2018 and post-acquisition synergies.

Adjusted EBITDA generated by the US was $775.8m for 2019 (2018: $670.4m), an increase of 15.7%. On a pro-forma basis the Adjusted EBITDA has decreased by 5.0%. The Adjusted EBITDA margin has increased by 1.1% to 24.2% resulting from the post-acquisition synergies including cost control initiatives. Adjusted EBITDA generated by the UK & Ireland of $116.7m has decreased by 7.3% compared to the prior year (2018: $125.9m). The Adjusted EBITDA margin of 18.0% has remained flat year on year. The ROW has generated Adjusted EBITDA of $140.1m, an increase of 8.5% on the prior year (2018: $129.1m). The Adjusted EBITDA margin of 27.4% for the ROW represents an increase of 1.0% compared to the prior year. The increase for the ROW is mainly due to price increases, a strong retail performance and increased distribution activity.

Adjusted EBITDA

The Adjusted EBITDA has increased to $1,580.3m (2018: $925.4m) primarily as a result of adopting IFRS 16 on 1 January 2019 and the additional two months contribution from Regal in 2019 compared to 2018.

Operating profit

Operating profit of $724.7m was $231.8m higher than the prior year (2018: $492.9m). Operating profit included an additional two months results from the US in 2019, the impact of IFRS 16 from 1 January 2019 and the post-acquisition synergies achieved in the US. The following one off items have been included within operating profit in 2019:

- Following negotiations with suppliers there has been a release of a $17.1m provision in the year. The provision was recorded as part of the IFRS 3, purchase price allocation on acquisition of Regal.

- A $22.0m vendor termination payment;

- A one-time write-off of other current assets of $3.9m; and

- As a result of changes to the loyalty scheme structure there has been a release of $10.0m from deferred revenue.

Within operating profit there are a number of non-recurring and non-trade related items that have a net negative impact of $12.8m (2018: net negative impact $58.8m). These items are excluded from Adjusted EBITDA and have been set out in detail in Note 3.

The total depreciation and amortisation charge (included in administrative expenses) in the year totalled $729.8m (2018: $320.5m). The charge is higher year on year due to additional two month's charge for Regal and the impact of IFRS 16 from 1 January 2019.

Net finance costs

At 31 December 2018 the Group had a USD term loan of $3.3bn and a Euro term loan of €607.0m and a $300.0m revolving credit facility ("RCF") which had not been drawn upon. In April 2019, the RCF was extended by $162.5m to $462.5m and in September 2019 a minor financing restructure was undertaken. An incremental USD term loan was taken out for $650.0m to partially repay the Euro term loan and settle the outstanding balance on the RCF.

The structure used to partly settle the Euro term loan included three Euro to USD cross currency interest rate swaps which the Group entered into. Under the arrangements of these swaps the Group received €408.7m. These proceeds were used to settle €408.0m of the Group's outstanding Euro term loan and the Group now pays a Euro coupon on the notional outstanding balance of the Euro legs of the swaps and receives a coupon on the notional outstanding balance of the USD legs of the swaps. The USD coupon is then used to pay the coupon on the USD$650.0m incremental term loan. On maturity of the swaps and the incremental USD term loan, the Group will receive $450.0m on the USD legs of the swaps and pay €408.7m on the Euro leg.

At 31 December 2019 the Group had US term loans outstanding totalling $3.4bn, a Euro term loan of $215.4m and a $462.5m RCF, of which $95.0m had been drawn upon.

Net financing costs totalled $541.7m during the period (2018: $171.3m). Finance income of $26.3m (2018: $53.9m) included interest income of $4.5m (2018: $2.3m), a gain of $10.4m in on the movement of the fair value of financial derivatives and $3.4m on the unwind of the discount on non-current assets (2018: $4.6m). Following adoption of IFRS 16 $0.7m has been recognised in 2019 in respect of the unwind of the discount on sub-lease assets.

Foreign exchange gains of $7.3m (2018: $47.0m) were incurred in respect of monetary assets and non-USD$ denominated loans. In 2018 the gain mainly arose on the re-translation of the Euro denominated portion of the Group's term loan which was not hedged in 2018 and has been partially repaid in 2019.

The finance expense of $568.0m (2018: $225.2m) has predominantly increased following the adoption of IFRS 16, with a $304.2m charge in respect of lease liability interest. In 2018 the total in respect of the unwind of the discount and interest charges on property-related leases was $17.9m. Interest on bank loans and overdrafts in the period totalled $167.3m (2018: $146.7m). The other finance costs of $96.5m (2018: $60.2m) included: $27.2m (2018: $11.0m) of amortised prepaid finance costs, $51.3m (2018: $44.2m) in respect of the unwind of discount on deferred revenue, a loss of $8.1m on the movement of the fair value of financial derivatives and $9.9m in respect of foreign exchange losses (2018: $1.9m). In 2018 there was a one-off gain of $3.5m reclassified from equity to profit or loss in respect of settled net investment hedge.

Taxation

The overall tax charge during the year was $32.0m giving an effective tax rate of 15.1% (19.2% excluding the impact of IFRS 16) (2018: 18.5%). The small increase in the effective rate (excluding the impact of IFRS 16) reflects changes in the Group's geographical split of profits, in particular the US rate which is higher than that of our other markets and included the gain from the sale and leaseback transaction in the period.

Tax uncertainties and risks are increasing for all multinational groups which could affect the future tax rate. The Group takes a responsible attitude to tax, recognising that it affects all our stakeholders. The Group seeks at all times to comply with the law in each of the jurisdictions in which we operate, and to build open and transparent relationships with those jurisdictions' tax authorities. The Group's tax strategy is aligned with the commercial activities of the business, and within our overall governance structure the governance of tax and tax risk is given a high priority by the Board.

Earnings

Profit on ordinary activities after tax in the period was $180.3m, a decrease of $104.0m compared with the prior year (2018: $284.3m). The decrease is the net result of including an additional two months results from Regal in the year compared to 2019, the lower admissions year on year, the impact of IFRS 16 which has had a negative impact on the results for the year and the one-off operational and nonrecurring non-trade items.

Basic Earnings Per Share amounted to 13.1c (2018: 22.5c) IAS 17 basis. Eliminating the one-off, non-trade related items totalling $113.0m, adjusted diluted Earnings Per Share were 21.3c (restated 2018: 25.7c IAS 17 basis).

Statement of cash flows and statement of financial position

Overall, net assets have decreased by $482.6m, to $2,937.7m since 31 December 2018. Total assets increased by $2,746.8m, this predominantly relates to the adoption of IFRS 16 and the $3,441.2m right-of-use assets which have been brought onto the Group's Statement of Financial Position. The total liabilities have also increased by $3,229.4m, primarily due to recognizing $4,197.5m in respect of finance leases under IFRS 16.

The Group continued to be strongly cash generative at the operating level. Total net cash generated from operations in the year was $1,293.7m (2018: $542.4m). The adoption of IFRS 16 has had an impact on the geography of items within Group's Statement of Cash Flows. In particular, cash flows in respect of leases are now presented in cash flows from financing activities, having previously been presented within cash flows from operating activities. Net cash inflows from investing activities were $141.0m during the year (2018: $3,452.3m outflow).

Acquisition of Cineplex

On 16 December 2019, the Group announced the proposed transaction of Cineplex by means of an acquisition of the entire issued, and to be issued share capital of Cineplex. The acquisition was based on an implied enterprise value of $2.1bn. Due to its size, the acquisition was classed as a Class 1 transaction under the Listing Rules, and therefore required shareholder approval. The Group and Cineplex shareholders approved the acquisition on 11 February 2020. Prior to the acquisition completing the Investment Canada Act Approval must be obtained.

The consideration for the acquisition of $2.3bn will be fully settled in cash which will be raised through a $2.0bn extension to the Group's existing term loans and a $0.3bn unsecured bridge loan. Given the acquisition has not yet completed at the approval date of the 2019 financial statements, no accounting for the acquisition in accordance with IFRS 3 "Business Combinations" has been included in these financial statements.

Dividends

The Board now pays four interim dividends for each financial year. Payments in relation to the first three quarters of the year were equal to 25% of the full year dividend of the prior year, with the final payment reflective of the Group's full year earnings performance and resulting in a full year dividend payment aligned with the Group's pay-out ratio.

The Board has proposed the 2019 fourth dividend to be 4.5c per share, reflecting the satisfactory performance for the year, strong cash flow generation and the strength of the Balance Sheet. The total dividend per share for 2019 was 15.5c (2018: 15.0c). The record date for the 2019 fourth dividend payment is 10 April 2020 and the payment date will be 1 May 2020.

The final dividend for 2018 of 10.15c per share was paid on 5 July 2019 to ordinary shareholders. The total cash paid was $139.3m. On 13 June 2019, the Group announced a special dividend of 20.27c per ordinary share which was paid on 5 July 2019, along with the first quarterly payment for 2019 of 3.75c per share. The total cash payable for these dividends was $329.5m.

The second and third quarterly payment for 2019 of 3.75c per share were paid on 4 October 2019 and 10 January 2020 respectively. The total cash paid for these two payments was $102.8m.

Nisan Cohen

Chief Financial Officer

12 March 2020

Consolidated Statement of Profit or Loss for the Year Ended 31 December 2019

	Note	**Year ended 31 December 2019 $m**	Year ended 31 December 2018 $m
Revenue	5	**4,369.7**	4,119.1
Cost of sales		**(2,749.1)**	(3,125.4)
Gross profit		**1,620.6**	993.7
Other operating income		**5.7**	5.3
Administrative expenses		**(901.6)**	(506.1)
Operating profit		**724.7**	492.9
Adjusted EBITDA as defined in Note 3		**1,580.3**	925.4
Finance income	7	**26.3**	53.9
Finance expenses	7	**(568.0)**	(225.2)
Net finance costs		**(541.7)**	(171.3)
Share of profit from jointly controlled entities using equity accounting method net of tax		**29.3**	27.4
Profit before tax		**212.3**	349.0
Tax charge on profit	9	**(32.0)**	(64.7)
Profit for the year attributable to equity holders of the Group		**180.3**	284.3
Basic Earnings Per Share	6	**13.1**	22.5
Diluted Earnings Per Share	6	**13.1**	22.4

The primary statements presented have been prepared in accordance with IFRS 16 for 2019 and IAS 17 for 2018. Note 2 provides a reconciliation of the two accounting standards.

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	**Year ended 31 December 2019 $m**	Year ended 31 December 2018 $m
Profit for the year attributable to equity holders of the Group		**180.3**	284.3
Items that will not subsequently be reclassified to profit or loss			
Net change in fair value of equity investments		**(7.5)**	(6.9)
Items that will subsequently be reclassified to profit or loss			
Retranslation gain / (loss) of foreign currency denominated operations	7	**12.6**	(126.1)
Movement in fair value of cash flow hedges		**–**	(0.7)
Movement of net investment hedge	7	**22.2**	–
Income tax (charge)/credit recognised within other comprehensive income		**(0.7)**	0.3
Comprehensive income/(loss) for the year, net of income tax		**26.6**	(133.4)
Total comprehensive income for the year attributable to equity holders of the Group		**206.9**	150.9

Consolidated Statement of Financial Position at 31 December 2019

	Note	31 December 2019 $m	Re-presented 31 December 2018 $m
Non-current assets			
Property, plant and equipment		**2,039.5**	2,446.3
Right-of-use assets	10	**3,441.2**	–
Goodwill		**5,492.1**	5,482.4
Other intangible assets		**515.6**	542.3
Investment in equity-accounted investees		**300.2**	308.5
Financial assets at FVOCI		**10.0**	7.5
Deferred tax assets		**138.8**	31.6
Other receivables		**64.6**	206.7
Total non-current assets		**12,002.0**	9,025.3
Current assets			
Assets classified as held for sale		**0.9**	2.5
Inventories		**33.2**	35.1
Trade and other receivables		**263.4**	324.5
Fair value of financial derivatives		**10.4**	-
Cash and cash equivalents	12	**140.6**	316.3
Total current assets		**448.5**	678.4
Total assets		**12,450.5**	9,703.7
Current liabilities			
Loans and borrowings	11,12	**(133.9)**	(63.9)
Fair value of financial derivatives		**(4.5)**	-
Lease liabilities	10,12	**(321.6)**	(17.5)
Trade and other payables		**(712.1)**	(702.4)
Deferred revenue		**(263.1)**	(283.8)
Current taxes payable		**(48.8)**	(51.0)
Provisions	13	**(6.4)**	(90.6)
Total current liabilities		**(1,490.4)**	(1,209.2)
Non-current liabilities			
Loans and borrowings	11,12	**(3,485.4)**	(3,885.3)
Fair value of financial derivatives	12	**(9.7)**	-
Lease liabilities	10,12	**(3,875.9)**	(83.0)
Other payables		**(12.4)**	(156.5)
Deferred revenue		**(635.0)**	(659.3)
Provisions	13	**(0.5)**	(277.2)
Employee benefits		**(3.5)**	(3.2)
Deferred tax liabilities		**-**	(9.7)
Total non-current liabilities		**(8,022.4)**	(5,074.2)
Total liabilities		**(9,512.8)**	(6,283.4)
Net assets		**2,937.7**	3,420.3
Equity attributable to equity holders of the Group			
Share Capital		**20.1**	20.1
Share Premium		**516.0**	513.8
Foreign currency translation reserve		**(250.8)**	(263.4)
Hedging reserve		**21.6**	(0.6)
Fair value reserve		**(14.4)**	(6.9)
Retained earnings		**2,645.2**	3,157.3
Total equity		**2,937.7**	3,420.3

Refer to Note 1 for further details on the 2018 re-presentation

These financial statements were approved by the Board of Directors on 12 March 2020 and were signed on its behalf by:
Nisan Cohen

Director

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital $m	Share premium $m	Merger reserve $m	Foreign currency translation reserve $m	Hedging reserve $m	Fair value reserve $m	Retained earnings $m	Total $m
1 January 2018	**5.0**	**548.1**	**407.4**	**(137.3)**	**(3.4)**	**–**	**224.9**	**1,044.7**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**284.3**	**284.3**
Other comprehensive income								
Items that will not subsequently be reclassified to profit or loss								
Equity investments at FVOCI – net change in fair value	–	–	–	–	–	(6.9)	–	(6.9)
Items that will subsequently be reclassified to profit or loss								
Movement in fair value of cash flow hedge	–	–	–	–	(0.7)	–	–	(0.7)
Settlement of net investment hedge	–	–	–	–	3.5	–	–	3.5
Retranslation of foreign currency denominated subsidiaries	–	–	–	(126.1)	–	–	–	(126.1)
Income tax charge recognised within other comprehensive income	–	–	–	–	–	–	0.3	0.3
Contributions by and distributions to owners								
Dividends	–	–	–	–	–	–	(122.8)	(122.8)
Movements due to share-based compensation	–	–	–	–	–	–	1.9	1.9
Capital transfer	–	(2,361.3)	(407.4)	–	–	–	2,768.7	–
Issue of shares	15.1	2,327.0	–	–	–	–	–	2,342.1
31 December 2018	**20.1**	**513.8**	**–**	**(263.4)**	**(0.6)**	**(6.9)**	**3,157.3**	**3,420.3**
Impact of change in accounting policy[1]	–	–	–	–	–	–	(173.3)	(173.3)
1 January 2019	**20.1**	**513.8**	**–**	**(263.4)**	**(0.6)**	**(6.9)**	**2,984.0**	**3,247.0**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	180.3	180.3
Other comprehensive income								
Items that will not subsequently be reclassified to profit or loss								
Net change in fair value of equity investments	–	–	–	–	–	(7.5)	–	(7.5)
Items that will subsequently be reclassified to profit or loss								
Movement in fair value of net investment hedge	–	–	–	–	22.2	–	–	22.2
Tax that will subsequently reclassified to profit/loss	–	–	–	–	–	–	(0.7)	(0.7)
Retranslation of foreign currency denominated operations	–	–	–	12.6	–	–	–	12.6
Contributions by and distributions to owners								
Dividends	–	–	–	–	–	–	(520.2)	(520.2)
Movements due to share-based compensation	–	–	–	–	–	–	1.8	1.8
Issue of shares	–	2.2	–	–	–	–	–	2.2
31 December 2019	**20.1**	**516.0**	**–**	**(250.8)**	**21.6**	**(14.4)**	**2,645.2**	**2,937.7**

(1) Refer to note 2 for further details on the impact of change in accounting policy from 1 January 2019.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Year ended 31 December 2019 $m	Restated Year ended 31 December 2018 $m
Cash flow from operating activities		
Profit for the year	**180.3**	284.3
Adjustments for:		
Finance income	**(26.3)**	(53.9)
Finance expense	**568.0**	225.2
Taxation	**32.0**	64.7
Share of profit of equity accounted investee	**(29.3)**	(27.4)
Operating profit	**724.7**	492.9
Depreciation and amortisation	**729.8**	320.5
Share-based payments charge	**4.9**	3.2
Non-cash property charges	**-**	(38.9)
Impairments and reversals of impairments	**46.9**	18.3
Movement in trade and other receivables	**37.9**	(53.2)
Movements in inventories	**2.3**	1.8
Movement in trade, other payables and deferred income	**(97.5)**	(143.1)
Movement in provisions and employee benefit obligations	**(35.0)**	(4.6)
Net (gain) / loss on sale of assets	**(12.2)**	1.0
Cash generated from operations	**1,401.8**	597.9
Tax paid	**(108.1)**	(55.5)
Net cash flows from operating activities	**1,293.7**	542.4
Cash flows from investing activities		
Interest received	**3.6**	0.9
Income from net investment in sub-lease	**1.2**	-
Acquisition of subsidiaries net of acquired cash	**-**	(3,103.4)
Movement on fair value of financial derivatives	**-**	(88.4)
Acquisition of property, plant and equipment	**(455.6)**	(205.6)
Investment in joint ventures	**-**	(78.4)
Investment in financial asset at FVOCI	**(10.0)**	-
Acquisition of distribution rights and other intangibles	**(5.2)**	(4.5)
Distributions received from equity accounted investees	**42.6**	23.8
Proceeds from sale and leaseback transaction	**542.4**	-
Proceeds from sale of property, plant and equipment	**22.0**	3.3
Net cash flows from investing activities	**141.0**	(3,452.3)
Cash flows from financing activities		
Proceeds from issue of shares	**-**	2,341.0
Dividends paid to shareholders	**(520.2)**	(122.8)
Interest paid	**(165.5)**	(146.7)
Repayment of bank loans	**(1,458.5)**	(2,949.2)
Repayment of bank loans from equity accounted investees	**(3.0)**	-
Draw down of bank loans	**1,130.3**	3,982.6
Landlord contributions	**28.4**	49.5
Payment of lease liabilities*	**(613.3)**	(13.4)
Net cash flows from financing activities	**(1,601.8)**	3,141.0
Net (decrease)/increase in cash and cash equivalents	**(167.1)**	231.1
Cash and cash equivalents at start of the period	**316.3**	91.0
Exchanges loss on cash and cash equivalents	**(8.6)**	(5.8)
Cash and cash equivalents at the end of year	**140.6**	316.3

* Payment of lease liabilities includes $304.2m of interest payment and $309.1m of principal lease payments.
Refer to note 1 for further information on the restatement of the 2018 Consolidated Statement of Cash Flows. In addition, cash flows in respect of landlord contributions received have been reclassified from investing to financing activities.

1. Accounting Policies

Basis of preparation

Cineworld Group plc (the 'Company') is a company domiciled in the United Kingdom.

This consolidated financial information for the year ended 31 December 2019 comprises the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in jointly controlled entities. The financial information presented has been prepared applying the accounting policies and presentation applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019 and are not the Group's statutory accounts.

The accounting policies set out below have been applied consistently to all years presented in these Group financial statements, with the exception of leases which have changed as a result of adoption of IFRS 16 "Leases" on 1 January 2019. Refer to note 2 for further details on the impact in change in accounting policy. The financial results of the Group are presented in US dollar.

Going concern

At 31 December 2019, the Group's financing arrangements consisted of USD and Euro term loan totalling $3.6bn and a revolving credit facility of $462.5m ('secured bank loans') which had been drawn down by $95.0m. The revolving credit facility is subject to certain covenants, which are triggered above 35% utilisation, and the term loans also have cross default provisions in respect of this covenant. The Group is not currently at this revolving credit facility utilisation level and it is not expected to increase above this threshold in the period under assessment.

Subject to certain regulatory conditions, the Group expects to complete the acquisition of Cineplex and therefore the Group's forward looking funding requirements and forecast cash flows are considered more likely than not to include Cineplex in the wider Group. Therefore, the Going Concern assessment has been made based on the proposed new banking facility structure and the enlarged Group's forecasts. The additional financing for the Cineplex acquisition will include a secured incremental term loan for c. $1.9bn and a c. $0.3bn unsecured bridge loan. The bridge loan facility includes financial covenant ratios set at the same level as the secured bank loans of the Group, being a limit of 5.5x of Net Debt to Consolidated Adjusted EBITDA until December 2020, which limit then reduces to 5.0x from 30 June 2021 onwards. The covenant applies at all times, irrespective of the bridge facility drawing levels.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the enlarged Group will be able to operate within the level of its facilities for at least 12 months from the approval date of these Consolidated Financial Statements. Accordingly, the Group continues to adopt the going concern basis in preparing its Consolidated Financial Statements.

The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. Thus far, we have not observed any material impact on our movie theatre admissions due to COVID-19. Following an increase in admissions in the first two months of the year against the same period in the previous year, we continue to see good levels of admissions in all our territories, despite the reported spread of COVID-19. Although the release of the new Bond movie has been postponed to November 2020 largely due to closure of cinemas in the Asian markets, the studios have advised us that in the countries in which we operate, they currently remain committed to their release schedule for the coming months and remainder of the year.

In the downside scenario analysis performed, the Board has considered the potential impact of the COVID-19 outbreak on the Group's results. In preparing this analysis the following key assumptions were used: the impact of a total loss of revenue across the enlarged estate for between one and three months, no fixed costs reductions should sites be closed, run-rate combination benefits of c.$133m expected to be achieved as part of the Cineplex acquisition, forecast capital expenditure reduced in 2020 by 90%, and cessation of dividend payments from 1 July 2020. This analysis does not take account of the fact that in the case of widespread site closures the films scheduled to be released during this period of closure could be moved to later in 2020. These downside scenarios are currently considered unlikely, however it is difficult to predict the overall outcome and impact of COVID-19 at this stage. Under the specific downside scenario, however, of the Group losing the equivalent of between two and three months' total revenue across the entire estate there is a risk of breaching the Group's financial covenants, unless a waiver agreement is reached with the required majority of lenders within the going concern period.

Only the specific downside scenario detailed above would indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Consolidated Financial Statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

2018 Restatements

During the year the Financial Reporting Council ('FRC') undertook a review with regard to the Group's 2018 Annual Report and Accounts. The scope of the review performed by the FRC was to consider the Group's compliance with the UK reporting requirements, it did not verify all the information provided. Following the review, no material financial reporting changes were required to the Group's Income Statement or Statement of Financial Position or underlying accounting treatments.

However, certain line items within the Statement of Cash Flows have been restated. These changes also impacted the movements in the Net Debt table, but not the overall closing positions or Net Debt to Adjusted EBITDA ratios, and these movements have been restated accordingly. The adjustments within the Statement of Cash Flows are primarily connected with the Regal acquisition cash flows. The adjustments have arisen following further investigation into the timing of payments and the reclassification of items based on IAS 7 "Statement of Cash Flows" guidance. The main adjustments were in respect of the incorrect inclusions of the $202.0m payment to the Regal dissenting shareholders which was partly offset by the foreign exchange loss on the derivative taken out to hedge the Regal transaction and non-cash movements in respect of the take–on assets and liabilities which were not correctly reflected through the working capital movements in the Statement of Financial Position.

A reconciliation of the line items which have been restated within the Statement of Cash Flows is as follows:

	Previously reported $m	Reclassification $m	Restated $m
Non-cash property, pension and remuneration charges	(30.2)	(8.7)	(38.9)
Movement in trade and other receivables	(54.9)	1.7	(53.2)
Movement in trade, other payables and deferred income	(113.8)	(29.3)	(143.1)
Movement in provisions and employee benefit obligations	(2.0)	(2.6)	(4.6)
Acquisition costs	50.6	(50.6)	–
Cash generated from operations	**687.4**	**(89.5)**	**597.9**
Acquisition of subsidiaries net of acquired cash	(3,356.6)	253.2	(3,103.4)
Movement on fair value of financial derivatives	–	(88.4)	(88.4)
Distributions received from equity accounted investees	32.2	(8.4)	23.8
Repayment of bank loans	(2,895.0)	(54.2)	(2,949.2)
Net increase in cash and cash equivalents	218.4	12.7	231.1
Exchange losses on cash and cash equivalents	6.9	(12.7)	(5.8)
Cash and cash equivalents at end of the year	**316.3**	**–**	**316.3**

In addition, the 2018 adjusted Earnings per Share calculation has been restated to reflect the Group's change in policy of including one-off tax items in the adjusted Earnings per Share calculation. In 2018 there was a one-off tax credit which arose from a movement on a financial derivative entered into in connection with the Regal acquisition. This has changed the adjusted basic Earnings per Share by 1.5c to 25.8c and the Adjusted diluted Earnings per Share by 1.5c to 25.7c.

2018 Statement of Financial Position re-presentation

To ensure consistency of presentation, a reclassification of $149.8m from non-current to current deferred income has been made within the 2018 comparatives in respect of pre-paid gift cards which can be redeemed at any point in the future.

2. Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 "Leases" on the Group's Financial Statements. The Group has adopted "IFRS 16", applying the modified retrospective approach, and has not restated comparatives for 2018, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening Consolidated Statement of Financial Position on 1 January 2019.

Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16 "Leases", the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's asset specific incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the property lease liabilities on 1 January 2019 was 8.0% and 4.5% for other leases.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

	$m
Operating lease commitments disclosed as at 31 December 2018	**5,373.4**
Less discounting using the lessee's incremental borrowing rate of at the date of initial application(1)	(1,805.4)
Less short-term leases recognised on a straight-line basis as expense	(13.2)
Less adjustments as a result of a different treatment of extension and termination options(2)	(160.7)
Plus other lease commitments	2.2
Plus existing finance lease liability at 31 December 2018(3)	100.5
Lease liability recognised as at 1 January 2019	**3,496.8**
Of which are:	
Current lease liabilities	527.9
Non-current lease liabilities	2,968.9

(1) The disclosed lease commitments were undiscounted, whilst the IFRS 16 obligations have been discounted based on the incremental borrowing rates applied to property leases.

(2) Under IFRS 16 the Group's policy is to only include periods covered by options to extend or terminate the lease where the Group is reasonably certain that such options will be exercised.

(3) Under the transitional rules in IFRS 16, leases classified as finance lease under IAS 17 have not been reassessed. This reconciling item when referring to existing finance lease liability represents those leases classified as finance leases under IAS 17 on transition.

The associated right-of-use assets for property leases were measured as:

- their carrying amount as if IFRS 16 had been applied since the lease commencement date, discounted by the incremental borrowing rate applied to property leases as at 1 January 2019; and

- previous onerous lease contracts have been offset on a lease by lease basis for certain leases against the right-of-use assets at the date of initial application as an alternative to performing an impairment review.

The associated right-of-use assets for vehicle leases were measured as an amount equal to the lease liability.

The asset and liability are sensitive to the discount rate applied on adoption. The incremental borrowing rates applied to property leases ranged between 2.6% and 11.7%. The asset specific incremental borrowing rate applied to each lease was determined by taking into account the risk-free rate, adjusted for factors such as the credit rating linked to the life of the underlying lease agreement. These rates are intended to be long term in nature and calculated on inception of each lease.

The recognised right-of-use assets relate to property and other assets classes.

	31 December 2019 $m	1 January 2019 $m
Properties	**3,439.1**	2,937.4
Other	**2.1**	3.7
Total right-of-use assets	**3,441.2**	2,941.1

Adjustments recognised on adoption of IFRS 16 continued

The change in accounting policy affected the following items in the Consolidated Statement of Financial Position on 1 January 2019:

- property, plant and equipment – decrease by $96.5m
- right-of-use assets – increase by $2,941.1m
- deferred tax assets – increase by $40.9m
- prepayments - decrease by $20.2m
- other receivables (including land lease premiums) – decrease by $141.5m
- lease liabilities – increase by $3,396.3m
- provisions – decrease by $325.4m
- other liabilities – decrease by $173.8m

The impact on total assets was $2,723.8m and total liabilities $2,897.1m. The net impact on retained earnings on 1 January 2019 was a net decrease of $173.3m, which includes $17.7m of impairments.

The net impact on retained earnings as reported in the Group's interim financial statements at 30 June 2019 was $73.1m. The impact on total assets previously reported at 30 June 2019 was $2,776.8m and total liabilities was $2,849.9m. This has been amended following the identification of the further information regarding specific property leases and the revision of the associated tax rate to be in-line with the expected recovery.

The adoption of IFRS 16 for the year ended 31 December 2019 resulted in an increase in depreciation of $381.5m and finance costs of $298.5m.

Practical expedients applied
In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous, on a lease by lease basis;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the Group has also applied the recognition exemption for short-term leases;
- the accounting for operating leases with a value of $5,000 of less when new as low value leases;
- on a lease by lease basis for certain leases adjust the right-of-use asset on transition by the amount of any previously recognised onerous lease provision, as an alternative to performing an impairment review;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 "Determining whether an Arrangement contains a Lease".

3. Alternative performance measures

The Group uses a number of Alternative Performance Measures (“APMs”) in addition to those measures reported in accordance with IFRS. Such APMs are not defined terms under IFRS and are not intended to be a substitute for any IFRS measure. The Directors believe that the APMs are important when assessing the underlying financial and operating performance of the Group. The APMs improve the comparability of information between reporting periods by adjusting for factors such as fluctuations in foreign exchange rates, one off items and the timing of acquisitions.

The APMs are used internally in the management of the Group’s business performance, budgeting and forecasting, and for determining Executive Directors’ remuneration and that of other management throughout the business. The APMs are also presented externally to meet investors’ requirements for further clarity and transparency of the Group’s financial performance. Where items of profits or costs are being excluded in an APM, these are included elsewhere in our reported financial information as they represent actual profits or costs of the Group, except where amounts are recalculated to reflect constant currency.

Other commentary within the Group’s annual report and accounts should be referred to in order to fully appreciate all the factors that affect our business.

The methodology applied to calculating the APMs has been impacted by the transition to IFRS 16. Adjusted EBITDAR is defined as EBITDAR excluding rental charges. Following the Group’s transition to IFRS 16, Adjusted EBITDAR is no longer used as an APM, having previously been used in CGU cash flow forecasts.

The Group’s APMs, including changes from prior years are detailed as follows:

Constant Currency

The Group measures revenue on both a reported and a constant currency basis. For the constant currency basis the Group re-translates the comparative financial information at the current year average exchange rates to eliminate the effect of exchange rate translation differences when comparing information year on year.

Pro-forma results

Pro-forma results reflect the Group and US performance had Regal been consolidated for the full twelve months in 2018. Regal’s previously reported results for the two months to 28 February 2018 have been converted to IFRS and the impact of acquisition fair value adjustments has been based on the adjustments made for the final 10 months of 2018, pro-rated over the length of each period.

	2018					
	Statutory Results	Pro-forma Adjustments $m	Adjustments for Acquisition Accounting $m	Pro-forma Result $m	Constant Currency Adjustments $m	Pro-forma Constant Currency Results
Box office revenue	2,496.6	368.4	-	2,865.0	(34.3)	2,830.7
Concession revenue	1,145.2	167.8	-	1,313.0	(13.9)	1,299.1
Other income	477.3	51.1	5.0	533.4	(6.2)	527.2
Total Revenue	**4,119.1**	**587.3**	**5.0**	**4,711.4**	**(54.4)**	**4,657.0**
Adjusted EBITDA	**925.4**	**141.0**	**6.0**	**1,072.4**	-	-

Adjusted EBITDA
Adjusted EBITDA is defined as operating profit adjusted for profits of jointly controlled entities using the equity accounting method net of tax and excess cash distributions, depreciation and amortisation, impairments of property, plant and equipment and right-of-use assets, property related charges and releases, business interruption costs, share based payment charges and exceptional items.

Business interruption costs have not previously been included as an adjusting item. With the US refurbishment programme commencing in full during 2019 it is deemed appropriate to exclude a proportion of specific fixed costs incurred while the site is undergoing refurbishment.

The following items are adjusted for within the Group's Adjusted EBITDA APM as they are non-cash items: depreciation and amortisation, impairment of property, plant and equipment and right-of-use assets, property related charges and releases and share based payment charges.

The share of profit of jointly controlled entities and the excess cash distributions from joint controlled entities are included within Adjusted EBITDA as these items are cash items outside of operating profit.

Adjusted Profit
Adjusted profit before tax is defined as profit before tax adjusted for amortisation of intangible asset created on acquistion, excess cash distributions from jointly controlled entities, impairments of property, plant and equipment and right-of-use assets, property related charges and releases, business interruption costs, share based payment charges, exceptional operating items, exceptional financing items and exceptional tax items.

3. Alternative performance measures continued

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

During the year the Group has changed its policy regarding the adjusted earnings per share calculation. One-off tax items are now considered and adjusted from the calculation and the 2018 calculation has been restated accordingly.

Adjusted Profit continued
The Adjusted EBITDA and Adjusted Profit reconciliation to statutory Operating Profit are presented as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
Operating profit	**724.7**	492.9
Depreciation and amortisation	**729.8**	320.5
Share of profit of jointly controlled entity using equity accounting method net of tax	**29.3**	27.4
Excess cash distributions from jointly controlled entities	**20.3**	4.8
Impairment of property, plant and equipment and right-of-use assets	**46.9**	18.3
Business interruption	**6.3**	–
Property related charges and releases	**5.3**	(0.5)
Share based payment charges	**4.9**	3.2
Operating Exceptional items:		
- Transaction and reorganisation costs	**10.7**	56.0
- One time write off of other current assets	**13.2**	-
- Gain on sale and leaseback transaction	**(17.5)**	-
- Legal costs	**6.4**	2.8
Adjusted EBITDA	**1,580.3**	925.4
Depreciation and amortisation	**(729.8)**	(320.5)
Amortisation of intangibles created on acquisition	**27.8**	25.0
Net finance costs	**(541.7)**	(171.3)
Movement on financial derivatives	**(2.2)**	-
Foreign exchange translation gains and losses	**5.9**	(45.1)
Recycle of net investment hedge	**-**	3.5
Financing exceptional items:		
- Accelerated amortisation of capitalised finance fees	**15.1**	-
Adjusted Profit before Tax	**355.4**	**417.0**

Tax charge	**(32.0)**	(64.7)
Tax impact of adjustments	**(30.4)**	(7.0)
Exceptional tax items	**-**	(19.4)
Adjusted Profit after Tax	**293.0**	**325.9**

Excess cash distributions from jointly controlled entities
The Group receives cash distributions over and above the level of profit recognised in equity accounting for its joint ventures, this is a recurring cash amount.

Impairment of property, plant and equipment and right-of-use assets
Impairment charges relate to property, plant and equipment and right-of-use assets and is a non-cash charge.

Business interruption
The Group incurred expenses of $6.3m (2018: $nil) during the year in relation to sites which were closed or partially closed during the year for refurbishment or were under construction.

Property related charges and releases
The loss of $5.3m related to the closure of 16 theatres in the US and one in ROW. In 2018, there was a $1.0m loss on disposals and an onerous release of $1.5m of the loss on disposal recognised in 2018 $0.6m is from the disposal of assets within the US and $0.4m from the ROW.

Operating exceptional items

The following operating exceptional items were recognised during the year:

- A gain of $17.5m in relation to the two sale and leaseback transactions.
- A one off charge of $13.2m in respect of plastic cards acquired for resale as gift cards that were no longer considered recoverable and should have been adjusted at the time of the purchase price allocation but was not material to restate the prior period.
- Legal costs of $6.4m (2018: $2.8m) were incurred in relation to the Regal dissenting shareholder legal case.
- Transaction and reorganisation costs of $10.7m were incurred in 2019 of which $4.3m relates to the proposed Cineplex acquisition and $6.4m reorganisation costs. Transaction costs of $52.1m were recognised in 2018 in relation to the acquisition of Regal.

Accelerated amortisation of capitalised finance fees
These costs represent the accelerated amortisation of capitalised finance fees following the partial settlement of the Group's term loans during the year and the minor refinancing undertaken.

Movement on financial derivatives
The Group has recognised gains or losses on three financial derivatives during the year. A gain of $10.4m and a loss of $4.5m have been recognised respectively on a contingent forward contract and contingent cross currency swap entered into to hedge certain expected transaction flows linked to the proposed acquisition of Cineplex. A further loss $3.7m was incurred on a short term forward contract entered into as part of the minor financing restructure.

Foreign exchange translation gains and losses
Gains and losses arise due to movements on foreign exchange in respect of the Group's unhedged Euro denominated term loan. These gains and losses are excluded from Adjusted Profit Before Tax.

Recycle of the net investment hedge
In 2018 the Group terminated a hedge relationship on a net investment hedge held between the Euro denominated term loan and the assets of a Euro trading subsidiary

Net Debt
Net Debt is defined as total liabilities from financing net of cash at bank and in hand. A reconciliation of movements in Net Debt is provided in note 12.

Adjusted Net Debt
Adjusted Net Debt is defined as Net Debt excluding lease liabilities and including the $202.0m in respect of consideration payable to dissenting shareholders of Regal Entertainment Group. The $202.0m represents the price of $23.0 per share, the transaction price for Regal. Management's view is that the petitioners' claim is without merit and that the fair value for the transaction is no higher than the transaction price.

4. Operating Segments

The Group has determined that it has two reporting operating segments, the US and UK&I. The Group also reports a third segment, the ROW which includes the cinema chain brands Cinema City in Central and Eastern Europe territories and Yes Planet and Rav-Chen in Israel. The operating segments included in the ROW reporting segment include Poland, Romania, Hungary, Czech Republic, Bulgaria, Slovakia and Israel. The results for the US include the three cinema chain brands; Regal, United Artists and Edwards Theatres. UK&I includes two cinema chain brands, Cineworld and Picturehouse, which operate in the same territory with the same external regulatory environment and ultimately provide the same services and products. On this basis it is deemed appropriate that these two segments can be aggregated and reported as one reporting segment for the UK&I.

	US $m	UK&I $m	ROW $m	Total $m
Year ended 31 December 2019				
Total revenues	3,209.6	648.4	511.7	4,369.7
Adjusted EBITDA as defined in Note 3	1,197.1	192.2	191.0	1,580.3
Operating profit	535.5	65.0	124.2	724.7
Net finance expense	442.7	85.0	14.0	541.7
Depreciation and amortisation	558.2	92.5	79.1	729.8
Impairments of property, plant and equipment and right-of-use assets	40.5	5.3	1.1	46.9
Share of profit from jointly controlled entities using equity accounting method net of tax	29.6	–	(0.3)	29.3
Profit/ (loss) before tax	**122.6**	**(5.0)**	**94.7**	**212.3**
Non-current asset additions – property, plant and equipment	328.8	120.4	34.4	483.6
Non-current asset additions – intangible assets	–	1.7	3.6	5.3
Investment in equity accounted investee	298.8	0.9	0.5	300.2
Total assets	**9,801.0**	**1,381.0**	**1,268.5**	**12,450.5**
Total liabilities	**7,999.4**	**1,134.1**	**379.3**	**9,512.8**
Year ended 31 December 2018				
Total revenues	**2,933.1**	**697.7**	**488.3**	**4,119.1**
Adjusted EBITDA as defined in Note 3	**670.4**	**125.9**	**129.1**	**925.4**
Operating profit	**415.4**	**10.8**	**66.7**	**492.9**
Net finance expense	165.3	5.4	0.6	171.3
Depreciation and amortisation	223.8	47.9	48.8	320.5
Onerous leases and other charges	(5.5)	4.0	–	(1.5)
Impairments and reversals of impairments	–	7.1	11.2	18.3
Share of profit from jointly controlled entities using equity accounting method net of tax	27.6	(0.1)	(0.1)	27.4
Profit/ (loss) before tax	**288.5**	**(5.3)**	**65.8**	**349.0**
Non-current asset additions – property, plant and equipment(1)	2,009.7	66.5	25.7	2,101.9
Non-current asset additions – intangible assets(1)	506.0	1.3	3.2	510.5
Non-current asset additions – Goodwill(1)	4,302.8	323.0	–	4,625.8
Investment in equity accounted investee	307.1	0.8	0.6	308.5
Total assets	**7,599.4**	**1,114.6**	**989.7**	**9,703.7**
Total liabilities	**5,969.8**	**186.1**	**127.5**	**6,283.4**

(1) Includes additions through acquisition.

5. Revenue

The Group derives revenue from the transfer of goods at a point in time and services over time in the following territories:

Revenue by country	**Year ended 31 December 2019 $m**	Year ended 31 December 2018 $m
United States	**3,209.6**	2,933.1
United Kingdom & Ireland	**648.4**	697.7
Poland	**153.8**	157.3
Israel	**113.2**	94.3
Hungary	**77.3**	80.9
Romania	**73.4**	71.9
Czech Republic	**58.4**	53.9
Bulgaria	**21.5**	16.9
Slovakia	**14.1**	13.1
Total revenue	**4,369.7**	4,119.1

Revenue per operating segment can be broken down by product and service provided as follows:

United States

Revenue by product and service provided	**Year ended 31 December 2019 $m**	Year ended 31 December 2018 $m
Box office	**1,859.6**	1,762.8
Retail	**953.9**	851.3
Other	**396.1**	319.0
Total revenue	**3,209.6**	2,933.1

UK&I

Revenue by product and service provided	**Year ended 31 December 2019 $m**	Year ended 31 December 2018 $m
Box office	**405.7**	453.5
Retail	**156.7**	167.5
Other	**86.0**	76.7
Total revenue	**648.4**	697.7

ROW

Revenue by product and service provided	**Year ended 31 December 2019 $m**	Year ended 31 December 2018 $m
Box office	**270.8**	280.3
Retail	**129.7**	126.4
Other	**111.2**	81.6
Total revenue	**511.7**	488.3

6. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, after excluding the weighted average number of non-vested ordinary shares.

Diluted Earnings Per Share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares plus any non-vested/non-exercised ordinary shares.

Adjusted Earnings Per Share is calculated dividing the adjusted profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, after excluding the weighted average number of non-vested ordinary shares.

	Year ended 31 December 2019 $m	Restated Year ended 31 December 2018 $m
Earnings attributable to ordinary shareholders	**180.3**	284.3
Adjustments:		
Amortisation of intangible assets[(1)]	**27.8**	25.0
Excess cash distributions from jointly controlled entities	**20.3**	4.8
Impairment of property, plant and equipment and right-of-use assets	**46.9**	18.3
Business interruption	**6.3**	–
Property related charges and releases	**5.3**	(0.5)
Share based payment charges	**4.9**	3.2
Operating Exceptional items:		
- Transaction and reorganisation costs	**10.7**	56.0
- One time write off of other current assets	**13.2**	–
- Gain on sale and leaseback transaction	**(17.5)**	–
- Legal costs	**6.4**	2.8
Financing exceptional items:		
- Accelerated amortisation of capitalised finance fees	**15.1**	–
Movement on financial derivatives	**(2.2)**	–
Foreign exchange translation gains and losses[(2)]	**5.9**	(45.1)
Recycle of net investment hedge	–	3.5
Adjusted earnings	**323.4**	**352.3**
Tax effect of above items	**(30.4)**	(7.0)
Tax credit arising on capitalised foreign exchange loss[(3)]	–	(19.4)
Adjusted profit after tax	**293.0**	**325.9**

	Year ended 31 December 2019 Total	Restated Year ended 31 December 2018 Total
Weighted average number of shares in issue	**1,371.6**	1,265.5
Basic Earnings per Share denominator	**1,371.6**	1,265.5
Dilutive options	**3.6**	2.8
Diluted Earnings per Share denominator	**1,375.2**	1,268.3
Shares in issue at year end	**1,372.0**	1,371.0
	Cents	Cents
Basic Earnings per Share	13.1	22.5
Diluted Earnings per Share	13.1	22.4
Adjusted basic Earnings per Share[(3)]	21.4	25.8
Adjusted diluted Earnings per Share[(3)]	21.3	25.7

(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 and Regal business combination (which totalled $27.8m (2018: $25.0m)). It does not include amortisation of purchased distribution rights.

(2) Net foreign exchange gains and losses included within earnings comprises $5.9m foreign exchange loss recognised on translation of the Euro term loan at 31 December 2019 (2018: $45.1m gain).

(3) The 2018 adjusted basic Earnings Per Share and adjusted diluted Earnings Per Share have been restated as detailed in note 1.

7. Finance Income and Expense

	Year ended 31 December 2019 $m	Year ended 31 December 2018 $m
Interest income	**4.5**	2.3
Foreign exchange gain	**7.3**	47.0
Unwind of discount on sub-lease assets	**0.7**	–
Gain on movement on fair value of financial derivatives	**10.4**	–
Unwind of discount on non-current receivables	**3.4**	4.6
Finance income	**26.3**	53.9
Interest expense on bank loans and overdrafts	**167.3**	146.7
Amortisation of financing costs	**27.2**	11.0
Unwind of discount on onerous lease provision	**–**	0.8
Lease liability interest	**304.2**	6.9
Unwind of discount on market rent provision	**–**	10.2
Unwind of discount of deferred revenue	**51.3**	44.2
Amounts reclassified from equity to profit or loss in respect of settled net investment hedge	**–**	3.5
Loss on movement in fair value of financial derivatives	**8.1**	–
Foreign exchange loss	**9.9**	1.9
Finance expense	**568.0**	225.2
Net finance costs	**541.7**	171.3

Recognised Within Other Comprehensive Income

	Year ended 31 December 2019 $m	Year ended 31 December 2018 $m
Movement in fair value of interest rate swap	**22.2**	(0.7)
Foreign exchange translation gain/(loss)	**12.6**	(126.1)

8. Dividends

The following dividends were recognised during the year:

	2019 **$m**	2018 $m
Special	**278.1**	–
Q1 Interim	**51.4**	–
Q2 Interim	**51.4**	–
Q3 Interim	**–**	–
Interim	**–**	66.5
Final (for the preceding year)	**139.3**	56.3
TOTAL	**520.2**	**122.8**

The Board now pays four interim dividends for each financial year. The first three interim dividend payments of the year are equal to 25% of the full year dividend of the prior year, with the final payment reflective of the Group's full year earnings performance and resulting in a full year dividend payment aligned with the Group's pay-out ratio.

On 20 December 2019 the Board announced a Q3 interim dividend of 3.75c per share payable on 10 January 2020. As the Board is entitled to rescind any resolution to pay an interim dividend up to the date of payment no accrual for this dividend has been recognised at 31 December 2019.

The Board has proposed the 2019 fourth dividend to be 4.25c per share, reflecting the satisfactory performance for the year, the anticipated strong cash flow generation and the strength of the Statement of Financial Position. The record date for the 2019 fourth dividend payment is 10 April 2020 and the payment date will be 1 May 2020. The total proposed dividend for 2019 is 15.5c (2018: 15.0c.

The final dividend for 2018 of 10.15c per share was paid on 5 July 2019 to ordinary shareholders. The total cash paid was $139.3m. On 13 June 2019, the Group announced a special dividend of 20.27c per ordinary share which was paid on 5 July 2019, along with the first quarterly payment for 2019 of 3.75c per share. The total cash payable for these dividends was $329.5m.

The second and third quarterly payment for 2019 of 3.75c per share were paid on 4 October 2019 and 10 January 2020 respectively. The total cash paid for these two payments was $102.8m.

9. Taxation

Recognised in the Consolidated Statement of Profit or Loss

	Year ended 31 December 2019 $m	Year ended 31 December 2018 $m
Current tax expense		
Current year	**102.1**	77.3
Adjustments in respect of prior years	**2.5**	(4.6)
Total current tax expense	**104.6**	72.7
Deferred tax expense		
Current year	**(66.7)**	(11.1)
Adjustments in respect of prior years	**(6.8)**	5.8
Adjustments from change in tax rates	**0.9**	(2.7)
Total tax charge in Statement of Profit or Loss	**32.0**	64.7

Reconciliation of Effective Tax Rate

	Year ended 31 December 2019 $m	Year ended 31 December 2018 $m
Profit before tax	**212.3**	349.0
Tax using the UK corporation tax rate of 19.0% (2018 19.0%)	**40.3**	66.4
Differences in overseas tax rates	**(10.6)**	5.3
Permanently disallowed depreciation	**2.0**	1.9
Foreign exchange on derivatives	**-**	(19.4)
Permanently disallowed exceptional costs	**2.4**	7.7
Other permanent differences	**1.3**	3.8
Adjustment in respect of prior years	**(4.3)**	1.2
Effect of change in statutory rate of deferred tax	**0.9**	(2.2)
Total tax charge in Statement of Profit or Loss	**32.0**	64.7

In the prior period the rate impact from foreign exchange investments represented the one-off impact of a tax deductible foreign exchange loss capitalised on derivatives of $88.4m.

During the year there was a tax credit of $1.3m, recognised directly in the Statement of Other Comprehensive Income (2018: $0.3m). This related to share remuneration schemes.

Factors that may affect future tax charges
The Group expects that the tax rate in the future will be affected by the geographical split of profits and the different tax rates that will apply to those profits.

No deferred tax liability has been recognised on $227.8m of taxable temporary differences related to investments, as the Group can control the timing of the reversal and it is probable that no reversal will happen in the foreseeable future.

At 31 December 2019 the Group had unrecognised deferred tax assets relating to the following temporary differences:

- UK capital losses of $9.5m with no expiry date; and
- US tax losses of $44.6m with expiry dates between 2020 and 2032.

On 25 April 2019 the European Commission released its decision which concluded that for years to 31 December 2018 the UK Controlled Foreign Company legislation represent recoverable State Aid in some circumstances. There remains uncertainty surrounding the quantum of any additional tax exposure which is subject to ongoing discussion with HM Revenue & Customs. Following a review of the potential application of the decision to Controlled Foreign Company claims to 31 December 2018 the Group has recognised a provision of $2.3m against potential exposures. The maximum potential exposure is $10.8m.

10. Leases

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	Land and buildings $m	Plant and machinery $m	Other $m	Total $m
Right-of-use assets(1)				
1 January 2019	**–**	**–**	**–**	**–**
Reclassification of previously held finance leases	93.9	1.5	–	**95.4**
Adjustment due to adoption of IFRS 16	2,843.5	–	2.2	**2,845.7**
Additions	897.1	–	0.1	**897.2**
Disposals	(0.8)	–	–	**(0.8)**
Effects of movement in foreign exchange	20.7	–	–	**20.7**
Impairment	(18.8)	–	–	**(18.8)**
Depreciation	(396.5)	(0.5)	(1.2)	**(398.2)**
31 December 2019	**3,439.1**	**1.0**	**1.1**	**3,441.2**
Lease liabilities				
1 January 2019	**100.0**	**0.5**	**–**	**100.5**
Adjustment due to adoption of IFRS 16	3,394.1	–	2.2	**3,396.3**
Additions	982.3	–	0.1	**982.4**
Interest expense related to lease liabilities	304.0	0.1	0.1	**304.2**
Disposals	(1.3)	–	–	**(1.3)**
Effects of movement in foreign exchange	28.7	–	–	**28.7**
Repayment of lease liabilities (including interest)	(611.9)	(0.2)	(1.2)	**(613.3)**
31 December 2019	**4,195.9**	**0.4**	**1.2**	**4,197.5**
Current	**321.2**	**0.2**	**0.2**	**321.6**
Non-current	**3,874.7**	**0.2**	**1.0**	**3,875.9**

(1) In the previous year, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under IAS 17 "Leases". The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognised on adoption of IFRS 16 on 1 January 2019, refer to Note 2.

The Consolidated statement of Profit or Loss shows the following amounts relating to leases:

	31 December 2019 $m
Depreciation charge of right-of-use assets	**398.2**
Land and buildings	**396.5**
Other	**1.7**
Sublease income	**(5.7)**
Impairment of right-of-use assets	**18.8**
Expenses relating to short-term leases (included in cost of goods sold and administrative expenses)	**13.2**
Expenses relating to variable lease payments not including in lease liabilities (included in administrative expenses)	**19.9**
Charge to operating profit	**444.4**
Interest expense (included in finance costs)	**304.2**
Charge to profit before taxation for leases	**748.6**

The total cash outflow for leases in 2019 was $613.3m.

Commitments for short-term leases at 31 December 2019 was $1.2m.

For sites which are subject to variable lease payments, a 10% increase in sales across all sites in the Group with such variable lease contracts would increase total lease payments by approximately $1.9m.

As outlined in Note 2 extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Should the next available option for all leases be taken the impact on the lease liability and right of use asset would be an increase of $524.2m, increasing future cash flows by $1,014.4m.

No leases contain a residual value guarantee clause.

10. Leases continued

Some cinema sites are sub leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

Sub-lease income of $5.7m was recognised during the current financial year. Minimum lease payments receivable on sub-leases are as follows:

	31 December 2019 $m
Within 1 year	**5.0**
Between 1 and 2 years	**4.7**
Between 2 and 3 years	**3.9**
Between 3 and 4 years	**2.7**
Between 4 and 5 years	**2.4**
Later than 5 years	**10.5**

Sale and leaseback

On 15 May 2019 the Group announced the signing and completion of a sale and leaseback transaction relating to 18 US-based multiscreen cinemas totalling 255 screens. On 13 June 2019, the Group announced the signing and completion of the second sale and leaseback transaction relating to a further 17 US-based multi-screen cinemas totalling 251 screens. The transactions are consistent with the Group's existing business model of operating a predominantly leasehold estate and long-term strategy of crystallising value for its shareholders. The properties had a book value of $462.0m at the sale date and the total sales proceeds from the two transactions were $556.3m. This resulted in a gain of $17.5m recognised within the Consolidated Statement of Profit or Loss as per table below:

	31 December 2019 $m
Sales proceeds	**556.3**
Assets disposed of	**(462.0)**
Cost to sell	**(13.9)**
Gain prior to right-of-use assets recognition adjustment	**80.4**
Adjustment for right-of-use asset retained under IFRS 16	**(62.9)**
Gain on disposal	**17.5**

11. Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings.

	31 December 2019 $m	31 December 2018 $m
Non-current liabilities		
Secured bank loans, less issue costs of debt to be amortised	**3,485.4**	3,885.3
Total Non-current liabilities	**3,485.4**	3,885.3
Current liabilities		
Secured bank loans, less issue costs of debt to be amortised	**131.4**	60.9
Loan note	**–**	3.0
Overdraft	**2.5**	–
Total Current liabilities	**133.9**	63.9

12. Net Debt

	Bank loans $m	Loan note $m	Lease liabilities $m	Derivatives $m	Bank overdraft $m	**Total financing activity liabilities $m**	Cash at bank and in hand $m	**Net debt $m**
At 31 December 2017	**(444.6)**	**–**	**(21.6)**	**–**	**(0.6)**	**(466.8)**	**91.0**	**(375.8)**
Additions through acquisition	(2,433.7)	(3.0)	(86.7)	0.2	–	**(2,523.2)**	333.2	**(2,190.0)**
Cash flows	(1,034.0)	–	13.4	–	0.6	**(1,020.0)**	(102.1)	**(1,122.1)**
Non-cash movement	(69.7)	–	(5.7)	–	–	**(75.4)**	–	**(75.4)**
Effect of movement in foreign exchange rates	35.8	–	0.1	–	–	**35.9**	(5.8)	**30.1**
At 31 December 2018 (restated)[1]	**(3,946.2)**	**(3.0)**	**(100.5)**	**0.2**	–	**(4,049.5)**	**316.3**	**(3,733.2)**
Change in accounting policy (note 2)	–	–	(3,396.3)	–	–	**(3,396.3)**	–	**(3,396.3)**
1 January 2019	**(3,946.2)**	**(3.0)**	**(3,496.8)**	**0.2**	–	**(7,445.8)**	**316.3**	**(7,129.5)**
Cash flows	330.7	3.0	613.3	–	(2.5)	**944.5**	(167.1)	**777.4**
Non-cash movement	(27.2)	–	(1,285.3)	(4.0)	–	**(1,316.5)**	–	**(1,316.5)**
Effect of movement on foreign exchange rates	25.9	–	(28.7)	–	–	**(2.8)**	(8.6)	**(11.4)**
At 31 December 2019	**(3,616.8)**	**–**	**(4,197.5)**	**(3.8)**	**(2.5)**	**(7,820.6)**	**140.6**	**(7,680.0)**

(1) The 2018 net debt note has been restated as a result of the changes identified in the Statement of Cash Flows, refer to Note 1 for further details. Previously the Regal borrowings acquired on acquisition and subsequently repaid were shown net.

The non-cash movements of $27.2m within bank loans represents the amortisation of debt issuance costs. The non-cash movement of $1,285.3m relates to the following: the unwind of lease liabilities of $304.2m, the impact of entering into new leases and modifications of existing leases of $982.4m and disposal of leases during the year $1.3m.

13. Provisions

	Property provisions $m	Provisions for contracts with suppliers $m	Other provisions $m	**Total provisions $m**
Balance at 31 December 2018	**326.3**	**28.0**	**13.5**	**367.8**
Adjustment on adoption of new accounting standard (note 2)	(325.4)	–	–	**(325.4)**
Provisions made	–	–	–	**–**
Provisions utilised	(0.9)	(8.5)	(2.6)	**(12.0)**
Provisions released to profit or loss during the year	–	(17.1)	(6.4)	**(23.5)**
Balance at 31 December 2019	**–**	**2.4**	**4.5**	**6.9**
Current	–	2.4	4.0	**6.4**
Non-current	–	–	0.5	**0.5**
Total	**–**	**2.4**	**4.5**	**6.9**

Property provisions in 2018 related to onerous leases, dilapidations, unfavourable market rent provisions and other property liabilities. Market rent provisions relate to the fair value of liabilities on leases acquired, which are assessed on acquisition and released over the remaining life of the lease. A corresponding asset in respect of favourable market rent was recognised within other non-current assets in 2018.

As a result of adopting IFRS 16 on 1 January 2019, the remaining onerous lease and market rent provisions were re-classed from provisions to the opening right-of-use asset (refer note 2). The opening dilapidations provision related to one site which was closed during the year, resulting in the utilisation of this provision.

Provisions for contracts with suppliers relate to claims from suppliers against contractual obligations. These provisions were assessed by applying the expected payments based on settlement of historic claims, and legal claims which have been assessed based on legal advice received. Following ongoing negotiations with contractual business suppliers there has been a $17.1m release in the year and a settlement of $8.5m.

Other provisions relate to legal, sales tax and unclaimed property amounts. Releases in the year were made following a review of the expected settlement in respect of each individual matter.

14. Related Parties

The compensation of the Directors is as follows:

	Salary and fees including bonus $000	Pension contributions $000	Total $000
Year ended 31 December 2019			
Total compensation for Directors	7,451.1	363.4	7,813.5

	Salary and fees including bonus $000	Pension contributions $000	Total $000
Year ended 31 December 2018			
Total compensation for Directors	8,548.9	404.5	8,953.4

Other Related Party Transactions

Digital Cinema Media Limited ('DCM') is a joint venture between the Group and Odeon Cinemas Holdings Limited set up on 10 July 2008. Revenue receivable from DCM in the year ended 31 December 2019 totalled $24.9m (2018: $25.2m) and as at 31 December 2019 $3.8m (2018: $3.3m) was due from DCM in respect of receivables. In addition, the Group has a working capital loan outstanding from DCM of $0.6m (2018: $0.6m).

NCM is a joint venture between AMC Entertainment Holdings Inc, Cinemark Holdings Inc and the Group. As at 31 December 2019 $1.4m (2018: $1.3m) was due to NCM in respect of trade payables and $6.3m (2018: $2.7m) was due from NCM in respect of trade receivables.

The Group had a note payable to NCM in the amount of $3.0m as of 31 December 2018. The note bore interest at 5.0% per year and was fully repaid during the year ended 31 December 2019. Revenue receivable from NCM in the year ended 31 December 2019 re-paid $97.8m (2018: $80.1m).

Fathom AC JV is a joint venture between AMC Entertainment Holdings Inc, Cinemark Holdings Inc and NCM. There were no transactions during the year. As at 31 December 2019 $0.9m (2018: $3.0m) was due to Fathom AC in respect of trade payables.

Revenue receivable from Black Shrauber Limited in the year ended 31 December 2019 totalled $0.1m (2018: $0.1m). There were no amounts due to or from Black Shrauber Limited at 31 December 2019.

Global City Holdings N.V. ('GCH'), is a company in which Moshe Greidinger and Israel Greidinger, Directors of the Group, have a controlling interest. During the year, the Group made lease payments of $10.4m (2018: $9.6m) to companies under the control of GCH. At 31 December 2019 $57.5m (2018: $nil) in lease liabilities were included within the Group's Statement of Financial Position. The Group had amounts payable of $1.7m (2018: nil) by companies under the control of GCH.

15. Post Balance Sheet Events

On 16 December 2019, the Group announced the proposed transaction of Cineplex by means of an acquisition of the entire issued, and to be issued share capital of Cineplex. The acquisition was based on an implied enterprise value of $2.1bn.

Due to its size, the acquisition was classed as a Class 1 transaction under the Listing Rules, and therefore required shareholder approval. The Group and Cineplex shareholders approved the acquisition on 11 February 2020. Prior to the acquisition completing the Investment Canada Act Approval must be obtained.

The consideration for the acquisition of $2.3bn will be fully settled in cash which will be raised through a $2.0bn extension to the Group's existing term loans and a $0.3bn unsecured bridge loan.

Given the acquisition has not yet completed at the approval date of the 2019 financial statements, no accounting for the acquisition in accordance with IFRS 3 "Business Combinations" has been included in these financial statements.

16. Risks and Uncertainties

The programme of on-going monitoring and reporting has continued to be undertaken to ensure the risk profile remains up-to-date, reflecting the current risk exposure and driving control improvement activity. The Board has undertaken a robust assessment of the principal risks facing the Group during the year, including those that would threaten its business model, future performance, solvency and liquidity. There have been no significant changes in Principal Risks and Uncertainties during the year. A summary of the Principle Risks and Uncertainties will be set out in the Annual Report and Accounts.

17. Financial Information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2019 or 2018. The financial information for 2018 is derived from the statutory accounts for 2018 which have been delivered to the registrar of companies. The auditor has reported on the 2018 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement undersection 498 (2) or (3) of the Companies Act 2006. The statutory accounts for 2019 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies in due course.

18. Annual Report and Accounts and Annual General Meeting

The 2019 Annual Report and Accounts and Notice of the General Meeting will be posted to shareholders and published on the Group's website at www.cineworldplc.com in April. The Annual General Meeting is to be held on 13 May 2020.