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CINEWORLD GROUP plc

Cineworld Group plc ("Cineworld", the "Company" or "the Group") is pleased to announce its results for the 52 weeks ended 30 December 2010.

Highlights

For comparability purposes all of the review below is on a 52 week to 52 week basis. A review against the prior year statutory reported results (53 week basis) is included in the Financial Performance section of this statement.

	2010		2009	2009
	52 weeks		52 weeks	Reported 53 weeks
Group revenue	£342.8m	+ 4.8%	£327.1m	£333.4m
EBITDA*	£59.0m	+ 8.1%	£54.6m	£55.7m
Profit before tax	£30.4m	+0.3%	£30.3m	£30.8m
Adjusted pro-forma diluted EPS	18.1p	+ 11.7%	16.2p	
Proposed final dividend	7.1p		6.8p	
Proposed full year	10.5p	+ 5.0%	10.0p	

Other key highlights

- Number 1 cinema operator in the UK for 2010 with a box office market share of 26.2% (Rentrak/EDI).
- Box office up 4.1% at £235.8m against 2009;
- Admissions 2.1% lower than 2009 at 47.2m;
- Average ticket price per admission up 5.9% to £4.99 (2009: £4.71) with average retail spend per person holding firm at £1.73;
- Screen advertising revenues up almost 21%;
- Strong progress on digital conversion with over 50% of the estate now using digital projectors;
- Roll out of a new site at The O2 and deals signed for sites at the Wembley City retail development and at Aldershot and Leigh;
- Credit approvals received from a banking group for a new facility of £170m to finance future expansion and other opportunities.

Commenting on these results, Stephen Wiener, Chief Executive Officer of Cineworld Group plc, said:

"We are delighted to have seen continued growth in revenues and profits in 2010 despite sometimes challenging circumstances. Our strategically eventful year saw progress in rolling out digital screens across our estate, and continued expansion, including into the high profile O2 Centre. To close 2010 as the leading cinema operator by total box office is the crowning achievement of a successful year, and I am pleased to announce an increase of 11.7% in EPS."

"After the impact of the heavy snow at the end of 2010, admissions have returned to normal and we look forward to a release schedule for 2011 with a strong line-up of potential blockbusters as well as an increased number of 3D films. While customers will continue to seek value, cinema remains a well-priced leisure option that can only benefit from an improving economy. We anticipate that advertising demand will remain solid and together with the strong film release schedule we are confident for the year ahead."

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*EBITDA is defined as operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring or non-cash property charges, transaction and reorganisation costs

Chairman's Statement

It gives me much satisfaction to report another successful year of trading for the Group. The business has continued to deliver healthy growth in revenues and profits, and strong cash generation over the year. This good performance is despite a trading environment impacted by the football World Cup in June 2010 and the heavy snow falls across the whole country during December 2010.

In view of this performance, the Group is able to propose a 5% increase in the full year dividend for 2010 to 10.5p, which follows the increase declared last year.

Considerable progress was made in 2010. The increase in numbers of 3D films has been widely publicised and cinema attendances for 3D films supported our strong performance. Our advertising business, Digital Cinema Media, made further progress in the market as advertising spend showed good levels of recovery. We also continued to grow other revenue streams such as screening alternative content (including live 3D events such as the Six Nations rugby and the football World Cup) and providing venues for conferencing and other similar uses.

On 14 June, we announced our partnership with Arts Alliance Media ("AAM") which will lead to the roll out of digital projection facilities across the remainder of our cinema estate. It is an attractive deal which enables us to recoup a substantial proportion of our anticipated £40m investment as we earn the financial benefits from digital programming and 3D.

On 25 June, we signed a 25 year lease to operate the multiplex cinema at The O2 in London. The O2 is a major landmark and significantly raises our profile. We also announced an agreement for a 25 year lease for a new nine screen cinema at the Wembley City retail and leisure development, which is scheduled to open in 2013.

We remain committed to improving our operations through continual enhancement of the customer service and experience at our cinemas. Recent work carried out in our cinema in Wandsworth, London, to create a new look and feel for our customers, is a prime example.

In 2010, we achieved a milestone by becoming the largest cinema operator in the UK by total box office. This is a notable advancement over the previous year and demonstrates the success of our efforts to increase the competitiveness of our film and retail offers, our pricing and the comfort and accessibility of our cinemas.

The Blackstone Group sold its remaining 20.1% shareholding on 16 November 2010 through a placing which was well supported by a number of institutional investors. The Blackstone Group has been an excellent partner and has made a significant contribution to the Group over the last six years. Alan Roux left the Board following the divestment of the Blackstone holding and I would like to thank him for his valuable contribution to the business. Matthew Tooth, also originally appointed by The Blackstone Group, has agreed to remain on the Board.

I would also like to welcome two new members of the Board: Martina King and Rick Senat, who both joined on 2 July 2010 as independent Non-Executive Directors. They bring with them a wealth of experience in areas particularly relevant to Cineworld's activities, and have already made a significant contribution to the business.

I am pleased to report that terms and conditions for a new £170 million, 5 year facility have recently been negotiated with a group of banks and which is expected to be signed in the near future. This will provide the Group with a stable financial platform to enable it to carry out its expansion plans.

On behalf of the Board, I would like to thank our management and our employees for their accomplishments and hard work. We cannot rest on our laurels because the economic and financial outlook remains challenging. The Group, however, is in a strong financial and competitive position and possesses a very able management team and committed staff. This gives me full confidence in our ability to continue to deliver value to our shareholders in the future. It remains a pleasure to be associated with such a successful and well run business.

Anthony Bloom

Chairman
10 March 2011

Chief Executive and Chief Financial Officers' Review

Operating and Financial Review

Performance Overview

For comparability purposes all of the review discussion below is on a 52 week to 52 week basis.

Cineworld delivered a strong financial performance for the year.

	52 week period ended 30 December 2010	Pro rated 52 week period ended 31 December 2009	53 week period ended 31 December 2009
	Total	Total	Total
Admissions	47.2m	48.2m	49.1m
	£m	£m	£m
Box office	235.8	226.5	230.9
Retail	81.6	82.8	84.4
Other	25.4	17.8	18.1
Total revenue	342.8	327.1	333.4

In the 52 week financial year box office revenue increased 4.1% to £235.8m (2009: £226.5m), representing a box office market share in the UK and Ireland of 24.6% (2009: 23.9%). The Group's admissions were 1.0m, 2.1% lower than the prior year. Average ticket price per admission increased by 5.9% to £4.99 (2009: £4.71). Retail spend per person increased by 1p to £1.73 (2009: £1.72).

Cineworld's success in 2010 was underpinned by a strong film line up with an increased number of 3D films (25 films compared with 13 in 2009). Average ticket prices were higher because of modest general price increases and the benefit of the price uplift from 3D admissions. Almost 28.0% of market box office was from 3D for the full year, up from approximately 12.0% in 2009.

By the end of 2010, Cineworld had become the number one cinema operator in the UK for the period in terms of UK box office (Rentrak/EDI) with a market share of 26.2%.

Box Office

A combination of modest price increases, the premium on 3D performances and stable admissions in the year enabled Cineworld's box office to increase 4.1% to £235.8m. Average ticket price per admission increased 5.9% to £4.99 (2009: £4.71). The increase was partly aided by the premium pricing on 3D performances. The average ticket price excluding VAT of 3D is in excess of £6.10 compared to 2D of almost £4.50. Cineworld nevertheless continues to offer its customers compelling value with the lowest average ticket price of any of the major UK cinema groups.

There were strong performances in the year from a number of core blockbusters which included "Harry Potter and the Deathly Hallows Part 1", "Inception", "Sex and the City 2", "The Twilight Saga: Eclipse" and "Iron Man 2". All these films performed above or in line with industry expectations. The year also saw the continued rise of 3D films with 25 films released in 3D, the most notable being "Toy Story 3" (the highest grossing film of the year and the second highest grossing film of all time in the UK), "Alice in Wonderland", "Shrek Forever After", and "Clash of the Titans".

In line with our stated strategy, we continued to offer customers the broadest range of films on the market. There were a number of smaller and mid range films which performed well during the year including "Streetdance 3D", "The Prince of Persia: The Sands of Time", "Kick Ass" and "The Tourist" where we achieved higher individual market shares than our overall market average. We also remained the biggest exhibitor of Bollywood films in the UK with a market share in excess of 50%. We remained the only major chain to screen Tamil language films such as "Endhiran: The Robot", where we had an 87% market share. In addition, we showcased a series of other successful foreign language films such as the trilogy of films "The Girl with the

Dragon Tattoo", "The Girl Who Played with Fire" and "The Girl Who Kicked the Hornets' Nest" which contributed favourably to our full year results.

We continued to make good progress during the year in developing our alternative content offering which has been made possible by our digital conversion. The notable events of the year included the 25th Anniversary shows of Les Miserables from The O2, the Big 4 Live (from Sofia) and Bon Jovi and Green Day concerts. Furthermore the successful broadcast of two live sporting events in 3D, namely the Six Nations rugby and the latter stages of the football World Cup showed the possibility of screening such live events and proved that it was technically and logistically possible to exhibit such events from around the world. In the field of the performing arts, we screened a series of live shows from the New York Metropolitan Opera, the National Theatre and Glyndebourne, all of which were well attended. Alternative content is growing, but is currently still a niche offer and therefore a small contributor to revenues compared with film.

Retail

It is pleasing to report that net retail spend per person held firm in 2010 at £1.73 (2009: £1.72). This is a reflection of the competitive offers and strength of our promotions. As expected, our customers have become more value conscious given the tough economic backdrop, and we responded with a number of value initiatives which have been successful.

We also continued to invest in new equipment such as the roll out of new hot dog machines, enabling faster service and reduced wastage, and expanded the number of coffee machines to meet growing demand. The retail stand at Wandsworth was re-designed towards the end of the year, as part of a new design concept trialed at the cinema.

As previously reported, we renewed long-term arrangements with Coca Cola in the first quarter and the continuation of our partnership with this recognised brand has helped us to maintain the value of our overall drinks offer.

Advertising

Trading at Digital Cinema Media Limited ("DCM"), our joint venture screen advertising business formed in July 2008, improved markedly with screen advertising revenues rising almost 21% against the previous period. DCM's primary function is to sell advertising time on cinema screens on behalf of Cineworld and its other clients. It also engages in related promotional work between advertisers and cinemas. The increase in revenues generated for Cineworld against the previous period largely reflected the improvements in confidence amongst advertisers in general which helped to increase overall levels of demand. The management team at DCM has been driving operational efficiencies and effectiveness so that the business is well positioned to capitalise on the increased flexibility offered to advertisers via the digital format as well as on any improvements in the overall advertising market.

A major success for DCM was winning the account to provide screen advertising to the Vue Cinema circuit with effect from 1 January 2011.

Since the year end Martin Bowley, Managing Director of DCM has resigned and a replacement is being sought.

Investment in Digital

At the end of December 2010, Cineworld had one of the largest digital estates of any cinema operator in the UK. Digital projection is an important part of our strategy which enables the screening of films (2D and 3D) and other content using digital media. During the first quarter of 2010 we installed 102 digital projectors and, by the end of January 2011, we had completed the installation of a further 150 digital projectors, thereby resulting in over 50% of our estate having digital projectors.

On 14 June 2010, we announced our agreement with Arts Alliance Media ("AAM") to roll out digital projection facilities across the remainder of our cinema estate. The deal will transform Cineworld and will enable us to convert our estate to fully digital within three years. The roll out will cost in the region of £25m, in addition to the c£15m already spent to date.

Under the AAM deal, Cineworld acquires the digital projectors directly from a third party and retains full control over the timing of their purchase and over their installation and operation. Cineworld benefits from AAM's systems, technical capabilities and utilising AAM's Virtual Print Fee ("VPF") agreements with film distributors and exhibitors. The VPF deal covers a ten year period during which AAM collect VPFs from film studios on behalf of Cineworld the first time a film is played in digital on a screen rather than in 35mm. VPFs are, for up to 10 years, discounted from the cost Cineworld pays for film rental and reflects the cost savings to the studios of the move to digital. These discounts are expected to refund a substantial proportion of the total conversion cost of c£40m over a 7-10 year period before taking into account the associated benefits of 3D and digital.

Unlimited Card Programme

Our unique subscription service, Unlimited, offers a competitive value proposition to our customers. The service offers customers the opportunity to pay a fixed monthly (or annual) subscription which enables them to watch as many 2D films at our cinemas as they wish. Cineworld prides itself on being the only cinema operator in the UK and Ireland to offer this service which increased its membership further during the year. The service is one of the pillars which underpin our strategy of growing other revenues and admissions. It brings to the Group the financial benefits of regular subscription income reducing the level of fluctuation in our revenues. It also brings operational benefits by encouraging repeat visits, often at off-peak times. This, in turn, enables us to improve capacity utilisation at our cinemas, provide more retail opportunities and introduce a wider range of films than our competitors. As a result, we continued to enjoy significant market share among the smaller, less mainstream films in 2010.

Initiatives and Developments

Activity on our consumer website increased in the year, recording almost 54m visits which put it comfortably in the top 50 most visited websites in the UK (as reported in the IMRG Experian Hitwise Hit Shops List). The 'My Cineworld' membership on the website continued its expansion with a total database of over 500,000 members. The growth of this portal is an important part of our strategy to engage further with our customers and, in turn, should enable us to improve our customer retention and to encourage more frequent visits to our cinemas. We extended our mobile enabled web booking service by being the first UK cinema chain in 2010 to launch an app for the iPhone.

Our corporate website was upgraded and relaunched in May 2010 as part of our plan to introduce electronic communications with our shareholders which went live towards the end of the year thereby helping to reduce our environmental impact.

Our partnership with Tesco through its Clubcard programme continued to flourish, aided by its TV advertising to promote the ticket offer, helping to raise Cineworld's brand profile nationally.

In addition, we have started to focus on improving utilisation of cinemas at off peak times particularly through the hire of individual auditoriums. We continue to make progress in offering our cinemas as venues for other purposes from corporate conferences and private film hires, through to educational meetings and religious gatherings on Sunday mornings.

Our People

Attracting, developing and retaining talented staff is important for our business. It is vital for our continued success that we encourage our employees' personal development and career progression. A new performance management process was successfully trialled in 2010 and was rolled out to the organisation at the start of 2011. It involved all senior and line managers with the aim of providing meaningful employees' objective setting and structured performance reviews. By using this framework we aim to increase further the high proportion of cinema management and supervisory positions which are held by internally promoted employees, thereby bringing operational and financial benefits to the Group. The new recruitment website, launched in early 2010, has produced positive feedback from cinema management. The website has proven to be a useful tool for improving the efficiency of the candidate selection process and ultimately improved staff retention.

Expansion

We continue to look for opportunities to expand our estate. On 25 June we acquired the trade and assets of the multiplex cinema at The O2 in London and agreed a 25 year lease with the Waterfront Limited Partnership, part of the Anschutz Entertainment Group ("AEG"), to operate it. The O2 is the world's most popular music venue by ticket sales (Source: Pollstar listed ticket sales) and the cinema is an 11 screen multiplex seating a total of 2,844 people with gross box office revenues of £4.1 million in 2009 (source: Rentrak/EDI). On 24 May we announced an agreement for a 25 year lease for a new nine screen cinema at the Wembley City retail and leisure development which will seat 1,800 people in total and which is scheduled to open in 2013.

In respect of 2011, we have plans to open a seven screen cinema in Leigh towards the end of the year and will commence fit out of a seven screen cinema in Aldershot (planned for opening in the first quarter of 2012). Whilst the uncertainty over development financing and timing of new projects continues, we have seen a rise in confidence in the property market during the year with renewed interest in existing proposals as well as new plans and ideas being tabled. Expansion remains a key strategic priority for the Group over the medium term and we are ensuring that we have the financial capability, through a new increased bank facility, to pursue such opportunities. We are working with well known retail names on new developments as well as reviewing potential acquisition opportunities.

At 30 December 2010, the Group had increased its estate to 78 cinemas with 801 screens.

Key Trends and Factors Potentially Affecting the Future

The future success of the Group in 2011 will remain principally dependent on the strength of the film releases during the year. Sequels and franchises will continue to contribute a significant number of the higher profile blockbuster films. Many such films outperform the original film or concept, so the film studios will continue to look to capitalise on proven successful formulae. The overall film release programme for 2011 is known and there is a strong line up of potential blockbusters.

The major product for the cinema industry will remain 2D films, though 3D films and other content will continue to gain popularity as more content is provided digitally. Our plans for digital mirror these trends and include converting our entire estate to digital which will provide greater flexibility in screening arrangements.

In 2010 there were 25 3D films released. In 2011 there are over 30 3D films scheduled for release and studios are reportedly planning to convert some older film titles to 3D as well.

Customers have been prepared to pay higher ticket prices to see 3D films, even though certain sections of the customer base prefer to see 2D for cost reasons. Higher prices for 3D films are expected to continue and with an increasing number of 3D films planned for release, should support further revenue growth.

Within the area of alternative content, the successful live screening of certain high profile rugby and football events in 3D in 2010 has given us confidence to widen our horizons beyond traditional art based content such as plays, opera and concerts. The source of alternative content is currently fragmented. Stabilisation and consolidation amongst suppliers should increase the range of content, improve the operational delivery and result in financial savings. Revenues from alternative content are anticipated to grow further, albeit from a small base.

We have seen increased demand from advertisers which have benefited our screen advertising revenues in 2010 and anticipate that demand in the advertising industry in general will continue to hold up, supported by the greater flexibility offered by our conversion to digital.

As reported last year, we continued to enjoy strong mid week business, particularly in conjunction with ‘Bargain Tuesdays’ and ‘Orange Wednesdays’ promotions which demonstrates that customers are seeking greater value in the current economic climate.

Plans for new cinemas will remain less certain until finance for developers becomes more readily available. Nevertheless we remain committed to expanding our business - through the development of complementary activities, opening more cinemas and through the acquisition of other cinema portfolios, facilitated by our strong financial position.

Cineworld will continue to offer a highly compelling choice within the wider range of entertainment and leisure activities. We believe going to the cinema remains one of the best value forms of popular entertainment and will continue to attract audiences who seek quality film product and the immersive viewing experience that remains unmatched by any other media.

Financial Performance

	52 week period ended 30 December 2010	Pro rated 52 week period ended 31 December 2009	53 week period ended 31 December 2009
	Total	Total	Total
Admissions	47.2m	48.2m	49.1m
	£m	£m	£m
Box office	235.8	226.5	230.9
Retail	81.6	82.8	84.4
Other	25.4	17.8	18.1
Total revenue	342.8	327.1	333.4
EBITDA*	59.0	54.6	55.7
Operating profit	37.1	38.9	39.6
Financial income	1.6	1.2	1.2
Financial expenses	(8.2)	(9.7)	(9.9)
Net financing costs	(6.6)	(8.5)	(8.7)
Share of loss from joint venture	(0.1)	(0.1)	(0.1)
Profit on ordinary activities before tax	30.4	30.3	30.8
Tax on profit on ordinary activities	(9.4)	(10.2)	(10.4)
Profit for the period attributable to equity holders of the Company	21.0	20.1	20.4

*EBITDA is defined as operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring or non-cash property charges, transaction and reorganisation costs.

Revenues

Total revenue for 2010 was £342.8m a rise of 4.8% on the prior period (2009: £327.1m) or a 2.8% rise on a reported 53 week basis for 2009.

As a result of strong film product, we enjoyed excellent trading during the period. Box office revenue was 4.1% higher at £235.8m (2009: £226.5m) though admissions were 2.1% lower. Compared to the reported 53 week basis for 2009, box office revenue was 2.1% higher than 2009 on 3.9% less admissions.

Retail sales for the year were 1.4% lower at £81.6m (2009: £82.8m) or 3.3% lower against the reported 53 week basis. The fall in retail sales was due to reduced admissions given that the sales per person held firm at £1.73 (2009: £1.72), a satisfactory outcome given the challenging consumer environment.

Other revenues increased by 42.7% to £25.4m (2009: £17.8m). Compared to the 53 week reported basis for 2009 the increase was 40.3%. The major element of other revenue is screen advertising revenue which reported strong growth of almost 21.0%, a reflection of the recovery in advertising demand. Other revenues from non screen advertising such as ticket bookings, theatre hires and sales of 3D glasses were up 75.4% mainly due to the change to selling 3D glasses separately towards the end of 2009.

EBITDA and Operating Profit

EBITDA was up 8.1% at £59.0m against the 2009 figure of £54.6m (5.9% higher than the reported 53 week basis for 2009) and was achieved through better customer spend levels and cost margins and continued management of operating costs. The estimated contribution to EBITDA from the additional week in 2009 is approximately £1.1m and approximately £0.6m to operating profit. Operating profit at £37.1m was lower than 2009 of £38.9m (reported 2009: £39.6m) due to property related provisions and net impairments of £0.8m and £3.2m respectively. A provision of £0.8m was made during the year to cover potential increases in dilapidations for two non-trading properties, where the Group believed it probable that it will exit the leases, and this was charged to administrative expenses. In addition, the Group made a net impairment charge of £3.2m. £4.5m of assets was impaired at sites where the Group considered that the carrying values of their assets exceeded the present values of the future expected cash flows generated at those sites and there were also impairment reversals of £1.3m of assets that had been impaired in the past. These assets related to sites where the conditions supporting the improvements in trading were considered sustainable in the future.

Earnings

Overall profit on ordinary activities before tax was £30.4m compared with £30.3m in 2009. Basic earnings per share amounted to 14.8p and adjusted pro-forma diluted earnings per share were 18.1p (using a normalised tax rate of 28.0%). This compares favourably with the 2009 adjusted pro-forma earnings per share of 16.2p. The weighted average number of shares during 2010 was 141.7m including 20,088 shares issued during the year.

Finance Costs

The falls in interest rates in 2009 continued to benefit the Group in 2010, aided by the reduction in net debt. The interest expense in the year relates primarily to interest on bank debt. The majority of the remaining interest charge is non-cash interest on onerous leases, the pension scheme and the finance lease.

Taxation

The overall tax charge was £9.4m giving an overall effective tax rate of 30.9% for the year (2009: 33.8%). The corporation tax charge consisted of the charge in respect of the current year of £8.3m and a credit of £0.6m relating to prior years. The balance of the tax charge of £1.7m principally resulted from the utilisation of a deferred tax asset relating to capital allowances (the difference between the tax written down value of the capital allowance and the net book value of the underlying assets).

Cash Flow and Balance Sheet

The Group continued to be strongly cash generative at the operating level. Total cash generated from operations was lower than for 2009 (£50.7m compared to £54.6m in 2009) primarily due to the significantly lower trading levels in the weather affected December 2010 compared with 2009 and meant much lower creditor levels at the end of 2010 compared with 2009. The recovery in trading since the end of the year has helped to reverse the short term outflow of operating cash in December and it will improve further in line with continued strong trade.

Net cash spent on capital for the year was £20.3m. Included in this cash expenditure was £9.4m in relation to the purchase of digital projectors (the balance of the cost of £10.5m was paid after the year end) and £4.2m for new sites including expenses for the acquisition of the cinema at The O2. The balance of other capital expenditure of £6.7m was for equipment replacement, site refurbishments and expenditure on various initiatives such as website enhancements and upgrading of automated ticket sales points. The high level of internally generated cash has funded our entire capital expenditure whilst repaying term debt of £9m and paying dividends of £14.5m.

Net debt at the end of December 2010 fell to £100.8m (2009: £104.3m). Net debt included a £2.8m liability valuation of the interest rate swap hedge on the bank loan (2009: £3.9m liability). The liability position arose because the fixed rate of interest payable on the swap was higher than the three month LIBOR rate receivable on the hedged portion of the loan for the remainder of its term.

Like the previous year, the Group remained well within its banking covenants and continued to achieve the financial targets which enabled it to benefit from a low margin on its bank debt of 0.7% above three month LIBOR. Bank debt at the end of the year was comfortably below two times the EBITDA of 2010. The Group enjoys the security of a revolving credit facility of up to £30.0m (undrawn at the end of the year) as part of the overall bank facility which further enhances the Group's overall liquidity.

Since the year end the Group has received commitments from a group of banks for a new five year facility of £170m to replace its existing facility which is due to expire in May 2012. The new facility will provide the Group with more flexibility to finance future expansion plans as well as other growth opportunities. Documentation is being drafted between the Group and the participating banks and all parties are working to complete the process in the near future.

Dividends

The Directors are recommending to shareholders for approval a final dividend in respect of the period ended 30 December 2010 of 7.1p per share, which taken together with the interim dividend of 3.4p per share paid in October 2010, gives a total dividend in respect of 2010 of 10.5p per share, a 0.5p increase on the level in 2009. Subject to shareholder approval, the final dividend will be paid on 6 July 2011 to shareholders on the register at 10 June 2011.

Board Changes

On 2 July 2010, Martina King and Rick Senat were appointed to the Board as independent Non-Executive Directors. Martina King was the first Managing Director of Yahoo! UK and Ireland before becoming the Managing Director of Yahoo! Europe. Rick Senat has sat on the Boards of a number of film companies and worked for 24 years at Warner Bros. Martina King and Rick Senat were also appointed to the Remuneration and Audit Committees respectively. Both Directors bring with them a wealth of experience in areas particularly relevant to Cineworld's activities.

On 18 November 2010, Alan Roux left the Board, following the divestment by The Blackstone Group ("Blackstone") of its 20.1% interest in the Group. Blackstone's and Alan's contribution have been of great value. Matthew Tooth, the second Blackstone appointed director, agreed to stay on in an independent capacity.

Current Trading and Looking Ahead

With the improvement in the weather, the New Year has started well. We were pleased to see admissions return to levels expected for the time of year and have enjoyed some carry-over of business from the Christmas period, in particular with "Little Fockers" and "Gulliver's Travels". Moreover, the success of "The King's Speech" has exceeded box office expectations, grossing over £40m in the UK to date as well as winning 4 Oscar awards.

A combination of strong current trading and long term balance sheet stability following the expected refinancing provides the Group with attractive additional flexibility to push ahead with its expansion plans.

With a strong film release schedule in 2011, including over 30 3D films, the continued roll out of our digital projectors, increasing expectations for screen advertising and the roll out of new sites, we are confident of the prospects for the business in the forthcoming year

Stephen Wiener Chief Executive Officer	Richard Jones Chief Financial Officer

10 March 2011

Consolidated statement of comprehensive income

for the period ended 30 December 2010

	Note	52 week period ended 30 December 2010 £m	53 week period ended 31 December 2009 £m
Revenue		342.8	333.4
Cost of sales		(259.7)	(253.8)
Gross profit		83.1	79.6
Other operating income		0.6	0.7
Administrative expenses		(46.6)	(40.7)
Operating profit		37.1	39.6
Analysed between:			
Operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring or non-cash property charges, transaction and reorganisation costs		59.0	55.7
- Depreciation and amortisation		(17.2)	(15.3)
- Onerous leases and other non-recurring or non-cash property charges		(1.3)	(0.4)
- Impairments and reversals of impairments	*8*	(3.2)	-
- Transaction and reorganisation costs		(0.2)	(0.4)
Finance income	*4*	1.6	1.2
Finance expenses	*4*	(8.2)	(9.9)
Net finance costs		(6.6)	(8.7)
Share of loss of jointly controlled entities using equity accounting method, net of tax		(0.1)	(0.1)
Profit on ordinary activities before tax		30.4	30.8
Tax charge on profit on ordinary activities	*6*	(9.4)	(10.4)
Profit for the period attributable to equity holders of the Company		21.0	20.4
Other comprehensive income			
Movement in fair value of cash flow hedge		1.1	0.3
Foreign exchange translation gain/(loss)		0.2	(0.5)
Actuarial (losses)/gains on defined benefit pension schemes		(0.7)	0.8
Income tax on other comprehensive income		(0.1)	(0.3)
Other comprehensive income for the period, net of income tax		0.5	0.3
Total comprehensive income for the period attributable to equity holders of the company		21.5	20.7
Basic earnings per share	*3*	14.8p	14.4p
Diluted earnings per share	*3*	14.7p	14.4p

The notes on pages 14 to 21 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

at 30 December 2010

	Note	30 December 2010 £m	30 December 2010 £m	31 December 2009 £m	31 December 2009 £m
Non current assets					
Property, plant and equipment			114.2		114.6
Goodwill			217.1		216.1
Intangible assets			0.4		0.6
Investments in equity-accounted investee			0.8		0.9
Other receivables			1.4		1.4
Deferred tax assets			14.9		16.6
Total non-current assets			348.8		350.2
Current assets					
Inventories		2.2		1.9	
Trade and other receivables		23.5		19.9	
Cash and cash equivalents		10.6		16.9	
Total current assets			36.3		38.7
Total assets			385.1		388.9
Current liabilities					
Interest-bearing loans, borrowings and other financial liabilities	*9*	(11.7)		(11.9)	
Trade and other payables		(47.5)		(46.5)	
Current taxes payable		(7.9)		(8.9)	
Provisions		(2.3)		(1.2)	
Total current liabilities			(69.4)		(68.5)
Non-current liabilities					
Interest-bearing loans, borrowings and other financial liabilities	*9*	(99.7)		(109.3)	
Other payables		(52.5)		(53.5)	
Employee benefits		-		(0.7)	
Provisions		(9.6)		(10.6)	
Deferred tax liabilities		(1.9)		(1.8)	
Total non-current liabilities			(163.7)		(175.9)
Total liabilities			(233.1)		(244.4)
Net assets			152.0		144.5
Equity attributable to equity holders of the Company					
Share capital			1.4		1.4
Share premium			171.4		171.4
Translation reserves			1.8		1.6
Hedging reserves			(2.8)		(3.9)
Retained deficit			(19.8)		(26.0)
Total equity			152.0		144.5

These financial statements were approved by the Board of Directors on 10 March 2011 and were signed on its behalf by:

SM Wiener
Director

RD Jones
Director

Consolidated statement of changes in equity

for the period ended 30 December 2010

	Issued capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained deficit £m	Total £m
Balance at 25 December 2008	1.4	171.4	2.1	(4.2)	(33.8)	136.9
Profit for the period	-	-	-	-	20.4	20.4
Other comprehensive income						
Movement in fair value of cash-flow hedge	-	-	-	0.3	-	0.3
Retranslation of foreign currency denominated subsidiaries	-	-	(0.5)	-	-	(0.5)
Actuarial gain on defined benefit scheme	-	-	-	-	0.8	0.8
Tax recognised on income and expenses recognised directly in equity	-	-	-	-	(0.3)	(0.3)
Contributions by and distributions to owners						
Dividends paid in period	-	-	-	-	(13.5)	(13.5)
Movements due to share-based compensation	-	-	-	-	0.4	0.4
Balance at 31 December 2009	1.4	171.4	1.6	(3.9)	(26.0)	144.5
Profit for the period	-	-	-	-	21.0	21.0
Other comprehensive income						
Movement in fair value of cash-flow hedge	-	-	-	1.1	-	1.1
Retranslation of foreign currency denominated subsidiaries	-	-	0.2	-	-	0.2
Actuarial loss on defined benefit scheme	-	-	-	-	(0.7)	(0.7)
Tax recognised on income and expenses recognised directly in equity	-	-	-	-	(0.1)	(0.1)
Contributions by and distributions to owners						
Dividends paid in period	-	-	-	-	(14.5)	(14.5)
Movements due to share-based compensation	-	-	-	-	0.5	0.5
Balance at 30 December 2010	1.4	171.4	1.8	(2.8)	(19.8)	152.0

Consolidated statement of cash flows

for the period ended 30 December 2010

	Note	52 week period ended 30 December 2010	53 week period ended 31 December 2009
		£m	£m
Cash flow from operating activities			
Profit for the period		21.0	20.4
Adjustments for:			
Financial income	*4*	(1.6)	(1.2)
Financial expense	*4*	8.2	9.9
Taxation		9.4	10.4
Share of loss of equity-accounted investee		0.1	0.1
Operating profit		37.1	39.6
Depreciation and amortisation		17.2	15.3
Non-cash property charges		1.3	0.4
Impairments and reversals of impairments		3.2	-
Surplus of pension contributions over current service cost		(1.6)	(1.6)
(Increase)/ decrease in trade and other receivables		(3.5)	1.5
Increase in inventories		(0.3)	(0.2)
(Decrease)/increase in trade and other payables		(0.5)	2.1
Decrease in provisions and employee benefit obligations		(2.2)	(2.5)
Cash generated from operations		50.7	54.6
Tax paid		(8.7)	(4.8)
Net cash flows from operating activities		42.0	49.8
Cash flows from investing activities			
Interest received		0.1	0.1
Acquisition of property, plant and equipment		(20.3)	(15.6)
Net cash flows from investing activities		(20.2)	(15.5)
Cash flows from financing activities			
Dividends paid to shareholders		(14.5)	(13.5)
Interest paid		(4.0)	(7.2)
Repayment of bank loans		(9.0)	(9.0)
Payment of finance lease liabilities		(0.6)	(0.5)
Net cash from financing activities		(28.1)	(30.2)
Net increase in cash and cash equivalents		(6.3)	4.1
Effect of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at start of period		16.9	12.8
Cash and cash equivalents at end of period		10.6	16.9

Notes to the consolidated financial statements

1 Accounting policies

Basis of preparation

This financial information has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the 52 week period ended 30 December 2010, and are not the Company's statutory accounts.

The comparative figures for the 53 week period ended 31 December 2009 are not the Company's statutory accounts for that financial period. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or 498 (3) of the Companies Act 2006.

Cineworld Group plc (the "Company") is a company incorporated in the UK.

2 Operating segments

Determination and presentation of operating segments:

Further to the adoption of IFRS 8, the Group has determined that it has one operating segment and therefore one reportable segment being cinema operations. All the disclosable operating segment information required by IFRS8 can be found in the primary statements.

Revenue by destination and by origin from countries other than the UK in all financial periods was not material. Likewise non-current assets located in other countries other than the UK in all financial periods are not material.

Entity Wide Disclosures:

Revenue by product and service provided	52 week period ended 30 December 2010	53 week period ended 31 December 2009
	Total	Total
	£m	£m
Box office	235.8	230.9
Retail	81.6	84.4
Other	25.4	18.1
Total revenue	342.8	333.4

All revenue streams are driven by admissions. The Group's internal management reporting and operations are not separated into these categories.

Notes to the consolidated financial statements

3 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of non-vested ordinary shares held by the employee ownership trust. Adjusted pro-forma earnings per share is calculated in the same way except that the profit for the period attributable to ordinary shareholders is adjusted by adding back the amortisation of intangible assets, the cost of share-based payments, any other one-off income or expense and applying a tax charge at the statutory rate, to the adjusted profit.

Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of non-vested ordinary shares held by the employee share ownership trust and after adjusting for the effects of dilutive options.

		52 week period ended 30 December 2010 £m		53 week period ended 31 December 2009 £m
Earnings attributable to ordinary shareholders		21.0		20.4
Adjustments :				
Amortisation of intangible assets		0.2		0.1
Share based payments		0.5		0.4
Transaction and reorganisation costs		0.2		0.4
Impairments and reversals of impairments		3.2		-
Impact of straight lining of operating leases		0.5		0.9
Dilapidations costs		0.8		-
Adjusted earnings	(52 weeks)	26.4	(53weeks)	22.2
Add back tax charge		9.4		10.4
Adjusted pro-forma profit before tax	(52 weeks)	35.8	(53 weeks)	32.6
Less estimated impact of 53rd week in period		-		(0.6)
Less tax at statutory rate (28%)		(10.0)		(9.0)
Adjusted pro-forma profit after tax	(52 weeks)	25.8	(52 weeks)	23.0

Notes to the consolidated financial statements

3 Earnings per share (continued)

	52 week period ended 30 December 2010		53 week period ended 31 December 2009	
		Number of shares (m)		Number of shares (m)
Weighted average number of shares in issue		141.7		141.7
Basic and adjusted earnings per share denominator		141.7		141.7
Dilutive options		1.1		-
Diluted earnings per share denominator		142.8		141.7
Shares in issue at period end		141.7		141.7
		Pence		Pence
Basic earnings per share	(52 weeks)	14.8	(53 weeks)	14.4
Diluted earnings per share	(52 weeks)	14.7	(53 weeks)	14.4
Adjusted pro-forma basic earnings per share	(52 weeks)	18.2	(52 weeks)	16.2
Adjusted pro-forma diluted earnings per share	(52 weeks)	18.1	(52 weeks)	16.2

4 Finance income and expense

	52 week period ended 30 December 2010 £m	53 week period ended 31 December 2009 £m
Interest income	0.3	0.2
Expected return on defined benefit pension plan assets	1.3	1.0
Finance income	1.6	1.2
Interest expense on bank loans and overdrafts	4.1	5.3
Amortisation of financing costs	0.4	0.3
Unwind of discount on onerous lease provision	1.0	1.1
Finance cost for defined benefit pension scheme	1.5	1.5
Interest charge as a result of change in discount rate relating to onerous lease provisions	0.8	1.2
Other financial costs	0.4	0.5
Finance expense	8.2	9.9
Net finance costs	6.6	8.7

Notes to the consolidated financial statements

5 Dividends

The following dividends were recognised during the period:

	2010 £m	2009 £m
Interim	4.8	4.5
Final (for the preceding period)	9.7	9.0
	14.5	13.5

An interim dividend of 3.4p per share was paid on 8 October 2010 to ordinary shareholders (2009: 3.2p). The Board has proposed a final dividend of 7.1p per share, which will result in total cash payable of £10.1m on 6 July 2011 (2009: final dividend £9.7m). In accordance with IAS10 this had not been recognised as a liability at 30 December 2010.

6 Taxation

Recognised in the income statement

	52 week period ended 30 December 2010 £m	53 week period ended 31 December 2009 £m
Current tax expense		
Current year	8.3	7.1
Adjustments in respect of prior years	(0.6)	1.7
Total current tax expense	7.7	8.8
Deferred tax expense		
Origination and reversal of temporary differences	1.7	1.6
Total tax charge in income statement	9.4	10.4

Notes to the consolidated financial statements

7 Purchase of trade and assets

On 25 June 2010 Cineworld purchased the trade and assets (largely fixtures, fittings, plant and machinery) of the cinema complex located within The O2 in Greenwich, London, for £4.0 million satisfied in cash. As part of the agreement Cineworld also signed a 25 year lease on the cinema site at a market rate.

The acquisitions had the following provisional effect on the Company's assets and liabilities.

	Pre-acquisition carrying amounts £000	Fair value adjustments £000	Provisional fair values on acquisition £000
Acquiree's net assets at the acquisition date:			
Fixtures, fittings, plant and equipment	8.0	(5.0)	3.0
Net identifiable assets and liabilities			3.0
Goodwill on acquisition			1.0
Consideration paid, satisfied in cash			4.0
Net cash outflow			4.0

The Goodwill of £1.0 million represents the opportunity for synergies from the combined operations as well as the employees transferred in connection with the business.

Transaction costs of £0.2m have been expensed in the period. The Group has assessed the fair value of the assets acquired at £3.0 million based on appropriate valuation methodology.

Revenue of £3.0m relating to the acquiree was included in the consolidated statement of comprehensive income for the reporting period. If the acquisition had occurred at the beginning of the financial period approximately £4.1m revenue would relate to the acquiree.

8 Property, plant and equipment

There were £20 million of additions during the year of which £10.5 million relates to the acquisition and installation of digital projection equipment.

Impairment
A £4.5m impairment loss has been recorded in the Income Statement. This was caused by trading not reaching expectations for the foreseeable future in relation to two cinema sites.

Impairment reversals
Following an improvement in trading performance and an increase in the estimated future cash flows of previously impaired sites, reversals of £1.3m have been recognised at three sites.

Notes to the consolidated financial statements

9 Interest-bearing loans and borrowings and other financial liabilities

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

	30 December 2010 £m	31 December 2009 £m
Non-current liabilities		
Interest rate swaps	0.5	1.3
Unsecured bank loan, less issue costs of debt to be amortised	93.0	101.7
Liabilities under finance leases	6.2	6.3
	99.7	109.3
Current liabilities		
Interest rate swaps	2.3	2.6
Unsecured bank loans, less issue costs of debt to be amortised	8.8	8.7
Liabilities under finance leases	0.6	0.6
	11.7	11.9

10 Analysis of net debt

	Cash at bank and in hand £m	Bank loans £m	Finance leases £m	Interest rate swap £m	Net debt £m
At 25 December 2008	12.8	(119.1)	(6.9)	(4.2)	(117.4)
Cash flows	4.1	9.0	0.5	-	13.6
Non cash movement	-	(0.3)	(0.5)	0.3	(0.5)
At 31 December 2009	16.9	(110.4)	(6.9)	(3.9)	(104.3)
Cash flows	(6.3)	9.0	0.6	-	3.3
Non cash movement	-	(0.4)	(0.5)	1.1	0.2
At 30 December 2010	**10.6**	**(101.8)**	**(6.8)**	**(2.8)**	**(100.8)**

The non-cash movements relating to bank loans represent the amortisation of debt issuance costs.

Notes to the consolidated financial statements

11 Capital commitments

Capital commitments at the end of the financial period for which no provision has been made:

	30 December 2010 £m	31 December 2009 £m
Contracted	-	2.9

Since the end of the financial period and the signing of the financial statements, capital commitments were made of £6.2m relating to digital projection equipment and £2.3m relating to new sites.

12 Related parties

The compensation of key management personnel (including the Directors) is as follows:

	Salary and fees including bonus £000	Compensation for loss of office £000	Pension contributions £000	Total £000
52 weeks ended 30 December 2010				
Total compensation for key management Personnel (including the Directors)	1,698	-	142	1,840

	Salary and fees including bonus £000	Compensation for loss of office £000	Pension contributions £000	Total £000
53 weeks ended 31 December 2009				
Total compensation for key management Personnel (including the Directors)	1,841	-	147	1,988

Digital Cinema Media (DCM) is a joint venture between the Group and Odeon Cinemas Holdings Limited set up on 10 July 2008. Revenue receivable from DCM in the 52 week period ending 30 December 2010 totalled £13.8m (53 week period ending 31 December 2009: £11.3m) and as at 30 December 2010 £2.0m (2009: £1.2m) was due from DCM in respect of receivables. In addition the Group has a working capital loan outstanding from DCM of £0.5m (2009: £0.5m). The Group has guaranteed £2.75m of DCM's bank debt payable to Royal Bank of Scotland. The Group does not consider it is probable that it will be called on under the terms of the guarantee.

Financial information

The financial information in this preliminary announcement represents non-statutory accounts within the meaning of Section 435 of the Companies Act 2006. The statutory accounts for the year ended 30 December 2010, upon which an unqualified audit opinion has been given and which did not contain a statement under Section 498 (2) or 498 (3) of the Companies Act 2006, will be sent to the Registrar of Companies following the Company's Annual General Meeting.

Annual Report and Accounts and Annual General Meeting

The 2010 Annual Report and Accounts and Notice of General Meeting will be posted to shareholders and published on the Group's website at www.cineworldplc.co.uk in April.

The Annual General Meeting is to be held on 18 May 2011.