Cineworld Group plc

Interim Report 2013

Focused on being the UK's favourite

Cineworld is the UK's leading cinema group

Vision

To be the favourite cinema chain

Strategy

Put our customers at the heart of everything we do

Deliver a great cinema experience

Develop our people, effectiveness and efficiencies

Grow our estate

Contents

Highlights

2013

- Group revenue growth was 21.9% from £165.4m to £201.6m on a statutory basis;
- Cineworld Cinemas' revenue growth was 10.5% driven by increased box office receipts, up 10.5% at £131.0m (2012: £118.6m);
- Picturehouse revenue growth was 12.9% on a pro forma basis[1];
- EBITDA[2] growth was 22.1% on a statutory basis and 11.1% on a pro forma basis;
- The Group including Picturehouse is the largest cinema operator in the UK & Ireland combined with a market share of 27.7%. Cineworld Cinemas' increased its market share[3] to 25.2% (2012: 24.7%);
- Interim dividend increased by 7.9% to 4.1p;
- Net debt reduced by £6.4m from £126.9m in December 2012 to £120.5m in June 2013;
- Strong growth in Unlimited subscriber base – currently in excess of 350k members; and
- 2 million new MyCineworld registrations since the abolition of online booking fees in March 2012, taking the number of members to over 3 million.

1 Pro forma refers to the continuing trade of Picturehouse and Cineworld prior to the business combination (see page 4).
2 EBITDA is defined as operating profit before depreciation and amortisation, impairment charges, adjustments to goodwill, onerous lease and other non-recurring charges, transaction and reorganisation costs and profit on disposal of cinema sites.
3 Source: Rentrak.

Chief Executive Officer's Review

Cineworld Group plc interim results for the 26 week period ended 27 June 2013 reflect the trading performance and financial position of Cineworld Cinemas and Picturehouse (the "Group").

Cineworld Cinemas

Cineworld Cinemas achieved a solid level of trading in the first half and we remained the largest operator in the UK & Ireland with a market share of 25.2% (2012: 24.7%). Total revenues were up 10.5% on the prior year with net box office up 10.5%. Gross box office grew by 8.9%, compared with the UK/Ireland market increase of 7.6% (source: Rentrak) over the same period. Admissions were higher by 5.7% compared with the equivalent period last year.

The Box Office revenues continued to be spread across a number of films, with the top ten highest grossing films accounting for over 40% of Cineworld Cinemas' total box office (2012: 40%). Film performance in the first half was underpinned by the success of "Les Miserables", (grossing nationally in excess of £40m). This was supported by a number of other good film performances including "Iron Man 3", "The Croods" and "Star Trek Into Darkness", as well as the play-through from the 2012 releases: "The Hobbit: An Unexpected Journey" and "Life of Pi". Notable other films screened during the period included "Fast and Furious 6", "Man of Steel" and "Wreck It Ralph". Cineworld Cinemas remained the leading exhibitor of Bollywood films with a box office market share in excess of 50% in the UK, offering such films as "Yeh Jawaani Hai Deewani" and "Race 2" and we have continued to be the leading exhibitor of Tamil films. In line with Cineworld Cinemas' strategy, out of the major UK cinema operators, we continued to offer our multiplex customers the broadest and most diverse range of films available.

The performance of 3D reflects the films released during the first half of the year. There were 24 3D film releases during the period, compared with 28 last year, representing approximately 30.5% of Cineworld's box office for the first half, compared to 18.5% in 2012. Film studios are becoming increasingly adept in discerning the genre and target audience of 3D films and the quality of 3D film product remains critical. There are expected to be around 15 3D film releases in the second half compared with 18 3D films in the same period last year.

Cineworld Cinemas' average ticket price grew by 4.7% to £5.39 (2012: £5.15), partly due to inflationary price increases and partly due to the mix in admissions between 2D and 3D films. The proportion of customers attending during the weekend has increased slightly from the prior year which has also contributed to the increase in average ticket price.

Retail revenue was 9.7% higher than the previous year. Retail spend per person increased from £1.65 in the previous year to £1.72 during the period, partly due to the film mix, but also reflecting the expansion of Cineworld Cinemas' retail offering which has been strengthened during the last 12 months with the introduction of two new Starbucks.

Since its launch in March 2012 MyCineworld has gone from strength to strength. Online bookings had increased to 20.5% by June 2013 (June 2012: approximately 13.0%) and registrations to MyCineworld have grown to over 3.0 million since the end of June. This increase has ensured that the consumer website, which consistently receives over 1.0 million visits per week, has remained in the top 30 most visited websites in the UK (as reported in The IMRG Experian Hitwise Hit Shops List).

The Unlimited card continued to build its membership with the subscriber base growing to 350,000 members since the end of the period (December 2012: 320,000), a milestone which was achieved earlier than planned and the number continues to grow. This service is unique in the market and continues to offer excellent value to regular film goers, who can visit Cineworld Cinemas to see as many standard films as they wish, while encouraging visits at off-peak times, thereby improving seat utilisation in our cinemas and reducing revenue volatility. Unlimited continues to be a pillar of our strategy of growing revenues and incremental admissions and we remain committed to its expansion.

All of Cineworld Cinemas' estate has now been fully converted to digital projection for over a year. Digital conversion has enabled us to realise operational savings in staff costs, whilst improving the flexibility of film programming. Over 300 film titles were played in the period compared with around 200 titles in the same period last year. Digital projection also enables us to exploit niche opportunities, for instance alternative content, more economically in order to produce incremental returns to our core film business.

Screenings of live events such as opera and theatre are increasing in popularity amongst our core customers. The recent screening of National Theatre Live: The Audience (with Helen Mirren) was the highest grossing live event during the period. Live popular music events (which include the forthcoming David Bowie and Robbie Williams concerts) are also increasing in popularity. Alternative content currently contributes a small part of Cineworld Cinemas' revenues, however demand for the right product is strong and overall ticket prices are more than 50% higher than for regular film screenings, and it therefore remains a continuing part of our strategy.

The conversion to digital projection of Cineworld Cinemas' estate, alongside digital conversion by Odeon, Vue and other exhibitors during 2012, has also opened up new opportunities for screen advertising. The conversion has allowed cinema screen advertising to compete more effectively with other media platforms. Digital Cinema Media ("DCM"), our joint venture screen advertising business, is now in a position to offer a greater number and a more diverse range of campaigns, which are more flexible and are better tailored to advertisers' requirements. In addition to nationwide campaigns, local and regional sales pipelines are also being developed with a target audience which has been largely untapped to date. Overall, DCM have increased their customer base by over 60 advertisers since digital conversion was completed in 2012.

In terms of improving the customer experience, Cineworld Cinemas is expanding the IMAX format across a selection of our sites following its successful introduction. The IMAX screens opened in the second half of 2012 have performed well during the period and Cineworld Cinemas' continues to operate eight IMAX screens successfully. Shortly after the period end, we took over the IMAX screen at the Glasgow Science Centre ("GSC") where we will offer a broader range of IMAX feature films as well as working closely with the GSC to enhance their educational IMAX offering. Cineworld Cinemas have also recently signed a new deal to open a further three IMAX screens, at least one of which is scheduled to be open during 2014.

During the second half of 2013 Cineworld Cinemas is scheduled to open a new nine-screen cinema at the Wembley development, a ten-screen replacement cinema in Gloucester and launch the existing IMAX cinema at the GSC as a Cineworld cinema. Unfortunately, due to delays in construction, the new six-screen cinema in St Neots will now be opened in early 2014, with new cinemas in Broughton (Chester), Swindon and Telford scheduled to follow later in the year. There is also at least one further site scheduled for opening in 2014 which is yet to be announced. The development of two further sites at Speke and Silverburn, which are scheduled for opening during 2015, was also announced during the period.

Chief Executive Officer's Review
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Our development pipeline for the coming years remains strong and we are on target to open a further 20 cinemas by the end of 2017. Our healthy financial position and a successful track record of operating profitable cinemas and generating high customer footfalls into the local areas make Cineworld an attractive development partner.

Picturehouse

The Cineworld Group acquired Picturehouse Cinemas Limited (formerly City Screen Limited) and its subsidiaries ("Picturehouse") on 6 December 2012. The following commentary focuses on the year on year performance of Picturehouse, which includes pro forma comparative information[1].

Picturehouse achieved steady growth during the first half of 2013 with total revenues up 6.7% on the prior year with box office revenue up 9.1% at £9.9m (2012: £9.1m). Key films in the first half of the year for Picturehouse were "Les Miserables", "The Great Gatsby" and "Django Unchained". As an example of Picturehouse's differentiation, significant box office revenues were also achieved from films such as "Lincoln", "Quartet" and "Argo", where Picturehouse had market shares of 5.8%, 4.7% and 11.0% respectively. Average ticket price grew by 1.4% to £6.19 (2012: £6.03). The higher average ticket price is driven by the popularity of alternative content screenings, which attract higher ticket prices. It is this segment of the box office that contributed most significantly to Picturehouse's growth, with revenues up 33.3% on prior year and alternative content revenues now contributing 10.1% of total box office (2012: 8.2%). Picturehouse has also secured licensing rights to several strands of alternative content and now licences in excess of 120 independent cinemas, plus the three main multiplex operators.

Retail revenue was 13.5% higher than the previous year with retail spend per person increasing to £2.88 during the period (2012: £2.69). The retail focus of Picturehouse continues to be bar, café and restaurant offerings, which also attract non-cinema going customers, and now account to 24.5% of turnover.

The Picturehouse membership scheme now stands at an all-time high of 136,000 members, up from 118,000 in the prior year. These members now contribute 46.3% of Picturehouse's admissions (2012: 40.3%). Through Picturehouse's Newman box office system, we are able to capture and utilise member data in terms of films seen and products purchased. This allows the Picturehouse marketing team to create marketing campaigns specifically targeted to segments of our Picturehouse audience and improve occupancy levels which are up from 23.9% last year to 25.3% this year.

As previously announced, the Competition Commission continue to investigate the acquisition of Picturehouse due to concerns that it may reduce local competition in certain areas. Cineworld Group are cooperating with the Competition Commission in its investigation.

1 Picturehouse's performance has been discussed and benchmarked on a pro forma basis. The pro forma 2012 financial performance and position for the 26 weeks ended 28 June 2012 has been taken from the consolidated management accounts. The management accounts are prepared under UK GAAP but are consistent with the balances if they had been prepared under IFRS.

Financial Performance

Group

	26 week period ended 27 June 2013	26 week period ended 30 June 2012 (restated[1])	52 week period ended 27 December 2012 (restated[1])
Admissions	**25.9m**	23.0m	48.0m
	£m	£m	£m
Box office	**140.9**	118.6	252.6
Retail	**46.3**	38.0	82.8
Other	**14.4**	8.8	23.3
Total revenue	**201.6**	165.4	358.7
EBITDA[2]	**32.0**	26.2	66.9
Operating profit	**20.0**	15.7	44.0

Cineworld Cinemas

	26 week period ended 27 June 2013	26 week period ended 30 June 2012 (restated[1])	52 week period ended 27 December 2012 (restated[1])
Admissions	**24.3m**	23.0m	47.8m
	£m	£m	£m
Box office	**131.0**	118.6	251.6
Retail	**41.7**	38.0	82.3
Other	**10.1**	8.8	22.3
Total revenue	**182.8**	165.4	356.2
EBITDA[2]	**29.1**	26.2	66.4
Operating profit	**18.7**	15.7	43.9

1 Comparative information restated following the adoption of the amendments to IAS 19 "Employee Benefits".
2 EBITDA is defined as operating profit before depreciation and amortisation, impairment charges, adjustments to goodwill, onerous lease and other non-recurring charges, transaction and reorganisation costs and profit on disposal of cinema sites.

Revenue

Total revenue for the first half was 10.5% higher at £182.8m (2012: £165.4m). Admissions increased by 5.7% in the period to 24.3m (2012: 23.0m). Average ticket prices of £5.39 were higher than the prior year (£5.15) resulting in an increase in box office revenue of 10.5% to £131.0m against the prior year of £118.6m.

Our retail sales performance has been encouraging given the economic challenges and their impact on UK consumers, demonstrating the positive effect of our promotional activities. Retail spend per customer has increased to £1.72, an increase of 3.6% compared to the same period last year (2012: £1.65). Combined with higher admissions, total retail sales increased by 9.7% to £41.7m compared with the prior year (2012: £38.0m).

Chief Executive Officer's Review
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Other revenue, which includes screen advertising, screen hires, sponsorships, games machine income and the sales of 3D glasses, was up 14.8% to £10.1m compared to the first half last year (2012: £8.8m). Screen advertising revenues were 12.7% higher than the previous year which is encouraging given the relatively slow growth trend in the wider advertising market. Advertising income has also benefited from the conversion of the circuit to digital projection which was completed towards the end of the comparative period. Other revenue, excluding screen advertising, has benefited from higher sales of 3D glasses (due to higher 3D admissions in the period).

EBITDA[1] and Operating Profit

EBITDA[1] was 11.1% higher at £29.1m against 2012 (£26.2m) and was achieved through higher revenues. The overall film margin was lower than last year because of the film mix which has included a greater number of higher performing films when compared to the same period last year. Retail margin was also slightly lower than last year due to range of promotional offers introduced in the period. In addition, there were higher energy and property costs. Operating profit of £18.7m was 19.1% higher than last year (£15.7m). Underlying depreciation, when taking into account the inclusion of Picturehouse and the write off assets at underperforming sites included in the 2012 charge, remains broadly consistent.

Picturehouse

Group	**26 week period ended 27 June 2013**	26 week period ended 30 June 2012	52 week period ended 27 December 2012
Admissions	**1.6m**	–	0.2m
	£m	£m	£m
Box office	**9.9**	–	1.0
Retail	**4.6**	–	0.5
Other	**4.3**	–	1.0
Total revenue	**18.8**	–	2.5
EBITDA[1]	**2.9**	–	0.5
Operating profit	**1.3**	–	0.1

Picturehouse joined the Group on 6 December 2012 and was therefore only consolidated for the final 22 days of 2012. Picturehouse is therefore not reflected in the consolidated interim comparative information. As Picturehouse has a different strategy to Cineworld Cinemas and its own team of operational decision makers, Picturehouse has been determined to be a separate operating segment from Cineworld Cinemas in accordance with IFRS 8 "Operating Segments" and is reported accordingly.

Picturehouse had a strong first half of the year. Overall, revenues increased by 12.9% on a like for like basis. Box office increased by 13.5% to £9.9m – the result of both a 7.5% increase in admissions and a 1.4% rise in average ticket price. Retail revenue increased by 13.5% to £4.0m and other income increased by 21.7% (other income includes advertising income, membership subscription income and screen hire income). EBITDA has increased by 28.5% to £2.9m on a pro forma[2] basis.

1 EBITDA is defined as operating profit before depreciation and amortisation, impairment charges, adjustments to goodwill, onerous lease and other non-recurring charges, transaction and reorganisation costs and profit on disposal of cinema sites.
2 Pro forma refers to the continuing trade of Picturehouse and Cineworld prior to the business combination.

Financing costs

The Group's finance facility consists of a £70m term loan with repayments of £2.5m every six months commencing June 2011 and a revolving credit facility of £100m. It provides flexibility for the Group in its expansion activities as well as other growth opportunities. Interest is charged on the facility at 1.95% above LIBOR. There are two covenants: net debt to EBITDA[1] of 3 times and pre-rent EBITDA to interest plus rent of 1.5 times.

The expiry of one of the three interest rate swaps in May 2012 resulted in the related mark to market movements being taken to the Income Statement, in line with IFRS hedge accounting, which resulted in a credit of £1.0m in the comparative information.

Interest expense has increased £0.1m to £3.4m (2012: £3.3m as restated for the adoption of the amendments to IAS 19 "Employee Benefits"). The overall increase is due to a higher level borrowing following the acquisition of Picturehouse in December 2012. However, the applicable interest rate has reduced following the expiry of the swap which has part mitigated the impact of the increase in debt.

Taxation

The overall tax charge of £4.5m consisted of a current tax charge of £4.2m and a deferred tax charge of £0.3m in respect of capital allowances. The total tax charge is based on a forecast effective tax rate for the 2013 full year of 27.3%. The difference compared to the standard tax rate of 23.25% reflects the proportion of disallowable expenditure.

Earnings

Profit before tax has increased 24.1% to £16.5m (2012: £13.3m). Picturehouse accounted for £1.2m of the increase. Excluding the one-off credit in 2012 in respect of the expiry of the swap, Cineworld Cinemas increased its profitability by £3.0m, a result of the strong trading performance during the period.

On an adjusted diluted basis, earnings per share were 26.8% higher at 9.0p (2012: 7.1p) and the diluted earnings per share has increased to 7.9p (2012: 6.7p). There were 221,011 shares issued in the period to employees, in respect of the Performance Share Plan, Cineworld Group Share Save Plan and the Cineworld Group Company Share Option Plan. The number of shares in issue at the end of the period was 149,840,279.

Cash Flow and Balance Sheet

The Group continued to be cash generative at the operating level during the first half. Cash generated from operations of £19.9m decreased against the equivalent period last year (2012: £24.6m) due to the timing of cash payments. Trade and other payables at the end of June 2013 included £12.0m in respect of the 2012 final dividend that was paid in July 2013. Details of the interim dividend can be found in Note 6 of the interim financial statements.

Net cash expenditure on capital for the first six months was £6.0m (2012: £15.2m). Included in this figure was £3.5m in relation to refurbishment and maintenance, £1.0m in respect of new site development and construction and £0.2m on development of revenue generating initiatives including IMAX and Starbucks. Picturehouse incurred £1.3m on capital expenditure for the first six months of the year which predominately included the refurbishment and replacement of existing assets.

Net debt has fallen during the first six months of the year from £126.9m in December 2012 to £120.5m. Bank debt at the period end represented less than two times the 2012 EBITDA figure. In accordance with the terms of the bank facility, £2.5m of the term loan was repaid at the end of June leaving a balance of £57.5m outstanding together with £54.0m drawn down on the revolving credit facility.

1 EBITDA is defined as operating profit before depreciation and amortisation, impairment charges, adjustments to goodwill, onerous lease and other non-recurring charges, transaction and reorganisation costs and profit on disposal of cinema sites.

Chief Executive Officer's Review
continued

Risks and Uncertainties
The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has an established, structured approach to risk management, which includes continuously assessing and monitoring the key risks and uncertainties of the business. The key business specific risks are set out on pages 22 and 23 in summary form. The only significant change since 27 December 2012 is the possible impact of cyber attacks on our consumer website reflecting the ever increasing importance of online business and as a result, security on the website has been enhanced to mitigate any potential loss to the business.

A more detailed description of the risks existing as at 27 December 2012 and also some factors and actions taken by the Group which mitigate them were set out on pages 24 and 25 of the Group's Annual Report for 2012, a copy of which is available from our website www.cineworldplc.com.

Despite the current uncertainty in the economic environment, the risks and uncertainties summarised on pages 22 and 23 are not expected to change materially in the remainder of the year.

Related Party Transactions
Details of related party transactions described in the Annual Report for the 26 weeks to 28 June 2012 are set out in Note 10 of the interim financial statements.

Going Concern
The Group meets its day to day working capital requirements through its bank facilities which currently consist of a £70.0 million term loan and a £100.0 million revolver. The facility is for five years, expiring in April 2016. The current economic conditions continue to create uncertainty particularly over the level of demand for the Group's products; however the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, demonstrate that the Group should be able to operate within the level of its current facilities.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing its consolidated interim financial statements.

Board Changes
Tom McGrath decided to step down as a Director at the Annual General Meeting on 15 May 2013 and did not stand for re-election.

Dividends
The Board is declaring an interim dividend of 4.1p per share (2012: 3.8p), reflecting the solid performance in the first half of the year. The dividend will be paid on 4 October 2013 to ordinary shareholders on the register at the close of business on 6 September 2013.

Current Trading and Outlook
The films at the start of third quarter have performed in line with expectations. The key titles being “Despicable Me 2”, the continued play through of “Man of Steel” and “Monsters University”. Trading is currently ahead of the prior year, which was constrained by the Olympic Games.

Later in the second half, a number of films from proven franchises are scheduled for release including the next instalment of the Hunger Games series “Hunger Games: Catching Fire” and “The Hobbit: The Desolation of Smaug” (in 3D). However, there will be a tougher fourth quarter comparative due to the phenomenal success of Skyfall. Overall, the strength of the film line up in the second half, coupled with our strong first half performance, gives us confidence and we are on track with our plans for the year.

Stephen Wiener
Chief Executive

Cautionary Note Concerning Forward Looking Statements
Certain statements in the Chief Executive Officer’s Review are forward looking and so involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. Various factors could cause actual results, developments or performance of the Group to differ materially from those expressed or implied by these forward looking statements. The forward looking statements reflect knowledge and information available at the date of preparation of this report and the Group accepts no obligation to update these forward looking statements. Nothing in this report should be construed as a profit forecast.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the period ended 27 June 2013

	Note	26 week period ended 27 June 2013 (unaudited) £m	26 week period ended 28 June 2012 (unaudited) (restated[1]) £m	52 week period ended 27 December 2012 (audited) (restated[1]) £m
Revenue		**201.6**	165.4	358.7
Cost of sales		**(148.6)**	(125.3)	(263.9)
Gross profit		**53.0**	40.1	94.8
Other operating income		**0.2**	0.1	0.3
Administrative expenses		**(33.2)**	(24.5)	(51.1)
Operating profit		**20.0**	15.7	44.0
Analysed between:				
Operating profit before depreciation and amortisation, impairment charges, onerous lease and other non-recurring charges and transaction and reorganisation costs		**32.0**	26.2	66.9
– Depreciation and amortisation		**(12.0)**	(10.5)	(21.5)
– Onerous leases and other non-recurring charges		**–**	–	(1.6)
– Impairments and reversals of impairments		**–**	–	(0.3)
– Other non-recurring income		**–**	–	2.0
– Transaction and reorganisation costs		**–**	–	(1.1)
– Defined benefit pension scheme past service costs		**–**	–	(0.4)
– Refinancing costs		**–**	–	–
Financial income	4	**0.2**	0.1	0.3
Financial expenses	4	**(3.4)**	(3.3)	(6.9)
Net change in fair value of cash flow hedges reclassified from equity		**–**	1.0	1.0
Net financing costs		**(3.2)**	(2.2)	(5.6)
Share of loss of jointly controlled entity using equity accounting method, net of tax		**(0.3)**	(0.2)	(0.1)
Profit before tax		**16.5**	13.3	38.3
Taxation	3	**(4.5)**	(3.6)	(10.8)
Profit for the period attributable to equity holders of the Company		**12.0**	9.7	27.5
Other comprehensive income				
Foreign exchange translation gain/(loss)		**0.3**	(0.5)	(0.5)
Remeasurement of the defined benefit asset		**0.7**	(1.2)	1.2
Movement in fair value of cash flow hedge		**0.8**	(0.6)	(0.1)
Income tax (charge)/credit on other comprehensive income		**(0.3)**	0.2	(0.9)
Other comprehensive income for the period, net of income tax		**1.5**	(2.1)	(0.3)
Total comprehensive income for the period attributable to equity holders of the Company		**13.5**	7.6	27.2
Basic earnings per share		**8.0p**	6.8p	19.2p
Diluted earnings per share		**7.9p**	6.7p	19.0p

1 Comparative information restated following the adoption of the amendments to IAS 19 "Employee Benefits". Refer to Note 11.

Condensed Consolidated Statement of Financial Position

as at 27 June 2013

	27 June 2013 (unaudited)		28 June 2012 (unaudited)		27 December 2012 (audited)	
	£m	£m	£m	£m	£m	£m
Non-current assets						
Property, plant and equipment		**158.8**		131.7		160.0
Goodwill		**236.9**		217.1		236.7
Other intangible assets		**14.6**		0.3		15.7
Investment in equity-accounted investee		**0.4**		0.6		0.7
Other receivables		**1.4**		1.3		1.4
Employee benefits		**5.8**		1.6		4.4
Deferred tax assets		**9.2**		11.9		9.9
Total non-current assets		**427.1**		364.5		428.8
Current assets						
Inventories	**3.3**		2.9		3.8	
Trade and other receivables	**31.9**		26.3		34.3	
Cash and cash equivalents	**3.4**		4.9		10.9	
Total current assets		**38.6**		34.1		49.0
Total assets		**465.7**		398.6		477.8
Current liabilities						
Interest bearing loans, borrowings and other financial liabilities	**(7.5)**		(6.3)		(8.1)	
Trade and other payables	**(74.6)**		(69.2)		(72.7)	
Current taxes payable	**(3.5)**		(3.3)		(4.7)	
Provisions	**(0.4)**		(0.8)		(0.3)	
Total current liabilities		**(86.0)**		(79.6)		(85.8)
Non-current liabilities						
Interest bearing loans, borrowings and other financial liabilities	**(116.4)**		(97.8)		(129.7)	
Other payables	**(52.8)**		(52.2)		(53.3)	
Government grants	**(1.9)**		–		(1.9)	
Provisions	**(10.9)**		(9.1)		(11.1)	
Deferred tax liabilities	**(7.1)**		(2.2)		(7.4)	
Total non-current liabilities		**(189.1)**		(161.3)		(203.4)
Total liabilities		**(275.1)**		(240.9)		(289.2)
Net assets		**190.6**		157.7		188.6
Equity attributable to equity holders of the Company						
Share capital		**1.5**		1.4		1.5
Share premium		**188.1**		171.8		188.1
Translation reserve		**1.6**		1.3		1.3
Hedging reserve		**(2.7)**		(4.0)		(3.5)
Retained earnings/(deficit)		**2.1**		(12.8)		1.2
Total equity		**190.6**		157.7		188.6

Condensed Consolidated Interim Statement of Changes in Equity

for the period ended 27 June 2013

	Issued capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained deficit (restated[1]) £m	Total £m
Balance at 29 December 2011	1.4	171.8	1.8	(3.4)	(11.3)	160.3
Profit for the period	–	–	–	–	9.7	9.7
Other comprehensive income						
Items that will not subsequently be reclassified to profit or loss						
Remeasurement of the defined benefit asset	–	–	–	–	(1.2)	(1.2)
Tax recognised on items that will not be reclassified to profit or loss	–	–	–	–	0.3	0.3
Items that will subsequently be reclassified to profit or loss						
Movement in fair value of cash flow hedge	–	–	–	(0.6)	–	(0.6)
Retranslation of foreign currency denominated subsidiaries	–	–	(0.5)	–	–	(0.5)
Tax recognised on items that will be reclassified to profit or loss	–	–	–	–	(0.1)	(0.1)
Contributions by and distributions to owners						
Dividends	–	–	–	–	(10.6)	(10.6)
Movements due to share-based compensation	–	–	–	–	0.4	0.4
Balance at 28 June 2012	1.4	171.8	1.3	(4.0)	(12.8)	157.7
Balance at 29 December 2011	1.4	171.8	1.8	(3.4)	(11.3)	160.3
Profit for the period	–	–	–	–	27.5	27.5
Other comprehensive income						
Items that will not subsequently be reclassified to profit or loss						
Remeasurement of the defined benefit asset	–	–	–	–	1.2	1.2
Tax recognised on items that will not be reclassified to profit or loss	–	–	–	–	(0.2)	(0.2)
Items that will subsequently be reclassified to profit or loss						
Movement in fair value of cash flow hedge	–	–	–	(0.1)	–	(0.1)
Retranslation of foreign currency denominated subsidiaries	–	–	(0.5)	–	–	(0.5)
Tax recognised on items that will be reclassified to profit or loss	–	–	–	–	(0.6)	(0.6)
Contributions by and distributions to owners						
Dividends	–	–	–	–	(16.0)	(16.0)
Movements due to share-based compensation	–	–	–	–	0.6	0.6
Issue of shares	0.1	16.3	–	–	–	16.4
Balance at 27 December 2012	1.5	188.1	1.3	(3.5)	1.2	188.6

1 Comparative information restated following the adoption of the amendments to IAS 19 “Employee Benefits”. Refer to Note 11.

Condensed Consolidated Interim Statement of Changes in Equity
for the period ended 27 June 2013
continued

	Issued capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained deficit (restated[1]) £m	Total £m
Balance at 27 December 2012	1.5	188.1	1.3	(3.5)	1.2	188.6
Profit for the period	–	–	–	–	12.0	12.0
Other comprehensive income						
Items that will not subsequently be reclassified to profit or loss						
Remeasurement of the defined benefit asset	–	–	–	–	0.7	0.7
Tax recognised on items that will not be reclassified to profit or loss	–	–	–	–	(0.1)	(0.1)
Items that will subsequently be reclassified to profit or loss						
Movement in fair value of cash flow hedge	–	–	–	0.8	–	0.8
Retranslation of foreign currency denominated subsidiaries	–	–	0.3	–	–	0.3
Tax recognised on items that will be reclassified to profit or loss	–	–	–	–	(0.2)	(0.2)
Contributions by and distributions to owners						
Dividends	–	–	–	–	(12.0)	(12.0)
Movements due to share-based compensation	–	–	–	–	0.5	0.5
Balance at 27 June 2013	**1.5**	**188.1**	**1.6**	**(2.7)**	**2.1**	**190.6**

1 Comparative information restated following the adoption of the amendments to IAS 19 “Employee Benefits”. Refer to Note 11.

Condensed Consolidated Statement of Cash Flows

for the period ended 27 June 2013

	26 week period ended 27 June 2013 (unaudited) £m	26 week period ended 28 June 2012 (unaudited) (restated[1]) £m	52 week period ended 27 December 2012 (audited) (restated[1]) £m
Cash flows from operating activities			
Profit for the period	**12.0**	9.7	27.5
Adjustments for:			
Financial income	**(0.2)**	(0.1)	(0.3)
Financial expense	**3.4**	3.3	6.9
Refinancing credit	**–**	(1.0)	(1.0)
Taxation charge	**4.5**	3.6	10.8
Share of loss of equity-accounted investee	**0.3**	0.2	0.1
Operating profit	**20.0**	15.7	44.0
Depreciation and amortisation	**12.0**	10.5	21.5
Non-cash property charges	**–**	(0.3)	1.6
Impairments and reversals of impairments	**–**	–	0.3
Non-cash pension gain following change in indexation	**–**	–	0.4
Surplus of pension contributions over current service cost	**(0.8)**	(0.8)	(1.6)
Decrease/(increase) in trade and other receivables	**2.4**	0.1	(5.3)
Decrease/(increase) in inventories	**0.5**	(0.8)	(1.3)
(Decrease)/increase in trade and other payables	**(14.5)**	2.4	10.4
Increase/(decrease) in provisions and employee benefits	**0.3**	(2.2)	(3.0)
Cash generated from operations	**19.9**	24.6	67.0
Tax paid	**(5.4)**	(4.7)	(9.4)
Net cash flows from operating activities	**14.5**	19.9	57.6
Cash flows from investing activities			
Interest received	**0.1**	0.1	0.1
Acquisition of subsidiaries net of acquired cash	**–**	–	(43.3)
Acquisition of property, plant and equipment	**(6.0)**	(15.2)	(31.1)
Net cash flows used in investing activities	**(5.9)**	(15.1)	(74.3)
Cash flows from financing activities			
Proceeds from share issue	**–**	–	16.4
Dividends paid to shareholders	**–**	–	(16.0)
Interest paid	**(2.6)**	(2.7)	(4.9)
Repayment of bank loans	**(13.2)**	(2.5)	(5.0)
Proceeds from bank loans	**–**	–	32.3
Payment of finance lease liabilities	**(0.4)**	(0.2)	(0.6)
Net cash used in financing activities	**(16.2)**	(5.4)	22.2
Net (decrease)/increase in cash and cash equivalents	**(7.6)**	(0.6)	5.5
Effect of exchange rate fluctuations on cash held	**0.1**	–	(0.1)
Cash and cash equivalents at start of period	**10.9**	5.5	5.5
Cash and cash equivalents at end of period	**3.4**	4.9	10.9

1 Comparative information restated following the adoption of the amendments to IAS 19 “Employee Benefits”. Refer to Note 11.

Notes to the Interim Condensed Consolidated Financial Statements

1. Basis of Preparation

Reporting Entity

Cineworld Group plc (the "Company") is a company domiciled in the United Kingdom. The interim condensed consolidated financial statements of the Company as at and for the 26 weeks ended 27 June 2013 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly controlled entities.

The consolidated financial statements of the Group as at and for the period ended 27 December 2012 are available upon request from the Company's registered office at Power Road Studios, 114 Power Road, Chiswick W4 5PY.

Statement of Compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the 52 weeks ended 27 December 2012.

The comparative figures for the financial year ended 27 December 2012 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was: (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Significant Accounting Policies

These Condensed Consolidated Interim Financial Statements are unaudited and, have been prepared on the basis of accounting policies consistent with those applied in the Consolidated Financial Statements for the 52 weeks ended 27 December 2012 with exception of the adoption of the amendments to IAS 19 "Employee Benefits" which have been applied retrospectively.

Notes to the Interim Condensed Consolidated Financial Statements
continued

2. Operating Segments
Determination and presentation of operating segments:

Following the acquisition of Picturehouse, the Group has determined that is has two operating segments: Cineworld Cinemas and Picturehouse.

	Cineworld Cinemas (restated[1]) £m	Picturehouse £m	Total (restated[1]) £m
26 weeks to 27 June 2013			
Total revenues	182.8	18.8	201.6
Segmental operating profit	18.7	1.3	20.0
Net finance costs	(3.1)	(0.1)	(3.2)
Share of loss of jointly controlled entities using equity method, net of tax	(0.3)	–	(0.3)
Profit before taxation	**15.3**	**1.2**	**16.5**
Segmental total assets	**445.9**	**19.8**	**465.7**
26 weeks to 28 June 2012			
Total revenues	165.4	–	165.4
Segmental operating profit	15.7	–	15.7
Net finance costs	(2.2)	–	(2.2)
Share of loss of jointly controlled entities using equity method, net of tax	(0.2)	–	(0.2)
Profit before taxation	13.3	–	13.3
Segmental total assets	398.6	–	398.6
52 weeks to 27 December 2012			
Total revenues	356.2	2.5	358.7
Segmental operating profit	43.9	0.1	44.0
Net finance costs	(5.6)	–	(5.6)
Share of loss of jointly controlled entities using equity method, net of tax	(0.1)	–	(0.1)
Profit before taxation	38.2	0.1	38.3
Segmental total assets	441.2	36.6	477.8

1 Comparative information restated following the adoption of the amendments to IAS 19 “Employee Benefits”. Refer to Note 11.

3. Taxation

The taxation charge has been calculated by reference to the expected effective corporation tax rates for the full financial year to end on 26 December 2013 applied against the profit before tax for the period ended 27 June 2013. Recognised in the income statement:

	26 week period ended 27 June 2013 (unaudited) £m	26 week period ended 28 June 2012 (unaudited) (restated[1]) £m	52 week period ended 27 December 2012 (audited) (restated[1]) £m
Current year tax expense			
Current year	**4.2**	3.3	10.0
Adjustments in respect of prior years	**–**	–	(0.6)
Total current year tax expense	**4.2**	3.3	9.4
Deferred tax charge			
Current year	**0.3**	0.3	1.4
Total deferred tax expense	**0.3**	0.3	1.4
Total tax charge in the income statement	**4.5**	3.6	10.8
Effective tax rate	**27.3%**	27.1%	28.2%

4. Finance Income and Expense

	26 week period ended 27 June 2013 (unaudited) £m	26 week period ended 28 June 2012 (unaudited) (restated[1]) £m	52 week period ended 27 December 2012 (audited) (restated[1]) £m
Interest income	**0.1**	–	0.1
Defined benefit pension scheme net finance income	**0.1**	0.1	0.2
Financial income	**0.2**	0.1	0.3
Interest expense on bank loans and overdrafts	**2.6**	2.6	4.9
Amortisation of financing costs	**0.2**	0.2	0.4
Unwind of discount on onerous lease provision	**0.4**	0.4	0.8
Interest charge as a result of change in discount rate relating to onerous lease provisions	**–**	–	0.4
Other financial costs	**0.2**	0.1	0.4
Financial expense	**3.4**	3.3	6.9
Amounts reclassified from equity to profit and loss in respect of cash flow hedges	**–**	(1.0)	(1.0)
Total financial expense	**3.4**	2.3	5.9

1 Comparative information restated following the adoption of the amendments to IAS 19 “Employee Benefits”. Refer to Note 11.

Notes to the Interim Condensed Consolidated Financial Statements
continued

5. Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of non-vested ordinary shares held by the employee ownership trust. Adjusted earnings per share is calculated in the same way except that the profit for the period attributable to ordinary shareholders is adjusted by adding back the amortisation of intangible assets, the cost of share-based payments and other one-off income or expense. Adjusted earnings per share is calculated by applying a tax charge at the statutory rate, to the adjusted profit. The performance of adjusted earnings per share is used to determine awards to Executive Directors under the Group Performance Share Plan ("PSP"). Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of any non-vested ordinary shares held by the employee share ownership trust and after adjusting for the effects of dilutive options.

	26 week period ended 27 June 2013 (unaudited) £m	26 week period ended 28 June 2012 (unaudited) (restated[1]) £m	52 week period ended 27 December 2012 (audited) (restated[1]) £m
Profit for the period attributable to ordinary shareholders	**12.0**	9.7	27.5
Adjustments:			
Amortisation of intangible assets	**0.8**	0.1	0.2
Share based payments	**0.6**	0.4	0.9
Transaction and reorganisation costs	**–**	–	1.1
Impairments	**–**	0.7	1.0
Onerous lease cost	**–**	–	1.6
Defined benefit scheme past service costs	**–**	–	0.4
Income relating to VAT reclaim	**–**	–	(2.0)
Refinancing income/(expenses)	**–**	(1.0)	(1.0)
Adjusted earnings	**13.4**	9.9	29.7
Add back tax charge	**4.5**	3.6	10.8
Adjusted profit before tax	**17.9**	13.5	40.5
Less tax at statutory rate 23.25% (2012: 24.5%)	**(4.2)**	(3.3)	(9.9)
Adjusted profit after tax	**13.7**	10.2	30.6

1 Comparative information restated following the adoption of the amendments to IAS 19 "Employee Benefits". Refer to Note 11.

5. Earnings Per Share continued

	Number of shares (m)	Number of shares (m)	Number of shares (m)
Weighted average number of shares in issue	149.7	142.6	143.1
Basic and adjusted earnings per share denominator	149.7	142.6	143.1
Dilutive options	2.0	1.6	1.6
Diluted earnings per share denominator	151.7	144.2	144.7
Shares in issue at period end	149.8	142.8	149.6

	Pence	Pence	Pence
Basic earnings per share	8.0	6.8	19.2
Diluted earnings per share	7.9	6.7	19.0
Adjusted basic earnings per share	9.1	7.2	21.4
Adjusted diluted earnings per share	9.0	7.1	21.1

6. Dividends

The Directors have declared an interim dividend of 4.1p per share, amounting to £6.1m, which will be paid on 4 October 2013 to ordinary shareholders on the register at the close of business on 6 September 2013. In accordance with IAS 10, this will be recognised in the reserves of the Group when the dividend is paid.

7. Analysis of Net Debt

	Cash at bank and in hand £m	Bank loans £m	Finance leases £m	Interest rate swap £m	Net debt £m
Balance at 27 December 2012	10.9	(127.3)	(7.0)	(3.5)	(126.9)
Cash flows	(7.5)	13.2	0.4	–	6.1
Non cash movement	–	(0.2)	(0.3)	0.8	0.3
Balance at 27 June 2013	**3.4**	**(114.3)**	**(6.9)**	**(2.7)**	**(120.5)**

8. Property, Plant and Equipment

During the 26 weeks to 27 June 2013, the Group acquired assets of £9.8m (26 weeks to 28 June 2012: £16.0m; 52 weeks ended 27 December 2012: £32.8m).

9. Capital Commitments

Capital commitments at the end of the financial period for which no provision has been made were £8.0m at 27 June 2013 (28 June 2012: £2.8m and 27 December 2012: £7.5m relating primarily to new sites).

Notes to the Interim Condensed Consolidated Financial Statements
continued

10. Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Total compensation for the Directors during the 26 weeks ended 27 June 2013 was £656,000 (26 weeks ended 28 June 2012 was £609,000; 52 weeks ended 27 December 2012: £1,692,000).

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 26 weeks to 27 June 2013 was £5.7m (26 weeks ended 28 June 2012 totalled £5.1m and 52 weeks ended 27 December 2012: £14.4m) and as at 27 June 2013 £1.8m was due from DCM in respect of trade receivables (28 June 2012: £1.3m; 27 December 2012: £0.2m). In addition the Group has a working capital loan outstanding from DCM of £0.5m (52 weeks ended 27 December 2012: £0.5m).

11. Changes in Accounting Policy

The Group has adopted the amendments to IAS 19 "Employee Benefits" during the period which have been applied retrospectively and has resulted in the restatement of some comparative information.

Under IAS 19 revised, the Group determines the net interest income for the period on the net defined benefit asset by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit asset at the end of the period, taking into account any changes in the net defined benefit asset during the period as a result of contributions and payments. Consequently, the net interest income on the net defined benefit asset now comprises: interest on the defined benefit obligation and interest income on plan assets. Previously, the Group determined interest income on plan assets based on their long-term rate of expected return.

Pension administrative expenses previously netted off against the return on defined benefit pension plan assets have been reclassified to administrative expenses.

The net finance income on the defined benefit pension scheme for the 26 week period to 27 June 2013 has decreased by £110,000 to £102,000. The impact on the 26 week period to 28 June 2012 and the 52 week period to 27 December 2012 is a £114,500 decrease in net pension return to £93,500 and a £229,000 decrease in net pension return to £187,000 respectively.

Pension administrative expenses for the 26 week period to 27 June 2013 were £94,000. Pension administrative expenses reclassified from net finance income to administrative expenses for the 26 week period to 28 June 2012 were £97,000 and for the 52 week period to 27 December 2012 were £194,000.

The net impact of the above two adjustments on the net pension finance income for the 26 week period to 28 June 2012 is a decrease of £17,500. This is made up of an increase of £97,000 due to the reclassification of administration costs being offset by the decrease in net pension return of £114,500. The net impact on the 52 week period to 27 December 2012 is a decrease of £35,000 which is made up of an increase of £194,000 due to pension administration costs being reclassified offset by the decrease in net finance income of £229,000.

Independent Review Report to Cineworld Group plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 27 June 2013 which comprises the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows and the related explanatory notes.

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

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules (the "DTR") of the UK's Financial Conduct Authority (the "UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 27 June 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Mark Summerfield
For and on behalf of KPMG Audit Plc
Chartered Accountants
15 Canada Square, London E14 5GL

Risks and Uncertainties

A summary of the key risks and uncertainties is set out below. A more detailed description of the risks existing as at 27 December 2012 and also some factors and actions taken by the Group which mitigate them were set out on pages 24 and 25 of the Group's Annual Report for 2012, a copy of which is available from our website www.cineworldplc.com. Despite the current uncertainty in the economic environment, the risks and uncertainties summarised below are not expected to change materially in the remainder of the year.

Availability of Film Content

Cinema-going in the UK is driven primarily by output from six Hollywood film studios which may seek to negotiate film hire terms less favourable to Cineworld. There is a further risk that a major film may be released late or may not perform at the box office in line with expectations.

During periods where there are fewer major films, our box office revenues may decline.

Digital Conversion Costs

Film studios have agreed to help finance Cineworld's conversion to digital projection and it expects to recover up to 90% of the total costs of conversion over a seven to ten-year period which were circa £40m. There is a risk that full recovery of these costs does not happen within the ten-year term of the agreed arrangements.

Alternative Media and Advancement of Technology

Film studios may choose to release their films through other channels instead of primarily through exhibition at cinemas.

Also the film studios may seek to reduce the release window (the period between the film being released at the cinema and other distribution channels as mentioned above).

The continuing development of existing and new technology (such as 3D television and internet streaming) may introduce new competitive forces for the film-going audience.

Film Piracy

Film piracy has implications for the business as it may force film studios to invest less in films resulting in the release of fewer films and/or an increase in the use of other channels for their release.

Acquisitions

There is a risk that due diligence undertaken during an acquisition process fails to accurately identify ongoing profitability and other issues that may seriously affect the value of a business.

Screen Advertising Revenue

Screen advertising accounts for a significant proportion of the Group's profits and the level of revenues earned will be affected by the overall demand for advertising.

In addition, lower levels of admissions may impact the level of advertising which the business can attract.

Poor Location Selection and Construction

The selection of the wrong location for the development of a new cinema, or its poor construction, could result in lower than expected returns and a series of poor decisions on locations, or poorly constructed cinemas, could seriously impact the Group.

Extreme Weather Conditions

Unusual weather patterns such as extreme snowfalls in winter can impact attendances at cinemas and, particularly where this coincides with major film releases, it could have a significant effect on revenues.

UK and Global Economy

The main driver of cinema-going is the film, although it is recognised that macro-economic influences may affect cinema-going and the level of retail spend per customer on each visit. In addition, the price of such items as energy and foodstuffs has a direct impact on costs which we may not be able to pass on to customers.

Availability of Capital

The cost and availability of finance may affect the Group's ability to expand.

The failure of one of the banks used by the Group could result in the loss of deposits and/or banking facilities.

Reduced lending may also affect the financing of film productions which could reduce the supply of films.

Competition

Existing competitors could change their strategies or a new competitor could enter the market at a local or national level reducing trade.

Cinemas also compete for customers against other leisure and entertainment attractions which may impact attendance levels.

Aging of the UK population may result in lower attendances and lower sales of key retail products because of changes in fashions and tastes.

Failure of IT Systems and Suppliers

The failure of the Group's IT systems or data controls could impact the profitability and reputation of the Group. Furthermore, cyber attacks on the Group's website could impact the Group's ecommerce capability and reduce sales.

Government Regulations and Actions

Failure to comply with central and local regulations covering such matters as planning, the environment, health and safety, licensing, food and drink retailing, data protection and the minimum wage may result in fines and/or other sanctions. In addition, changes to pension legislation could result in additional costs.

Responsibility Statement of the Directors' in Respect of the Interim Report

The Directors confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

The Chief Executive Officer's Review and the condensed set of financial statements include a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first 26 weeks of the financial period and their impact on the condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial period; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial period and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Cineworld Group plc are listed in the Cineworld Annual Report 2012. Tom McGrath left the Board on 15 May 2013.

By order of the Board

Stephen Wiener
Director

Philip Bowcock
Director

15 August 2013

Shareholder Information

Registered and Head Office
Power Road Studios
114 Power Road
Chiswick
London W4 5PY

Telephone Number
020 8987 5000

Website
www.cineworld.co.uk
www.cineworldplc.com
www.picturehouses.co.uk

Company Number
Registered Number: 5212407

Place of Incorporation
England and Wales

Joint Brokers
JP Morgan Cazenove Ltd
20 Moorgate
London EC2R 6DA

Investec Bank plc
2 Gresham Street
London EC2V 7QP

Legal Advisers to the Company
Olswang
90 High Holborn
London WC1V 6XX

Registrar
Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Auditors
KPMG Audit Plc
15 Canada Square
London E14 5GL

Public Relations Advisers
Bell Pottinger Pelham
6th Floor
Holborn Gate
330 High Holborn
London WC1V 7QD

Designed and produced by Emperor
www.emperordesign.co.uk +44 (0)20 7729 9090

Cineworld Group plc
Power Road Studios
114 Power Road
Chiswick
London W4 5PY
020 8987 5000

www.cineworld.com
www.cineworldplc.com
www.picturehouses.co.uk