

2012 Preliminary Results

7th March 2013

Today's Presentation Team



- **Steve Wiener**
Founder & Chief Executive Officer
- **Philip Bowcock**
Chief Financial Officer
- **Crispin Lilly**
Vice President of Business Affairs

Cineworld Full Year Highlights

- **24.7% market share in UK/Ireland¹**
- **Cineworld Cinemas' revenues increased 2.4%**
- **Growth in MyCineworld and Unlimited membership**
- **Acquisition of Picturehouse cinemas**
- **52% of 2013 to 2017 target pipeline sites now signed**
- **Proposed final dividend of 8.0p taking full year dividend to 11.8p (2011 : 11.0p)**



¹Source: Rentrak EDI: January to December 2012

Group Financial Review

(incl Picturehouse)

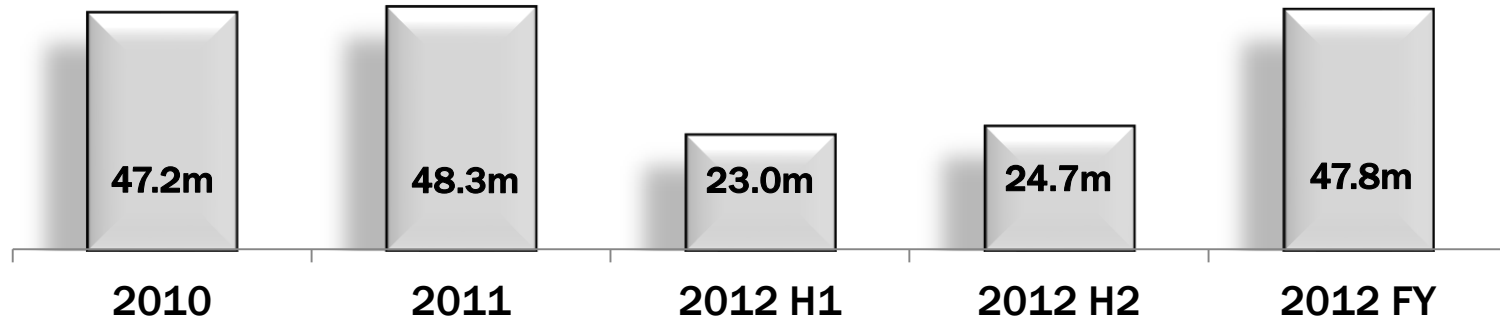
2012 Financial Highlights

Group Reported Results	FY 2011		FY 2012	Change
Group revenue	£348.0m		£358.7m	+3.1%
EBITDA ¹	£63.3m		£67.1m	+6.0%
Pre-tax profit	£33.4m		£38.5m	+15.3%
Net debt	£101.4m		£126.9m	+\$25.5m
Dividend	11.0p <i>per share</i>		11.8p <i>per share</i>	+7.3%
Adjusted EPS	19.2p <i>per share</i>		21.2p <i>per share</i>	+10.4%

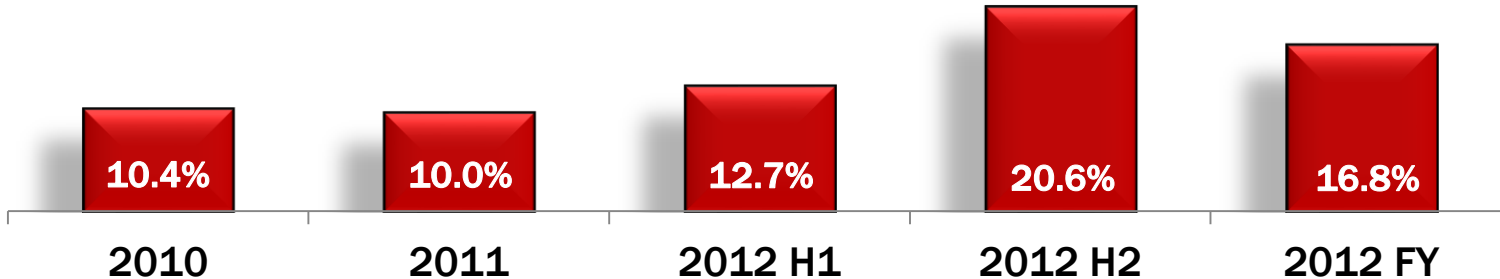
¹ EBITDA is defined as operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring charges, transaction, pension, refinancing and reorganisation costs.

Admissions (excl Picturehouse)

Total



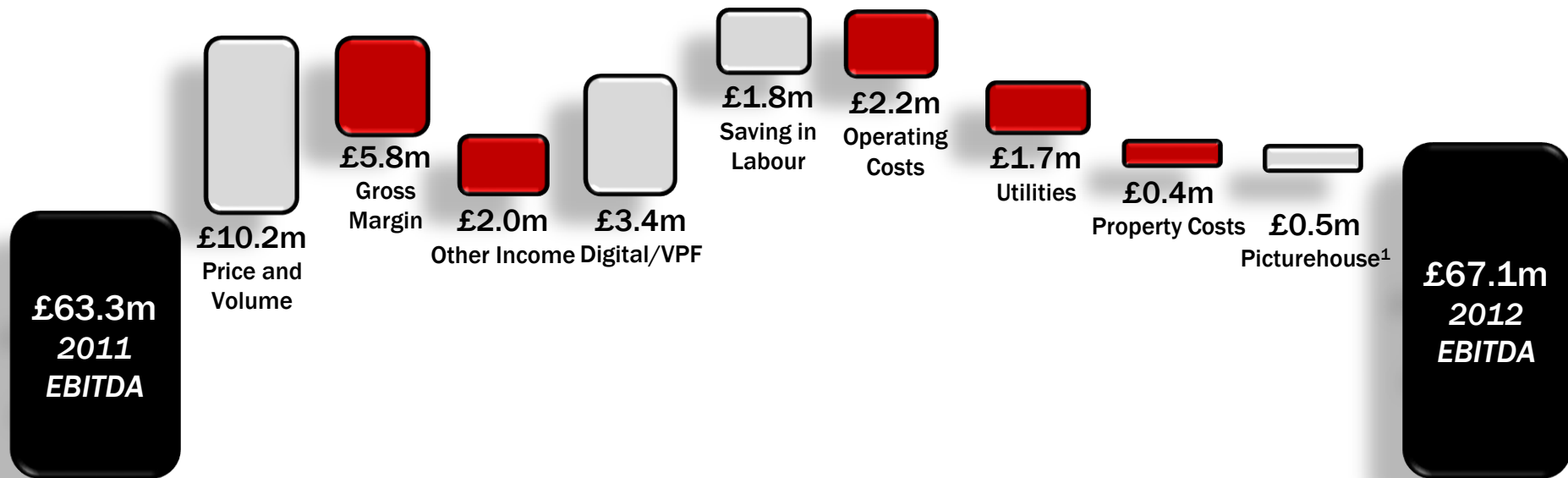
Growth in online bookings



Revenues (excl Picturehouse)

	FY2011 £m		2012 H1 £m	2012 H2 £m	2012 FY £m	12 v 11 %
Box Office	242.1		118.6	133.0	251.6	+3.9%
Retail	81.6		38.0	44.3	82.3	+0.9%
Other	24.3		8.8	13.5	22.3	-8.2%
	348.0		165.4	190.8	356.2	+2.4%
	£		£	£	£	
Average Ticket Price	5.01		5.15	5.36	5.26	+5.0%
Spend per person	1.69		1.65	1.78	1.72	+1.8%
Year on Year			-1.3%	+4.8%		

EBITDA Bridge



¹ Picturehouse results consolidated for 22 days covering 6 December – 27 December 2012

Group Profits & Loss Account

(£m)	2011	2012	Growth
Revenue	348.0	358.7	+3.1%
EBITDA	63.3	67.1	+6.0%
EBITDA margin	18.2%	18.7%	+0.5pp
Other non-cash & non-recurring costs	(1.8)	(1.4)	
Depreciation and amortisation	(18.9)	(21.5)	
Operating profit	42.6	44.2	+3.8%
Net interest charge	(8.1)	(6.6)	-18.5%
Refinancing costs	(1.1)	1.0	
Share of loss in joint venture	-	(0.1)	
Profit before tax	33.4	38.5	+15.3%
Tax	(9.5)	(10.8)	
Profit after tax	23.9	27.7	+15.9%
EPS – adjusted ¹	19.2	21.2	+10.4%
DPS – proposed	11.0	11.8	+7.3%

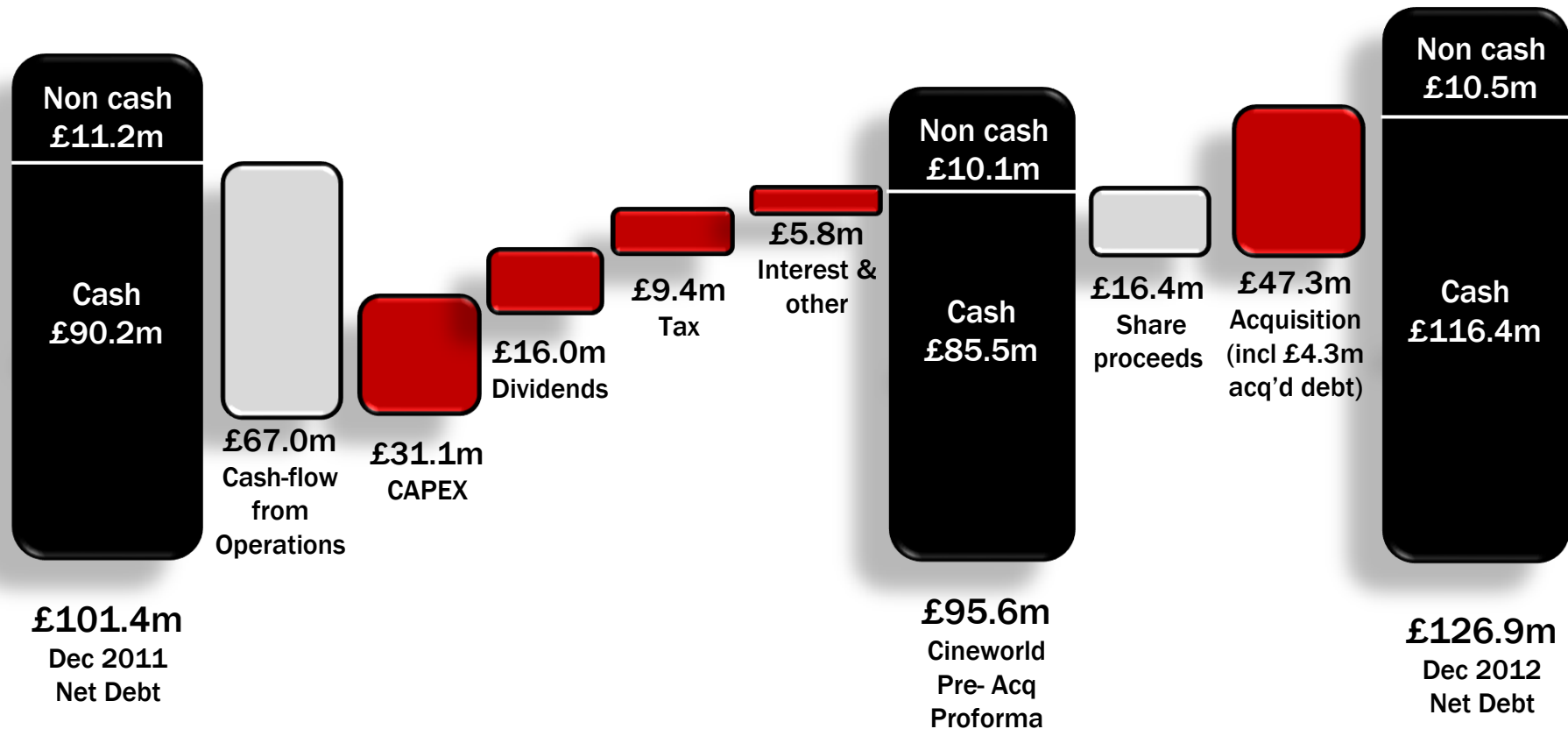
£2.0m VAT credit offset by £1.1m transaction costs, £1.6m onerous lease adjustment and £0.7m other

Expenditure on digital projection and systems

Expiry of hedge

¹ EPS – adjusted and fully diluted: based on normalised tax of 24.5% (2011: 26%) and weighted average shares in the period.

Net Debt



Business Review

Business Review



- **Box Office and Film performance**
- **Knowing our Customers through CRM**
 - MyCineworld
 - Unlimited
- **Cinema Experience**
 - Starbucks & Retail
 - Big Screen Investment
- **Advertising (DCM)**
- **2013 Film Slate**

Box Office & Film

- Further market growth notwithstanding adverse factors
 - Tough Q1 vs 2011 (King's Speech)
 - Jubilee, Euros & Olympics
 - Exceptional Q4
 - +29% vs 2011
 - 'Skyfall' breaks £100m mark
 - Greater dominance by Blockbusters
- Cineworld market share still strong
 - 24.7% (Box Office, UK/ROI)
 - IMAX premiums driving revenues
 - Continued 50%+ share of Bollywood market
 - Strong Alternative Content growth (+50%)

Box Office *

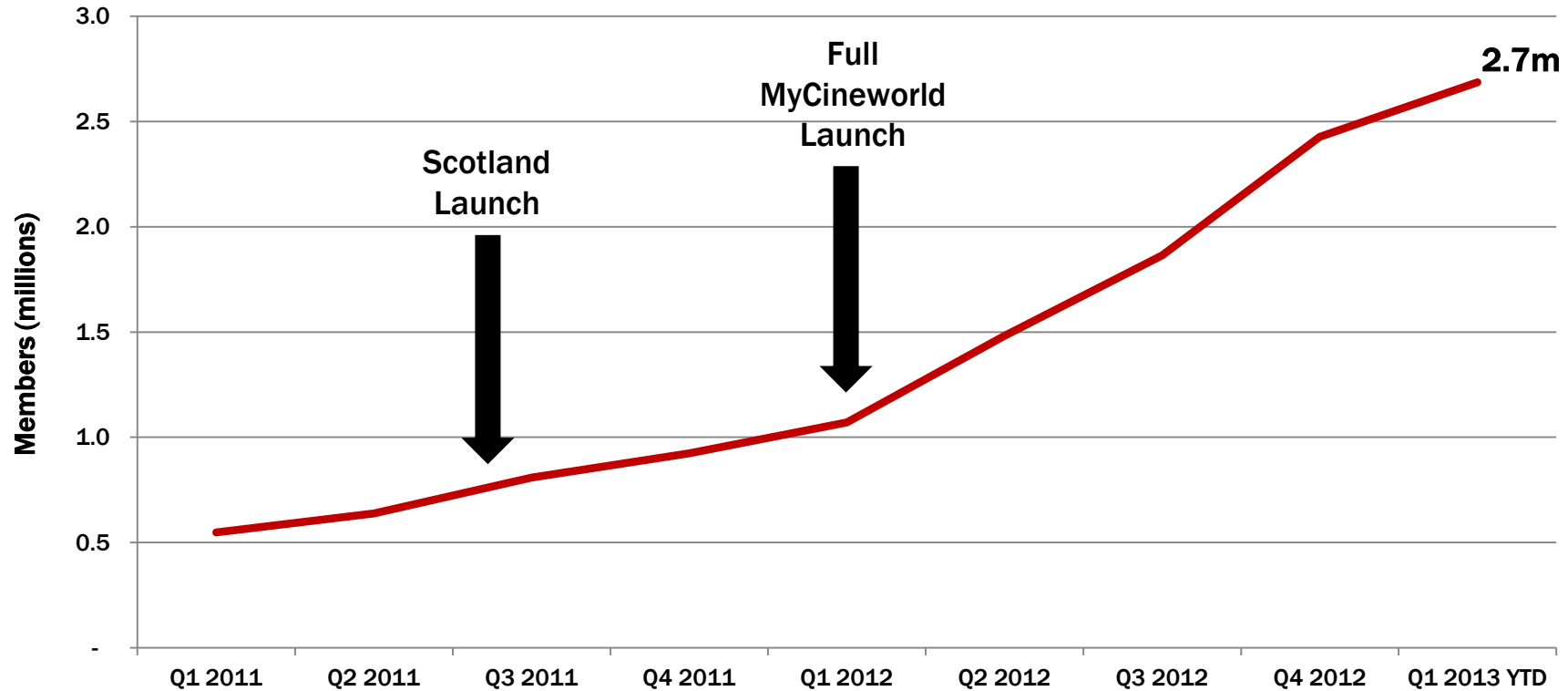
UK/ROI	UK
£1.19bn +3.6%	£1.10bn +4.8%

Admissions

UK
172.5m +0.5%



MyCineworld Growth



MyCineworld & CRM

Operational Efficiencies

- Advance booking increased from 10% to >20%
 - Improved scheduling
 - More efficient staffing

Knowing Our Customers

- Data insights >3.0m MyCineworld and Unlimited customers
- Demographic profiling and cluster analysis/targeting
- 51% of customers aged between 20 and 39
- Personalised & relevant targeted emails
 - Open rates up to 30%

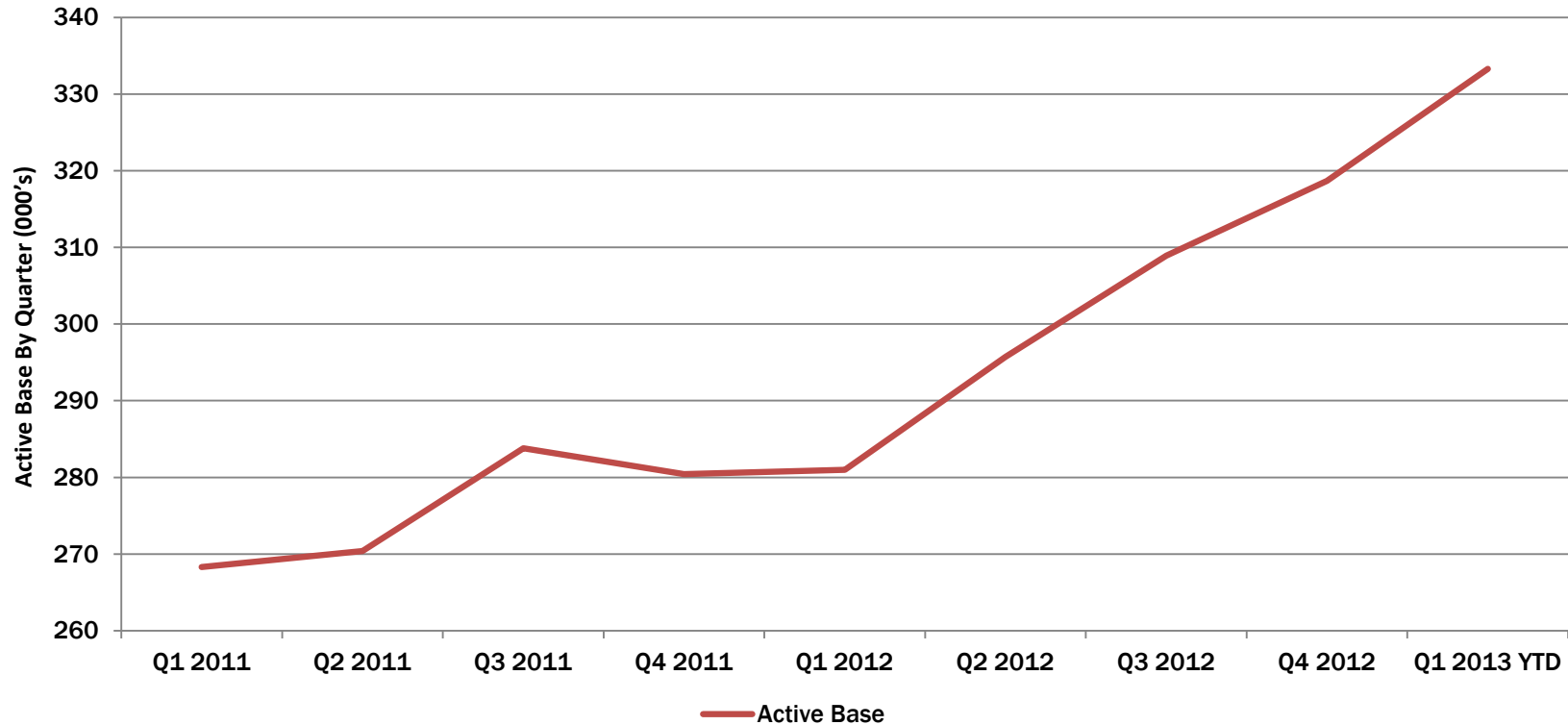


CRM Driving Revenue

- Monetising email campaigns through Distribution
 - Database delivers a highly targeted and extremely cost efficient marketing route
- Driving admissions through cooperative campaigns
 - Short term reactive responses to actual film performance
 - Proactive awareness driving campaigns
- Expanding quickly, albeit from a low base



Unlimited Membership



Unlimited

- Unlimited continuing to grow strongly
 - +18% increase in subscriber base to >330,000
 - Now represents 20% of admissions
- Significant proposition development in 2012
 - Improved access to web, ATMs
 - Exclusive screenings
 - Advance booking capability
 - Retail discount
 - Premium card launch
 - 25% retail discount
 - Free 3D upgrade



Cinema Experience - Retail

Starbucks

- New sites in Sheffield and Crawley
- Incremental retail spend >20p
- Cineworld/Starbucks joint plan 2013
 - At least 8 more full stores
 - Replace counter offer with “We Proudly Serve” in remaining sites

Overall Retail Performance

- Starbucks already delivering +1% growth in circuit wide spend per person
- Unlimited discounts driving increased spend
- Additional retail initiatives are driving growth in underlying spend



Cinema Experience - IMAX

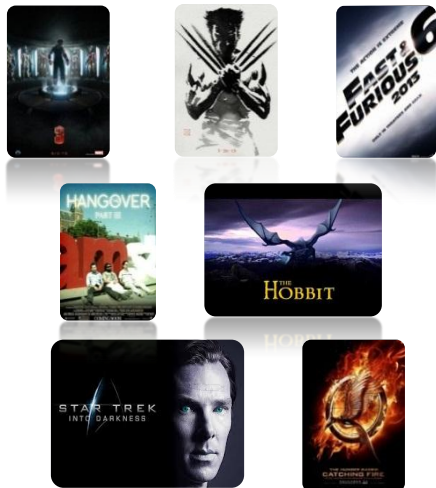
- Eight IMAX screens now opened
- Strong commercial success
 - Sheffield & Crawley top grossing digital IMAX screens in country
- Further sites at Edinburgh, Enfield, Birmingham, Dublin, Nottingham & Ipswich
- Glasgow Science Centre to be acquired (stc) and re-launched under Cineworld
- Sub 3 year payback
- Key consideration in future new builds



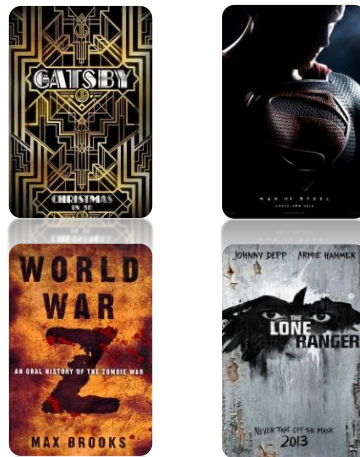
- Full year revenue increased vs 2011 – reflecting current advertising environment and film product
- Full rollout of digital advertising completed in Q4 2012 enabling
 - All Cineworld adverts to be distributed digitally
 - Shorter booking lead times
 - Scheduling flexibility
 - Improved media selling opportunities
- Already achieved new advertisers and campaigns that could not have been delivered without digital
- Fully integrated and rejuvenated pre-program being developed for 2014

2013 Films

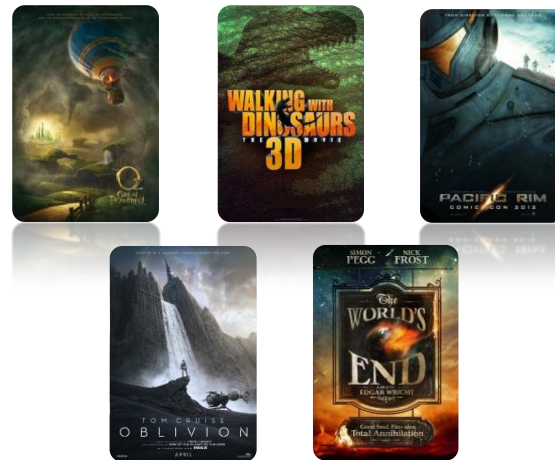
Strong Sequels



Reinvention



New & Exciting

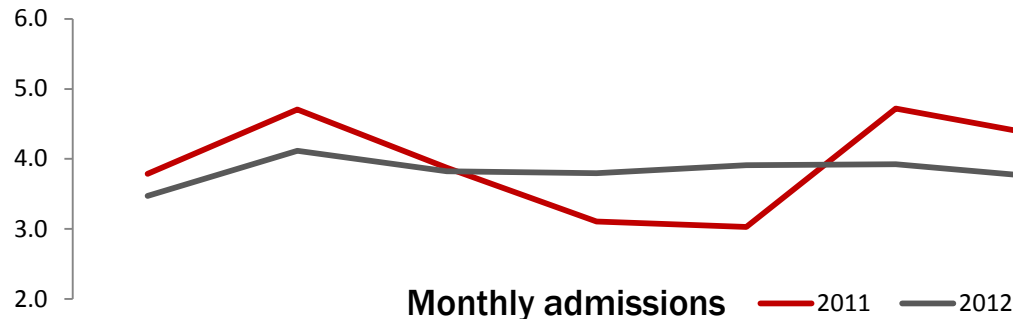
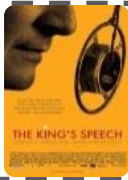


Strong Family Slate



Annual Comparison

2011*



2012*



* Major events and top 5 national grossing films

January

June

December

Historical Film Profile

Film by B.O.	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est
Total UK Film releases	502	479	551	562	660	-
>£50m	2	2	2	1	4	1
£30-50m	2	3	3	5	3	4
£20-30m	7	9	4	7	10	9
£10-20m	8	15	20	19	11	26
Total >£10m	19	29	29	32	28	40
Total Box Office	£960m	£1,056m	£1,089m	£1,146m	£1,187m	
Cineworld Market Share	23.7%	24.3%	24.7%	24.8%	24.7%	

- 2103 Box Office expectations built from a wider range of mid range blockbusters: less volatile and less risky – greater spread of content
- Profile of films should play to Cineworld's market share strengths and be delivered at a higher average margin

Growth

UK Market Brand Portfolio



**Value
cinema**

**Cineworld
Odeon
Vue**

**The
Screening
Rooms
Everyman**

**Picturehouse
Curzon**

**Premium
cinema**

**Boutique
cinema**

Picturehouse

- **£47.3m transaction financed by debt and £16m share issue**
 - Access to attractive, growing segment
 - Complementary geographic and strategic footprint
 - Earnings enhancing in 2013
 - Conservatively financed – no impact on existing Cineworld roll-out plans
- **Strong existing business with significant expansion opportunities**
 - Currently 21 sites with 10+ additional planned
 - Enables further expansion into smaller, more discerning markets where Cineworld proposition would struggle
 - Direct synergy opportunities
 - Exceptional Management expertise
 - 129,000 Membership base

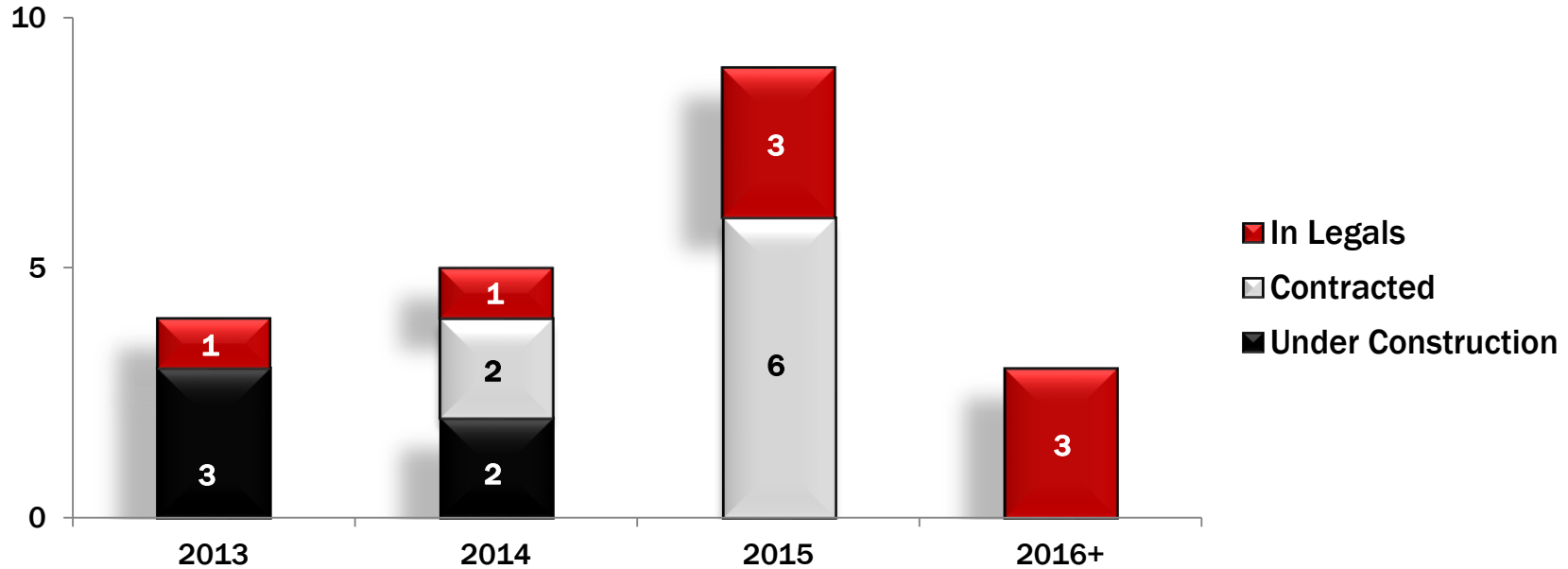


PICTUREHOUSE
ENTERTAINMENT

Picturehouse KPIs

	FY 2010	FY 2011	FY 2012
Market share	1.33%	1.49%	1.73%
Cinemas	19	20	21
Admissions	2.5m	2.8m	3.0m
ATP	£5.69	£6.09	£5.97
SPP	£2.67	£2.61	£2.81
Membership	100k	111k	129k

Cineworld Pipeline Openings



Cumulative	4	9	18	21
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Significant number of sites under discussion

Current Trading and Outlook

2013 Outlook

- Q1 started in line with expectations and ahead of 2012
- Favourable film slate
 - More £10 - £20m films than 2012
 - Anticipate more even phasing of business vs 2012
- Priorities for the year ahead
 - Picturehouse
 - MyCineworld and Unlimited
 - New site openings
 - Starbucks rollout



Picturehouse



Q&A

Appendix

Some of the forthcoming films for 2013

Film	Expected Release Month
Oz: The Great and Powerful	March
The Croods	March
Oblivion	April
Iron Man 3 – 3D/IX	April/May
Star Trek Sequel – 3D/IX	May
Fast & Furious	May
Hangover Pt3	May
Man of Steel – 3D/IX	June
World War Z – 3D	June
Epic – 3D	June
Despicable Me 2 – 3D	July
Monsters University – 3D	July
The Lone Ranger	July
The Wolverine	July
Pacific Rim	July
Smurfs 2 – 3D	August
The World's End	August
Planes	August
Turbo	October
Thor 2 – 3D/IX	November
Catching Fire (Hunger Games Pt2)	November
Walking Dinosaurs – 3D	December
Hobbit Desolation of Smaug – 3D/IX	December

Balance Sheet

(£m)	2011		2012
Goodwill	217.1		236.7
Fixed Assets	124.2		160.0
Other non current assets	16.5		32.1
Total non current assets	357.9		428.8
Receivables and Stock	28.5		38.1
Cash	5.5		10.9
Total current assets	34.2		49.0
Trade and other current payables	(57.7)		(77.4)
Bank Debt less fees	(95.7)		(127.3)
Finance Lease and Swap liability	(11.2)		(10.5)
Provisions and LT payables	(67.2)		(74.0)
Total liabilities	(231.8)		(289.2)
Net Assets	160.3		188.6
Net Debt	101.4		126.9
Debt : Net Assets	63.3%		67.3%

Cash Flow

(£m)	FY 2011		FY 2012
EBITDA	63.3		67.1
Change in working capital	(1.6)		2.2
Non trading and non cash items	(6.4)		(2.3)
Cash generated from Operations	55.3		67.0
Net cash interest	(5.6)		(5.3)
Capex net of contributions	(25.0)		(31.1)
Acquisition of Picturehouse, net of acquired cash	-		(43.3)
Tax	(8.2)		(9.4)
Dividend	(15.2)		(16.0)
Debt repayment and fees	(6.8)		(5.0)
Share issue proceeds	0.4		16.3
Revolver drawdown	-		32.3
Net cash movement	(5.1)		5.5