7 March 2013

CINEWORLD GROUP plc

Cineworld Group plc ("Cineworld", the "Company" or "the Group") is pleased to announce its results for the 52 weeks ended 27 December 2012.

Highlights 2012

A more detailed review is included in the Financial Performance section of this statement.

	Group including Picturehouse[2]		Group excluding Picturehouse		
	2012	vs 2011	2012		2011
	52 weeks		52 weeks		52 weeks
Group revenue	£358.7m	+3.1%	£356.2m	+2.4%	£348.0m
EBITDA[1]	£67.1m	+6.0%	£66.6m	+5.2%	£63.3m
Profit before tax	£38.5m	+15.3%			£33.4m
Profit before tax pre exceptional items	£38.9m	+7.2%			£36.3m
Diluted EPS	19.1p	+14.4%			16.7p
Adjusted pro-forma diluted EPS	21.2p	+10.4%			19.2p
Proposed final dividend	8.0p	+8.1%			7.4p
Proposed full year dividend	11.8p	+7.3%			11.0p

Other key highlights for Cineworld Cinemas (excluding Picturehouse)

- Cineworld Cinemas' box office market share of 24.7% (2011: 24.8%) in UK and Ireland (Rentrak/EDI).
- Cineworld Cinemas' box office up 3.9% at £251.6m against 2011;
- Admissions 1.0% lower than 2011 at 47.8m;
- Average ticket price per admission up 5.0% to £5.26 (2011: £5.01) with higher average retail spend per person at £1.72 (2011: £1.69);
- Acquisition of the Picturehouse Group of cinemas on 6 December for £47.3m;
- Opening of a new seven screen cinema at Aldershot;
- Digital conversion fully completed during summer 2012;
- IMAX screens increased to eight cinemas

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

"I am delighted with the overall progress made in 2012, with revenues up and a strong increase in profits, with adjusted EPS up 10.4% from 2011. As a result, we are proposing a full year dividend of 11.8p, an increase of 7.3%. It has been a busy year for us: we completed the conversion of our projection estate to digital, opened a new seven screen cinema in Aldershot and expanded the IMAX screen concept to eight cinemas. The culmination of the year's activity was the acquisition of Picturehouse. Picturehouse is an exciting, complementary brand which operates in a separate market to Cineworld's Cinemas and brings further growth opportunities to the Group."

"The new year has started well and in line with our expectations. There is an attractive release schedule for the year which we expect to play well with our differentiated programming strategy. In addition, there is little in the way of major events to distract cinema goers. We remain on track to open four new cinemas: a nine screen cinema in Wembley, a six screen cinema in St Neots, a new ten screen cinema replacing our existing cinema in Gloucester and we have reached an agreement to take over the IMAX cinema at the Glasgow Science Centre. Together with the strong film schedule these will help maintain our strong market position and underpin growth in 2013."

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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.

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

[2]Picturehouse results consolidated for 22 days covering 6 December 2012 to 27 December 2012

Chairman's Statement

I am pleased to report that the Group delivered a satisfactory year of trading in 2012 particularly against a background of significant public events which adversely affected cinema attendance namely the Queen's Diamond Jubilee celebrations, the European football championships and the London Olympics.

Our gross UK and Ireland box office market share was 24.7%, according to Rentrak/EDI which was a credible result in a market which saw some consolidation of smaller cinema operators by our main competitors. It is a clear demonstration of the success of our efforts to increase the competitiveness of our film and retail offers, our pricing and the comfort and accessibility of our cinemas.

It was a busy year for the Group in the execution of our growth strategy and investment activities. We successfully completed the conversion of our estate to digital projectors, opened a new seven screen cinema in Aldershot on 26 October on schedule and we expanded our IMAX screen to 8 locations. Our focus on the customer and the cinema experience remains as important as ever and forms a significant part of our Customer First strategy. During the year, Cineworld was the first major cinema operator to abolish booking fees and it also launched a 10% reduction in the price of tickets booked online through MyCineworld. Our Unlimited subscription programme continued to expand and still remains, a unique offering in UK and Ireland.

The most significant event of the year was the successful acquisition of Picturehouse on 6 December. The Picturehouse cinemas are characterised by their individual and often unique styles and they appeal to a more mature audience with a different retail offering and film choice. It operates in a different market segment from that of Cineworld Cinemas and has the potential to grow under its own brand and separate management. There are opportunities to share best practices across retail, operations and film programming activities. I am very excited by the potential growth prospects for the Group and I would like to welcome Lyn Goleby, Picturehouse's Managing Director, and her management team to the Group.

It is therefore a pleasure to report that the Board has proposed a 7.3% increase in the full year dividend for 2012 to 11.8p, which continues the year on year growth in dividends every year since 2008. This is an achievement of which we are particularly proud, more especially as it has taken place in challenging economic times. Notwithstanding the increased dividend proposal and the Picturehouse acquisition, the balance sheet remains strong.

The Board remains committed to maintaining a strong culture of governance throughout the whole organisation. We continue to take note of issues concerning the environment, remuneration, gender and diversity and health and safety and where appropriate to review our practices accordingly.

Tom McGrath has decided to step down at the Annual General Meeting on 15 May 2013 and not stand for re-election. He has been a Non-Executive Director since May 2005 and has made a significant contribution since that time, particularly keeping the Board up to date on developments in the film and cinema industry in the US. He is Chairman of the Nomination Committee, a role that Rick Senat will fill going forward.

We believe that the economic and financial challenges will continue during 2013 and that the competitive landscape will remain tough. We will strive to continually improve what we offer to our customers and to make Cineworld's and Picturehouse's cinemas the consumer's choice. There are attractive growth prospects for both chains. Cineworld Cinemas has a strong pipeline of new multiplex cinemas over the next five years and in 2013 plans to open four new cinemas at Wembley, St Neots, Gloucester and Glasgow Science Centre. Picturehouse gives the Group further growth opportunities and adds to my optimism about the future prospects of the Group.

On behalf of the Board, I would like to thank our management and our employees for their hard work and achievements. Our people continue to demonstrate a high degree of motivation and passion for the business and for delivering success. The Group has a successful business model that has proven itself over successive years and which has delivered a strong financial and competitive position. I will be working with management and staff to move the business forward and look forward to reporting continued growth to you, our shareholders.

Anthony Bloom
Chairman
7 March 2013

Chief Executive and Chief Financial Officers' Business Review

Performance Overview

	52 week period ended 27 December 2012			52 week period ended 29 December 2011
	Total Group	Picturehouse	Cineworld	Total
	Total	Total	Total	Total
Admissions	48.0m	0.2m	47.8m	48.3m
	£m	£m	£m	£m
Box office	252.6	1.0	251.6	242.1
Retail	82.8	0.5	82.3	81.6
Other Income	23.3	1.0	22.3	24.3
Total revenue	358.7	2.5	356.2	348.0

As City Screens Limited and its subsidiaries ("Picturehouse") only became part of the Group on 6 December 2012 and therefore was consolidated for the final 22 days of 2012, the following commentary focuses primarily on the performance and activities of the Cineworld Group excluding Picturehouse, except where stated.

Total revenue in 2012 was £356.2m an increase of 2.4% on the prior year (2011: £348.0m). Cineworld's box office increased 3.9% to £251.6m. Average ticket price per admission increased by 5.0% to £5.26 (2011: £5.01) whilst total retail revenues of £82.3m were marginally ahead of the previous year (2011: £81.6m). Other revenues fell by 8.2% to £22.3m (2011: £24.3m).

Cineworld's box office market share in the combined UK and Irish market was 24.7% (2011: 24.8%) making it the second largest cinema operator in the UK and Ireland, whilst it remained the largest operator in the UK with a box office market share of 25.9% (2011: 26.1%). (All market data supplied from Rentrak/EDI). Cineworld's admissions were 0.5m or 1.0% less than the prior year.

Box Office

The principal income for Cineworld is box office revenues. Marginally lower admissions in the year combined with a better average ticket price contributed to a 3.9% increase in box office sales to £251.6m. This equated to a 2.2% increase on a gross box office basis (inclusive of VAT); whilst the UK and Ireland cinema industry as a whole was up 2.8% against the previous financial year (Source: Rentrak/EDI).

The average ticket price per admission increased by 5.0% to £5.26 (2011: £5.01). This increase resulted in part from annual price increases and a higher proportion of adults being admitted at full price, reflecting the film mix. These factors were partly offset by a lower level of 3D business, a similar level of take up of concessionary and discounted tickets and the 10% discount on tickets booked online via MyCineworld which was introduced in March 2012. The average net ticket price (excluding VAT) of 3D was £6.74 compared to 2D of £4.78. Cineworld continued to offer its customers good value with the lowest average ticket price of any of the major UK cinema groups. In the current economic climate there remained a notable proportion of customers who took advantage of our lower mid week ticket prices. In 2012 approximately 26.5% of admissions were for Tuesday and Wednesday performances (2011: 27.5%)

The outstanding film of 2012 was "Skyfall", which to date has grossed in excess of £100m. Alongside "Skyfall", "The Dark Knight Rises" and "Marvel Avengers Assemble" were the two other films which exceeded £50m each in the UK and Ireland box office. There were also strong performances from blockbusters such as "The Hobbit: An Unexpected Journey", "Twilight Saga: Breaking Dawn – Part 2", "Ted" and "Ice Age: Continental Drift", which all performed above or in line with industry expectations. Excluding Picturehouse, Cineworld largely maintained its box office market share in the UK in 2012. This was despite the acquisitions of cinemas by both Odeon and Vue in the year and the dominance of blockbuster films which traditionally favour the programming strategies of Cineworld's main competitors. 3D films continued to contribute a sizeable proportion of overall film business with 37 films released in 3D the same number as in 2011. The 3D format continued to remain popular, although some value-seeking customers and particularly families, had a preference for the 2D format. Film studios continue to be selective over what films are released in the 3D format, concentrating on proven themes involving action, fantasy and animation and appealing to the older teenage and young adult audience. This is resulting in the number of 3D titles and the proportion of national box office stabilising at 22% (2011: 23%). The most notable 3D films in 2012, and examples of this trend, were "Marvel Avengers Assemble", "Ice Age: Continental Drift" and "The Amazing Spider-Man".

We remained true to our strategy of offering customers the broadest range of films on the market. There were a number of smaller and mid range films that performed well during the year including: "End of Watch", "Katy Perry: Part of Me", and "Cabin in the Woods". As is to be expected, because of our film programming strategy, we achieved higher individual market shares on these films than our overall market average. We also remained the biggest exhibitor of Bollywood films in the UK with a market share in excess of 50%. Popularity of this genre remains high with films such as "Jab Tak Hai Jaan" and "Ek Tha Tiger" released during the year. In addition, other specialised and foreign language films were played, such as "The Raid". We were also the exclusive UK exhibitor for some Polish titles.

Alternative Content

We continued to make good progress during the year in developing our alternative content offering which has been made possible by our digital conversion programme. In the field of the performing arts, our core live opera and theatre product came from the New York Metropolitan Opera, The National Theatre and The Royal Opera House, all of which were well attended. Cineworld Cinemas also showed some operatic performances from Glyndebourne during the year for which Picturehouse acted as distributor. As a one-off event, the men's and women's singles finals of the tennis at Wimbledon were shown again live in 3D and we also showed live boxing. Looking forward, we will be trialling a variety of live events from The Comedy Store season to a live tour of the Pompeii exhibition at the British Museum and now have the technical capability to screen other live events at short notice. The scope of alternative content is expanding though it remains a niche offering and a relatively small contributor to box office revenues.

Retail

Food and drink sales to our customers are the second most important source of revenue and represent 23% of total revenues. Total retail revenues were marginally better at £82.3m (2011: £81.6m).

Net retail spend per person improved 1.8% in the year to £1.72 (2011: £1.69) reflecting the targeted promotions and the film slate. As expected, our customers remained highly value conscious given the tough consumer environment and we successfully responded with a series of value initiatives such as the "Bargain Tuesday/Orange Wednesday Combo" and the "Family Combo" offers as well as the "Christmas Gift Box". We introduced discounts of 10% for Unlimited subscribers with 25% discounts on most products for all premium members (those with more than 12 month's membership). We also ran a number of successful partnership initiatives with suppliers involving special price deals and product sampling.

During the year we made progress in developing our coffee offer. At the end of March we opened a full Starbucks coffee franchise at our Sheffield cinema and a second franchise at our Crawley cinema in November. Both outlets have traded above expectations and continue to grow revenues. As a result we have plans to provide Starbucks coffee in more locations in 2013 through a varied range of offers from full franchises to single counter service offers.

Other Income

Other Income includes all other revenue streams outside box office and retail and represents about 6.3% of total revenues. It fell 8.2% to £22.3m (2011: £24.3m).

The largest single element of Other Income is screen advertising revenue. Trading at Digital Cinema Media Limited ("DCM"), our joint venture screen advertising business formed in July 2008, was marginally better than the previous year but continued to reflect the difficult trading environment within the wider advertising industry. The final quarter of the year benefitted significantly from the advertising opportunities from "Skyfall".

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. The management team at DCM has been driving operational efficiencies and effectiveness and, during the year, has been working on repositioning the operations to handle the digital format. All the three major circuits, Cineworld, Odeon and Vue became fully digitised during 2012, providing DCM the opportunity to increase scale and potentially open up new segments of the market.

Other Income included sales of 3D glasses, ticket bookings and theatre hires. Much of the fall in income was due to the removal of booking fees which coincided with the relaunch of the MyCineworld online membership programme in March 2012. Sales of 3D glasses continued to soften, which reflected fewer 3D admissions compared with the previous year and more customers re-using their purchased glasses, which demonstrate the success of our initiative to encourage their re-use rather than disposal. In 2012, approximately 50% of customers attending 3D performances were still purchasing 3D glasses, which was a reduction on the 2011 level of about 55%.

Picturehouse

On 6 December 2012 the Group acquired the Picturehouse cinema chain for £47.3m. It comprised of 21 cinemas focusing on a different audience from Cineworld Cinemas, with the cinemas being smaller (all have five or less screens) and more individual.

Whilst blockbuster films may be shown at these cinemas, non-mainstream and specialised films are central to its programming as an art-house cinema chain. The cinemas tend to be located in urban areas with a high student, affluent and diverse, adult orientated population. Food and drink is a key differentiator and some have bars and food operations which form a significant proportion of a cinema's total business. Cinemas tend to have their own individual styles and provide a unique ambience compared with that of a multiplex cinema and appeal to students and a more mature audience that requires a different retail and film choice. Typical Picturehouse customers will tend to visit as a social occasion or as a cultural outing rather than purely to view films and therefore require a more personal cinema going experience.

The market in which Picturehouse operates is distinct to those of Cineworld Cinemas. There is growing demand from older and from more affluent cinema goers and Picturehouse is well positioned to capitalise on this more specialised sector of the cinema market under its own brand and management.

Since acquisition, Picturehouse has traded in line with expectations. As stated at the time of announcing the acquisition, Picturehouse continues to be run under separate management who will develop the brand and pipeline of new cinemas.

While Cineworld Cinemas and Picturehouse are complementary brands which operate in separate markets, common ownership will allow the realisation of a number of valuable synergies. The Picturehouse acquisition is a sign of our strategic intent to grow the Group and we will continue to look for suitable expansionary opportunities that are in the best interests of our shareholders.

The acquisition of Picturehouse is currently under review by the Office of Fair Trading. The review is expected to be completed by the end of the first half 2013.

Other Cinema Expansion

One of the key strategic priorities of the Group remains expansion. We continue to maintain the financial capability to pursue such opportunities aided by the cash generative nature of our business model.

In October 2012, as scheduled, we opened a seven screen cinema in Aldershot, which increased Cineworld Cinemas' estate to 80 cinemas with 818 screens. We have plans to open four new cinemas in 2013 under the Cineworld brand. Work has begun on site for a nine screen cinema in a new development at Wembley and we are on schedule to commence work on a six screen cinema in St Neots, a 10 screen replacement cinema in Gloucester and we have recently reached an agreement to take over the existing IMAX cinema at the Glasgow Science Centre.

Whilst the uncertainty over development financing and timing of new projects continues, we have seen improvements in confidence in the property market during the year with renewed interest in existing proposals as well as new plans and ideas being tabled. Our strong financial position and our good track record of driving high footfalls through our cinemas make us an attractive partner for property developers. We have over 14 further development sites signed or in legal negotiation and have a good pipeline of further opportunities to achieve our target of 25 new Cineworld Cinemas between 2013 and 2017.

Initiatives and Developments

As part of our strategy to improve the customer experience significant work has happened behind the scenes in improving the efficiency of the transaction process for our customers and introducing new technology. The internet and mobile technology have been a key focus of our attentions over the past few years – where we have been working on integrating marketing, booking and ticketing activities. At the end of the summer of 2012, we completed the upgrade of our cinema point of sale system and supporting systems covering finance and customer relationship management. These new systems will increase our transactional capabilities and support better communication with more of our customers.

The Unlimited programme is one of the pillars that underpin our strategy of growing other revenues and admissions. At the end of 2012, there were almost 320,000 members (2011: 280,000), a figure which has since increased further. The Unlimited programme brings to the Group the financial benefits of regular subscription income thereby reducing the level of fluctuation in our revenues contributing over 17% of total box office in 2012. It also brings operational benefits by encouraging repeat visits, often at off-peak times. This, in turn, enables us to improve capacity utilisation at our cinemas, provide more retail opportunities and allows us to offer a wider range of films than our competitors. As a result, we continued to enjoy significant market share among the smaller, less mainstream films during 2012.

The Group introduced a number of customer related initiatives in line with our stated strategy. On 16 March 2012, Cineworld was the first major cinema operator in the UK to abolish online booking fees. Research showed the fee to be a barrier to booking in advance and it was unpopular with our customers. This innovation was accompanied by the launch of a 10% reduction in the price of tickets for booking online through MyCineworld and membership has since increased to over 2.4 million members by the end of the year.

The growth of MyCineworld is an important part of our strategy to engage further with our customers. It will enable us to improve our customer retention and help us to encourage more frequent visits to our cinemas. We have begun collaborative work with film distributors to market films to the MyCineworld base with campaigns for Dark Knight, The Hobbit and Les Miserables. Furthermore, by transferring bookings on-line, we aim to improve customer service by reducing queues at the box offices and to convert more space to other activities which will improve the customer experience at our cinemas and help drive incremental revenues. The addition of new sites will facilitate the expansion of our Unlimited and MyCineworld propositions into new locations, thereby growing and consolidating our business further.

Activity on our consumer website continued to increase year on year, with 2012 recording over 65m visits. This performance has enabled our website to remain in the top 40 most visited websites in the UK (as reported in the IMRG Experian Hitwise Hot Shops List) for the year. In addition, our successful mobile enabled web booking service is now complemented by our applications ("apps"). During the year, 1.8 million iPhone apps and 340,000 Android phone apps were downloaded reflecting customers' desire to book wherever they are.

During 2012, we increased the number of locations offering IMAX screens to eight cinemas. This has raised our profile in the provision of high end cinema viewing with the recognized brand leader which attracts a premium ticket price. We have plans to install IMAX at more cinemas. In addition we ran a pilot scheme with the D-Box seating concept at six cinemas. The D-Box seats provide additional sensory experiences for customers and a premium is charged over the applicable ticket price.

Investment in Digital

All of Cineworld Cinemas' estate was converted to digital projection by the end of the first half of the year. As the financial benefits to film studios of digital were substantial, they offered incentives to cinema exhibitors to help fund the conversion. In June 2010 Cineworld entered into an agreement with Arts Alliance Media ("AAM") whereby AAM utilises its Virtual Print Fee ("VPF") agreements with film distributors to recover financial contributions over a maximum period of ten years, on behalf of Cineworld, from the film studios. Under the AAM deal, Cineworld acquired the digital projectors directly from a third party and retained full control over the timing of their purchase and over their installation and operation.

Over approximately 7 years, VPFs are expected to cover a substantial proportion of the total acquisition cost of about £40m. The VPFs are accounted for as a reduction in the cost of film hire thereby benefiting EBITDA. To date the overall VPF process between Cineworld, AAM and the film distributors has operated successfully. We will continue to receive VPFs over the contract period to recover most of the cost of investment.

People and Diversity

Our people are core to the success of our business and remain a strategic priority of developing and retaining people and making Cineworld a great place to work. We continued to invest in our people throughout the Group. Our people have opportunities at all levels from Apprenticeships, through the Step Up programmes (helping to improve staff succession) up to The Academy programme for high potential cinema managers. To date approximately 85% of cinema managers were promoted from internal applicants.

We are an equal opportunity employer and seek to recruit, retain and promote staff on the basis of their qualifications, skills, aptitude and attitude. A wide range of applicants are encouraged to apply for all roles and we have a wide and diverse workforce. We still believe that the single most important factor is to identify, recruit and retain the people we consider, on merit, to be the best candidates for each particular role.

Key Business Relationships

Cineworld Cinemas has worked hard at developing good working relationships with a wide range of film studios, both major and independent. Our focus on driving cinema admissions and on providing our customers with a wide range of films through our film strategy has resulted in many opportunities for us to work with film studios on simplifying the film buying process and on promoting smaller films to a wider audience. We also work closely on combating film piracy, in association with the Cinema Exhibitors' Association and The Federation Against Copyright Theft.

We build relationships with developers, landlords and council planners to ensure that we maintain a pipeline of new sites for the future. In addition, we work closely with our principal suppliers, on promotions that help drive ticket and retail sales. We seek to manage relationships with our suppliers fairly and to work in accordance with our aspirations as set out in our ethical policy, a cornerstone of which is treating others as you expect to be treated yourself.

Our successful participation in Tesco's Clubcard loyalty programme continued to thrive and during 2012 we remained the only cinema partner. During the year, we also became the exclusive cinema gift card partner with Morrison's. These partnerships help to promote and reinforce Cineworld Cinemas brand profile nationally.

The Environment and Health and Safety

Being a multi-site business, the Group is conscious of its total energy consumption and the amount of waste materials generated, and is actively working to reduce both energy usage and the quantity of waste materials produced that cannot be recycled. During 2012, there was a continued focus on raising energy awareness at cinema sites with the aim to promote best practice and to reduce energy usage through better housekeeping and operating more efficiently.

Collectively all the measures undertaken by Cineworld Cinemas during 2012 to limit gas and electricity consumption reduced its carbon footprint across 78 comparable sites by 3.6% in 2011/12 (2010/11: 5.5% across 73 sites). To continue the process during 2013, seven sites have been selected for trial projects with remote energy building management systems and voltage optimisation with savings projected to be over 15% per site.

With over 47 million customer visits, the safety and welfare of Cineworld's customers, staff and contractors are of prime importance. Annual cinema audits covering Fire, Food and Health and Safety are undertaken on an unannounced basis in order to reflect the true operation of health and safety at each site. Overall, the continuous focus on health and safety in 2012 have resulted in further improvements in site standards compared to last year.

Key Trends and Factors Potentially Affecting the Future

The future success of the Group in 2013 will principally remain dependent on the strength of the film releases during the year. Sequels and franchises will continue to contribute a significant number of the higher profile blockbuster films. The "Harry Potter" series has ended but has been replaced with "The Hobbit" for the next two years. Similarly "The Twilight" series has been followed by "The Hunger Games" as an alternative for the same female and teenage audience. Many such films outperform the original film or concept, so the film studios will continue to look to capitalise on proven successful formulae. The outstanding success of "Marvel Avengers Assemble" will provide further impetus to advance the related characters including "Iron Man", "Thor", "Captain America" and "The Hulk". Resurrected past characters and franchises in 2012 has proven successful such as "Men in Black 3" and "Spiderman". The film release programme for 2013 includes an increased number of potential (albeit smaller) blockbusters with new and existing franchises and sequels. In the past, Cineworld has typically achieved a higher market share in such smaller blockbusters and mid range films than on the larger blockbusters such as Harry Potter and Skyfall.

While initial limited trials of video on demand have been unsuccessful in the past and with no notable trials conducted in 2012, such initiatives are expected to continue, which may reopen the debate on the current theatrical release window in which new films are only shown in the cinema before being released via other media.

The non US markets for Hollywood film studios continue to grow faster than the US domestic market. The UK is an important market for the US studios and the natural link in the marketing chain of English language films. Increasingly blockbuster films are being filmed in more international locations and featuring more varied international cultures, which used to be confined to films such as "James Bond", to help increase the appeal to audiences in the UK. Equally, the success of UK films such as the Bond franchise and the "The King's Speech", together with the stable level of cinema going in the UK should further encourage Hollywood to support both locally produced product and product that appeals to the UK and Irish market.

It is anticipated that 2013 overall will see a similar number of 3D films compared to 2012. Studios have also started to convert some older film titles to 3D, thereby adding to the range of 3D film choice. With completion of our conversion to digital projection in 2012, we are well placed to capitalise on this product. The price differential between 3D and 2D films is expected to continue and, should help support the overall revenue levels. Films based on action, fantasy and animation and appealing to an older teenage and young adult audience, such as "Marvel Avengers Assemble", have had the highest take up of 3D whilst those which appealed to younger children tend to attract a lower proportion of 3D business. However falling 3D production costs should help to ensure such films continue to be produced in the 3D format.

Results have shown that there are opportunities to serve customer demand for more specialist formats such as IMAX and D-Box and, whilst still in their infancy, films produced in High Frame Rate and 4K definition such as "The Hobbit: An Unexpected Adventure" and "Skyfall" may gain in popularity in the future. All of which will encourage further investment.

Within alternative content, plays and opera will continue to provide solid business through established providers such as the New York Metropolitan Opera and the National Theatre. Otherwise the source of alternative content still remains fragmented. Stabilisation and consolidation amongst suppliers should increase the range of content, improve the operational delivery and result in financial savings. The completion of Cineworld Cinemas' conversion to digital projection will improve utilisation of screens for a variety of non-feature film content and improve the ability to bring content to the screen in shorter time. Revenues from alternative content are anticipated to grow further, having grown significantly from 2011, albeit from a small base.

The general economic and consumer environment is expected to remain uncertain for the foreseeable future and will continue to present trading challenges. The higher ticket prices charged on 3D films will invariably mean that some segments of the customer base will choose to see 2D for cost reasons. We expect that the strong mid week business enjoyed through "Bargain Tuesdays" and "Orange Wednesdays" promotions will continue.

Demand in the wider advertising industry is anticipated to remain challenging, which would be reflected in cinema screen advertising. However full digital conversion by DCM's major exhibitor clients (Cineworld, Odeon and Vue) in 2012 is anticipated to improve DCM's competitive position and support its objective of gaining a larger share of advertisers' budgets especially retail, which is a sector largely unexploited in cinema advertising.

Finance for many continues to be challenging which could delay the development of new cinemas, though more developments are beginning to gain momentum. Nevertheless part of the Group's strategy is to continue expanding our businesses, through acquisition and organically, aided by the Group's strong financial position. The acquisition of Picturehouse provides a new and additional channel for expansion in the art house market under the Picturehouse brand and the existing pipeline of new multiplex cinemas is also increasing.

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

Financial Performance

	52 week period ended 27 December 2012			52 week period ended 29 December 2011
	Total Group	Picturehouse[2]	Cineworld	Total
	Total	Total	Total	Total
Admissions	48.0m	0.2m	47.8m	48.3m
	£m	£m	£m	£m
Box office	252.6	1.0	251.6	242.1
Retail	82.8	0.5	82.3	81.6
Other	23.3	1.0	22.3	24.3
Total revenue	358.7	2.5	356.2	348.0
EBITDA[1]	67.1	0.5	66.6	63.3
Operating profit	44.2			42.6
Financial income	1.6			1.6
Financial expenses	(8.2)			(9.7)
Net change in fair value of cashflow hedge reclassified from equity	1.0			(1.1)
Net financing costs	(5.6)			(9.2)
Share of loss from joint venture	(0.1)			-
Profit on ordinary activities before tax	38.5			33.4
Tax on profit on ordinary activities	(10.8)			(9.5)
Profit for the period attributable to equity holders of the Company	27.7			23.9

[1] EBITDA is defined as operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring or non-cash property charges, transaction, pensions, refinancing and reorganisation costs.
[2] Picturehouse results consolidated for 22 days covering 6 December 2012 to 27 December 2012

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

EBITDA and Operating Profit

Group EBITDA was up 6.0% at £67.1m (2011 : £63.3m) and was achieved through higher revenues. Virtual print fee income was higher than the previous year with more digital prints being shown due to more digital projectors installed (the conversion having been completed during the year) which in turn helped to increase the number of film titles played. These were offset by an increase in film hire costs on box office revenues due to the mix of film product, lower sales of 3D glasses and the removal of the booking fees in the Cineworld cinemas. In addition there were higher energy and property costs as well as general increases in other operating costs. Operating profit at £44.2m was 3.8% higher (2011: £42.6m).

Operating profit included a number of non-recurring and non-trade related costs. There were transaction and reorganization costs of £1.1m which related to the Picturehouse acquisition. The charge of £1.6m under onerous leases and other non-recurring charges comprised charges to onerous lease provisions due to changes in future trading assumptions. An asset impairment review resulted in £0.3m asset write downs at weaker performing cinemas. Other non-recurring income relates to a credit of £2.0m in respect of VAT reclaims, and there was a £0.4m charge in respect to changes to technical assumptions in valuing the defined benefit pension scheme.

The total depreciation and amortisation charge (included in administrative expenses) in the period of £21.5m was higher than last year (2011: £18.9m), reflecting the higher expenditure on digital projectors to date and £0.8m of accelerated depreciation of replaced assets.

Finance Costs

The net financing costs of £5.6m were markedly lower than prior year of £9.2m. The overall charge included £1.0m credit on the expiry of one of three interest rate swaps in May which necessitated a reclassification of the closing derivative value from equity to the income statement. The expiry of the swap also resulted in a lower overall interest rate going forward and, together with proactive cash management during the year, produced a reduced interest expense of £8.2m compared with the prior year of £9.7m. The financial expenses comprised of £4.9m in relation to interest on the bank loans and the balance of the financial expenses were non cash amounts arising from the amortisation of financing costs, the unwinding of discount on onerous leases, the pension scheme and from the finance lease. The financial income of £1.6m reported in 2012 and 2011 was primarily from the actuarial valuation of the returns on the defined benefit pension plan assets.

Earnings

Overall profit on ordinary activities before tax was £38.5m, 15.3% higher than 2011 of £33.4m. Basic diluted earnings per share amounted to 19.1p (2011: 16.7p). Taking account of the one-off, non trade related items described above, totalling £3.2m and the credit of £1.0m relating to the expiry of an interest rate swap (included in net financing costs), the adjusted pro-forma diluted earnings per share were 21.2p (using a normalised tax rate of 24.5%) compared with 2011 of 19.2p. The weighted average number of shares in issue in 2012 was 143.1m including 7,270,575 shares issued during the year.

Taxation

The overall tax charge was £10.8m giving an overall effective tax rate of 28.0% for the year (2011: 28.4%) which reflects the declining trend of the headline corporation tax rate. The corporation tax charge in respect of the current year was £10.0m. There was a credit of £0.6m relating to prior years, which was offset by £1.4m of deferred tax charges principally relating to capital allowances (the difference between the tax written down value of the capital allowance and the net book value of the underlying assets).

Cash Flow and Balance Sheet

The Group continued to be strongly cash generative at the operating level. Total cash generated from operations was £67.0m compared with £55.3m in 2011 primarily due to the better trading levels which also resulted in higher creditor levels at the end of 2012 compared with 2011.

The raising of £16.4m through the share issue helped to offset the cash paid for the acquisition of Picturehouse of £43.7m. Net cash spent on capital for the year was £31.1m. Included in this cash expenditure was £8.5m in relation to the purchase of digital projectors and £4.9m on IMAX, £8.8m on new systems implementation (including the replacement of the cinema point of sale system and upgrading automated ticket sales points), £6.6m on refurbishments and maintenance and £0.5m (net of £2.3m reverse premium) was spent on the new site in Aldershot. The balance of other capital expenditure of £1.8m was for equipment replacements and expenditure on various initiatives. The high level of internally generated cash has funded our entire capital expenditure whilst repaying term debt of £5m and paying dividends of £16.0m.

Net debt increased to £126.9m at the end of 2012 (2011: £101.4m) as a result of the net impact of drawing down of £32.3m from existing facilities to part fund the acquisition of Picturehouse, £3.9m acquired debt as a result of the acquisition offset by the £5m repayment of term debt.

Overall, net assets increased to £188.6m (2011: £160.3m). This includes the recognition of fair value of net assets acquired with Picturehouse totaling £24.1m and the residual goodwill recognised on acquisition of £19.6m. Due to the ongoing review by the Office of Fair Trading and the close proximity of the transaction to the year end, these values have been included on a provisional basis. The fair values are required to be finalized within 12 months of acquisition, with any adjustments to fair value being recognized in goodwill.

Dividends

The Directors are recommending to shareholders for approval a final dividend in respect of the period ended 27 December 2012 of 8.0p per share, which taken together with the interim dividend of 3.8p per share paid in October 2012, gives a total dividend in respect of 2012 of 11.8p per share, a 0.8p increase on the level in 2011. Subject to shareholder approval, the final dividend will be paid on 4 July 2013 to shareholders on the register at 7 June 2013.

Board Changes

Tom McGrath has decided to step down at the Annual General Meeting on 15 May 2013 and not stand for re-election. He has been a Non-Executive Director since May 2005. Tom joined the Company prior to its listing in 2007 and has brought a breadth of knowledge and experience, particularly of the US film and cinema industry.

Rick Senat and Martina King have been appointed as additional members of the Nominations Committee and Rick will become Chairman when Tom steps down. Martina has also been appointed to the Audit Committee and Rick to the Remuneration Committee.

Current Trading and Outlook

The current financial year has started strongly. A good level of business carried over from the Christmas period with the main films being “The Hobbit: An Unexpected Journey” and “Life of Pi”. “Skyfall” also continued to play well in the New Year, given that it was released in late October. Trading at the beginning of the year also received a strong boost from the release of “Les Miserables” which has performed well. Films such as “Impossible”, “Wreck it Ralph”, “A Good Day to Die Hard” and “Django Unchained” have also helped to underpin the strong start.

There is a promising film release schedule for the remainder of 2013 which we expect to complement our programming strategy, and in contrast to the previous year, there are no major events which are anticipated to provide a distraction for cinemagoers, with a more even spread of films across the year. Amongst those films planned for release are a number of proven franchises including “Star Trek: Into Darkness”, “The Hobbit part 2”, “Man of Steel”, “Iron Man 3” and “The Hunger Games: Catching Fire”. This release schedule for the rest of the year together with other potential opportunities for the business means we are confident of our prospects in the year ahead.

Stephen Wiener	**Philip Bowcock**
Chief Executive Officer	**Chief Financial Officer**

7 March 2013

Consolidated Statement of Comprehensive Income
for the Period Ended 27 December 2012

	Note	**52 week period ended 27 December 2012 £m**	52 week period ended 29 December 2011 £m
Revenue	2	**358.7**	348.0
Cost of sales		**(263.9)**	(261.5)
Gross profit		**94.8**	86.5
Other operating income		**0.3**	0.4
Administrative expenses		**(50.9)**	(44.3)
Operating profit		**44.2**	42.6
Analysed between:			
Operating profit before depreciation, impairments, reversals of impairments and amortisation, onerous lease and other non-recurring or non-cash property charges, transaction and reorganisation costs, defined benefit pension scheme indexation gain, and refinancing costs		**67.1**	63.3
• Depreciation and amortisation		**(21.5)**	(18.9)
• Onerous leases and other non-recurring charges		**(1.6)**	0.5
• Impairments and reversals of impairments		**(0.3)**	–
• Other non-recurring income		**2.0**	–
• Transaction and reorganisation costs		**(1.1)**	(3.9)
• Defined benefit pension scheme past service costs		**(0.4)**	1.7
• Refinancing costs		**-**	(0.1)
Finance income	4	**1.6**	1.6
Finance expenses	4	**(8.2)**	(9.7)
Net change in fair value of cash flow hedges reclassified from equity		**1.0**	(1.1)
Total finance expense		**(7.2)**	(10.8)
Net finance costs		**(5.6)**	(9.2)
Share of loss of jointly controlled entities using equity accounting method, net of tax		**(0.1)**	–
Profit on ordinary activities before tax		**38.5**	33.4
Tax charge on profit on ordinary activities	6	**(10.8)**	(9.5)
Profit for the period attributable to equity holders of the Company		**27.7**	23.9
Other comprehensive income			
Movement in fair value of cash flow hedge		**(0.1)**	(0.6)
Foreign exchange translation loss		**(0.5)**	–
Actuarial gains/(losses) on defined benefit pension schemes		**1.0**	(1.4)
Income tax on other comprehensive income		**(0.9)**	1.0
Other comprehensive income for the period, net of income tax		**(0.5)**	(1.0)
Total comprehensive income for the period attributable to equity holders of the Company		**27.2**	22.9
Basic earnings per share	3	**19.4p**	16.8p
Diluted earnings per share	3	**19.1p**	16.7p

Consolidated Statement of Financial Position
at 27 December 2012

	Note	27 December 2012 £m	27 December 2012 £m	29 December 2011 £m	29 December 2011 £m
Non-current assets					
Property, plant and equipment			**160.0**		124.3
Goodwill			**236.7**		217.1
Intangible assets			**15.7**		0.3
Investments in equity-accounted investee			**0.7**		0.8
Other receivables			**1.4**		1.4
Employee benefits			**4.4**		2.0
Deferred tax assets			**9.9**		12.0
Total non-current assets			**428.8**		357.9
Current assets					
Inventories		**3.8**		2.1	
Trade and other receivables		**34.3**		26.6	
Cash and cash equivalents		**10.9**		5.5	
Total current assets			**49.0**		34.2
Total assets			**477.8**		392.1
Current liabilities					
Interest-bearing loans, borrowings and other financial liabilities	7	**(8.1)**		(6.9)	
Trade and other payables		**(72.7)**		(52.9)	
Current taxes payable		**(4.7)**		(4.8)	
Provisions		**(0.3)**		(2.3)	
Total current liabilities			**(85.8)**		(66.9)
Non-current liabilities					
Interest-bearing loans, borrowings and other financial liabilities	7	**(129.7)**		(100.0)	
Other payables		**(53.3)**		(53.3)	
Government grants		**(1.9)**		-	
Provisions		**(11.1)**		(9.3)	
Deferred tax liabilities		**(7.4)**		(2.3)	
Total non-current liabilities			**(203.4)**		(164.9)
Total liabilities			**(289.2)**		(231.8)
Net assets			**188.6**		160.3
Equity attributable to equity holders of the Company					
Share capital			**1.5**		1.4
Share premium			**188.1**		171.8
Translation reserves			**1.3**		1.8
Hedging reserves			**(3.5)**		(3.4)
Retained earnings / (deficit)			**1.2**		(11.3)
Total equity			**188.6**		160.3

These financial statements were approved by the Board of Directors on 7 March 2013 and were signed on its behalf by:

Stephen Wiener	**Philip Bowcock**
Director	Director

Consolidated Statement of Changes in Equity
for the Period Ended 27 December 2012

	Issued capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained deficit £m	Total £m
Balance at 30 December 2010	1.4	171.4	1.8	(2.8)	(19.8)	152.0
Profit for the period	–	–	–	–	23.9	23.9
Other comprehensive income						
Movement in fair value of cash flow hedge	–	–	–	(0.6)	–	(0.6)
Retranslation of foreign currency denominated subsidiaries	–	–	–	–	–	–
Actuarial loss on defined benefit scheme	–	–	–	–	(1.4)	(1.4)
Tax recognised on income and expenses recognised directly in equity	–	–	–	–	1.0	1.0
Total other comprehensive income	–	–	–	(0.6)	(0.4)	(1.0)
Contributions by and distributions to owners						
Dividends paid in period	–	–	–	–	(15.2)	(15.2)
Movements due to share-based compensation	–	–	–	–	0.2	0.2
Issue of shares	–	0.4	–	–	–	0.4
Balance at 29 December 2011	1.4	171.8	1.8	(3.4)	(11.3)	160.3
Profit for the period	–	–	–	–	27.7	27.7
Other comprehensive income						
Movement in fair value of cash flow hedge	–	–	–	(0.1)	–	(0.1)
Retranslation of foreign currency denominated subsidiaries	–	–	(0.5)	–	–	(0.5)
Actuarial gain on defined benefit scheme	–	–	–	–	1.0	1.0
Tax recognised on income and expenses recognised directly in equity	–	–	–	–	(0.8)	(0.8)
Total other comprehensive income	–	–	(0.5)	(0.1)	0.2	(0.4)
Contributions by and distributions to owners						
Dividends paid in period	–	–	–	–	(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

Consolidated Statement of Cash Flows
for the Period Ended 27 December 2012

	Note	52 week period ended 27 December 2012 £m	52 week period ended 29 December 2011 £m
Cash flow from operating activities			
Profit for the period		27.7	23.9
Adjustments for:			
Financial income	4	(1.6)	(1.6)
Financial expense	4	8.2	9.7
Net change in fair value of cash flow hedges reclassified from equity		(1.0)	1.1
Taxation	6	10.8	9.5
Share of loss of equity-accounted investee		0.1	–
Operating profit		44.2	42.6
Depreciation and amortisation		21.5	18.9
Non-cash property charges		1.6	(0.5)
Impairments and reversals of impairments		0.3	–
Non-cash pension gain following change in indexation		0.4	(1.7)
Surplus of pension contributions over current service cost		(1.6)	(1.6)
Increase in trade and other receivables		(5.3)	(3.0)
(Increase)/decrease in inventories		(1.3)	0.2
Increase in trade and other payables		10.2	2.9
Decrease in provisions and employee benefit obligations		(3.0)	(2.5)
Cash generated from operations		67.0	55.3
Tax paid		(9.4)	(8.3)
Net cash flows from operating activities		57.6	47.0
Cash flows from investing activities			
Interest received		0.1	0.1
Acquisition of subsidiaries net of acquired cash		(43.3)	–
Acquisition of property, plant and equipment		(31.1)	(25.0)
Net cash flows from investing activities		(74.3)	(24.9)
Cash flows from financing activities			
Proceeds from share issue		16.4	0.4
Dividends paid to shareholders		(16.0)	(15.2)
Interest paid		(4.9)	(5.0)
Repayment of bank loans		(5.0)	(5.0)
Proceeds from bank loans		32.3	–
Payment of finance lease liabilities		(0.6)	(0.6)
Refinancing fees		–	(1.8)
Net cash from financing activities		22.2	(27.2)
Net increase in cash and cash equivalents		5.5	(5.1)
Exchange gains / (losses) on cash and cash equivalents		(0.1)	-
Cash and cash equivalents at start of period		5.5	10.6
Cash and cash equivalents at end of period		10.9	5.5

1. Accounting Policies

Basis of Preparation

The financial information has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the 52 week period ended 27 December 2012 and are not the Company's statutory accounts.

The comparative figures for the 52 week period ended 27 December 2012 are not the Company's statutory accounts for that financial period. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498(2) 498 (3) of the Companies Act 2006.

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

2. Operating Segments

Determination and presentation of operating segments:

Prior to the acquisition of Picturehouse, the Group has determined that it had one operating segment and therefore one reportable segment being cinema operations. All the disclosable operating segment information required by IFRS8 can be found in the primary statements and the supporting note. Subsequent to its acquisition, Picturehouse represented a separate operating segment, however due to the close proximity of the acquisition to the year, the impact on disclosable operating segment information is not considered to be material.

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

Entity Wide Disclosures:

Cineworld

Revenue by product and service provided	**52 week period ended 27 December 2012 Total £m**	52 week period ended 29 December 2011 Total £m
Box office	**251.6**	242.1
Retail	**82.3**	81.6
Other	**22.3**	24.3
Total revenue	**356.2**	348.0

Picturehouse

Revenue by product and service provided	**52 week period ended 27 December 2012 Total £m**	52 week period ended 29 December 2011 Total £m
Box office	**1.0**	-
Retail	**0.5**	-
Other	**1.0**	-
Total revenue	**2.5**	-

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

3. Earnings Per Share

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

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

	52 week period ended 27 December 2012 £m	52 week period ended 29 December 2011 £m
Earnings attributable to ordinary shareholders	**27.7**	23.9
Adjustments:		
Amortisation of intangible assets	**0.2**	0.1
Share-based payments	**0.9**	0.6
Transaction and reorganisation costs	**1.1**	3.9
Impairments	**1.0**	–
Defined benefit scheme past service costs	**0.4**	(1.7)
Dilapidations credit	**-**	(0.2)
Onerous lease cost / (credit)	**1.6**	(0.3)
Income relating to VAT reclaim	**(2.0)**	-
Refinancing (income) / expenses	**(1.0)**	1.2
Adjusted earnings	**29.9**	27.5
Add back tax charge	**10.8**	9.5
Adjusted pro-forma profit before tax	**40.7**	37.0
Less tax at statutory rate 24.5% (2011: 26.0%)	**(10.0)**	(9.6)
Adjusted pro-forma profit after tax	**30.7**	27.4

	52 week period ended 27 December 2012 Number of shares (m)	52 week period ended 29 December 2011 Number of shares (m)
Weighted average number of shares in issue	143.1	142.0
Basic and adjusted earnings per share denominator	143.1	142.0
Dilutive options	1.6	0.9
Diluted earnings per share denominator	144.7	142.9
Shares in issue at period end	149.6	142.3

	Pence	Pence
Basic earnings per share	19.4	16.8
Diluted earnings per share	19.1	16.7
Adjusted pro-forma basic earnings per share	21.5	19.3
Adjusted pro-forma diluted earnings per share	21.2	19.2

4. Finance Income and Expense

	52 week period ended 27 December 2012 £m	52 week period ended 29 December 2011 £m
Interest income	0.1	0.1
Expected return on defined benefit pension plan assets	1.5	1.5
Finance income	1.6	1.6
Interest expense on bank loans and overdrafts	4.9	5.3
Amortisation of financing costs	0.4	0.7
Unwind of discount on onerous lease provision	0.8	1.2
Finance cost for defined benefit pension scheme	1.3	1.4
Interest charge as a result of change in discount rate relating to onerous lease provisions	0.4	0.6
Other financial costs	0.4	0.5
Finance expense	8.2	9.7
Ineffectiveness recognised in profit and loss arising from cash flow hedges	-	1.1
Amounts reclassified from equity to profit and loss in respect of cash flow hedges	(1.0)	-
Total financial expense	7.2	10.8

5. Dividends

The following dividends were recognised during the period:

	2012 £m	2011 £m
Interim	**5.4**	5.1
Final (for the preceding period)	**10.6**	10.1
	16.0	15.2

An interim dividend of 3.8p per share was paid on 5 October 2012 to ordinary shareholders (2011: 3.6p). The Board has proposed a final dividend of 8.0p per share, which will result in total cash payable of approximately £12.0m on 4 July 2013 (2011: 7.4p per share, total final dividend £10.6m). In accordance with IAS10 this had not been recognised as a liability at 27 December 2012.

6. Taxation

Recognised in the Income Statement

	52 week period ended 27 December 2012 £m	52 week period ended 29 December 2011 £m
Current tax expense		
Current year	**10.0**	8.5
Adjustments in respect of prior years	**(0.6)**	(3.3)
Total current tax expense	**9.4**	5.2
Deferred tax expense		
Origination and reversal of temporary differences	**1.4**	4.3
Total tax charge in income statement	**10.8**	9.5

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.

	27 December 2012 £m	29 December 2011 £m
Non-current liabilities		
Interest rate swaps	**2.2**	2.8
Unsecured bank loan, less issue costs of debt to be amortised	**121.3**	91.1
Liabilities under finance leases	**6.2**	6.1
	129.7	100.0
Current liabilities		
Interest rate swaps	**1.3**	1.7
Unsecured bank loans, less issue costs of debt to be amortised	**6.0**	4.6
Liabilities under finance leases	**0.8**	0.6
	8.1	6.9

8. Analysis of net debt

	Cash at bank and in hand £m	Bank loans £m	Finance leases £m	Interest rate swap £m	Net debt £m
At 30 December 2010	10.6	(101.8)	(6.8)	(2.8)	(100.8)
Cash flows	(5.1)	6.8	0.6	–	2.3
Non-cash movement	–	(0.7)	(0.5)	(1.7)	(2.9)
At 29 December 2011	5.5	(95.7)	(6.7)	(4.5)	(101.4)
Acquisition of subsidiary undertakings	0.4	(3.9)	(0.4)	-	(3.9)
Cash flows	5.0	(27.3)	0.6	-	(21.7)
Non-cash movement	-	(0.4)	(0.5)	1.0	0.1
At 27 December 2012	**10.9**	**(127.3)**	**(7.0)**	**(3.5)**	**(126.9)**

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:

	27 December 2012 £m	29 December 2011 £m
Contracted	**7.5**	2.8

Capital commitments at the end of the financial period relate to new sites (2011: £2.8m).

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 27 December 2012				
Total compensation for Directors	**1,548**	**-**	**144**	**1,692**

	Salary and fees including bonus £000	Compensation for loss of office £000	Pension contributions £000	Total £000
52 weeks ended 29 December 2011				
Total compensation for Directors	1,375	342	115	1,832

Share-based compensation benefit charges for Directors was £0.2m in 2012 (2011: £0.2m).

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 27 December 2012 totalled £14.4m (2011: £13.6m) and as at 27 December 2012 £0.2m (2011: £1.3m) was due from DCM in respect of receivables. In addition the Group has a working capital loan outstanding from DCM of £0.5m (2011: £0.5m).

11. Risk and Uncertainties

During the year, the summary of the principal business risks and uncertainties facing the Group identified in the 2011 Annual Report (available at www.cineworldplc.com) has been reviewed and updated. While for the most part the risks and uncertainties remain the same, key changes include:

- adding the risk that films may be released late and not perform in line with expectations;
- incorporating the risk associated with acquiring businesses and in particular failing to identify issues affecting their value;
- adding the risk posed by extreme weather, and
- noting the potential risk of data controls failing.

Certain other of the identified risks and uncertainties have been downgraded. Where possible and appropriate, the Group continues to seek to mitigate all these risks and uncertainties.

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 27 December 2012, 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 2012 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 15 May 2013.