10 March 2016

CINEWORLD GROUP plc preliminary results for 52 week period ended 31 December 2015

Cineworld Group plc ("the Group") announces its record results for the 52 week period ended 31 December 2015

	52 weeks to 31 December 2015	53 weeks to 1 January 2015	v 2014 (statutory basis[1])	v 2014 (pro forma basis[2])
Group revenue	£705.8m	£619.4m	13.9%	12.4%
EBITDA[3]	£155.3m	£126.6m	22.7%	18.5%
Profit before tax	£99.7m	£67.3m	48.1%	
Profit after tax	£81.3m	£54.5m	49.2%	
EPS[5]	30.7p	22.1p	38.9%	
Diluted EPS	30.4p	21.9p	38.8%	
Adjusted profit before tax[4]	£102.8m	£75.0m	37.1%	
Adjusted profit after tax[4]	£83.8m	£61.2m	36.9%	
Adjusted diluted EPS[5]	31.4p	24.4p	28.7%	
Dividend per share[5]	17.5p	13.5p	29.6%	

Financial Highlights

- Group revenue growth of 13.9% on a statutory basis and 12.4% on a pro forma[2] basis;
  - UK & Ireland revenue growth of 12.7% on a 52 week v 52 week basis,
  - CEE[6] & Israel revenue growth of 11.7% on a pro forma basis;
- EBITDA growth of 22.7% on a statutory basis and 18.5% on a pro forma basis;
- Adjusted profit before tax increased by 37.1% to tax of £102.8m after non-recurring costs and amortisation of £3.1m;
- Profit after tax increased by 49.2% to £81.3m;
- Adjusted diluted EPS[5] growth of 28.7% to 31.4p;
- Full year dividend increased by 29.6% to 17.5p;
- Net cash generated from operating activities increased by 92.7% to £165.9m; and
- Net debt reduced from £281.9m to £245.2m, reducing the EBITDA to net debt ratio at the year end to 1.6 times.

Operational Highlights

- Record number of 18 sites opened during the period, taking the Group to 2,011 screens.
- A record 93.6m admissions, an increase of 12.9%.
- Top ranked UK cinema chain in highly-regarded annual survey by the Institute of Customer Service.
- Integration of the two Groups successfully completed and the synergies achieved have significantly exceeded original expectations.

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

"We are pleased to announce 2015 was another record year for the Cineworld Group and its shareholders. Revenues continued to grow as more than 93 million customers came through our doors and enjoyed the movies we showed. Our strong financial performance was driven by improved efficiencies throughout the business and the cost savings achieved following the successful integration of the two Groups. In addition, we opened a record number of 18 new sites during 2015. The film slate was strong with a number of blockbusters– "Jurassic World", "Spectre" and "Star Wars: The Force Awakens" being the most significant.

Our vision continues to be "The Best Place to Watch a Movie" and we look forward to 2016 with optimism, which has a promising film slate and will see us open another 13 sites across four territories".

1 The 2014 statutory results for Cineworld Group plc "the Group" include the results of Cineworld Cinemas and Picturehouse for the 53 week period ended 1 January 2015 and the results of Cinema City for the 44 week period ended 1 January 2015.

2 Pro forma results refer to the Group's performance had Cinema City been consolidated for the entirety of the period and has been calculated by reference to the acquired management accounts of Cinema City. For the purposes of percentage movements, the impact of the 53rd week has been eliminated (week ending 1 January 2014, the first week of the prior period) and movements in performance have been calculated on a constant currency basis.

3 EBITDA is defined as profit before depreciation and amortisation, onerous leases and other non-recurring charges, impairments and reversals of impairments, transaction and reorganisation costs, profit on disposals of assets.

4 Adjusted profit before tax is calculated by adding back amortisation of intangible assets (excluding acquired movie distribution rights), and certain non-recurring, non-cash items and foreign exchange as set out in Note 3. Adjusted profit after tax is arrived at by applying an effective tax rate to adjusted profit before tax.

5 The 2014 adjusted diluted earnings per share and dividend per share have been adjusted for the first 48 days of the period to take into account of the rights issue of 8 for 25 shares on 14 February 2014.

6 CEE is defined as Central and Eastern Europe and includes Poland, Hungary, Romania, Czech Republic, Bulgaria and Slovakia.

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

Time:	9.30
Dial in:	UK Toll Number: 0203 059 8125
	UK Toll-Free Number: 0203 059 8125

Participants must state they want to dial into Cineworld's Preliminary Announcement of Full Years

Presentation Link: https://secure.emincote.com/client/cineworld/cineworld002

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Cautionary note concerning forward looking statements

Certain statements in this announcement are forward looking and so involve risk and uncertainty because they relate to events, and depend upon circumstances that will occur in the future and therefore results and developments can differ materially from those anticipated. The forward looking statements reflect knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

Chief Executive Officer's Statement

Our strategy

As a Group, we are committed to ensuring our customers have the best possible experience when visiting our cinemas. The Cineworld Group continues to be "The Best Place to Watch a Movie".

Our strategy is to:

- Deliver a great cinema experience for all cinemagoers, every time – to achieve this we invest in our existing estate, as well as identify new sites for expansion. The full experience of our cinemas starts with the best planning, the best technology, the best marketing and the best service;

- Expand our estate and look for profitable opportunities to grow – we have the financial capability to expand through the cash generative nature of our business and our debt facility, and have opened a record number of new sites during 2015;

- With the integration of Cineworld and Cinema City successfully completed, we are committed to enhancing our existing estate and new sites, ensuring we deliver a consistent high quality offering across the Group;

- Be leaders in the industry by offering customers the latest audio and visual technology – technical innovation has also allowed the Group to enhance the customer experience through premium formats such as IMAX, 3D, 4DX, Super screen and VIP. This gives our customers the opportunity at our larger sites, not only to choose which movie to see but also how to see it; and

- Drive value for shareholders by delivering our growth plans in an efficient and effective way.

Overall we have made significant progress in delivering our strategy during 2015, with the key developments summarised below.

Customer experience

We provide the films our customers want to see in the most appropriate venues and locations, using the best technology, with the right retail offerings and great customer service. Our cinemas now have up to six different offerings of how to watch movies; regular screens, 3D, 4DX, IMAX, Superscreen and VIP theatres.

During 2015, with the VIP experience in Israel, Poland, Romania and Hungary having proved a success, our first VIP experience was launched in the UK in Sheffield in December. Our VIP experience provides a premium offering to our customers from the moment they walk through the door, including access to a private lounge ahead of their movie screening where, as part of the ticket price they can enjoy unlimited buffet food and soft drinks before watching the movie in our dedicated auditoriums with luxurious reclining seats. The VIP experience will be rolled out to further cinemas across the Group where there is opportunity in the market.

The Group has increased the number of Starbucks coffee outlets in the UK, taking the total number to 17 at 31 December 2015 with further outlets planned for 2016.

The Cineworld Unlimited programme provides our customers with a range of benefits, while at the same time being one of the pillars that underpins our strategy for growing revenues and admissions. With regular subscription income it reduces the level of fluctuations in our revenues for the Group. It also brings operational benefits by encouraging repeat visits, often at off-peak times. We commenced the expansion of our Unlimited programme, with its launch in Poland at the end of 2015.

Cinema Expansion

During 2015 we opened a record number of 18 cinemas, 10 in the UK and 8 in CEE & Israel and we have a further 45 development sites contractually scheduled to open in the next four years, 13 which are scheduled for opening in 2016 and nine of which are already under construction. As half of the new sites were opened in the second half of 2015 the full benefit to the Group will not be realised until 2016.

The rate of new cinema openings is dependent upon local market conditions. Mature markets such as the UK and Israel tend to be characterised by higher admissions per capita, higher average ticket prices and a much lower population per screen ratio. In the more mature markets, the rate of new cinema openings has been slower in recent years, partly due to the limited number and associated lead time of new retail and leisure developments. Despite this the Group successfully opened 11 sites in the more mature markets during 2015.

Growth markets have the opposite characteristics including lower admissions per capita and lower average ticket prices but do provide greater investment potential for the Group. There is clear potential upside as the habit of going to the cinema becomes more established and ticket prices increase with the standard of living. There are a great number of development opportunities, such as in Romania where we have invested significantly during 2015 and will continue to do so in 2016.

Enhancement of the existing estate

The estate in the UK is generally older than that of Cinema City in the CEE and Yes Planet in Israel. A number of key sites were identified for refurbishment to ensure our high standards are consistently maintained across our estate. This programme commenced during the second half of 2014, with the redevelopment of our Milton Keynes cinema, and continued throughout 2015. Milton Keynes was successfully re-launched in January 2015 and included the UK's first 4DX screen, the new additional sensory cinema concept which had proved popular with customers in our other territories. The Milton Keynes site became a blue-print for future developments in the UK, with a Superscreen, the first 4DX experience and a Starbucks.

During the period we also completed the refurbishment of the Shaftesbury Avenue site and this was re-launched as Picturehouse Central, our flagship Picturehouse cinema in the West End. Other refurbishments completed during 2015 included Sheffield (UK), Letnany (Czech Republic), Slovansky Dum (Czech Republic) and Yes Planet Haifa (Israel). The refurbishment programme will continue across the Group during 2016.

Digital Film and Technological Innovation

During 2015 we opened seven 4DX screens, three in the UK, Milton Keynes, Crawley and Sheffield and four in the CEE & Israel - Yes Planet Haifa (Israel), Yes

Planet Jerusalem (Israel), Bucharest Mega Mall (Romania) and Constanta City Park (Romania). We now have a total of 14 4DX screens across the Group. We are delighted to have provided this new technology to cinemagoers and look forward to continuing the expansion of the service with a pipeline of a further 10 4DX screens scheduled to open in 2016.

In addition to the introduction of 4DX, we have expanded the IMAX format across a selection of our sites which remains popular, especially for films such as “Star Wars: The Force Awakens”, “Spectre” and “Jurassic World”. We opened three IMAX screens during the year in Broughton and Solihull – Birmingham NEC (UK) and at Yes Planet Jerusalem (Israel). By the end of 2015, the Group was operating 28 IMAX screens in total, with a further two scheduled to open in 2016 in Israel and Romania, and more in the pipeline.

When the Group moved to digital projection, an agreement was entered into with the main Hollywood studios (via an agent in the UK) to recoup our investment in digital projection equipment by the Virtual Print Fee Mechanism (“VPF”). The small amount of remaining VPF income from the UK contract is expected to be earned during 2016 and therefore there will be no VPF income in the UK from the 2017 onwards.

From May 2015 we started to roll out the updates to our Cineworld UK website by location and will continue this during 2016. As the trend of booking online continues, in 2016 we will develop our mobile app to provide our customers with greater visibility of our offerings and allow bookings to be made more quickly and easily on the move. During the year we have also centralised our customer call centres in Poland and enhanced our customer relationship management database to provide a consistent service across the Group.

Value for shareholders

Through our focus on driving revenues, increasing profits and prudently managing our cash position we have been able to continue rewarding our shareholders with growth in both the dividend and adjusted diluted earnings per share, 29.6% and 28.7% respectively.

Future

We devote a considerable amount of time to assessing new site opportunities and this, along with further acquisitions this is a key part of our future growth strategy.

I am happy to say that when we look forward, we can do so with optimism. We have great cinemas being run by a great team. Hollywood looks more committed than ever to quality productions, which include many sequels as well as many original movies. Our upcoming UK cinemas will continue to be in the “new generation” style, with a large number of screens and a wide range of features to enable us to give our customers a great experience. This is accompanied by a great line-up of new cinemas in our other territories.

Overall, the film slate for 2016 looks solid, and includes a strong family film slate. Notable releases include “Fantastic Beasts And Where To Find Them”, “The BFG”, “Star Wars: Rogue One”, “Captain America: Civil War”, “X-Men: Apocalypse”, “Batman v Superman” “Finding Dory”, “The Secret Life of Pets”, “Ice Age 5”, “Angry Birds”, “Warcraft” and “Alice Through The Looking Glass”.

Last but for sure not least, I would like to thank the whole Cineworld team across all nine territories for their great work in 2015 and wish them all many more successful years to come. Teamwork is the secret of our success and the key to our future.

Mooky Greidinger
Chief Executive Officer
10 March 2016

Performance Overview

	52 week period ended 31 December 2015			53 week period ended 1 January 2015
	UK & Ireland	**CEE & Israel**	**Total Group**	Total Group
Admissions	50.9m	42.7m	93.6m	82.9m
	£m	£m	**£m**	£m
Box office	311.9	139.7	451.6	399.2
Retail	107.2	55.5	162.7	141.9
Other Income	46.8	44.7	91.5	78.3
Total revenue	465.9	239.9	705.8	619.4

Cineworld Group plc results are presented for the 52 week period ended 31 December 2015 and reflect the trading and financial position of the UK & Ireland and CEE & Israel (the 'Group'). Cinema City Holding N.V. and its subsidiaries ('CEE & Israel') became part of the Group on 28 February 2014 and were consolidated for the final ten months of the prior period.

Unless explicitly referenced, all figures in the commentary below are on a pro-forma 52 weeks for 2015 v 2014 and calculated by excluding the trade of the week ending 1 January 2014, the first week of the prior period. Where percentage movements are given, they reflect performance on a constant currency basis to allow a year-on-year assessment of the performance of the business eliminating the impact of changes in exchange rates over time. Constant currency movements have been calculated by applying the 2015 average exchange rates to 2014 performance.

The Group's box office revenue is driven by admissions (one of our key performance indicators), which depend on the number, timing and popularity of the films we are able to show in our cinemas. Admissions in turn drive the two other main revenues for the Group, which are retail revenue (the sale of food and drink for consumption within our cinemas) and screen advertising income (revenue from advertisements shown on our screens prior to feature presentations).

Total revenue in the 52 week period ended 31 December 2015 was £705.8m. On a 52 week v 52 week pro-forma basis, this equates to an increase of 12.4%. Overall admissions increased by 6.5%, combined with average ticket pricing increasing by 4.8% to £4.82 the total box office revenues increased by 11.9%. Spend per person increased by 6.7% to £1.74 resulting in retail revenue growth of 13.6%. Other revenues increased by 12.9%.

UK & Ireland

	52 weeks to 31 December 2015	53 weeks to 1 January 2015	52 week v 53 week	52 week v 52 week
Admissions	50.9m	51.1m	-0.4%	2.7%
	£m	£m		
Box office	311.9	288.7	8.0%	11.4%
Retail	107.2	99.2	8.1%	11.3%
Other Income	46.8	37.6	24.5%	26.8%
Total revenue	**465.9**	**425.5**	**9.5%**	**12.7%**

The results for the UK & Ireland include the two cinema chain brands in the UK, Cineworld and Picturehouse. Following completion of the Competition Commission investigation into the acquisition of Picturehouse, Picturehouse has been fully integrated into the wider UK business. As such the performance of Cineworld and Picturehouse is now reported together as "UK & Ireland".

Box Office
The principal income for the UK & Ireland is box office revenue. Except for the revenue generated by Cineworld subscription services, box office revenue is a function of the number of admissions and the ticket price per admission, less VAT. Admissions in the period increased by 2.7%, combined with an increase in the average ticket price of 8.4% this resulted in double digit revenue growth of 11.4%. Box office revenues generated by the UK & Ireland cinema industry as a whole were up 17.4% during the same period (Source: UK Cinema Association).

Overall box office performance was underpinned by a strong film slate in 2015 which included a number of global blockbusters. In 2015, in the UK as a whole, the top three films grossed £245.4m ("Spectre - £93.8m, "Star Wars: The Force Awakens - £87.3m" and "Jurassic World "£64.3m") compared to the top three films in 2014 which grossed £100.4m ("The Lego Movie" – £34.3m, "Inbetweeners 2" – £33.4m and "Dawn of the Planet of the Apes" – £32.7m).

The average ticket price achieved in the UK & Ireland grew by 8.4% to £6.13 (2014: £5.65). The increase in average ticket price was in part due to an inflationary price rise during the period, but is mainly reflective of the film mix and our continued expansion of the premium offerings including opening two new IMAX screens and launching the first 4DX screen in the UK. The most popular IMAX films during the period were "Star Wars: The Force Awakens", "Spectre" and "Jurassic World" and for 4DX "Star Wars: The Force Awakens", "Jurassic World" and "Fast & Furious 7".

Retail
Food and drink sales are the second most important source of revenue and represent 23.0% (2014: 23.3%) of the total revenues. Total retail revenues were £107.2m (2014: £99.2m) increasing by 11.3%.

Net retail spend per person increased by 8.4% in the period to £2.11 (2014: £1.94) partly due to the film mix, where blockbusters tend to attract higher retail spend per person, but also reflecting the expansion of our cinemas' retail offer, strong promotions, growth in our Unlimited customer base and operational improvements. We opened a further four Starbucks outlets during the period taking our total circuit to 17 at 31 December 2015 with a number of further openings scheduled for 2016. Also, in December we opened our first VIP offering in our Sheffield cinema and we plan to open additional sites where we believe there is the appropriate market opportunity.

Other Income

Other Income includes all revenue streams other than box office and retail and represents 10.0% (2014: 8.8%) of total revenue. It increased to £46.8m (2014: £37.6m) and grew by 26.8%.

The largest single element of Other Income is screen advertising revenue. Screen advertising revenue is collected through Digital Cinema Media Limited ('DCM'), our joint venture screen advertising business. DCM's primary function is to sell advertising time on cinema screens on behalf of Cineworld Cinemas, Picturehouse and its other clients. It also engages in related promotional work between advertisers and cinemas. Screen advertising revenue generally varies depending on the type of films screened, the minutes and value of advertising sold, the number of attendees who view the film, and the placement of the advertisement in relation to the start time of the film. The nature of the film mix during 2015 had a positive impact on the advertising revenues as it delivered an attractive demographic to advertisers. Also included within Other Income is the online booking fee. The booking fee was re-introduced during 2014 and therefore 2015 has seen the full year impact. The trend of booking online continues to increase, with total online bookings increasing 12.0% year on year.

Central & Eastern Europe ("CEE") and Israel

The combination with Cinema City International N.V. ("Cinema City" or CCI"), a leading cinema business in seven territories across Central & Eastern Europe & Israel completed in the prior period on 28 February 2014. The results for CEE & Israel are included in the Group's consolidated performance and position for the comparative period for the 44 week period ended 1 January 2015.

	52 weeks to 31 December 2015	53 weeks to 1 January 2015	52 week v 53 week	52 week v 52 week
Admissions	42.7m	31.8m	34.3%	11.5%
	£m	£m		%
Box office	139.7	110.5	26.4%	12.9%
Retail	55.5	42.7	30.0%	18.1%
Other Income	44.7	40.7	9.8%	1.3%
Total revenue	239.9	193.9	23.7%	11.7%

The information below represents the pro-forma trading performance of CEE & Israel as if it had been part of the Group for 52 weeks in the prior period. The information is presented on a constant currency basis.

Box Office

The principal income is box office revenue, which is a function of the number of admissions and the ticket price per admission, less sales tax. Admissions and box office revenue in CEE & Israel increased by 11.5% and 12.9% respectively. On a pro-forma basis there was growth in admissions across all territories, with double digit growth achieved in Poland, Romania, Czech Republic and Hungary. Admissions increased in Czech Republic by 19.1% predominantly due to improvements in the local economy and Romania by 15.1% due to our significant expansion, with 38 news screens opened during the period.

The average ticket price increased overall by 1.3%, to £3.27, with increases across all territories apart from the Czech Republic and Slovakia. As with the UK & Ireland the increase in average ticket price was in part due to an inflationary price rise during the period, but also reflective of the film mix and the continued expansion of premium offerings, with a new IMAX screen in Jerusalem (Israel) and four additional 4DX screens opened during the period in, Yes Planet Haifa (Israel), Yes Planet Jerusalem (Israel), Bucharest MegaMall (Romania) and Constanta City Park (Romania).

As with the UK, Hollywood films are popular in CEE & Israel and "Star Wars: The Force Awakes" was one of the top three films in five of the seven CEE & Israel territories. Family films account for a higher proportion of admissions in the region and "Minions" was also a top-three film in a six of the territories. Locally produced films continue to be popular in Poland and the top film in Poland during the period was "Listy Do Movie 2".

Retail

Food and drink sales to our customers are the second most significant source of revenue and represents 23.1% (2014: 22.0%) of the total revenues. Total retail revenues were stronger at £55.5m (2014: 42.7m), an increase of 18.1%.

Retail spend per person increased by 5.7% to £1.30 (2014: £1.23) during the period, with increases achieved across all territories. The greatest increases were achieved in Poland and the Czech Republic and this was predominantly driven by the film mix but also due to operational improvements.

Other income

Other income includes distribution, advertising and other revenues and represents 18.6% (2014: 21.0%) of the total revenues. The Forum Film brand is Cinema City's film distribution business. Forum Film operates across the CEE & Israel region and distributes films on behalf of the major Hollywood studios as well as owning the distribution rights to certain independent movies. Distribution revenues increased by 9.0% on a pro-forma basis, largely driven by key titles in the period which were distributed by Forum Film including "Spectre", "Hunger Games: Mockingjay Part 2" and "Star Wars: The Force Awakens". New Age Media is Cinema City's advertising and sponsorship arm. Revenues in respect of New Age Media decreased compared to the prior period as a result of no longer providing on and off-screen advertising to other cinema chains in the region.

Financial Performance

	52 week period ended 31 December 2015			53 week period ended 1 January 2015
	UK & Ireland	**CEE & Israel**	**Total Group[1]**	Total Group
Admissions	50.9	42.7	**93.6**	82.9m
	£m	£m	**£m**	£m
Box office	311.9	139.7	**451.6**	399.2
Retail	107.2	55.5	**162.7**	141.9
Other Income	46.8	44.7	**91.5**	78.3
Total revenue	465.9	239.9	**705.8**	619.4
EBITDA[2]	95.7	59.6	**155.3**	126.6
Operating profit	71.3	31.8	**103.1**	76.0
Financial income	8.2	0.5	**8.7**	6.6
Financial expense	(11.2)	(0.9)	**(12.1)**	(15.2)
Net financing costs	(3.0)	(0.4)	**(3.4)**	(8.6)
Share of loss from joint venture	-	-	**-**	(0.1)
Profit on ordinary activities before tax	68.3	31.4	**99.7**	67.3
Tax on profit on ordinary activities	(12.9)	(5.5)	**(18.4)**	(12.8)
Profit for the period attributable to equity holders of the Company	55.4	25.9	**81.3**	54.5

(1) Cinema City results consolidated for 44 weeks to 1 January 2015.
(2) EBITDA is defined as reported in the Consolidated Statement of Profit and Loss as Operating profit before depreciation and amortisation, onerous leases and other non-recurring charges, impairments and reversals of impairments, transaction and reorganisation costs, profit on disposals of assets.

The following commentary on the profitability, cash flow and balance sheet focuses on the Group except where stated.

EBITDA and Operating Profit

Group EBITDA was up 22.7% to £155.3m (2014: £126.6m) compared to the prior period which included the ten months results for CEE & Israel.

EBITDA generated by the UK & Ireland increased by 21.4% during the period to £95.7m (2014: £78.8m). Excluding the impact of the 53rd week in the prior period EBITDA increased by 25.1%.The EBITDA margin of 20.5% represented a 2.0 percentage point improvement from 2014, which is largely driven from the overall increase in admissions, improvement in both the average ticket price and spend per person as well as the savings achieved across a number of direct cost lines.

EBITDA generated by the CEE & Israel increased by 24.8% during the period to £59.6m (2014: £47.8m) predominantly a result of being part of the Group for twelve months compared to ten in the prior period, and on a pro-forma basis the EBITDA increased by 9.4%. As the Group operates across nine territories, it is exposed to exchange rate fluctuations. Wherever possible, cash income and expenditure are settled in local currency to mitigate exchange losses. However, there are translation exchange differences arising when presenting the year-on-year performance of CEE & Israel in the reporting currency of the Group. During the period, EBITDA of £155.3m was £5.3m lower than it would have been had it been translated by applying the exchange rates at the start of the year, and £2.4m lower based on the average rate for the comparable 2014 period. The EBITDA margin of 22.0% represents an increase of 1.4 percentage points compared to the prior period.

Operating profit of £103.1m was 35.7% higher than the prior period (2014: £76.0m). Operating profit included a number of non-recurring and non-trade related items that have a net impact of £2.8m (2014: £4.0m). These primarily related to:

- Transaction and reorganisation costs of £1.9m (2014: £6.9m) related to the integration of the two businesses
- A net credit of £1.7m (2014:£1.9m) related to onerous leases and other non-recurring charges which comprised a release in the onerous lease provisions due to improvements in future trading assumptions of £2.0m offset by an increase in the provision for dilapidations of £0.3m.
- Impairments of £9.0m (2014: £1.0m credit) related to the write off of capital expenditure on weaker performing cinema sites, primarily the redevelopment of Picturehouse Central.
- The profit on the disposal of the Cambridge Cineworld cinema of £6.4m (2014: nil).

The total depreciation and amortisation charge (included in administrative expenses) in the period totalled £49.4m (2014: £46.6m). Of this, £25.6m related to depreciation and amortisation in the UK & Ireland (2014: £25.0m) and £23.8m related to depreciation and amortisation in CEE & Israel (2014: £21.6m).

Finance Costs

As part of the combination with Cinema City, the Group entered into a five-year facility in January 2014 which was used to part finance the combination, repay the pre-combination facilities of both Cineworld and Cinema City and fund the general working capital requirements of the Group. The facility included term loans of £165.0m and €132.0m and revolving credit facilities of £75.0m and €60.0m. In June 2015, the first re-payments were made to the term loans, reducing the liabilities to £157.5m and €126.0m.

On 29 July 2015 Cineworld Group plc signed an amendment and extension to its existing banking facility, which was effective immediately upon signing and extends the facility to June 2020. As a result, the term loans were reduced from £157.5m and €126.0m to £130.0m and €63.0m. The Group now also has a revolving credit facility of £190.0m.

The facility remains subject to the existing two covenants: the ratio of EBITDA to net debt and the ratio of EBITDAR (pre-rent EBITDA) to net finance charges. A margin, determined by the results of the covenant tests at a given date is added to LIBOR or EURIBOR. The margins currently applicable to Group are 1.65% on the term loans and 1.40% on the revolving credit facility.

The Group has hedging arrangements in place to mitigate the potential risk of a material impact arising from interest rate fluctuations. At 31 December 2015, the Group had six (2014: six) interest rate swaps, four GBP denominated swaps which hedged 59% (2014: 50%) of the Group's variable rate GBP unsecured term loan, the two remaining Euro denominated swaps hedging 100% (2014:50%) of the Euro denominated unsecured loan. The amendment and extension of the Group's financing during the year did not constitute a break in the existing hedge relationship and the criteria for hedge accounting are still met. As such, movements in the fair values of the swaps in the year have been recognised in the statement of other comprehensive income.

Net financing costs totalled £3.4m during the period (2014: £8.6m) which is a net decrease of £5.2m. Finance income of £8.7m (2014: £6.6m) included net foreign exchange gains of £8.0m (2014: £6.0m) on translation of the Euro term loan at the balance sheet date. £0.3m (2014: £0.3m) related to interest income and £0.4m (2014: £0.3m) related to finance income on assets held by defined benefit pension schemes.

Finance expense of £12.1m (2014: £15.2m) included £9.3m in respect of interest on bank loans and overdrafts (2014: £10.2m), with the decrease being the result of the reduction of the term loans. Other net finance costs of £2.8m (2014: £3.1m) included amortisation of prepaid finance costs of £1.3m (2014:£1.8m), £1.2m (2014:£0.4m) in respect of the unwind of discount and interest charges on property-related leases and £0.3m (2014: £0.9m) of other financial costs.

Taxation

The overall tax charge during the year was £18.4m giving an overall effective tax rate of 18.5% (2014:19.0%). The tax rate during the current period reflects the impact of the tax rates applicable in the different territories in which the Group operates. The corporation tax charge in respect of the current year was £11.2m and the current deferred tax charge was £7.2m, resulting in a current year effective tax rate of 18.5% (2014: 20.3%). The deferred tax charge principally related temporary differences on the recognition of property leasing costs.

Earnings

Profit on ordinary activities after tax in the period was £81.3m, compared to the comparative period (2014: £54.5m). The significant increase is attributable, in part to CEE & Israel being part of the Group for the full period, revenue growth across the Group as well as the cost savings achieved, predominantly in the UK & Ireland.

Basic earnings per share amounted to 30.7p (2014: 22.1p). Eliminating the one-off, non-trade related items described above (totalling £2.8m within operating profit), amortisation of intangibles of £4.2m and net foreign exchange gains of £3.9m), adjusted diluted earnings per share were 31.4p (2014: 24.4p).

Balance Sheet

Overall, net assets have increased by £28.4m, to £534.7m since 1 January 2015. This is largely driven by the reduction in net debt of £36.7m as well as movements in non-current assets of £15.6m driven by the expansion and refurbishments of cinema sites during the year as part of the expansion and renovation programme and movements in other net liabilities of £23.9m.

Cash Flow and Net Debt

The Group continued to be cash generative at the operating level. Total net cash generated from operations in the period was £165.9m (2014: £86.1m).

Net cash spent on capital during the year was £88.6m. Included in this expenditure was £53.0m in relation to the development of new sites, £27.4m in respect of refurbishments and £8.2m on technology.

Net debt decreased to £245.2m at the end of the current year compared to the prior year (2014: £281.9m). The movement was primarily due to the amendment of the Group's banking facilities, with a reduction in the term loans during the period of £72.2m, repayments during the period of the term loans of £25.3m offset by a draw down on the revolving credit facility of £86.0m and bank loans of £3.3m and net cash inflows of £28.5m. Net debt at the period end represented 1.6 times the rolling 12 month EBITDA figure for the Group.

Combination with Cinema City

In the prior period on 10 January 2014, Cineworld Group plc announced the proposed combination with the cinema business of Cinema City International N.V. ("CCI"), by means of an acquisition of the shares in Cinema City Holding B.V. ("CCH"), a subsidiary of CCI. The combination was completed on 28 February 2014. Final cash consideration of £302.6m was part funded by an 8 for 25 Rights Issue which completed on 14 February 2014, raising net funds of £107.2m with the residual cash consideration being funded from the Group's new debt facility. The Group issued to CCI shares in Cineworld Group plc which were valued at £208.0m when the combination completed on 28 February 2014. The consideration shares represented 24.9% of the post-rights issue share capital of the Group.

Board changes

Following nine years of committed service, David Maloney and Peter Williams ceased to be considered independent as Non-Executive Directors, as defined by the UK Corporate Governance Code, and stepped down from the Board at the AGM on 26 May 2015.

At the AGM, Julie Southern and Alicja Kornasiewicz were elected to join the Board as independent Non-Executive Directors. Julie Southern was appointed as the Chair of the Audit Committee, to replace David Maloney.

On 26 May 2015 Rick Senat was appointed as the Senior Independent Director, a position previously held by David Maloney, and Martina King was appointed as the Chair of the Remuneration Committee, succeeding Peter Williams. Fiona Smith, who joined the Company as In House Counsel in 2011, was appointed as Company Secretary and General Counsel, with effect from 30 June 2015.

On 9 June 2015 Philip Bowcock stepped down as Chief Financial Officer. Deputy CEO Israel Greidinger, formerly CFO of Cinema City International before its combination with Cineworld in February 2014, assumed the responsibility of CFO on an interim basis.

Dividends

The Directors are recommending to shareholders for approval a final dividend in respect of the period ended 31 December 2015 of 12.5p per share, which taken together with the interim dividend of 5.0p per share paid in October 2015 equates to a total dividend in respect of 2015 of 17.5p per share (2014:13.5p per share). The record date for the dividend is 10 June 2016 and the payment date is 7 July 2016. Cineworld has increased its dividend every year since the Company was listed in 2007.

By order of the Board

Mooky Greidinger
Chief Executive Officer
10 March 2015

Consolidated Statement of Profit or Loss

for the Period Ended 31 December 2015

	Note	52 week period ended 31 December 2015 £m	53 week period ended 1 January 2015 £m
Revenue	2	705.8	619.4
Cost of sales		(504.3)	(438.9)
Gross profit		201.5	180.5
Other operating income		8.7	2.0
Administrative expenses		(107.1)	(106.5)
Operating profit		103.1	76.0
Analysed between:			
Operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other nonrecurring charges or non-cash property charges, transaction and reorganisation costs and profit on disposals		155.3	126.6
• Depreciation and amortisation		(49.4)	(46.6)
• Onerous leases and other non-recurring charges		1.7	1.9
• Impairments and reversals of impairments		(9.0)	1.0
• Transaction and reorganisation costs		(1.9)	(6.9)
• Profits on disposals of assets classified as held for sale		6.4	-
Finance income	4	8.7	6.6
Finance expenses	4	(12.1)	(15.2)
Net finance costs		(3.4)	(8.6)
Share of loss of jointly controlled entities using equity accounting method, net of tax		-	(0.1)
Profit on ordinary activities before tax		99.7	67.3
Tax charge on profit on ordinary activities	6	(18.4)	(12.8)
Profit for the period attributable to equity holders of the Company		81.3	54.5
Basic earnings per share (pence)	3	30.7	22.1
Diluted earnings per share (pence)	3	30.4	21.9

Consolidated Statement of Other Comprehensive Income

for the Period Ended 31 December 2015

	52 week period ended 31 December 2015 £m	53 week period ended 1 January 2015 £m
Profit for the period attributable to equity holders of the Group	81.3	54.5
Items that will not subsequently be reclassified to profit or loss		
Remeasurement of the defined benefit asset	0.2	1.6
Tax recognised on items that will not be reclassified to profit or loss	-	(0.4)
Items that will subsequently be reclassified to profit or loss		
Movement in fair value of cash flow hedge	1.1	0.8
Net change in fair value of cash flow hedges recycled to profit or loss	-	1.9
Foreign exchange translation loss	(16.9)	(34.1)
Tax recognised on income and expenses to be reclassified to profit or loss	-	0.1
Other comprehensive loss for the period, net of income tax	(15.6)	(30.1)
Total comprehensive income for the period attributable to equity holders of the Group	65.7	24.4

Consolidated Statement of Financial Position

at 31 December 2015

	31 December 2015	1 January 2015
	£m	£m
Non-current assets		
Property, plant and equipment	345.4	297.6
Goodwill	539.3	552.8
Intangible assets	52.5	59.8
Investments in equity-accounted investee	0.6	0.5
Other receivables	6.1	6.0
Employee benefits	10.5	8.6
Deferred tax assets	-	13.5
Total non-current assets	954.4	938.8
Current assets		
Inventories	9.2	7.7
Trade and other receivables	67.8	61.3
Assets classified as held for sale	-	1.5
Cash and cash equivalents	62.5	37.4
Total current assets	139.5	107.9
Total assets	1,093.9	1,046.7
Current liabilities		
Interest-bearing loans, borrowings and other financial liabilities	(15.7)	(24.8)
Trade and other payables	(141.8)	(110.7)
Current taxes payable	(8.4)	(8.5)
Bank overdraft	-	(2.1)
Provisions	(4.7)	(6.6)
Total current liabilities	(170.6)	(152.7)
Non-current liabilities		
Interest-bearing loans, borrowings and other financial liabilities	(292.0)	(292.4)
Other payables	(67.0)	(57.1)
Government grants	(1.8)	(1.8)
Provisions	(18.5)	(21.2)
Employee benefits	(1.3)	(1.0)
Deferred tax liabilities	(8.0)	(14.2)
Total non-current liabilities	(388.6)	(387.7)
Total liabilities	(559.2)	(540.4)
Net assets	534.7	506.3
Equity attributable to equity holders of the Group		
Share capital	2.7	2.6
Share premium	295.7	294.9
Translation reserves	(49.3)	(32.4)
Merger reserve	207.3	207.3
Hedging reserves	0.3	(0.8)
Retained earnings	78.0	34.7
Total equity	534.7	506.3

These financial statements were approved by the Board of Directors on 10 March 2016 and were signed on its behalf by:

Mooky Greidinger
Director

Consolidated Statement of Changes in Equity

at 31 December 2015

	Issued capital £m	Share premium £m	Merger reserve £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Balance at 26 December 2013	1.5	188.2	–	1.7	(1.9)	4.4	193.9
Profit for the period	–	–	–	–	–	54.5	54.5
Amounts reclassified from equity to profit and loss in respect of cash flow hedges	–	–	–	–	1.9	–	1.9
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Remeasurement of the defined benefit asset	–	–	–	–	–	1.6	1.6
Tax recognised on items that will not be reclassified to profit or loss	–	–	–	–	–	(0.4)	(0.4)
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	–	–	–	(34.1)	–	–	(34.1)
Tax recognised on income and expenses recognised directly in equity	–	–	–	–	–	0.1	0.1
Contributions by and distributions to owners							
Dividends	–	–	–	–	–	(26.9)	(26.9)
Movements due to share-based compensation	–	–	–	–	–	1.4	1.4
Issue of shares	1.1	106.7	207.3	–	–	–	315.1
Balance at 1 January 2015	2.6	294.9	207.3	(32.4)	(0.8)	34.7	506.3
Profit for the period	–	–	–	–	–	81.3	81.3
Other comprehensive income							
Items that will not subsequently be reclassified to profit or loss							
Remeasurement of the defined benefit asset	–	–	–	–	–	0.2	0.2
Tax recognised on items that will not be reclassified to profit or loss	–	–	–	–	–	–	–
Items that will subsequently be reclassified to profit or loss							
Movement in fair value of cash flow hedge	–	–	–	–	1.1	–	1.1
Retranslation of foreign currency denominated subsidiaries	–	–	–	(16.9)	–	–	(16.9)
Tax recognised on income and expenses recognised directly in equity	–	–	–	–	–	–	–
Contributions by and distributions to owners							
Dividends	–	–	–	–	–	(39.0)	(39.0)
Movements due to share-based compensation	–	–	–	–	–	0.8	0.8
Issue of shares	0.1	0.8	–	–	–	–	0.9
Balance at 31 December 2015	**2.7**	**295.7**	**207.3**	**(49.3)**	**0.3**	**78.0**	**534.7**

Consolidated Statement of Cash Flows

for the Period Ended 31 December 2015

	52 week period ended 31 December 2015 £m	53 week period ended 1 January 2015 £m
Cash flow from operating activities		
Profit for the period	81.3	54.5
Adjustments for:		
Financial income	(8.7)	(6.6)
Financial expense	12.1	13.3
Net change in fair value of cash flow hedges reclassified from equity	-	1.9
Taxation	18.4	12.8
Share of loss of equity-accounted investee	-	0.1
Operating profit	103.1	76.0
Depreciation and amortisation	49.4	46.6
Non-cash property charges	(5.7)	(2.5)
Impairments and reversals of impairments	9.0	(1.0)
Surplus of pension contributions over current service cost	(1.6)	(1.6)
Increase in trade and other receivables	(8.3)	(3.4)
Increase in inventories	(1.5)	(0.8)
Increase/(decrease) in trade and other payables	32.1	(7.0)
Decrease in provisions and employee benefit obligations	(0.2)	(8.1)
Cash generated from operations	176.3	98.2
Tax paid	(10.4)	(12.1)
Net cash flows from operating activities	165.9	86.1
Cash flows from investing activities		
Interest received	0.3	0.2
Acquisition of subsidiaries net of acquired cash	-	(278.5)
Acquisition of property, plant and equipment	(88.6)	(48.1)
Proceeds from disposal of property, plant and equipment	8.0	0.7
Net cash flows from investing activities	(80.3)	(325.7)
Cash flows from financing activities		
Proceeds from share issue	0.9	107.4
Dividends paid to shareholders	(39.0)	(26.9)
Interest paid	(9.4)	(10.4)
Repayment of bank loans	(98.6)	(202.2)
Proceeds from bank loans	89.3	392.9
Payment of finance lease liabilities	(0.9)	(0.7)
Net cash from financing activities	(57.7)	260.1
Net increase in cash and cash equivalents	27.9	20.5
Exchange (losses) on cash and cash equivalents	(2.8)	(2.1)
Cash and cash equivalents at start of period	37.4	19.0
Cash and cash equivalents at end of period	62.5	37.4

Notes to the Consolidated Financial Statements
(Forming part of the Financial Statements)

1. Accounting policies

Basis of Preparation
The financial information presented has been prepared applying the accounting policies and presentation that was applied in the preparation of the Company's consolidated financial statement for the 52 week period ended 31 December 2015 and are not the Company's statutory accounts.

The comparative figures for the 53 week period ended 1 January 2015 are not the Company's statutory accounts for that 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

In 2014 the combination with Cinema City Holdings B.V. led to the Group Board (the "CODM") realigning its management information. This change gave rise to the inclusion of the additional operating segment, Central and Eastern Europe and Israel ("CEE & Israel"). During 2015, following the completion of the review by the Competition and Markets Authority on the acquisition of Picturehouse, Picturehouse has now been integrated into the wider UK business. As such the performance of Cineworld and Picturehouse is now reported together as "UK & Ireland". The Group now has therefore determined that is has two operating segments: UK & Ireland and Central and Eastern Europe and Israel (CEE & Israel).

	UK & Ireland £m	CEE & Israel £m	Total £m
52 weeks to 31 December 2015			
Total revenues(1)	465.9	239.9	705.8
EBITDA	95.7	59.6	155.3
Segmental operating profit	71.3	31.8	103.1
Net finance costs	(3.0)	(0.4)	(3.4)
Depreciation and amortisation	25.6	23.8	49.4
Profit before tax	**68.3**	**31.4**	**99.7**
Non-current asset additions – property, plant and equipment	57.7	41.9	99.6
Non-current asset additions – intangible assets	-	5.0	5.0
Investment in equity accounted investee	0.6	-	0.6
Non-current asset – goodwill	236.2	303.1	539.3
Onerous leases and other non-recurring charges	(1.6)	(0.1)	(1.7)
Impairments and reversals of impairments	6.3	2.7	9.0
Transaction and reorganisation costs	1.7	0.2	1.9
Segmental total assets	**519.4**	**574.6**	**1,093.9**
53 weeks to 1 January 2015			
Total revenues(1)	425.3	194.1	619.4
EBITDA	78.8	47.8	126.6
Segmental operating profit	47.4	28.6	76.0
Net finance costs	(7.6)	(1.0)	(8.6)
Depreciation and amortisation	25.0	21.6	46.6
Share of loss of jointly controlled entities using equity method, net of tax	(0.1)	–	(0.1)
Profit before tax	**39.7**	**27.6**	**67.3**
Non-current asset additions – property, plant and equipment	29.5	155.4	184.9
Non-current asset additions – goodwill	–	336.3	336.3
Non-current asset additions – intangible assets	–	57.1	57.1
Investment in equity accounted investee	0.5	–	0.5
Non-current asset – goodwill	236.2	316.6	552.8
Onerous leases and other non-recurring charges	(1.5)	(0.4)	(1.9)
Impairments and reversals of impairments	(1.0)	–	(1.0)
Transaction and reorganisation costs	6.9	–	6.9
Segmental total assets	**489.7**	**557.0**	**1046.7**

(1) All revenues were received from third parties.

Entity Wide Disclosures

Revenue by country	52 week period ended 31 December 2015 Total £m	53 week period ended 1 January 2015 Total £m
United Kingdom & Ireland	465.9	425.5
Israel	52.0	36.4
Poland	78.0	70.8
Bulgaria	11.0	9.1
Romania	30.3	23.1
Hungary	39.0	30.6
Slovakia	6.7	6.2
Czech Republic	22.9	17.7
Total revenue	705.8	619.4

UK & Ireland

Revenue by product and service provided	52 week period ended 31 December 2015 Total £m	53 week period ended 1 January 2015 Total £m
Box office	311.9	288.7
Retail	107.2	99.2
Other	46.8	37.6
Total revenue	465.9	425.5

CEE & Israel

Revenue by product and service provided	52 week period ended 31 December 2015 Total £m	53 week period ended 1 January 2015 Total £m
Box office	139.7	110.5
Retail	55.5	42.7
Other	44.7	40.7
Total revenue	239.9	193.9

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 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 impact of foreign exchange gains and losses recognised on the translation of results generated in currencies other than the Group's reporting currency and other one-off income or expense and then adjusting for the tax impact on those items which is calculated at the effective tax rate for the current period. The performance of adjusted earnings per share is used to determine awards to Executive Directors under the Group Performance Share Plan ("PSP"). Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by weighted average number of any non-vested ordinary shares held by the employee share ownership trust and after adjusting for the effects of dilutive options.

	52 week period ended 31 December 2015 £m	53 week period ended 1 January 2015 £m
Earnings attributable to ordinary shareholders	81.3	54.5
Adjustments:		
Amortisation of intangible assets(1)	4.2	5.4
Transaction and reorganisation costs	1.9	6.9
Impairments and reversals of impairments	9.0	(1.0)
Onerous lease cost and other non-recurring charges	(1.7)	(1.9)
Exceptional finance charges(2)	-	2.6
Impact of foreign exchange translation gains and losses(3)	(3.9)	(4.3)
Profit on disposal of assets classified as held for sale	(6.4)	-
Adjusted earnings	84.4	62.2
Tax effect of above items	(0.6)	(1.0)
Adjusted profit after tax	83.8	61.2

	52 week period ended 31 December 2015 Number of shares (m)	53 week period ended 1 January 2015 Number of shares (m)
Weighted average number of shares in issue	264.7	246.3
Basic and adjusted earnings per share denominator	264.7	246.3
Dilutive options	2.5	2.4
Diluted earnings per share denominator	267.2	248.7
Shares in issue at period end	267.2	263.9

	Pence	Pence
Basic earnings per share	30.7	22.1
Diluted earnings per share	30.4	21.9
Adjusted basic earnings per share (rights adjusted)(4)	31.7	24.6
Adjusted diluted earnings per share (rights adjusted)(4)	31.4	24.4

(1) Amortisation of intangible assets includes amortisation of the fair value placed on brands, customer lists, distribution relationships, and advertising relationships as a result of the Picturehouse acquisition and Cinema City business combination. It does not include amortisation of purchased distribution rights (which totalled £6.5m (2014: £3.9m)).
(2) Exceptional finance charges of £2.6m in 2014 included £1.9m in respect of the net change in fair value of cash flow hedges reclassified from equity and the write off of £0.7m prepaid finance costs in respect of the Group's old debt facilities, no such charges were incurred in 2015.
(3) Net foreign exchange gain included within earnings comprises of £7.7m foreign exchange gain recognised on translation of the Euro term loan at 31 December 2015 and £3.8m foreign exchange losses recognised on translating overseas operations into the reporting currency of the Group.
(4) The 2014 adjusted basic and diluted earnings per share have been adjusted for the first 48 days of the period to take into account of the rights issue of 8 for 25 shares on 14 February 2014.

4. Finance Income and Expense

	52 week period ended 31 December 2015 £m	53 week period ended 1 January 2015 £m
Interest income	0.3	0.3
Net foreign exchange gain	8.0	6.0
Defined benefit pension scheme net finance income	0.4	0.3
Finance income	8.7	6.6
Interest expense on bank loans and overdrafts	9.3	10.2
Amortisation of financing costs	1.3	1.8
Unwind of discount on onerous lease provision	0.8	1.2
Unwind of discount on market rent provision	0.4	(0.7)
Interest charge as a result of change in discount rate relating to onerous lease provisions	-	(0.1)
Other financial costs	0.3	0.9
Finance expense	12.1	13.3
Amounts reclassified from equity to profit or loss in respect settled of cash flow hedges	-	1.9
Total finance expenses	12.1	15.2
Net finance costs	3.4	8.6

Recognised Within Other Comprehensive Income

	52 week period ended 31 December 2015 £m	53 week period ended 1 January 2015 £m
Movement in fair value of interest rate swap	1.1	0.8
Foreign exchange translation (loss)	(16.9)	(34.1)
Finance expense	(15.8)	(33.3)

5. Dividends

The following dividends were recognised during the period:

	2015 £m	2014 £m
Interim	13.3	10.0
Final (for the preceding period)	25.7	16.9
	39.0	26.9

An interim dividend of 5.0p per share was paid on 2 October 2015 to ordinary shareholders (2014: 2.8p). The Board has proposed a final dividend of 12.5p per share, which will result in total cash payable of approximately £33.2m on 7 July 2016. In accordance with IAS10 this had not been recognised as a liability at 31 December 2015.

6. Taxation

Recognised in the Income Statement

	52 week period ended 31 December 2015 £m	53 week period ended 1 January 2015 £m
Current tax expense		
Current year	8.8	13.7
Adjustments in respect of prior years	-	(0.1)
Total current tax expense	8.8	13.6
Deferred tax expense		
Current year	9.6	–
Adjustments in respect of prior years	-	(0.8)
Total tax charge in income statement	18.4	12.8
Effective tax rate	18.5%	19.0%
Current year effective tax rate	18.5%	20.3%

7. 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.

	31 December 2015 £m	1 January 2015 £m
Non-current liabilities		
Interest rate swaps	0.6	1.8
Unsecured bank loan, less issue costs of debt to be amortised	285.3	283.9
Liabilities under finance leases	6.1	6.7
	292.0	292.4
Current liabilities		
Interest rate swaps	1.0	0.9
Unsecured bank loans, less issue costs of debt to be amortised	14.0	23.2
Liabilities under finance leases	0.7	0.7
	15.7	24.8

8. Analysis of Net Debt

	Cash at bank and in hand £m	Bank overdraft £m	Bank loans £m	Finance leases £m	Interest rate swap £m	Net debt £m
At 26 December 2013	19.0	–	(122.7)	(6.7)	(1.9)	(112.3)
Acquisition of subsidiary undertakings	24.1	–	–	(0.7)	–	23.4
Cash flows	(3.6)	(2.1)	(188.6)	0.7	–	(193.6)
Non-cash movement	–	–	(1.8)	(0.7)	(0.8)	(3.3)
Effect of movement in foreign exchange rates	(2.1)	–	6.0	–	–	3.9
At 1 January 2015	37.4	(2.1)	(307.1)	(7.4)	(2.7)	(281.9)
Cash flows	27.9	2.1	1.9	1.0	–	39.2
Non-cash movement	–	–	(1.8)	(0.4)	1.1	(7.4)
Effect of movement in foreign exchange rates	(2.8)	–	7.7	–	–	4.9
At 31 December 2015	62.5	–	(299.3)	(6.8)	(1.6)	(245.2)

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

9. Capital Commitments

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

	31 December 2015 £m	1 January 2015 £m
Contracted	35.0	31.9

Capital commitments at the end of the current and preceding financial period relate to new sites.

10. Related Parties

The compensation of 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 31 December 2015				
Total compensation for Directors	3,973	-	260	4,233

	Salary and fees including bonus £000	Compensation for loss of office £000	Pension contributions £000	Total £000
53 weeks ended 1 January 2015				
Total compensation for Directors	2,341	89	252	2,682

Share-based compensation benefit charges for Directors was £0.9m in 2015 (2014: £0.4m).

Other Related Party Transactions

Digital Cinema Media Limited ("DCM") is a joint venture between the Group and Odeon Cinemas Holdings Limited set up on 10 July 2008. Revenue receivable from DCM in the 52 week period ending 31 December 2015 totalled £18.4m (2014: £15.6m) and as at 31 December 2015 £nil (2014: £nil) was due from DCM in respect of receivables. In addition the Group has a working capital loan outstanding from DCM of £0.5m (2014: £0.5m).

During the year the Group was charged expenses of £6.9m by companies under the ownership of Global City Holdings N.V. ("GCH"), considered a related party of Group as Mooky Greidinger and Israel Greidinger are Directors of both groups.

11. Risk and uncertainties

Operating as a cinema chain across nine different territories presents a number of risks and uncertainties which continue to be the focus of the Board's ongoing attention. Cineworld's approach to risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore, where possible, the Group have implemented mitigation strategies to reduce the overall risk exposure in line with the Board's risk appetite.

Risk management has continued to evolve across the Group, building on the introduction of a revised Risk Management Framework in 2014. The 2015 focus has been on embedding, through training and communication, the Cineworld approach into the culture and behaviour of how the Group operates to ensure risk is considered at all levels.

This has been supported by a programme of on-going monitoring and reporting that has been undertaken to ensure the risk profile remains up-to-date, reflecting the current risk exposure and driving control improvement activity.

The Board considers it has undertaken a robust assessment of the principal risks facing the Group during the year, including those that would threaten its business model, future performance, solvency and liquidity.

Principal Risk and impact	Example mitigation
Technology and Data Control The Group continues to grow in its reliance on IT systems and data. From online ticket sales to managing financial information and everything in between, the Group is reliant on its IT systems remaining operational and secure. Therefore, any critical system interruption for a sustained period could have a significant impact on the Group's performance. In addition, any breach (cyber or otherwise) of data protection rules or security measures surrounding the storage of confidential and proprietary information (including movie content) could result in unauthorised access, loss or disclosure of this information. This would then lead to claims, regulatory penalties, disruption of operations of the Group and ultimately reputational damage.	The Group IT function monitors, manages and optimises our systems, including ensuring their resilience through regular back-ups and implementing security measures. Additional external experts are employed where necessary to oversee, and help manage, major projects involving the upgrading or replacement of key systems. The Group continually reviews its approach to information security, specifically controlling the sensitive data it holds through restricted access. A specific focus is on being fully compliant with Payment Card Industry – Data Security Standards.
Availability and Performance of Film Content Underpinning the overall success of the Group is the quality of the distributors' film slates, the timeliness of their release and the appeal of such films to our customers. Where the film distributors do not produce the level of expected films, or films underperform, this has a direct impact on cinema attendance and, therefore, the principal box office revenue for the Group may decline. Economic factors in terms of the availability of capital for financing film productions can also have an impact on the supply of films and/or their production.	We work closely with the film distributors to understand as early as possible the upcoming film slate and, therefore, forecast likely film performance. Although access to the latest Hollywood film slate is reliant on our partnership with the large film distributors, the Cineworld Group strategy is to have access to a wide range of films over and above the traditional Hollywood blockbusters. This allows us to reduce our overall exposure to reduced attendance by meeting specific local area demand for type and content of films shown. The operating flexibility of having digital projection technology available in all our cinemas continues to be a key strategy that has enhanced the capacity utilisation of the Group. Digital film content can be easily moved to and from auditoriums in our cinemas to maximise admissions.
Expansion and Growth of Our Cinema Estate Our estate growth is dependent on our ability to effectively expand operations through the development of new sites or acquiring existing cinemas. Planning laws, the economic environment, availability of capital for developers and location choice are some of the factors that may impact the Group's development and growth initiatives. This is particularly heightened if the Group continues to expand in emerging markets as the risk of doing business in these regions is higher.	The Group devotes a considerable amount of time assessing new site opportunities and this, along with further acquisitions, is a key part of our future growth strategy. We also focus a significant amount of time and effort on maintaining good relationships with potential key partners. This allows us to be aware of the availability of space in new developments and to ensure factors such as local planning laws and demographic changes are continually understood and monitored. Board approval is obtained for all new sites and significant refurbishments.
Viewer Experience and Competition Although cinema admissions are predominantly driven by the quality and availability of movie product, ensuring that the Group continually aims to enhance the viewer experience through the quality of the products and services offered is also key to our focus of being the cinema of choice. Any decrease in the quality of the services we offer, from the ease of booking, the technology we use, to a friendly farewell on departure, could result in loss of our customers to competitors and/or other leisure/entertainment attractions. Furthermore, the continuing development of existing and new technology (such as 3D television and internet streaming) is also introducing increasing competitive forces as they offer alternative ways to release films.	Our strategy is focused on continually improving the quality of services we offer to customers. This includes enhancing our approach to online booking, removing clutter from our foyers, investing in technical innovation and premium offerings (4DX and other large screen formats), upgrading our seating options and improving our retail offers. The customer interaction with the Group outside of the cinema environment is also important. We have continued to enhance our subscription and membership programs to offer added value though offers and information.
Revenue from Retail /Concession Offerings Retail/concession sales generally fluctuate in line with admissions, therefore, if admissions were to fall, revenue from retail sales could decrease. Retail spend may also decrease due to changes in customer preferences, decreased disposable income or other economic and cultural factors. In addition, the price of items such as energy and foodstuffs has a direct impact on costs. The ability of the Group to understand and react quickly to the changing customer need is a key part to maintaining and increasing this revenue effectively.	A key strategy for the Group is to maintain a strong relationship with our principal retail suppliers as this allows us to work with them to enhance our ability to continually run targeted promotions as well as bringing in differing ranges of products to meet changing customer demand. The introduction of using franchising models for some of our key suppliers has also been a key way of enhancing our range of offerings.

Cinema operations Operating our cinemas well is pivotal to the overall success of the Group. Key to this, is to ensure that management understand their local market (film scheduling, pricing and retail offerings), effectively manage their employees, maintain service standards, and are able to react to incidents should they occur. A reduction in performance in any area, can have a direct effect on the overall, viewer experience, reputation of the cinema's and ultimately the Group's financial performance.	Cinema management continually monitor their staffing requirements, making adjustments to scheduling based on customer demand, forecasts and film scheduling. On a monthly basis detailed operational and financial reviews are undertaken by cinema management teams to ensure performance matches expected targets.
Regulatory Breach The Group's business and operations are affected by regulations covering such matters as planning, the environment, health and safety (cinemas and construction sites), licensing, food and drink retailing, data protection and the minimum wage. Failure to ensure ongoing compliance with regulation/legislation could result in fines and/or suspension of the activity or (in very extreme circumstances) entire business operation.	Management operate an ongoing cinema compliance programme which is then supplemented by a programme of independent assurance reviews and support from external advisers where appropriate on compliance verification. Our Group support functions use a combination of ongoing staff development as well as updates from professional advisers to ensure the Group is aware of the latest regulations in key areas.
Strategy and Performance Even with the relative simplicity of the Cineworld business, delivery of our long-term objectives requires effective setting, communicating, monitoring and executing a clear strategy.	A Governance structure is in place that supports effective strategy development as well as on-going reporting and monitoring of business performance on a daily, weekly, monthly, quarterly and annual basis.
Retention and Attraction of Senior Management and Key Employees The Group's performance and its ability to mitigate significant risks within its control depend on its employees and management teams. Therefore, reliance is placed on the Group's ability to recruit, develop and retain senior management and other key employees. If the Group loses key people this is likely to have a direct impact on its ability to deliver business objectives.	The Group uses a variety of techniques to attract, retain and motivate its staff, with particular attention on those in key roles to help ensure the long-term success of the Group. These techniques include the regular review of remuneration packages, share incentive schemes, training, regular communication with staff and an annual performance review process. As an overall approach we focus on internal promotion where possible. Where employees have the right mix of skills and experience there are many ways for them to further their career within the Group.
Governance and Internal Control Maintaining corporate governance standards and an effective and efficient risk management and internal control system proportionate to the needs of the Group is a key part of our short and long term success. Any systematic failure and/or weaknesses in this environment (financial and non-financial) could have a fundamental and direct impact on the efficient and effective operations of the Group.	The Group uses various mechanisms to support the implementation and monitor the effectiveness of controls. These include: • Implementation of the Group Risk Management Framework; • Ongoing self assessment process for monitoring cinema compliance and financial control standards; • Work of internal auditors; • Regular consultation and advice from external advisers; • A risk based cinema compliance and financial control audit programme; • The delivery of targeted risk based internal audit reviews; and • The use of technology for live forensic monitoring.
Terrorism and Civil Unrest Cinema businesses could be affected by civil unrest or terrorist acts/threats, resulting in the public avoiding going to the cinemas. This could be due to incidents in the locations in which the Group operates, such as Israel or in other areas, that increase general unease in the locations in which it operates. The Group may additionally be subject to an increased risk of boycott, targeted civil unrest or terrorist action/threat as a result of operating in and being linked to certain countries or types of film. This could adversely impact the results of operations and the financial performance of the Group.	We receive communications from relevant government authorities and law enforcement agencies which keep us informed and allow us, when needed, to monitor any potential impact external events could have on the security of our cinema estate. Business continuity and disaster recovery plans are in place to ensure that we can react appropriately should an incident occur at a Group site and appropriate insurance is in place to mitigate the financial consequences.

12. 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 31 December 2015, 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.

13. Annual Report and Accounts and Annual General Meeting

The 2015 Annual Report and Accounts and Notice of the General Meeting will be posted to shareholders and published on the Group's website at www.cineworldplc.com in April. The Annual General Meeting is to be held on 19 May 2016.