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CINEWORLD GROUP plc

Cineworld Group plc ("Cineworld" or "the Group") is pleased to announce its results for its first full year as a public company for the 52 weeks ended 25 December 2008.

HIGHLIGHTS

Financial

- Group revenue up 4.8% to £298.9m (2007: £285.3m);
- EBITDA[1] up 1.9% to £53.0m (2007: £52.0m);
- Operating profit increased to £38.1m (2007: £30.4m);
- Profit on ordinary activities before tax increased to £27.6m (2007: £12.4m)
- Cash generated from operations increased to £50.0m (2007: £34.5);
- Net debt reduced to £117.4m (2007: £124.4m);
- Reported EPS[2]: 14.3p on basic earnings, 14.6p on adjusted pro-forma earnings;
- Proposed final dividend of 6.3p per share maintains full year dividend at 9.5p per share (2007: 9.5p per share).

Operational

- Box office up 6.4% at £197.5m (2007: £185.7m);
- Admissions remained firm at 45.1m (2007: 45.0m);
- Average ticket price per admission up 6.3%to £4.38 (2007: £4.12);
- Average retail spend per person up 2.4% to £1.71 (2007: £1.67);
- Market share at 23.3% (2007: 23.7%) (source: EDI Neilsen);
- New cinema openings at High Wycombe (12 screens) and Haverhill (5 screens);
- Digital Cinema Media ("DCM") continues to trade in line with our expectations;
- Deal signed with NEC (January 2009) to double the Group's digital estate with 144 screens scheduled to have 3D by May 2009;
- Deal signed with Tesco (February 2009) offering cinema tickets to Tesco's 13m Clubcard holders.

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

"We are very pleased with the performance of the Group over the year, especially in light of the difficult economic conditions and softening consumer environment. Going to the cinema remains one of the best value forms of entertainment in the UK and the excellent film slate in 2008 contributed to a strong set of results for the year.

Our refurbishment programme for existing cinemas continues and we are proud to offer our customers digital facilities in nearly every single one of our sites across the UK and Ireland. Cineworld is now the clear market leader in 3D, a format which we believe will become increasingly important for the industry as a whole and early indications since the launch of Bolt in 3D have been very promising.

Whilst the new year has started well for the Group, with strong attendances in a number of small and mid-range films, we are mindful of the challenges that 2009 will present as consumers tighten their belts. We believe Cineworld is well positioned and the ongoing initiatives to improve and expand our estate, coupled with an exciting film release schedule in 2009 means we remain confident of delivering ongoing value for our shareholders."

Enquiries:

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Chief Financial Officer			

[1] EBITDA is defined as per the financial performance section of the Chief Financial Officer's review
[2] See note 3 for calculation

Chairman's Statement

As Chairman of Cineworld Group plc, I am pleased to report that, in its first full year of trading as a public company, Cineworld produced a very sound performance. It is particularly pleasing as this performance was achieved against the backdrop of the changes to our screen advertising business, the turmoil in the financial markets, the weakening of the economy and marked rises in energy prices.

This time last year it looked as though the performance of films in 2007 would be a hard act to follow. However, the film releases in 2008 proved to be the equal of, if not stronger, than those of the previous year, with "Mamma Mia" in particular surprising everyone by becoming the highest grossing film of all time in the UK. We have remained true to our key strategic priority of offering our customers not only blockbusters, but the broadest range of films in the market. In addition to the more mainstream films we have had success with foreign language films, particularly Bollywood, where we continue to have the largest market share in the UK. The development of alternative digital content is also a key focus, in particular with the expansion of the screening of live New York Metropolitan Opera productions to more cinemas. Furthermore, we remain the only cinema chain in the UK to offer customers a subscription based loyalty scheme through our highly successful "Unlimited" scheme.

At the year end, Cineworld's estate consisted of 75 cinemas with a total of 775 screens, including five of the ten highest grossing cinemas in the UK and Ireland. During 2008 we opened a 12 screen cinema in High Wycombe in March, and a five-screen cinema in Haverhill in October and are on schedule to open a 10-screen cinema in Aberdeen and a five screen cinema in Witney in the latter part of 2009. In addition to the physical expansion of the estate, we continue to make advances in the use of digital media and 3-D digital technology and recently announced the expansion of our digital estate to further consolidate our position of having the largest digital offering of any cinema operator in the UK and Ireland.

Our joint venture screen advertising business, Digital Cinema Media ("DCM"), formed in July 2008, made a good start. This performance is particularly encouraging when set against a backdrop of persistent softening advertising spend in the broader advertising market which we will continue to monitor. Notwithstanding the market downturn, we are optimistic about DCM's future prospects, especially in the light of the expansion of our digital facilities and the programming advantages of digital media, which will bring opportunities for DCM to demonstrate the potential of screen advertising as a competitive media offering.

In line with our dividend policy, the Board is recommending a total dividend for the year of 9.5p per share. Subject to approval at the Annual General Meeting, the final dividend will be payable on 17 June 2009 to shareholders on the register on 22 May 2009.

There is no doubt that the year ahead will be challenging. The effects of the economic and financial downturn in 2008 will continue to be felt by all businesses during 2009. For our part, we are working hard to ensure that the Group continues to deliver a high level of service to its customers, keeps costs under control, delivers profitability and maintains strong governance in every aspect of its business.

We believe that our business model is more resilient in the current economic climate than many other consumer facing businesses and the Group's strong performance in the second half is testament to this. Movies have an enduring appeal and a visit to the cinema is relatively low cost when compared with other forms of leisure and entertainment. In addition, the film slate for 2009 is promising and there are an increasing number of films expected to be released in 3D format. With our recently expanded digital base we hope to capitalise on these 3D releases.

Perhaps most importantly, Cineworld continues to enjoy a healthy financial position. We operate a highly cash generative business with a high level of liquidity. Our business benefits from strong operating profits and has an excellent record of servicing its debt whilst delivering dividends and our strong financial position means we are well placed to take advantage of opportunities which may arise in the future.

On behalf of the Board, I would like to thank all of our management and our employees for their accomplishments, hard work and commitment to the Group as without their loyalty and enthusiasm, we would not be successful. Working together I am confident of our ability to continue to deliver value to our shareholders in the future. It is an honour to be Chairman of your Company and I look forward to reporting to you, our shareholders, and working with management and staff in the future.

Anthony Bloom

Chairman

12 March 2009

Chief Executive Officer's Review of Operations

Box office revenue increased 6.4% to £197.5m (2007: £185.7m), representing a box office market share of 23.3% (2007: 23.7%). Admissions remained at a similar level to the previous year despite the challenging consumer environment. Average ticket price per admission increased by 6.3% to £4.38 (2007: £4.12). In addition, retail spend per person increased by 2.4% from £1.67 last year to £1.71. These robust performance indicators reflect the Group's attractive customer offer of quality multiplex cinemas with the appropriate mix of film and retail offering.

Film Analysis

There were strong performances in the year from the core blockbusters "Quantum of Solace", "Indiana Jones and the Kingdom of Crystal Skull" and "The Dark Knight", which all performed above industry expectations. "Sex and the City" and "High School Musical 3" also delivered strong performances and played to different audience segments presenting alternative advertising and marketing opportunities. It is worth noting that "High School Musical 3" was a cinema release where the first film format was released through Disney's own TV channel and the second was launched through DVD. The third instalment achieved unprecedented levels of advance bookings and we sold three times as many tickets in advance as we did for "Quantum of Solace".

The 2008 film highlight of the year was unquestionably "Mamma Mia", a middle tier blockbuster that became the highest grossing film in UK film history. Based on the successful stage musical, it was a "feel good" movie with popular ABBA songs which appealed to a largely female audience. Its success compensated for the deferral of "Harry Potter and the Half Blood Prince" to the summer of 2009.

We have remained true to our strategy of offering customers the broadest range of films on the market. We continue to be the biggest exhibitor of Bollywood films in the UK with a 58% share of the UK market, with highlights in the period including "Rab Ne Bana De Jodi", "Singh is King" and "Jodhaa Akbar". We also remain the only major chain to screen Tamil films. In addition, we showcased a series of other successful foreign language film such as "Mongol" and "Bangkok Dangerous", which contributed favourably to our full year results.

3-D films took a step forward in 2008 with "Journey to the Centre of the Earth", giving Cineworld 40% market share driven by our high number of 3D screens. Less commercial titles such as "Hannah Montana" and "U2 3D" were also released, appealing to niche audiences, further raising the format's profile. We explored alternative programming with our digital facilities by showing a series of live operas transmitted via satellite from the New York Metropolitan Opera at selected cinemas as well as a performance of "The Nutcracker" from The Royal Opera House, which were all well received. We plan further developments in 3D, and alternative programming choices, going forward.

Retail

Our retail strategy over the year was focussed on promotional activity which improved our customer proposition and resulted in increased spend per customer.

The roll out of the new coffee offer with Coffee Republic across all cinemas was completed in April 2008. The introduction of a high quality, branded, freshly made bean to cup product has been well received by our customers with the category growing in its contribution to overall spend. We also appointed Carlsberg as our supplier for all draft beer and packaged alcohol and spirits across our estate bringing further operational efficiency to the Group. Increases in the cost of sales on many products were challenging during 2008 with global changes in key commodity prices such as oil, cocoa, dairy products and corn feeding their way through to us from some of our suppliers. We do, however, have in place long term contracts which provide a degree of cost protection in certain product areas.

Digital

At the end of December 2008, Cineworld had the largest digital estate of any cinema operator in the UK. In January 2009 the Group consolidated its market leading position by announcing the acquisition of a further 74 digital projectors which will bring the total number of digital screens at Cineworld to 148 of which 144 will have 3D capability. All new cinemas built by Cineworld are fitted with digital as a matter of course and nearly every multiplex in our estate has digital capability. The film industry thrives on technological advances and the swift adoption of 3D, with thirteen 3D films scheduled to show this year, means we are well placed to capitalise on digital in 2009 and beyond.

Unlimited Card

Our subscription service, Unlimited, goes from strength to strength and currently stands at over 223,000 subscribers. This service offers a good value proposition to our customers whilst bringing the financial benefits of regular service subscription income. It encourages repeat visits to our cinemas, at off peak times, enabling us to introduce a wider range of films than our competitors. As a result, we have delivered significant growth in market share amongst the smaller, less mainstream films in 2008. In October 2008 we entered into an exclusive deal with Pru Health as part of its Vitality programme which involves the promotion of our Unlimited membership to the Pru's customer base, thereby further strengthening the programme.

New Openings

We opened a 12 screen cinema in High Wycombe in March followed by a five screen cinema in Haverhill in October 2008. Furthermore, we have plans to open a ten and a five screen cinema in Aberdeen and Witney respectively in the latter part of 2009. Looking further ahead to 2010, our cinema opening programme is likely to be impacted by the availability of financing for property developers. Nevertheless, our national expansion remains a key strategic priority for the Group over the medium term as we seek to deliver growth for our shareholders and we continue to pursue such opportunities.

Other Activities

Cineworld has recently signed a deal with Tesco to be the only cinema chain currently offering tickets as part of Tesco's Clubcard programme. This is a very exciting development for the Group and will give access to our cinemas to Tesco's huge database of 13m Clubcard customers.

Digital Cinema Media Limited ("DCM"), our joint venture advertising business formed in July 2008, has traded well since its formation. A new Managing Director, Martin Bowley, was appointed in the latter part of the year and is working closely to drive operational efficiencies within the business. DCM is an exciting prospect for us which will help us to control and increase future advertising revenues.

Our new website was launched in November 2008 incorporating an easy to use updated design, with the aim of facilitating access to our cinema and film information as well as generating more advance bookings. We have also introduced Cineworld giftcards for sale at our cinemas, third party outlets and online which has broadened our sales channels. Finally, we completed a project to refresh and strengthen the Cineworld brand at the end of the year and this will be rolled out during 2009.

Trends

During 2008 a growing number of quality films which appealed to an older and often female audience became important revenue drivers for the film industry. Our experience of cross selling and advertising around films such as "Sex and the City" and "Mamma Mia" means that we are well positioned to capitalise on the opportunities such audiences bring in the future.

2009 will see more film sequels and franchises. Many such films outperform the original film or concept, so the film studios will continue to look to capitalise on proven successful formulas.

The development of 3D is gaining momentum with 13 films in 3D scheduled for release in 2009. The continuing establishment of this format will encourage further conversion of our cinemas to digital and we are excited by the opportunities this presents both operationally and financially. In addition, it was encouraging to see the release of "High School Musical 3" in the cinema and not via TV or DVD as it reinforces our belief that the film studios value cinemas as the initial and primary distribution channel for films. Cinemas provide a launch platform and viewing experience which cannot be matched by any other media.

Current Trading and Looking Ahead

2009 has started well with attendances comparing favourably with last year. This promising start to the year has been made in the absence of any major Christmas blockbuster carrying over from 2008.

Our refurbishment programme for existing cinemas continues and we are proud to offer our customers digital facilities in nearly every single one of our sites across the UK and Ireland. The first major 3D film of the year, "Bolt", was released in early February with box office takings exceeding our expectations and our market share on this film in 3D was almost 50%. We are encouraged by the favourable reception that cinema-goers have given to this film. Cineworld is now the clear market leader in 3D, a format which we believe will become increasingly important for the industry as a whole and early indications have been very promising.

Whilst the new year has started well for the Group, with strong attendances in a number of small and mid-range films, we are mindful of the challenges that 2009 will present as consumers tighten their belts. We believe Cineworld is well positioned to improve its estate and this, coupled with ongoing initiatives the management team are implementing and the exciting film release schedule in 2009, mean we remain confident of delivering ongoing value for our shareholders."

Stephen Wiener

Chief Executive Officer
12 March 2009

Chief Financial Officer's Review

Financial Performance

	52 week period ended 25 December 2008	52 week period ended 27 December 2007
	Total	**Total**
Admissions	**45.1m**	**45.0m**
	£m	**£m**
Box office	**197.5**	**185.7**
Retail	**77.0**	**75.4**
Other	**24.4**	**24.2**
Total revenue	**298.9**	**285.3**
EBITDA*	**53.0**	**52.0**
Operating profit	**38.1**	**30.4**
Financial income	**1.9**	**2.6**
Financial expenses	**(12.5)**	**(20.6)**
Net financing costs	**(10.6)**	**(18.0)**
Share of profit from joint venture	**0.1**	**-**
Profit on ordinary activities before tax	**27.6**	**12.4**
Tax on profit on ordinary activities	**(7.4)**	**13.3**
Profit for the period attributable to equity holders of the Company	**20.2**	**25.7**

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

The financial results for 2008 show a very sound performance. The results are all the more heartening because they were achieved in light of the adverse impact on our screen advertising revenues from the termination of our screen advertising contract with Carlton Screen Advertising, the worsening economic climate in the second half of the year and upward pressures on our operating costs, particularly for energy.

Revenues

Total revenue was £298.9m, a rise of 4.8% on the prior period (2007: £285.3m).

As a result of strong film product and maintenance of our market share mentioned in the Chief Executive Officer's Review, we have enjoyed very buoyant trade during the year and box office was 6.4% higher at £197.5m (2007: £185.7m) on a similar level of admissions.

Our subscription business, the Unlimited card, continues to expand in line with our stated strategy and we currently have in excess of 223,000 subscribers at the end of the period. The benefits of this initiative are twofold: first, it provides the Group with a constant stream of box office revenue throughout the year and second, it ensures repeat visits which provide additional retail opportunities.

Retail sales for the year were up 2.1% at £77.0m (2007: £75.4m). Retail performance was marginally affected by the impact on spend from a higher number of adult orientated films such as Mamma Mia. This audience segment tends to spend less per person than those normally attending high-grossing blockbuster films.

Other revenues, principally from screen advertising, ticket bookings, sponsorships and games, were marginally up 0.8% to £24.4m (2007: £24.2m), which included a 4.2% fall in screen advertising revenue.

EBITDA* and Operating Profit

EBITDA was up 1.9% at £53.0m against the 2007 figure of £52.0m and was achieved through better spend levels and cost margins and continued management of operating costs. These were partly offset by rising energy costs in the fourth quarter of the year and the shortfall in screen advertising revenue. Operating profit increased to £38.1m (2007: £30.4m).

Earnings

Overall profit on ordinary activities before tax was £27.6m compared with £12.4m in 2007. Basic earnings per share amounted to 14.3p and adjusted pro-forma earnings per share were 14.6p (using a normalised tax rate of 28.5%). This compares favourably with the 2007 adjusted pro-forma earnings per share of 12.9p (applying the number of shares at the end of 2007). The weighted average number of shares over 2008 was 141.7m and no shares were issued during the period.

Financing Costs

The interest expense in the year relates primarily to interest on bank debt. The majority of the balance is non-cash interest on onerous leases, the pension scheme and the finance lease. The interest on debt is significantly lower than for 2007 mainly because of the reduction of debt on IPO in 2007. The falls in interest rates during the later part of 2008 will benefit the Group in 2009.

Taxation

The overall tax charge was £7.4m giving an overall effective tax rate of 26.8% for the year. The corporation tax charge was £6.3m. The balance of the tax charge results from the utilisation of a deferred tax asset 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 cash generative at the operating level during the year. Total cash generated from operations increased to £50.0m (2007: £34.5m). This reflects the healthy conversion rate of our profits into cash flow that is the nature of our business. There was a working capital cash inflow for the year arising from an increase in the level of creditors at the end of December. The high level of internally generated cash has funded our entire capital expenditure and allowed us to maximise liquidity in our existing facility whilst also repaying debt.

Net cash spent on capital for the year of, £10.9m consisted of gross expenditure of £13.3m against which contributions of £2.4m were received from the Landlords. Of the gross amount, £7.7m represented equipment replacement, site refurbishments, expenditure on various initiatives such as the new website and chip and pin and the settlement of capital creditors from the end of 2007 of £1.5m. The balance of capital expenditure of £5.6m related to the cost of opening the new 12-screen cinema at High Wycombe and the new five-screen cinema at Haverhill. The contributions received from the Landlords have been treated as reverse premia and will be amortised to the profit and loss account over the term of the lease.

Net debt at the end of December 2008 fell to £117.4m (2007: £124.4m), due to repayment of £9m of the bank loan and the maintenance of a healthy cash balance. This was partially offset by the £4.2m liability valuation of the interest rate swap hedge on the bank loan (2007: £0.2m liability). The liability position arose because the fixed rate of interest payable on the swap was higher than the three month LIBOR rate receivable on the hedged portion of the loan for the remainder of its term.

During the year the Group stayed well within its banking covenants and achieved certain financial targets which enabled the Group to benefit from a lower margin in its bank debt of 0.95% above three month LIBOR (previously 1.35% above LIBOR).

Dividends

The Board continues to apply a dividend policy reflecting the long-term earnings and cash flow potential of Cineworld. In line with the above policy, the Directors recommend payment of a final dividend in respect of the year ended 25 December 2008 of 6.3p per share, which taken together with the interim dividend of 3.2p per share paid in October 2008, gives a total dividend in respect of 2008 of 9.5p per share, unchanged from the level in 2007. Subject to shareholder approval, the final dividend will be paid on 17 June 2008 to shareholders on the register on 22 May 2008.

Forward Looking Statements

Certain statements in the Chairman's Statement, the Chief Executive Officer Review of Operations and the Chief Financial Officer Review are forward looking and so involve risk and uncertainty because they relate to events, and depend upon circumstances, that will occur in the future.

Richard Jones

Chief Financial Officer
12 March 2009

Consolidated income statement
for the period ended 25 December 2008

	Note	**52 week period ended 25 December 2008 £m**	52 week period ended 27 December 2007 £m
Revenue		**298.9**	285.3
Cost of sales		**(224.6)**	(220.6)
Gross profit		**74.3**	64.7
Other operating income		**0.6**	8.3
Administrative expenses		**(36.8)**	(42.6)
Operating profit		**38.1**	30.4
Analysed between:			
Operating profit before depreciation and amortisation, adjustments to goodwill and fixed asset impairment charges, onerous lease and other non-recurring or non-cash property charges, transaction and reorganisation costs and profit on disposal of cinema sites		**53.0**	52.0
- Depreciation and amortisation		**(14.0)**	(18.3)
- Adjustments to goodwill and fixed asset impairment charges		**-**	(7.7)
- Onerous leases and other non-recurring or non-cash property charges		**(1.1)**	(1.1)
- Transaction and reorganisation costs		**0.2**	(2.6)
- Profit on disposal of cinema sites		**-**	8.1
Financial income	*4*	**1.9**	2.6
Financial expenses	*4*	**(12.5)**	(20.6)
Net financing costs		**(10.6)**	(18.0)
Share of profit of jointly controlled entities using equity accounting method, net of tax		**0.1**	-
Profit on ordinary activities before tax		**27.6**	12.4
Tax (charge)/credit on profit on ordinary activities	*5*	**(7.4)**	13.3
Profit for the period attributable to equity holders of the Company		**20.2**	25.7
Basic and diluted earnings per share	*3*	**14.3p**	24.5p

Consolidated balance sheet

at 25 December 2008

	Note	**25 December 2008**		27 December 2007	
		£	**£m**	£m	£m
Non current assets					
Property, plant and equipment			**112.6**		110
Goodwill			**216.1**		216
Intangible assets			**0.7**		0
Investments in equity-accounted investee			**1.0**		-
Other receivables			**0.9**		0
Deferred tax assets			**18.6**		19
Total non-current assets			**349.9**		348.5
Current assets					
Inventories		**1.7**		1.5	
Trade and other receivables		**21.9**		17.8	
Cash and cash equivalents		**12.8**		10.4	
Total current assets			**36.4**		29.7
Total assets			**386.3**		378
Current liabilities					
Interest-bearing loans, borrowings and other financial liabilities	*7*	**(10.6**		(9.2)	
Trade and other payables		**(46.4)**		(40.2)	
Current taxes payable		**(5.3**		(1.8)	
Provisions		**(2.1**		(1.5)	
Total current liabilities			**(64.4**		(52
Non-current liabilities					
Interest-bearing loans, borrowings and other financial liabilities	*7*	**(119.6**		(125.6)	
Other payables		**(50.5**		(48.0)	
Employee benefits		**(2.6**		(2.4)	
Provisions		**(10.4**		(13.4)	
Deferred tax liabilities		**(1.9**		(3.5)	
Total non-current liabilities			**(185.0)**		(192.9)
Total liabilities			**(249.4)**		(245.6)
Net assets			**136.9**		132.6
Equity attributable to equity holders of the Company					
Share capital	*8*		**1.4**		1.4
Share premium	*8*		**171.4**		171.4
Translation reserves	*8*		**2.1**		0.4
Hedging reserves	*8*		**(4.2)**		(0.2)
Retained deficit	*8*		**(33.8)**		(40.4)
Total equity			**136.9**		132.6

These financial statements were approved by the Board of Directors on 12 March 2009 and were signed on its behalf by:

SM Wiener
Director

RD Jones
Director

Consolidated cash flow statement

for the period ended 25 December 2008

	Note	**52 week period ended 25 December 2008 £m**	52 week period ended 27 December 2007 £
Cash flow from operating activities			
Profit for the period		**20.2**	25
Adjustments for:			
Financial income	*4*	**(1.9**	(2
Financial expense	*4*	**12.5**	20
Taxation		**7.4**	(13
Share of profit of equity-accounted investee		**(0.1**	-
Operating profit		**38.1**	30
Depreciation and amortisation		**14.0**	18
Impairment charges and adjustment to goodwill		**-**	7
Non-cash property charges		**1.1**	1
Profit on disposal of cinema sites		**-**	(8
Operating cash flow before changes in working capital and provisions		**53.2**	49
(Increase)/decrease in trade and other receivables		**(3.3**	0
(Increase)/decrease in inventories		**(0.2**	0
Increase/(decrease) in trade and other payables		**3.3**	(12
Decrease in provisions and employee benefit obligations		**(3.0**	(2
Cash generated from operations		**50.0**	34
Tax paid		**(2.8**	(0
Net cash flows from operating activities		**47.2**	34
Cash flows from investing activities			
Proceeds from the disposal of cinema sites		**-**	12
Interest received		**0.7**	1
Acquisition of property, plant and equipment		**(10.9**	(9
Surplus of pension contributions over current service cost		**(1.6**	(1
Investment in jointly controlled entity		**(0.3**	-
Net cash flows from investing activities		**(12.1**	1
Cash flows from financing activities			
Share issue proceeds		**-**	104
Proceeds from new loan		**-**	135
Dividends paid to shareholders		**(13.7**	(4
Interest paid		**(9.4**	(10
Repayment of bank loans		**(9.0**	(214
Repayment of subordinated bonds		**-**	(54
Share issuance costs		**-**	(7
Payment of finance lease liabilities		**(0.5**	(0
Debt issuance costs		**-**	(1
Loan to jointly controlled entity		**(0.5**	-
Net cash from financing activities		**(33.1**	(53
Net increase/(decrease) in cash and cash equivalents		**2.0**	(17
Effect of exchange rate fluctuations on cash held		**0.4**	-
Cash and cash equivalents at start of period		**10.4**	27
Cash and cash equivalents at end of period		**12.8**	10

Consolidated statement of recognised income and expense

for the period ended 25 December 2008

	52 week period ended 25 December 2008 £m	52 week period ended 27 December 2007 £m
Foreign exchange translation gain	**1.7**	-
Actuarial (losses)/gains on defined benefit pension schemes	**(1.5)**	0.7
Deferred tax credit/(charge) on actuarial (losses)/gains	**0.4**	(0.2)
Movement in fair value of cash flow hedge	**(4.0)**	(0.2)
Deferred tax credit on movement in fair value of cash flow hedge	**1.1**	-
Net (expenditure)/ income recognised directly in equity	**(2.3)**	0.3
Profit for the period	**20.2**	25.7
Total recognised income and expense for the period attributable to equity holders of the Company	**17.9**	26.0

Notes to the consolidated financial statements

1. Basis of preparation

This financial information has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the 52 week period ended 25 December 2008, and are not the Company's statutory accounts.

The comparative figures for the 52 week period ended 27 December 2007 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 237(2) or (3) of the Companies Act 1985.

2 Segmental information

Geographic sector analysis

Revenue by destination and by origin from countries other than the UK in all financial periods was not material.

Business sector analysis

The Group has operated in one business sector in all financial periods, being cinema operations.

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 cost of share-based payments and other one-off income or expense adjusted pro-forma. Adjusted pro-forma earnings per share is calculated by applying a pro-forma interest charge on the new debt structure (in 2007 only), and 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, which in 2007 and 2008 was £nil.

	52 week period ended 25 December 2008 £m	52 week period ended 27 December 2007 £m
Earnings attributable to ordinary shareholders	**20.2**	25.7
Adjustments :		
Amortisation of intangible assets	**0.1**	9.8
Share based payments	**0.1**	0.5
Transaction and reorganisation costs	**(0.2)**	2.6
Profit on disposal	**-**	(8.1)
Impact of straight lining operating leases	**1.4**	1.1
Adjusted earnings	**21.6**	31.6
Add back net financing costs	**n/a**	18.0
Less normalised interest	**n/a**	(10.2)
Add back tax charge/less tax credit	**7.4**	(13.3)
Adjusted pro-forma profit before tax	**29.0**	26.1
Less tax at 28.5% (2007: 30%)	**(8.3)**	(7.8)
Adjusted pro-forma profit after tax	**20.7**	18.3

3 Earnings per share *(continued)*

	52 week period ended 25 December 2008	52 week period ended 27 December 2007
	Number of shares (m)	Number of shares (m)
Weighted average number of shares in issue	**141.7**	104.9
Basic and adjusted earnings per share denominator	**141.7**	104.9
Dilutive options	**-**	-
Diluted earnings per share denominator	**141.7**	104.9
Shares in issue at period end	**141.7**	141.7
	Pence	Pence
Basic and diluted earnings per share	**14.3**	24.5
Adjusted basic and diluted earnings per share	**15.2**	30.1
Adjusted pro-forma basic and diluted earnings per share	**14.6**	17.4
Adjusted pro-forma basic and diluted earnings per share using the number of shares in issue at period end	**14.6**	12.9

4. Finance income and expense

	52 week period ended 25 December 2008 £m	52 week period ended 27 December 2007 £m
Net gain on remeasurement of interest rate swap to fair value	**-**	0.3
Interest income	**0.7**	1.2
Expected return on defined benefit pension plan assets	**1.2**	1.1
Financial income	**1.9**	2.6
Interest expense on bank loans and overdrafts	**8.8**	12.3
Interest accrued on deep discount bonds	**-**	4.2
Write off of financing fees on redemption of loans	**-**	1.0
Amortisation of financing costs	**0.4**	0.5
Unwind of discount on onerous lease provision	**0.6**	0.8
Finance cost for defined benefit pension scheme	**1.5**	1.3
Other financial costs	**1.2**	0.5
Financial expense	**12.5**	20.6
Net financing costs	**10.6**	18.0

On 27 April 2007 a swap was taken out to hedge a proportion of the Group's bank debt. Hedge accounting has been applied to this swap from inception. A movement of £4.0m (2007:£0.2m) has been recognised directly in equity in relation to this cash flow hedge.

5. Taxation

Recognised in the income statement

	52 week period ended 25 December 2008 £m	52 week period ended 27 December 2007 £m
Current tax expense		
Current year	**6.4**	1.8
Adjustments in respect of prior years	**(0.1)**	-
Total current tax expense	**6.3**	1.8
Deferred tax expense		
Origination and reversal of temporary differences	**1.1**	(15.1)
Total tax charge/(credit) in income statement	**7.4**	(13.3)

(During the period there was a deferred tax credit of £1.5m (2007: tax charge £0.2m) recognised directly in equity).

6. Dividends

An interim dividend of 3.2p per share, amounting to £4.5m, was paid on 3 October 2008 to ordinary shareholders on the register at the close of business on 5 September 2008. The Directors propose a final dividend of 6.3p per share, taking the total dividend for the year to 9.5p per share, payable on 17 June 2009 to ordinary shareholders on the register at the close of business on 22 May 2009.

7. Other 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.

	25 December 2008 £m	27 December 2007 £m
Non-current liabilities		
Interest rate swaps	**2.7**	-
Secured bank loans, less issue costs of debt to be amortised	**110.5**	119.2
Liabilities under finance leases	**6.4**	6.4
	119.6	125.6
Current liabilities		
Interest rate swaps	**1.5**	0.2
Secured bank loans, less issue costs of debt to be amortised	**8.6**	8.5
Liabilities under finance leases	**0.5**	0.5
	10.6	9.2

On 26 April 2007 the bank loans were refinanced with a new term loan of £135m for a term of 5 years and interest charged at 0.95% (2007:1.35%) above LIBOR based on the current position with respect to the covenants. The range payable above LIBOR is 0.7%-1.35% depending on the covenant headroom. The bank loans are secured by fixed and floating charges on the assets of the Group. The balance of the loan at 25 December 2008 was £120m. In addition to the term loan, the Group has a £30m revolver which has not been drawn down.

7. Other Interest-bearing loans and borrowings and other financial liabilities *(continued)*

Analysis of net debt

	Cash at bank and in hand £m	Bank loans £m	Deep Discounted Bonds £m	Finance leases £m	Interest rate swap £m	Net debt £m
At 28 December 2006	27.7	(206.9)	(127.8)	(6.9)	(0.3)	(314.2)
Cash flows	(17.3)	79.0	54.3	0.5	-	116.5
Non cash movement	-	0.2	73.5	(0.5)	0.1	73.3
At 27 December 2007	**10.4**	**(127.7)**	**-**	**(6.9)**	**(0.2)**	**(124.4)**
Cash flows	2.0	9.0	-	0.5	-	11.5
Non cash movement	-	(0.4)	-	(0.5)	(4.0)	(4.9)
Effect of movement in foreign exchange rates	0.4	-	-	-	-	0.4
At 25 December 2008	**12.8**	**(119.1)**	**-**	**(6.9)**	**(4.2)**	**(117.4)**

The non-cash movements relating to bank loans represents the write-off or amortisation of bank fees previously capitalised and to interest accrued on bonds but not payable until the redemption of the bonds.

8. Capital and reserves

Reconciliation of movement in capital and reserves

52 weeks ended 27 December 2007 and 52 weeks ended 25 December 2008:

	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained deficit £m	Total £m
At 28 December 2006	-	-	0.4	-	(64.1)	(63.7)
Profit for the period	-	-	-	-	25.7	25.7
Actuarial gain on defined benefit pension scheme	-	-	-	-	0.7	0.7
Tax recognised on income and expenses recognised directly in equity	-	-	-	-	(0.2)	(0.2)
Dividends paid in the period	-	-	-	-	(4.3)	(4.3)
Shares issued, net of related costs	0.6	93.5	-	-	-	94.1
Bonds converted to shares	0.5	77.9	-	-	-	78.4
Bonus share issue	0.3	-	-	-	-	0.3
Reversal of accrual relating to cash settled shares	-	-	-	-	1.8	1.8
Movement in fair value of cash flow hedge	-	-	-	(0.2)	-	(0.2)
At 27 December 2007	1.4	171.4	0.4	(0.2)	(40.4)	132.6
Profit for the period					20.2	20.2
Actuarial loss on defined benefit pension scheme	-	-	-	-	(1.5)	(1.5)
Tax recognised on income and expenses recognised directly in equity	-	-	-	-	1.5	1.5
Dividends paid in the period	-	-	-	-	(13.7)	(13.7)
Movement in fair value of cash flow hedge	-	-	-	(4.0)	-	(4.0)
Movements due to share based compensation	-	-	-	-	0.1	0.1
Retranslation of foreign currency denominated subsidiaries	-	-	1.7	-	-	1.7
At 25 December 2008	1.4	171.4	2.1	(4.2)	(33.8)	136.9