

CINEWORLD GROUP PLC ANNUAL REPORT 2007
FOR THE 52 WEEKS ENDED 27 DECEMBER 2007

CONTENTS

Highlights	1
About Cineworld	2
2007: Film review	4
Chairman's statement	6
Chief Executive Officer's review	8
Chief Financial Officer's review	12
2008: Film preview	16
Directors	18
Directors' report	20
Statement of Directors' responsibilities	26
Corporate governance	27
Directors' remuneration report	33
Independent Auditors' report	38
Consolidated income statement	42
Consolidated balance sheet	43
Consolidated cash flow statement	44
Consolidated statement of recognised income and expense	45
Notes to the consolidated financial statements	46
Company balance sheet	81
Reconciliation of movements in shareholders' funds/(deficit)	82
Notes to the Company financial statements	83
Shareholder information	86
UK screen locations	89

HIGHLIGHTS

- Group revenue up 7.8% to £285.3m on a continuing¹ basis (2006: £264.6m) and up to 2.4% on an actual basis (2006: £278.5m)
- EBITDA² up 13.0% to £52.0m on a continuing¹ basis (2006: £46.0m) and up 7.0% on an actual basis (2006: £48.6m)
- Operating profit increased to £30.4m (2006: £18.7m total, £13.3m on a continuing¹ basis)
- Operating cash flow before changes in working capital and provisions increased to £49.4m (2006: £42.9m)
- Net debt reduced to £124.4m following IPO in May 2007 and debt refinancing (2006: £314.2m)
- Successful IPO on the main market of the London Stock Exchange raising £120.0m (before expenses) for the Group and selling shareholders
- Admissions up 4.9% at 45.0m on a continuing¹ basis (2006: 42.9m) and down 0.4% on an actual basis (2006: 45.2m) due to the sale of several sites in 2006
- Box office up 7.7% at £185.7m on a continuing¹ basis (2006: £172.4m) and up 2.4% on an actual basis (2006: £181.3m)

Group revenue up 7.8% to £285.3m on a continuing¹ basis (2006: £264.6m)

Operating profit increased to £30.4m on a continuing¹ basis (2006: £13.3m)

Admissions up 4.9% at 45.0m on a continuing¹ basis (2006: 42.9m)

Box office up 7.7% at £185.7m on a continuing¹ basis (2006: £172.4m)

¹ Continuing basis excludes sites disposed during 2006, see the financial performance section of the Chief Financial Officer's review on page 14

² EBITDA is defined as per the financial performance section of the Chief Financial Officer's review

ABOUT CINEWORLD



THE GROUP

The Cineworld Group is one of the leading cinema groups in the UK and Ireland in terms of the number of sites, screens and admissions. It has a portfolio of 74 cinemas and 770 screens operating under the “Cineworld” brand which stretches as far north and south as Aberdeen and Jersey and as far east and west as Ipswich and Dublin.

Since its foundation in 1995 by members of its current senior management, the Group has developed its business through a combination of new-builds and acquisitions. All but three of the Group’s sites are “multiplex” cinemas with five or more screens per site.

In the past year Cineworld has delivered five out of the top eight highest grossing cinemas across the UK and Ireland. These include the top two performing cinemas in the UK and Ireland – Cineworld Glasgow (Renfrew Street) and Cineworld Dublin, for which the former achieved over two million admissions in 2007. At the time of going to press, the Group’s cinema in Sheffield was the second highest grossing cinema in the UK.

Of its portfolio of 74 cinemas, Cineworld has 64 sites with digital capability, giving it the largest digital estate of any exhibitor in the UK. In October 2007, Cineworld further strengthened its position in digital by announcing it had entered into an agreement with Real-D, the world leader in 3-D technology, to bring 3-D digital screens to its estate. Today, the Group is proud to count 32 sites with 3-D screens and is looking at further expansion across the estate.

The Group is committed to offering its customers a very broad range of films. Cineworld not only shows the Hollywood blockbusters, but has also become the biggest exhibitor of Bollywood films in the UK and has introduced Tamil films alongside a wide mix of independent, art house and foreign films to suit every taste.

The wide range of films satisfies the demand from Cineworld’s unique subscriber service, Unlimited. Offering unlimited film for a monthly subscription, the programme provides keen movie-goers with great value for money whilst delivering a regular stream of admissions and regular subscription income to the Group. Unlimited now has over 185,000 members.

Cineworld has also broadened its retail offering: Fanta Frozen is now available in almost all cinemas, Ben & Jerry’s kiosks are now in 25 locations and a new contract has been signed with Carlsberg to provide alcohol in the cinema bars.

The philosophy of Cineworld has always been to provide an excellent level of customer service and an enhanced range of products in a modern, clean, comfortable environment that makes “cinema going” a pleasurable escapist experience.

1. Glasgow (Renfrew Street)

Highest grossing UK cinema

Tallest cinema in world

* Nielsen EDI Ltd for the year ended 27 12 07

2. Cineworld Dublin

Highest grossing Irish cinema

* Nielsen EDI Ltd for the year ended 27 12 07

3. Cineworld Sheffield

2nd highest grossing UK cinema

20 screens

* Nielsen EDI Ltd for the period from 28 12 07 to 13 03 08

4. Cineworld Didcot

Opened May 2007

5. Cineworld Feltham

Highest grossing Bollywood cinema in the UK

2007: FILM REVIEW



HARRY POTTER 5
UK BOX OFFICE £49.4M



POTC: AT WORLD'S END
UK BOX OFFICE £40.6M



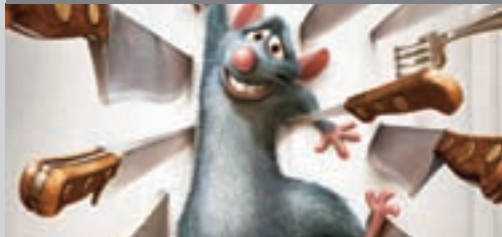
THE SIMPSONS MOVIE
UK BOX OFFICE £38.7M



SPIDER-MAN 3
UK BOX OFFICE £33.6M



THE GOLDEN COMPASS
UK BOX OFFICE £26.1M



RATATOUILLE
UK BOX OFFICE £24.8M



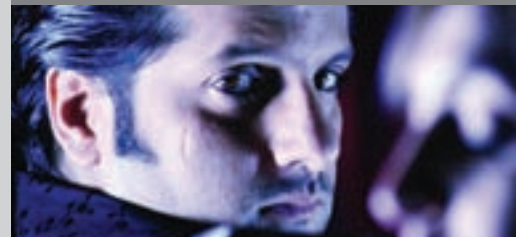
THE BOURNE ULTIMATUM
UK BOX OFFICE £23.7M



HAIRSPRAY
UK BOX OFFICE £12.6M



BEOWULF
UK BOX OFFICE £7.4M



OM SHANTI OM
UK BOX OFFICE £1.3M

UK BOX OFFICE

2007 has been a good year for film. Dubbed the year of the “threequel”, four out of the top ten grossing films by box office were the third in their respective trilogies. Harry Potter once again topped the box office charts, but it was the significant number of big releases coupled with the inclement weather that drove huge admissions over the summer. The year also ended strongly with I am Legend, The Golden Compass and Enchanted capitalising on the season of goodwill. Warner Bros ended up with the “Distributor of the year” plaudits at the 2008 RAAM awards.

TOP FILMS

UK BOX OFFICE*

Harry Potter 5	£49.4m
POTC: At World's End	£40.6m
Shrek The Third	£38.7m
The Simpsons Movie	£38.7m
Spider-Man 3	£33.6m
The Golden Compass	£26.2m
I Am Legend	£25.6m
Ratatouille	£24.8m
The Bourne Ultimatum	£23.7m
Transformers	£23.5m
Mr Bean's Holiday	£22.1m
Hot Fuzz	£21.0m
Enchanted	£17.0m
Stardust	£15.0m
300	£14.2m
Die Hard 4.0	£13.9m

* Nielsen EDI Ltd as at 29 02 08

OTHER TOP FILMS FOR CINEWORLD

Cineworld provides one of the broadest ranges of films to its customers, ensuring a constant stream of product for the Unlimited audience. It is in the mid-range titles that Cineworld frequently delivers an above-average market share and 2007 was no exception. Hairspray exceeded all expectations, followed by other top performers such as Fantastic 4, RushHour 3 and Run Fat Boy Run. Cineworld also benefited hugely from investing to build the UK's largest 3-D estate in time for Beowulf 3-D.

OTHER TOP FILMS

UK BOX OFFICE*

Hairspray	£12.6m
F4: Rise Of The Silver Surfer	£12.4m
Run Fat Boy Run	£11.0m
Rush Hour 3	£10.4m
Beowulf	£7.4m
Blades Of Glory	£6.0m

* Nielsen EDI Ltd as at 29 02 08

BOLLYWOOD

Cineworld is Bollywood's number one UK exhibitor with Cineworld Feltham being the leading Bollywood grossing cinema in the UK. Cineworld hosted the “Bollywood Oscars” (IIFA's – International Indian Film Academy) in June, hosting the Premiere in Cineworld Castleford and the Festival in Cineworld Bradford. Bollywood, Tamil and Nollywood films continue to grow in popularity and Cineworld is best placed to capitalise on the ongoing demand with a hugely loyal audience. Cineworld is committed to testing the demand for Bollywood across its circuit and now shows regular Bollywood films in 19 of its cinemas.

TOP BOLLYWOOD FILMS

UK BOX OFFICE*

Om Shanti Om	£1.3m
Welcome	£0.9m
Namastey London	£0.9m
Partner	£0.8m
Salaam-e-ishq	£0.8m

* Nielsen EDI Ltd as at 29 02 08

CHAIRMAN'S STATEMENT



This is my first letter to you as Chairman of Cineworld Group plc. It is an honour and I look forward to working with you, our shareholders, as well as our customers, management and staff as we seek to grow the business.

The origins of the Company go back to its founding by Steve Wiener, the Chief Executive Officer, and other members of the senior management team, combined with the backing received from a Group of financiers, just over one decade ago. Their strategic vision, hard work and success culminated in an IPO in 2007, a transformational year for the Group. Cineworld listed its shares on the Main Market of the London Stock Exchange on 2 May 2007, raising £120m before expenses for the Group and selling shareholders.

At the year end, Cineworld's modern estate comprised 73 multiplex cinemas, with a total of 758 screens, including five of the eight highest grossing cinemas in the UK and Ireland. Our proposition is to offer our customers the most enjoyable cinematic experience in the country and we are immensely proud of our estate. When Cineworld came to market, your Board set out a clear strategy for growth and I am delighted that our first Annual Report as a public company indicates good progress on a number of fronts.

Looking back, 2007 was a strong year for film. Hollywood blockbusters, independent art house and foreign language films all contributed to a healthy increase in box office takings and we continued to grow market share during the year. A key strategic priority for the Group is to offer our customers the broadest range of films on the market, wherever produced, and in addition to the somewhat more traditional productions from the USA, the UK and Europe, we have developed and had great success with Bollywood films where we have the largest market share in the UK.

Our cinema rollout programme continues and we opened a five-screen cinema in Didcot in May 2007. In March 2008, we opened a 12-screen cinema in High Wycombe and another five-screen cinema in Haverhill, Suffolk, is planned to open towards the end of 2008. As well as expanding geographically, we made significant advances in the use of digital media and 3-D digital technology in 2007 and 32 3-D projectors are now installed across our sites. This builds on our competitive edge in digital and we are proud to offer the largest digital estate of any cinema operator in the UK.

The uncertainty surrounding negotiations with Carlton Screen Advertising ("CSA") was resolved early in March 2008 when we announced the formation of Digital Cinema Media ("DCM"), a 50:50 joint venture in association with Odeon Cinemas Limited to address cinema advertising. Although the joint venture is subject to competition approval, it gives us greater control over the screen advertising revenue in the future and we are very excited by the prospects this brings to the Group.

In line with our dividend policy outlined at listing, the Board is recommending a final dividend of 6.5p per share, giving a total dividend for the year of 9.5p. Subject to approval at the Annual General Meeting, the final dividend will be payable on 18 June 2008 to shareholders on the register on 23 May 2008 and the shares will be marked ex-dividend on 21 May 2008.

Trading in the current year has commenced strongly thanks to the resilient nature of our business model and the enduring appeal of film. With a strong release schedule of films for 2008, I am encouraged by the trading outlook for 2008 and beyond.

On behalf of the Board, I would like to thank all of our management and all of our employees for their continued hard work and commitment to the Group. I am confident of our ability to continue to deliver value to our shareholders in the future.

Anthony Bloom
Chairman
18 March 2008

I am very encouraged by our performance over the past year. Revenue growth combined with a control of expenses has resulted in a significant increase in profitability. We continue to look for opportunities to maximise revenues and support future growth.

CHIEF EXECUTIVE OFFICER'S REVIEW



When we came to market in May, we set out a clear strategy for growth. I am delighted our inaugural Annual Report as a public company indicates good progress on a number of fronts.

KEY PERFORMANCE INDICATORS

Box office revenue increased 7.7% to £185.7m (2006: £172.4m) on a continuing basis and 2.4% on an actual basis (2006: £181.3m), representing a box office market share of 23.7%, up from 23.5% in 2006. Admissions were up 4.9% on last year and the average ticket price per admission increased by 2.5% to £4.12 (2006: £4.02). In addition, we increased retail spend per person by 3.1% from £1.62 last year to £1.67. These robust performance indicators are testament to the Group's unparalleled customer offer of quality multiplex cinemas with the appropriate mix of film and retail offering.

FILM ANALYSIS

2007 was a good year for film. Particular highlights included Harry Potter 5, Pirates of the Caribbean 3, Shrek The Third and The Simpsons Movie, which all contributed significantly to admissions across our estate. In addition, Spider-Man 3, Ratatouille, Transformers and The Golden Compass all performed well, appealing to the family audience, and further driving sales across our retail franchise. The UK film industry also turned in good performances with Mr Bean's Holiday and Hot Fuzz, and other strong performing UK films included Miss Potter and The Last King of Scotland, in which the lead actor won an Oscar for best actor.

A key element of our strategy is our commitment to offering customers the broadest range of films available. To this end we are delighted to have maintained our strong presence and interest in other, less mainstream, markets. We remain the biggest exhibitor of Bollywood films in the UK and highlights in the period included Namastey London, Welcome and Om Shanti Om. We were also pleased to secure limited exclusivity over the release of the Tamil film, Sivaji, which drew a new audience to our cinema franchise and we feel well placed to capitalise on the exciting opportunities this presents.

In addition, we showcased a series of other successful foreign language films, which have contributed favourably to our full-year results. The most notable releases were Germany's The Lives of Others (2007 Oscar Winner in the foreign language category), the French films Tell No One and La Vie En Rose and Hong Kong's The Curse of the Golden Flower.

RETAIL

Our retail initiatives over the year have improved our customer proposition and driven increased spend per customer. We have expanded our product offering and now offer Fanta Frozen at almost all our cinemas. In addition, we have rolled out Ben & Jerry's kiosks to a total of 25 locations. Other product developments included new contracts with Carlsberg for the supply of all alcohol at our cinemas and we are pleased to be in final negotiations for the supply of branded coffee across our estate. Our retail strategy over the year was focused on promotional activity and this will be enhanced in 2008 with increased emphasis on operational support through expansion of promotions programmes and ongoing training.

DIGITAL

Cineworld has the largest digital estate of any cinema operator in the UK with 74 digital projectors in 64 sites. All new cinemas are built in anticipation of digital being the standard format of delivering movie content in the future and almost every multiplex has digital capability. In October 2007 we announced a deal with Real-D, the world leader in 3-D technology, to bring 3-D to certain cinemas across the estate, with the potential to roll out to as many as 100 screens in the future. This deal coincided with the release of the 3-D version of Beowulf, which launched in the UK on 16 November 2007, and performed extremely well. The film industry thrives on technological developments, which

Revenue

£285.3m
+2.4% (+7.8%*)

EBITDA

£52.0m
+7.0% (+13.0%*)

Operating Profit

£30.4m
+62.6% (+128.6%*)

Operating cash flow before changes in working capital and provisions

£49.4m
+15.2%

* Compared to continuing operations. See page 13.

can present potential alternative revenue streams to the Group and we are well placed to capitalise on these initiatives.

UNLIMITED CARD

Our subscription service, Unlimited, goes from strength to strength and currently stands at over 185,000 subscribers. This service offers a compelling value proposition to our customers whilst bringing the financial benefits of regular service subscription income to the Group. In addition, it encourages repeat visits to our cinemas enabling us to introduce a wider range of films to our customers and also helps to attract the most frequent film goers.

NEW OPENINGS

At the time of the IPO, we stated our ambition to grow the estate through selective new openings, expansions and acquisitions. I am delighted to report that in May 2007 we opened our first new cinema as a public company in Didcot, Oxfordshire. This is a five-screen cinema and is performing ahead of expectations.

Our national expansion plans remain a key strategic priority for the Group as we seek to deliver growth for our shareholders. In March 2008 we opened a new 12-screen cinema in High Wycombe and towards the end of the year a new five-screen cinema is scheduled to open at Haverhill, Suffolk. We have also signed contracts for new cinemas in Witney, Aberdeen and Aldershot.

DIGITAL CINEMA MEDIA

In December 2007, as we came to the year end, we were approached by Carlton Screen Advertising ("CSA") with a proposal materially to amend the terms of our advertising contract. The uncertainty surrounding negotiations was resolved in March 2008 when we were pleased to announce the formation of Digital Cinema Media ("DCM"), a 50:50 joint venture in association with Odeon Cinemas Limited to address cinema advertising. Subject to

further negotiations, the joint venture has agreed in principle to acquire some assets of CSA for £0.5m. Although this joint venture is subject to competition approval, we are very excited by the prospects this brings to the Group.

CURRENT TRADING

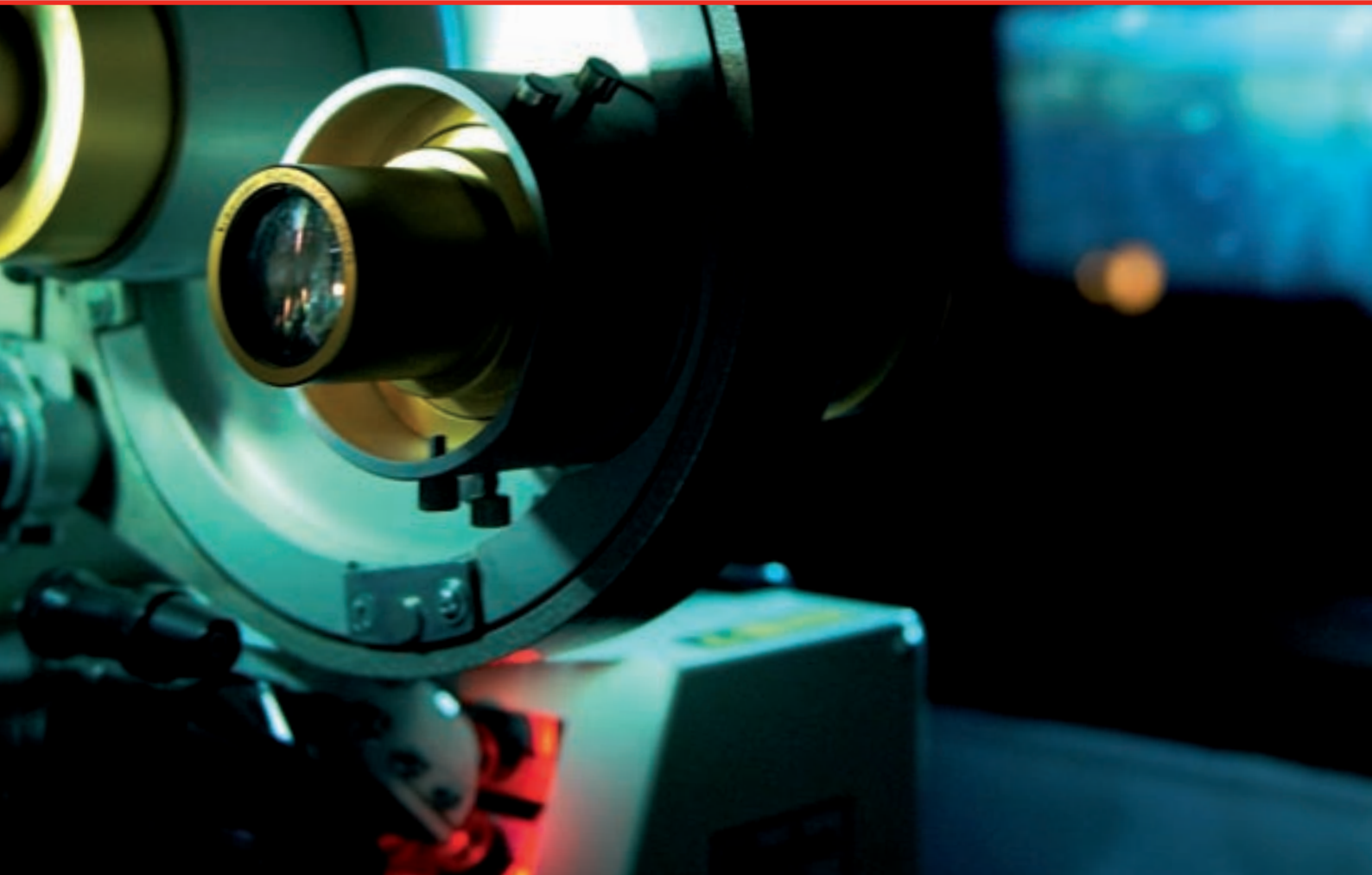
Cineworld has started the current year well and attendances have been strong. This has been driven by the success of a number of films including I am Legend and Sweeney Todd and, given the more difficult economy, is testament to the resilient nature of our business model and the enduring appeal of film.

We are increasing the use of our digital facilities by showing live, via satellite, the New York Metropolitan Opera performances and we are one of the few cinema chains in the UK to show the recently released U2 concert in 3-D, which premiered at our Dublin cinema. We have also undertaken a successful new initiative for the Group: a live theatre production of Brief Encounter. This has received very good reviews and has been playing to full houses in the main auditorium of our Haymarket cinema. We are co-producers of the play and own rights in all English-speaking countries around the world.

Looking forward, the ongoing initiatives we are implementing to improve our offer, expand our estate and enhance our advertising proposition, coupled with a 2008 film release schedule of proven franchises such as The Chronicles of Narnia, Batman, The Mummy, Harry Potter, Star Trek, James Bond and a new instalment of Indiana Jones, underpins our confidence in delivering further growth for our shareholders.

Stephen Wiener
Chief Executive Officer
18 March 2008

Looking forward, the ongoing initiatives we are implementing to improve our offer and expand our estate, coupled with our market leading digital capability and a 2008 film release schedule of proven franchises, underpins our confidence in delivering further growth for our shareholders.



LARGEST DIGITAL PRESENCE



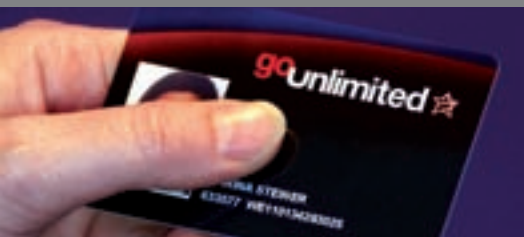
IMPROVED RETAIL OFFER



FACILITIES FOR THE ADULT AUDIENCE



FACILITIES FOR THE YOUNGER AUDIENCE



STRONG SUBSCRIPTION BASE WITH UNLIMITED



GREAT YEAR FOR MOVIES



MORE SCREENS, MORE LOCATIONS

CHIEF FINANCIAL OFFICER'S REVIEW



As a result of strong film product we have enjoyed very buoyant trade during the year and box office was 7.7% higher than 2006.

	52 week period ended 27 December 2007		52 week period ended 28 December 2006
	Total	Total***	Continuing*
Admissions	45.0m	45.2m	42.9m
	£m	£m	£m
Box office	185.7	181.3	172.4
Retail	75.4	73.3	69.4
Other	24.2	23.9	22.8
Total revenue	285.3	278.5	264.6
EBITDA**	52.0	48.6	46.0
EBITDA after transaction and reorganisation costs and profit on disposal of cinema sites	57.5	48.0	42.6
Operating profit	30.4	18.7	13.3
Financial income	2.6	14.4	
Financial expenses	(20.6)	(40.8)	
Net financing costs	(18.0)	(26.4)	
Profit/(loss) on ordinary activities before tax		12.4	(7.7)
Tax on profit/(loss) on ordinary activities	13.3	–	
Profit/(loss) for the period attributable to equity holders of the Company	25.7	(7.7)	

* Continuing operations basis excludes the results of cinemas sold during 2006 – namely Swindon (Greenbridge Park), Bishop's Stortford, Sunderland, Birmingham (Great Park, Rubery), Ealing, Wigan (Robin Way) and Slough (Queensmere Centre).

** 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.

*** Restated, see note 2 to the financial statements.

REVENUES

Total revenue was £285.3m, a rise of 2.4% on the prior period (2006: £278.5m) and on a continuing basis was up 7.8% (2006: £264.6m), against weaker-than-usual comparatives arising from the football World Cup and the hot weather in the UK last year.

As a result of strong product and the increase in market share mentioned in the Chief Executive Officer's Review, we have enjoyed very buoyant trade during the year and box office was 7.7% higher at £185.7m on a continuing basis (2006: £172.4m).

Our subscription business, the Unlimited card, continues to expand in line with our stated strategy and we currently have in excess of 185,000 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 as our customers take advantage of the benefits on offer to them with this scheme.

Retail sales for the year were in line with expectations given the level of business and were up 8.6% at £75.4m on a continuing basis (2006: £69.4m) with the high-grossing blockbuster films providing a strong spending customer base. A number of film tie-in retail promotions were developed for the summer period and a total of 25 Ben & Jerry's outlets were opened, while Fanta Frozen was rolled out across the majority of sites.

Other revenues, principally from screen advertising, ticket bookings, sponsorships and games, were up 6.1% to £24.2m (2006: £22.8m) on a continuing basis.

EBITDA AND OPERATING PROFIT

EBITDA on a continuing basis was up 13.0% to £52.0m against 2006 figures of £46.0m and operating profit increased to £30.4m (2006: £18.7m total, £13.3m on a continuing basis). Included in the results for the year were rates rebates received of £1.6m relating to prior years (2006: £1.3m). Transaction and reorganisation costs of £2.6m were incurred during the period, relating mainly to costs in connection with the IPO. The profit on disposal of £8.1m in the first half of the year related to the sale and leaseback of our Swindon and Southampton cinemas. The Group has reviewed its accounting treatment with respect to operating leases. The impact of this change in treatment (which is all non-cash) is disclosed in note 2 to the financial statements (see page 52).

EARNINGS

Overall profit on ordinary activities before tax was £12.4m against a loss of £7.7m in 2006. Basic earnings per share amounted to 24.5p and adjusted pro-forma earnings per share were 17.4p based on a weighted average number of shares over the period of 104.9m. Based on the total number of shares in issue at the end of the period of 141.7m, the basic earnings per share was 18.1p and adjusted earnings per share (using the 2007 effective tax rate of 14.5%) was 15.7p. There were no share dilutions at the end of the period.

FINANCING COSTS

The interest expense in the year relates to interest on the pre-IPO financing arrangements on debt and bonds and to interest on post-IPO debt. Also included was the write-off of £1.0m financing fees previously capitalised in the pre-IPO debt financing. On a pro-forma basis, assuming the post-IPO debt structure had been in place from 29 December 2006, net financing costs for the year would be approximately £10.2m.

TAXATION

The overall tax credit of £13.3m results from the recognition of a deferred tax asset on the basis that the unclaimed capital allowances, being the difference between the tax written down value of the capital allowance and the net book value of the underlying assets, are now forecast to be utilised against future profits. A tax asset has also been recognised for other

temporary differences forecast to reverse in future periods. There is a £1.8m current corporation tax charge for the year, giving an effective tax rate of 14.5% for the year.

CASH FLOW AND BALANCE SHEET

The Group continued to be cash generative at the operating level during the year. Total cash inflow from operations before changes in working capital and provisions has increased to £49.4m (2006: £42.9m). This reflects the healthy conversion rate of our profits into cash flow. The cash outflow from the reduction in working capital is due to payment of creditors, normally at its highest level at the end of December, reflecting the highest trading period in the year.

Capital expenditure for the year amounted to £9.9m, of which £4.8m represented replacement and refurbishment expenditure, £2.1m being the cost of opening the new five-screen cinema at Didcot on 3 May 2007 and expenditure of £3.0m on the new 12-screen cinema at High Wycombe. We are making good progress with our capital expenditure programme with various refurbishments completed at ten sites.

The radical change from a net liability to a net asset position is the result of the share issue and de-leveraging of the business, the combination of which now allows us more flexibility to meet future business challenges and opportunities.

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 to 27 December 2007 of 6.5p per share, which taken together with the interim dividend of 3p per share paid in October 2007, gives a total dividend in respect of 2007 of 9.5p per share. Subject to shareholder approval, the final dividend will be paid on 18 June 2008 to shareholders on the register on 23 May 2008.

Richard Jones
Chief Financial Officer
18 March 2008

It has been a good year for Cineworld and the key financial indicators speak for themselves. With a promising film release schedule for 2008 and a strong financial position, we are well placed to meet future business challenges and take advantage of opportunities that lie ahead of us.



MOVIES TO INSPIRE



THE PLACE TO MEET



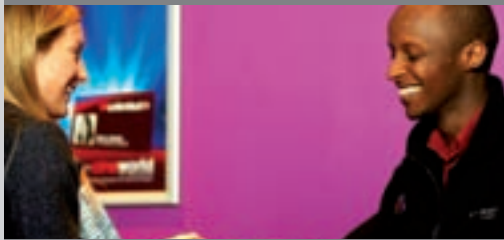
A GREAT WORKFORCE



FOR ALL THE FAMILY



EVERYTHING YOU NEED



SERVICE WITH A SMILE



THE PLACE TO BE

2008: FILM PREVIEW



INDIANA JONES
RELEASED MAY



MAMMA MIA!
RELEASED JULY



PRINCE CASPIAN
RELEASED JUNE



DARK KNIGHT
RELEASED JULY



QUANTUM OF SOLACE
RELEASED OCTOBER



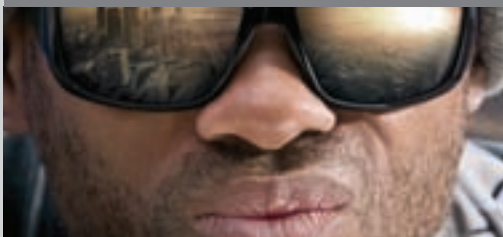
IRON MAN
RELEASED MAY



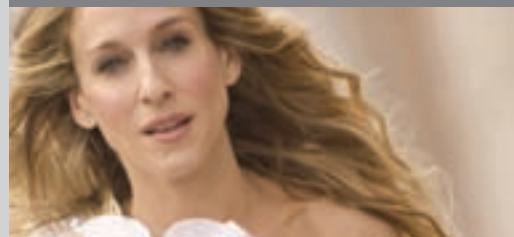
WALL•E
RELEASED JULY



WANTED
RELEASED JULY



HANCOCK
RELEASED JULY



SEX AND THE CITY
RELEASED MAY

2008 has started promisingly and is looking to deliver another really strong line-up. The eagerly anticipated films of the year include the awesome Harry Potter, the dashing James Bond, the legend of Indiana Jones and the brilliance of Batman. Here are some of the big releases to look out for:

DARK KNIGHT

Batman and James Gordon join forces with Gotham's new District Attorney, Harvey Dent, to take on a psychotic bank robber known as The Joker. Whilst other forces plot against them, The Joker's crimes grow more and more deadly.

HANCOCK

Will Smith is a hard-living superhero who has fallen out of favour with the public and enters into a questionable relationship with the wife of the public relations professional who is trying to repair his image.

HARRY POTTER AND THE HALF BLOOD PRINCE

As Harry Potter begins his 6th year at Hogwarts School of Witchcraft and Wizardry, he discovers an old book marked mysteriously "This book is the property of the Half-Blood Prince" and begins to learn more about Lord Voldemort's dark past.

INDIANA JONES AND THE KINGDOM OF THE CRYSTAL SKULL

Set 19 years after his previous adventures, Harrison Ford returns as Indiana Jones to battle the Soviets for the Crystal Skull.

JAMES BOND: QUANTUM OF SOLACE

Daniel Craig reprises his role as the iconic British agent James Bond, following the hugely successful Casino Royale. 007 hunts for answers about Vesper Lynd, the love interest who seemingly betrayed him and died.

JOURNEY TO THE CENTRE OF THE EARTH (3D)

On a quest to find out what happened to his missing brother, a scientist, his nephew and their mountain guide discover a fantastic and dangerous lost world in the centre of the earth.

KUNG FU PANDA

Po the Panda is the laziest animal in all of the Valley of Peace, but unwittingly becomes the "Chosen One" when enemies threaten their way of life.

MAMMA MIA!

The story of a bride-to-be trying to find her real father. Told using hit songs by the popular '70s Group ABBA.

PRINCE CASPIAN

The Pevensie siblings return to Narnia, where they are enlisted once again to help ward off an evil king and restore the rightful heir - Prince Caspian - to the land's throne.

SEX AND THE CITY

Based on the hit TV series, we follow the girls for one last time – will Carrie finally get married?

WALL•E

The year is 2700. WALL•E, a robot, spends every day doing what he was made for. But soon he will discover what he was really meant for.

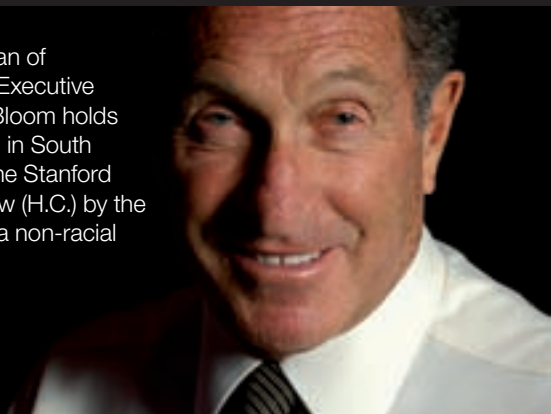
2008 HIGHLIGHTS

Dark Knight
 Hancock
 Harry Potter and the Half Blood Prince
 Indiana Jones and the Kingdom of the Crystal Skull
 James Bond: Quantum Of Solace
 Journey To The Centre Of The Earth (3D)
 Kung Fu Panda
 Mamma Mia!
 Prince Caspian
 Sex And The City
 WALL•E
 Wanted
 Iron Man
 The Incredible Hulk
 Hellboy 2: The Golden Army
 Get Smart
 The Mummy: Tomb of the Dragon Emperor

DIRECTORS

ANTHONY HERBERT BLOOM, CHAIRMAN

Anthony Bloom joined the Board in October 2004 as Chairman and has served as Chairman of Cine-UK since the business was founded in 1995. He was previously Chairman and Chief Executive of the Premier Group Ltd (South Africa) and a director of Barclays Bank (South Africa). Mr Bloom holds Bachelor of Commerce and Bachelor of Law degrees from the University of Witwatersrand in South Africa and a Masters of Law degree from Harvard Law School. He was a Sloan Fellow at the Stanford Graduate School of Business. In 2002, Mr Bloom was awarded the degree of Doctor of Law (H.C.) by the University of Witwatersrand in recognition of his contribution towards the establishment of a non-racial society in South Africa.



LAWRENCE HALL GUFFEY, NON-EXECUTIVE DIRECTOR AND DEPUTY CHAIRMAN

Lawrence Guffey joined the Board in December 2004. Mr Guffey is a Senior Managing Director at The Blackstone Group and leads Blackstone's media and communications investment activities. Mr Guffey has led or co-led Blackstone's efforts in virtually all media and communications-related investments and has day-to-day responsibility for management of Blackstone Communications Advisors. Before joining Blackstone, Mr Guffey worked in the Acquisitions Group at Trammell Crow Ventures, the principal investment arm of Trammell Crow Company. He currently serves as a director of Axtel and TDC, and is a director of Deutsche Telekom. He also serves on the Board of The Paris Review, the literary foundation.



STEPHEN MARK WIENER, CHIEF EXECUTIVE OFFICER

Stephen Wiener joined the Board in October 2004. He has 38 years' experience in the cinema industry, starting in the US as an usher whilst a full time student, and rising through various roles culminating in Vice President for Cineplex Odeon in New York City. He then moved to Warner Bros Europe in 1991 to become Managing Director. In 1995 he left to found Cine-UK and developed the business into a chain of 34 cinemas before it was acquired by Blackstone in October 2004. Shortly after the UGC Acquisition, he was appointed Chief Executive Officer of the combined Group. He is also a Director of the Cinema Exhibitors Association.



RICHARD DAVID JONES, CHIEF FINANCIAL OFFICER

Richard Jones joined the Board in March 2006. Mr Jones joined Touche Ross in 1984 where he qualified as a chartered accountant and worked in the audit and corporate finance teams. In 1993, Mr Jones joined the corporate finance division at Clark Whitehill and in November 1995 he joined the team at Cine-UK. He was appointed Group Chief Financial Officer in 2005. He has responsibility for all aspects of finance for the Group including accounting, taxation, treasury and business planning. He is also responsible for IT and human resources. Mr Jones holds a degree in mathematics from the University of Warwick.

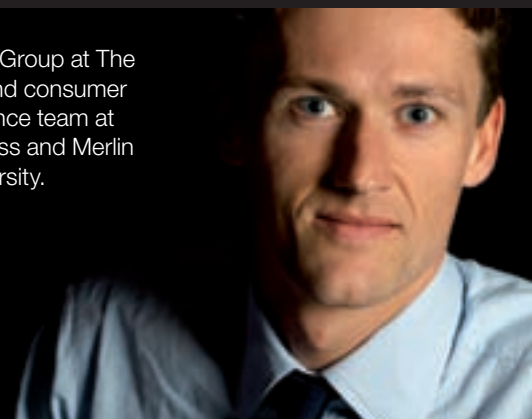


THOMAS BERARD MCGRATH, NON-EXECUTIVE DIRECTOR

Thomas McGrath joined the Board in May 2005. Previously he was Chief Operating Officer of Viacom Entertainment Group and President of Time Warner International Broadcasting, prior to which he worked for Columbia Pictures. Mr McGrath is currently a Senior Managing Director of Crossroads Media Inc. and serves on the Board of Directors of BUF Music, Screen Capital International and Universal Studios, Orlando. Mr McGrath holds a BA and an MBA from Harvard University.

**MATTHEW DAVID TOOTH, NON-EXECUTIVE DIRECTOR**

Matthew Tooth joined the Board in August 2004. Mr Tooth is a Principal in the Private Equity Group at The Blackstone Group and is responsible for Blackstone's investments in the European leisure and consumer sectors. Prior to joining Blackstone in 2003, Mr Tooth worked in the M&A and leveraged finance team at CSFB. Mr Tooth is also a Director at Orangina. He was previously a Director of Southern Cross and Merlin Entertainments. Mr Tooth holds a first class honours degree in economics from Exeter University.

**DAVID OSSIAN MALONEY, NON-EXECUTIVE DIRECTOR**

David Maloney joined the Board in May 2006. Mr Maloney is currently the Chairman of Hoseasons Holdings Ltd, a Non-Executive Director of Carillion plc, Micro Focus International plc and Ludorum plc and the Chairman of the Board of Trustees of Make A Wish Foundation (UK). Previously, he was a Director of Virgin Mobile Holdings (UK) plc and held a number of senior positions, including Chief Financial Officer for Le Meridien Hotels & Resorts, Thomson Travel Group plc and Finance Director of Avis Europe plc. Mr Maloney holds a degree in Economics from Heriot Watt University, Edinburgh, and is a fellow of the Chartered Institute of Management Accountants.

**PETER WODEHOUSE WILLIAMS, NON-EXECUTIVE DIRECTOR**

Peter Williams joined the Board in May 2006. Mr Williams is currently Chief Executive Officer of Alpha Group plc. Previously Mr Williams was Chief Executive of Selfridges plc where he also acted as Chief Financial Officer for over ten years. Mr Williams has also held senior finance positions in Freemans plc, Bandive Limited and Aiwa Limited. Mr Williams is also a Non-Executive Director of Asos plc, GCap Media plc and is a member of the Design Council. Mr Williams has a degree in mathematics from Bristol University and is a chartered accountant.



DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the 52 week period ended 27 December 2007. The comparative period is for the 52 week period ended 28 December 2006.

PRINCIPAL ACTIVITY

The Company acts as an investment holding company for a Group of companies whose principal activity is the operation of cinemas in the UK and Ireland for the exhibition of films and related retail activity. The Directors do not expect any change in the principal activity during the next financial period. A review of the business and future developments are included in the Chairman's, Chief Executive's and Chief Financial Officer's Statements.

RESULTS AND DIVIDENDS

The results for the Group for the period ended 27 December 2007 are presented under International Financial Reporting Standards ("IFRS"). The report and accounts are drawn up on a 52 week reporting basis ended on 27 December 2007. The results for the year are set out in the Group consolidated income statement on page 42. The results for the parent company are drawn up under UK GAAP.

An interim dividend of 3p per share was paid on 26 October 2007. The Directors propose a final dividend of 6.5p per share to be paid on 18 June 2008.

BUSINESS REVIEW

Full details are covered in the statements of the Chairman, Chief Executive Officer and Chief Financial Officer on pages 6 to 14.

DIRECTORS AND DIRECTORS' INTERESTS

Full details of the Directors of the Company, all of whom held office during the period under review, are given on pages 18 to 19.

No Director has a service contract with the Company requiring more than 12 months notice. In accordance with the Articles of Association, the Directors retiring by rotation are Anthony Bloom, Lawrence Guffey, Richard Jones, Thomas McGrath, David Maloney, Matthew Tooth, Stephen Wiener and Peter Williams who, being eligible, offer themselves for re-election at the Annual General Meeting. The Articles of Association, in effect at the time of the last Annual General Meeting, did not require Directors to retire by rotation. This is a requirement of the current Articles of Association, adopted on 26 April 2007. Accordingly, as shareholders have not previously voted on the re-election of Directors, all Directors will retire at the forthcoming Annual General Meeting and stand for re-election. The Chairman believes that based on their performance and their commitment to the Company, each of the Non-Executive Directors should be re-elected at the forthcoming Annual General Meeting.

The Directors' who held office at the end of the financial period had the following interests in the ordinary shares of the Company:

Director	Ordinary shares held directly		Ordinary shares held by companies in which a Director has a beneficial interest	
	27 December 2007 ⁽²⁾	28 December 2006	27 December 2007 ⁽²⁾	28 December 2006
Anthony Bloom	–	–	1,723,224 ⁽¹⁾	1,544 ⁽¹⁾
Stephen Wiener	1,593,800	7,969	–	–
Richard Jones	276,600	1,383	–	–
Thomas McGrath	131,000	655	–	–
David Maloney	10,000	–	–	–
Peter Williams	10,000	–	–	–

⁽¹⁾ Shares held by Carisan Investments Limited, a Jersey incorporated subsidiary of a Jersey based discretionary trust, of which Mr Bloom is one of the potential beneficiaries.

⁽²⁾ On IPO, 199 shares were issued as a bonus issue for every one existing share.

The Director's remuneration report, which includes details of the Directors' remuneration, interests in share options and information on service contracts, is set out on pages 33 to 37.

None of the other Directors had any disclosable interest in the shares of Group companies. There have been no changes to Directors' share interests between 27 December 2007 and the date of this report.

No rights to subscribe for shares in or debentures of Group companies were granted to any of the Directors or their immediate families, or exercised by them, during the financial period.

As set out under Substantial Shareholdings below, Blackstone Capital Partners (Cayman) IV L.P., Blackstone Capital Partners (Cayman) IV-A L.P. and Blackstone Family Investment Partnership (Cayman) IV-A L.P. (together the "Blackstone Shareholders") in aggregate control the exercise of 46.8% of the rights to vote at general meetings of the Company. The Company and the Blackstone Shareholders have entered into a Relationship Agreement dated 26 April 2007 to regulate the relationship between them. The Blackstone Shareholders have undertaken to exercise their voting powers to ensure that the Company is capable of carrying on its business for the benefit of shareholders of the Company as a whole and independently of the Blackstone Shareholders and have further agreed not to exercise their voting rights in favour of any amendment to the memorandum and articles of association of the Company in a manner which would be contrary with the principle of independence of the Company. The Relationship Agreement will terminate if the Blackstone Shareholders and their affiliates collectively hold less than 10% of the voting rights of the Company.

For so long as the Blackstone Shareholders together hold (i) at least 20% of the voting rights, they are entitled to appoint (and remove and reappoint) two Non-Executive Directors to the Board (each a "Blackstone Director"), one of whom shall be the Deputy Chairman of the Board and (ii) at least 10% of the voting rights, they are entitled to appoint (and remove and reappoint) one Non-Executive Director.

Mr Guffey is a Senior Managing Director of The Blackstone Group and Mr Tooth is a Principal at The Blackstone Group. The Blackstone Shareholders are affiliates of The Blackstone Group. Mr Guffey and Mr Tooth are the current Blackstone Directors under the Relationship Agreement.

None of the Directors have a material interest in any contract of significance to which the parent company or a subsidiary was a party during the financial year, other than as disclosed above and in note 23, related parties.

The Company maintains insurance cover for all Directors and Officers of Group companies against liabilities which may be incurred by them whilst acting as Directors and Officers. As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors as permitted by law and by the Articles of Association against liabilities they may incur in the execution of their duties as Directors of the Company.

SUBSTANTIAL SHAREHOLDINGS

At 18 March 2008, the latest practicable date before publishing this report, the Company had been notified of the following interests in the shares of the Company:

	Number of shares	% of total shareholdings
Blackstone Shareholders:		
Blackstone Capital Partners (Cayman) IV L.P.	49,080,400	34.63
Blackstone Capital Partners (Cayman) IV-A L.P.	1,492,122	1.05
Blackstone Family Investment Partnership (Cayman) IV-A L.P.	16,006,327	11.29
The Goldman Sachs Group, Inc	14,547,587	10.26
Artemis Income Fund	6,392,823	4.51
Fidelity International Limited	6,331,303	4.47
Morgan Stanley (Institutional Securities Group and Global Wealth Management)	4,666,949	3.29
Rathbones Income Fund	4,289,551	3.03

The Company's share capital is as follows:

	27 December 2007 £m	28 December 2006 £m
Authorised		
200,000,000 ordinary shares of £0.01 each (2006: 173,515 ordinary shares of £0.01 each)	2.0	–
Allotted, called up and fully paid		
141,721,509 ordinary shares of £0.01 each (2006: 172,815 ordinary shares of £0.01 each)	1.4	–

The ordinary shares entitle the holder to one vote per share at general meetings of the Company. Details of the changes in the share capital over the period are shown in note 19 to the financial statements. There has been no change to the share capital between 27 December 2007 and the date of this report.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group's policy is to make no donations to political parties. During the year, the Group made charitable donations of £10,000 (2006: nil) to a variety of local and national charities in the UK. In addition the Group supported over 15 film screenings on behalf of various charities in the year and a similar number in 2006 and responded to over 500 requests from charities for free tickets (over 1,000 requests in 2006).

GOING CONCERN

Based on the Group's plans for the next 12 months and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

PAYMENT OF SUPPLIERS

Cineworld Group plc, which holds the investments in the Group's companies, does not trade itself and does not have suppliers as defined by the Companies Act 1985. The Directors believe, however, it would be helpful to give the disclosures on a consolidated basis. The Group seeks the best possible terms from suppliers appropriate to their business and in placing orders gives consideration to quality, delivery, price and terms of payment. The Group does not follow a specific payment code but has a policy to pay its suppliers in accordance with the specific terms agreed with each supplier. The average number of days payment to suppliers were outstanding at 27 December 2007 for the Group was 27.5 days (2006: 27.4 days).

STRATEGY

The Group's key objective is to provide clean, comfortable, well run facilities, where our customers can enjoy film presentations. At the same time, by achieving this objective we intend to grow shareholder value.

The Group intends to consolidate its position as one of the leading cinema groups in the UK in terms of sites, screens and admissions and to improve its operating margins. In order to achieve this, the Group intends to:

- Continue to improve its offer to our customers
- Grow box office revenues
- Increase retail spend per customer
- Increase other revenue streams
- Continue to grow the estate through selective new openings, expansions and acquisitions.

RISKS AND UNCERTAINTIES

The following are the key risks and uncertainties to the business:

The film content

The commercial success of a film can be measured by the level of box office nationally and for Cineworld. Cinema-going in the UK is driven primarily by output from Hollywood through quantity and quality of films. There are inherent risks in trying to predict the success of a film due to the subjective nature of the product. However, we can look to a variety of factors such as whether the film is a sequel to a previously successful film, the popularity of the star and the genre and film subject matter.

The timing of a film release by the film distributors can enhance attendance – for example, the proximity of its release date to that of another major film, school holidays, religious festivals or unseasonal weather.

The expansion of our subscription service, Unlimited, generates regular subscription revenues and therefore helps to offset lower box office receipts during quieter trading periods. It is also part of a wider strategy to promote interest in a range of films beyond the traditional Hollywood blockbuster and where we have made significant achievements in such areas as Bollywood and other foreign language. The widening use and availability of films and other content on digital media (especially 3-D films) give us the potential to offer a wider range of product and more flexible screening.

Alternative media

Cinemas are the primary initial distribution channel for film releases. The box office success of a film is often the most important factor in establishing its value in subsequent film distribution channels such as DVD, cable and pay television and the Internet. There is increasing pressure to shorten the release window between cinema and these alternative media to capitalise on box office awareness and success. However, we believe that cinema provides a unique experience that cannot be matched by watching films at home. The existence of DVD (and video before that) has proven the ability of cinema to co-exist with alternative media. Film piracy (aided by technological advances) has long-term implications for the business and industry, although this is seen as having a more direct impact on alternative media than on cinema.

Cineworld currently has 74 digital projectors of which 33 have 3-D facilities. We therefore have a strong base from which to develop our digital capability and exploit alternative content using digital media.

Screen advertising revenue

Screen advertising accounts for a significant proportion of the Groups profits. Whilst the formation of Digital Cinema Media (“DCM”) is a positive step towards taking closer control of future screen advertising revenues, the level of revenues earned will be affected by competitive pressures in the advertising market.

Downturn in the UK/global economy

The main driver of cinema-going is the film though it is recognised that macro-economic influences may affect cinema-going and the level of spend per head. With cinema being a less expensive form of entertainment and leisure, economic downturns may benefit cinemas at the expense of other entertainment and leisure activities.

New competitors

A competitor entering the market at a local or national level will affect trade. However, there are barriers to entry around the cost of cinema building, planning and availability of sites.

Loss of key management or failure to attract or retain the talent required for its business

The policy of the Board is to attract, retain and motivate executives of the calibre and experience required, through competitive remuneration packages. Additionally, Cineworld aspires to be a quality employer, seeking to provide the conditions to enable all employees to progress in their employment and develop their skills and abilities and to promote internally where possible.

FINANCIAL RISK MANAGEMENT

The Board of Cineworld regularly reviews the financial requirements of the Group and the risks associated therewith. The Group does not use complicated financial instruments, and where financial instruments are used it is for reducing interest rate risk. The Group does not use derivative financial instruments for trading purposes. Group operations are primarily financed from retained earnings and bank borrowings (including an overdraft facility). In addition to the primary financial instruments, the Group has other financial instruments such as debtors and trade creditors that arise directly from the Group’s operations.

The Group considers the currency risk on consolidation of the assets and liabilities of its Irish subsidiary, Adelphi-Carlton Limited, to be of low materiality and no hedging is provided. The Group’s trade and operations are otherwise based in the UK.

On 26 April 2007, the Group refinanced its bank loan and entered into a new five-year facility agreement consisting of a £135m loan and a £30m revolving credit and overdraft facility as part of the IPO to replace its previous facility of £246m. Half of the loan, an amount of £67.5m was hedged in accordance with the terms of the agreement on a fixed-rate of 5.35% whilst the remaining loan attracted interest at LIBOR. The whole loan attracts a margin of 1.35%. The Group has taken steps to ensure that the swap is accounted for as a hedge and that changes in its valuation are recognised through reserves. Further information is provided in note 20 to the financial statements.

KEY PERFORMANCE INDICATORS (KPIs)

	52 week period ended 27 December 2007	52 week period ended 28 December 2006
Admissions – Cineworld total	45.0m	45.2m
Admissions – Cineworld continuing	45.0m	42.9m
Average ticket price – Cineworld continuing	£4.12	£4.02
Retail spend per admission – Cineworld continuing	£1.67	£1.62
EBITDA* – Cineworld continuing	£52.0m	£46.0m

* See definition on page 13.

The Board of Directors and executive management receive a wide range of management information. The following are the principal measures of achievement that are reviewed on a regular basis to monitor the development of the Group:

Admissions

This measure is the ultimate driver of the business and primary indicator of business volume.

Average ticket price and retail spend per head

Average ticket price is a composite of the various pricing structures operated during the day and for different promotions for each cinema. Together with admissions this gives box office, which is the primary economic measurement for the industry. Retail spend per head is a measure of the value of the retail activity and our ability to generate other revenues directly from our customers. Both box office and retail measures are stated excluding VAT.

EBITDA

EBITDA (as defined on page 13) serves as a useful proxy for cash flows generated by operations and of the Group's ability to finance its capital expenditure and to pay dividends.

SOCIAL AND COMMUNITY ISSUES

We continue to enforce the British Broadcasting Film Council ("BBFC") classification whilst retaining discretion to screen films that challenge convention and help develop creative thought and ideas. We are committed to providing a wide range of films that serve the demands of various ethnic and social communities such as Bollywood and at various film festivals. In particular we have strong presences at the Edinburgh and Dublin film festivals where our cinemas host a significant proportion of films. We are committed to fighting all forms of film piracy inside and outside our cinemas and work in association with the police and various organisations involved in protecting the wider industry. We take a proactive stance on how we market our food and drink and continually respond to the challenges of marketing responsibly through improving and promoting more healthy options and the methods of promoting our products to the various sections of our customers, whilst maintaining the wide choice that our customers demand. Many of our cinemas are prominent landmarks in towns and population centres and are seen as an integral part of the local services and amenities. We work with charities, local government and community groups on local and national events and initiatives. We continue to work with the Cinemas Exhibitors Association to provide films to schools as part of their curriculum. We are continually enhancing our compliance with the Disability Discrimination Act for customers with mobility, visual or hearing difficulties and for web accessibility.

EMPLOYEES

Our policy is to recruit, employ and develop staff on the basis of the suitability of their qualifications and experience, regardless of sex, marital status, race, nationality, age, sexual orientation or religion. It is Company policy to give full and fair consideration to applications for employment from disabled people, having regard to their particular abilities and aptitudes. Full consideration is given to continuing the employment of staff who become disabled, including considering them for other reasonable positions. The organisation encourages the development of employee involvement in the business operations through regular communications and briefings with staff.

Continuing education, training and development are important to ensure the future success of the Group. The Group supports individuals who wish to obtain relevant further education qualifications and reimburses tuition fees up to a specified level.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

AUDITORS

During the year KPMG LLP resigned from office and KPMG Audit plc were appointed to fill the casual vacancy arising. In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit plc is to be proposed at the next Annual General Meeting.

ANNUAL GENERAL MEETING

Details of the Company's forthcoming Annual General Meeting are set out in a separate circular that has been sent to all shareholders with the Annual Report and the Accounts.

By order of the Board

AH Bloom

Chairman

SM Wiener

Director

18 March 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Group financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and the performance of the Group; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The parent company financial statements are required by law to give a true and fair view of the state of affairs of the parent company.

In preparing each of the Group and parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- For the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU
- For the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CORPORATE GOVERNANCE

The Board remains committed to ensuring that an appropriate standard of corporate governance is maintained throughout the Group. Prior to the Initial Public Offering in May 2007, the Company was not required to comply with the Combined Code. Since then and to the year ended 27 December 2007, the Board considers that the Company was compliant with the provisions of the Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2006 (“the Combined Code”) except where indicated below.

THE BOARD

The Group is controlled through its Board of Directors. The Board’s main roles are to create value for its shareholders, to provide entrepreneurial leadership of the Group and to ensure the necessary financial and other resources are made available to enable the Group’s objectives to be met.

The Board meets regularly six times a year. The meetings follow a formal agenda which includes matters specifically reserved for decision by the Board. The Board also meets as and when necessary to discuss and approve specific issues and all Directors receive notice of such meetings and are given the opportunity to comment on the issues being discussed if they are unable to attend the meeting.

A schedule of matters specifically reserved for decision by the Board has been agreed and adopted. These matters include: setting Group strategy; approving an annual budget and medium-term forecasts; reviewing operational and financial performance; approving major acquisitions, divestments and capital expenditure; succession planning; approving appointments to the Board and of the Company Secretary; and approving policies relating to Directors’ remuneration and contracts.

The Board is supplied on a monthly basis with detailed management accounts and an overview of Group financial and operational information.

DIRECTORS AND DIRECTORS’ INDEPENDENCE

The Board currently is composed of eight members, consisting of two Executive Directors and six Non-Executive Directors, three of whom are independent. Under A2.2 and A3.1 of the Combined Code, Anthony Bloom, a Non-Executive Director and Chairman of the Company, is not considered by the Board to be independent as at the time of his appointment as Chairman of the Company he also served as Chairman on the Board of another company, Cine-UK, within the Group and had held this position since its foundation in 1995. Lawrence Guffey and Matthew Tooth, both Non-Executive Directors, are also considered by the Board not to be independent by virtue of their positions at The Blackstone Group, with whom the Blackstone Shareholders are affiliated. The Blackstone Shareholders are significant shareholders in the Company. The names of the Directors together with their biographical details are set out on pages 18 to 19.

The terms and conditions of appointment of Non-Executive Directors are set out in letters of appointment which are made available for inspection by any person at the Company’s registered office during normal business hours and will be available at the Annual General Meeting. Further details of the letters of appointment of the Non-Executive Directors and the service contracts of the Executive Directors can be found in the Directors’ Remuneration report on pages 33 to 37.

THE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE

The division of responsibility between the Chairman of the Board, Anthony Bloom, and the Group Chief Executive, Stephen Wiener, is clearly defined.

The Chairman, together with the Chief Executive, leads the Board in determination of its strategy having regard to the Group’s responsibilities to its shareholders, customers, employees and other stakeholders. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman facilitates the effective contribution of Non-Executive Directors and oversees the performance evaluation of the Board.

The Chairman performs a number of external roles but the Board is satisfied that these are not such as to interfere with the performance of the Chairman's duties to the Group. In the forthcoming year, meetings will be arranged between the Chairman and the Non-Executive Directors, and the Board will implement the recommendations under A1.3 of the Combined Code to hold meetings between the Chairman and the Non-Executive Directors without the executives present.

The Group Chief Executive has direct charge of the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group.

INDEPENDENT DIRECTORS

The Combined Code recommends that, in the case of smaller companies incorporated in England and Wales which are below the FTSE 350, at least two non-executive members of the Board of Directors should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

The Board has appointed David Maloney, a Non-Executive Director, as Senior Independent Director. He and Peter Williams, an Independent Director, are both available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Chief Financial Officer has failed to resolve or for which contact is inappropriate.

PROFESSIONAL DEVELOPMENT

Under the direction of the Chairman, the Board's responsibilities include facilitating induction and professional development and ensuring the smooth flow of information within the Board and its Committees, and between Non-Executive Directors and senior management. Any new Director receives a comprehensive, formal and tailored induction into the Company's operations. Appropriate training is provided to new Directors and is also available to other Directors as required.

PERFORMANCE EVALUATION

The recommendations under A6 of the Combined Code, for the Board to undertake a formal and rigorous process for the evaluation of its own performance and that of its Committees and individual Directors (including the Chairman), were not complied with at the end of the financial year because the Board considered that the period for evaluation since IPO was insufficient and will therefore be performing this evaluation in the forthcoming year. Similarly for this reason, under A1.3 of the Combined Code the Non-Executive Directors will meet in the forthcoming year to appraise the Chairman's performance.

BOARD COMMITTEES

In accordance with best practice, the Board has appointed a number of Committees, as set out below, to which certain Board functions have been delegated. Each of these Committees has formal written terms of reference which clearly define their responsibilities and are available on the Company's website.

AUDIT COMMITTEE

The Company's Audit Committee comprises two independent Non-Executive Directors (namely David Maloney and Peter Williams) who are both considered by the Board to have recent and relevant financial experience. The Company considers that it complies with the Combined Code, which recommends that the audit committee of a smaller company which is below the FTSE 350, should comprise of at least two members who should both be independent Non-Executive Directors, and at least one member should have recent and relevant financial experience.

The Audit Committee assists the Board in discharging its responsibility with regard to financial reporting, external and internal audits and controls, including reviewing the Company's annual financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Company's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the Annual Report and accounts and half-yearly reports remains with the Board. During the financial year, the Audit Committee met on two occasions.

The main activities of the Audit Committee during the period were:

- Review of its terms of reference and the Company's compliance with the Combined Code
- Determine its scope and agenda for the year
- Review of a paper from the external auditors which covered the results for the 26 weeks ended 28 June 2007
- Review of the draft interim statement for the 26 weeks ended 28 June 2007
- Review of Whistle-blowing arrangements
- Review and acceptance of the audit plan and fee proposal presented by KPMG Audit plc for the 52 weeks ending 27 December 2007. The Audit Committee also considered the independence of the external auditors and satisfactorily concluded that this was not compromised as the Auditor had not undertaken any inappropriate non-audit work and there was adequate understanding of the fees proposed
- The Committee monitors the effectiveness of the Company's audit function and plans to consider its scope further in 2008.

NOMINATIONS COMMITTEE

The Company's Nominations Committee is comprised of three members, all of whom are independent Non-Executive Directors (namely Thomas McGrath, David Maloney and Peter Williams). The Company considers that it complies with the Combined Code, which provides that a majority of the members of the Nomination Committee should be independent Non-Executive Directors.

The Nominations Committee assists the Board in discharging its responsibilities relating to the composition of the Board. The Nominations Committee is responsible for evaluating the balance of skills, knowledge and experience on the Board, the size, structure and composition of the Board, retirements and appointments of additional and replacement Directors and will make appropriate recommendations to the Board on such matters. The Nominations Committee did not meet during the year.

Both David Maloney and Peter Williams were recruited through an external search consultancy in order to recruit Non-Executive Directors who could contribute different skills and experiences to the Board.

REMUNERATION COMMITTEE

The Company's Remuneration Committee comprises two Non-Executive Directors (namely David Maloney and Peter Williams). The Company considers that it complies with the Combined Code which provides that the Remuneration Committee of a smaller company which is below the FTSE 350, should consist of at least two members who are both independent Non-Executive Directors.

The Remuneration Committee met three times during the financial year. The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, determining the individual remuneration and benefits package of each of the Executive Directors and recommending and monitoring the remuneration of senior management below Board level.

ATTENDANCE AT MEETINGS

The number of scheduled Board meetings and Committee meetings attended by each Director during the year was as follows:

Director	No. of scheduled meetings	Board	Remuneration Committee		Audit Committee	
		No. of meetings attended	No. of scheduled meetings	No. of meetings attended	No. of scheduled meetings	No. of meetings attended
Anthony Bloom	6*	6	–	–	–	–
Lawrence Guffey	6	3	–	–	–	–
Stephen Wiener	6	6	–	–	–	–
Richard Jones	6	6	–	–	–	–
Thomas McGrath	6	4	–	–	–	–
Matthew Tooth	6	6	–	–	–	–
David Maloney	6	6	2	2	2*	2
Peter Williams	6	5	2*	2	2	2

* Chairman of Board/Committee.

RE-ELECTION

Subject to the Company's Articles of Associations, one third of the Directors are subject to retirement by rotation at the Annual General Meeting. This includes any Director who was last appointed or re-appointed three years or more prior to the Annual General Meeting or has served more than eight years as a Non-Executive Director of the Company (excluding the Chairman). As the shareholders have not previously voted on re-election of the Directors, all Directors will retire at the forthcoming Annual General Meeting and stand for re-election (see page 20).

INVESTOR RELATIONS

The Directors value contact with the Company's institutional and private investors.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Chairman aims to ensure that the chairmen of the Audit Committee, Remuneration Committee and Nominations Committee are available at the Annual General Meeting to answer questions, and for all Directors to attend.

The Company has to date reported formally to shareholders twice a year, during September 2007 (interim statement) and March 2008 (preliminary announcement of annual results). The Annual Report is expected to be mailed to shareholders in May. During 2008 and beyond, the Company will report formally four times a year. Separate announcements of all material events are made as necessary. Regular communications are maintained with institutional shareholders and presentations are given to shareholders when the half-year and full-year financial results are announced. In addition to the Chief Executive Officer and Chief Financial Officer, who have regular contact with investors, Anthony Bloom, Chairman, David Maloney, Senior Independent Director, and Peter Williams, Independent Director, are available to meet with shareholders as and when required. Additionally, the Chief Executive Officer and Chief Financial Officer provide focal points for shareholders' enquiries and dialogue throughout the year. The whole Board is kept up to date at its regular meetings with the views of shareholders and analysts.

The Company's website (www.cineworldplc.com) provides an overview of the business. All Group announcements are available on the website and new announcements are published without delay. All major announcements are approved by the Chairman and Executive Directors and circulated to the Board prior to issue. The Group also has internal and external checks to guard against unauthorised release of information. The terms of reference of each of the Board's three Committees are available on the website or from the Company Secretary.

STATEMENT OF INTERNAL CONTROLS

The Directors are responsible for maintaining an effective system of internal control that provides reasonable assurance that the Group's assets are safeguarded and that material financial errors and irregularities are prevented or detected with a minimum of delay.

The Directors are committed to implementing in the forthcoming year, the recommendations in "Internal Control: Guidance for Directors on the Combined Code" (the "Turnbull Guidance") and C2.1 of the Combined Code, to ensure that there is an ongoing review of the effectiveness of the internal control system with procedures to capture and evaluate failings and weaknesses, and in the case of those categorised by the Board as "significant", that procedures exist to ensure that necessary action is taken to remedy the failings. The system of internal control will manage rather than eliminate the risks to business objectives. In pursuing these objectives, internal controls can provide only reasonable and not absolute assurance against material loss or misstatement of the financial statements.

For the year under review, the Group was not in compliance with these recommendations. The Directors considered the time to review the effectiveness of the Group's internal controls to be insufficient and that this would be better achieved in the forthcoming year.

This requirement is set out in the Audit Committee's terms of reference to report on a regular basis to the Board on the Group's internal financial control procedures and to make recommendations to the Board in this area. Strengthening of the internal control system is done where this is consistent with improving the relationship between risk and reward. There are existing controls which provide a platform for internal controls that can be further developed:

- A key control procedure is the day-to-day involvement of executive members of the Board in all aspects of the business and their attendance at regular weekly and monthly meetings with senior management, at which operational and financial performance and operational matters are reviewed. Financial performance is monitored and action taken through weekly reporting to the Executive Directors and monthly reporting to the Board against annual budgets approved by the Board
- An established organisational structure with clear lines of responsibility and rigorous reporting requirements. Capital investment and all revenue expenditure is regulated by a budgetary process and authorisation levels (manual and systems), with appraisals and post-investment and period-end reviews. There are comprehensive policy manuals setting out agreed standards and control procedures. These include human resources-related policies, information technology and health and safety
- An established internal audit function headed by an experienced internal auditor who has access to all areas of the cinema operations and writes reports which are available to the Board
- The external Auditors provide a supplementary, independent and autonomous perspective on those areas of the internal control system, which they assess in the course of their work. Their findings are regularly reported to both the Audit Committee and the Board. To ensure Auditor objectivity and independence there is a stringent process in place to approve non-audit work.

ACCOUNTABILITY, AUDIT AND FINANCIAL

The Board is responsible for the preparation of financial statements that present a balanced assessment of the Group's financial position and prospects. Responsibility is administered primarily by the Audit Committee, of which the terms of reference are referred to above.

A comprehensive budgeting system allows managers to submit detailed budgets which are reviewed and amended by the Executive Directors prior to submission to the Board for approval.

HUMAN RESOURCES

The Group endeavours to appoint employees with appropriate skills, knowledge and experience for the roles they undertake. The Group has a range of policies which are aimed at retaining and providing incentives for key staff. Objectives are set for departments and employees that are derived from the Group's business objectives. The Group has a clear and well-understood organisational structure and each employee knows his or her line of accountability.

INSURANCE

The Group keeps under review its portfolio of insurance policies with its insurance broker to ensure that the policies are appropriate to the Group's activities and exposures.

CORPORATE AND SOCIAL RESPONSIBILITY

The Board is committed to running the Group in accordance with best practice in corporate governance. This commitment includes recognition by the Group of the importance of taking into account its corporate social responsibilities ("CSR") in operating the business. In this context, Cineworld seeks to integrate CSR considerations relating particularly to social, ethical and health, safety and environment ("HS&E") issues in its day-to-day operations. The Board acknowledges its duty to ensure the Group conducts its activities responsibly and with proper regard for all its stakeholders, including employees, shareholders, business partners, suppliers and the local communities.

Employees

The health, welfare and development of the Group's employees remain a priority. With the intent of attracting, recruiting, developing and retaining key employees, Cineworld maintains a number of policies and procedures for the benefit of its employees, which can be accessed by employees via the Human Resources department and via the HR manual on the Company intranet. Employee development is encouraged through appropriate training. Regular and open communication between management and employees is essential for motivating the workforce. Briefings are held regularly to provide updates on Group business and to provide opportunity for questions and feedback. There is regular consultation with the Broadcasting Entertainment Cinematograph and Theatre Union ("BECTU"). The Company maintains both an internet website which is freely accessible to everyone and an intranet site accessible to all head office employees and at all cinemas. During 2007, a Sharesave scheme was introduced and the Directors actively encourage employee equity participation, subject to compliance with the Group's share dealing policy.

Ethical

Up-to-date security systems are utilised to protect the Group's IT systems and safeguard data relating to our customers and employees. The Group's intellectual property is protected through an appropriate trademark registration and patenting programme. Close attention is paid to maintaining relationships with key stakeholders including business partners, suppliers and shareholders.

The Company has health and safety policies and procedures, safeguarding staff, contractors and visitors which it is developing to comply with current legislation and best practice.

Environment

Cineworld seeks to comply with all relevant environmental legislation. The Directors acknowledge the impact that the business has on the environment and is operating a number of processes to reduce the quantity of paper and packaging that is used in the business. Employees are encouraged to eliminate unnecessary travel and use other methods of communication in its place. Computer and other office equipment that has reached the end of its working life is resold, recycled or donated to local organisations as appropriate. 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.

All of our cups and popcorn bags are produced from trees in sustainable forests and all paper products, including cardboard cartons, are recycled.

DIRECTORS' REMUNERATION REPORT

INTRODUCTION

This report has been prepared by the Remuneration Committee and has been approved by the Board. It complies with Schedule 7A of the Companies Act 1985, which incorporates the Directors' Remuneration Report regulations 2002 and also with the FRC Combined Code. The report will be put to shareholders at the forthcoming Annual General Meeting.

The Act requires the Auditors to report on certain parts of the report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Companies Act 1985. The report has therefore been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Remuneration Committee

The Company's Remuneration Committee comprises two Non-Executive Directors (namely David Maloney and Peter Williams). The Chairman of the Remuneration Committee is Peter Williams. Both Directors are deemed to be independent. The Secretary of the Committee is the Company Secretary. No Executive Director or employee participates in discussions relating to the setting of their own remuneration. The Committee received advice from New Bridge Street Consultants LLP during the year in relation to the Company's remuneration policy and its implementation. The Committee met twice in the financial period and four times since the Company floated in May 2007. The Committee's terms of reference are on the Company's website.

The Remuneration Committee monitors and recommends to the Board for approval the structure and level of remuneration for each member of the Senior Management Team ("SMT") including the Executive Directors. The objective of the Group's remuneration policies is that all employees, including Executive Directors, should receive appropriate remuneration for their performance, responsibility, skills and experience. Remuneration packages are designed to enable the Group to attract and retain key employees by ensuring they are remunerated appropriately and competitively and that they are motivated to achieve the highest level of Group performance in line with the best interests of shareholders. To determine the elements and level of remuneration appropriate for each member of the SMT, the Committee considers benchmark remuneration data for selected comparable companies and seeks to ensure that fixed costs are no higher than market median, that an appropriately significant proportion of potential pay is performance-related and that total pay is consistent with appropriately competitive levels of pay for superior performance.

Remuneration package

Executive Directors' remuneration currently comprises an annual salary, a performance-related bonus, a share-based long-term incentive scheme, pension contributions and other benefits.

Annual salary

Salaries are reviewed annually each year by the Remuneration Committee. The Board approves the overall budget for employee salary increases and the Committee agrees the specific increases for the SMT. In determining appropriate salary levels for each Executive Director, the Committee considers both the nature and the status of the Company's operations and the responsibilities, skills, experience and performance of the Executive Director. The Committee compares the Group's remuneration packages for its Executive Directors and employees with those for Directors and employees of similar seniority in companies whose activities are comparable with the Group.

Performance-related bonus

The Executive Directors and all other employees participate in a performance-related bonus scheme. The level of bonus is based on overall Group performance in meeting its primary financial objectives in earnings before interest, tax, depreciation and amortisation (EBITDA). The Committee will ensure that challenging and clearly assessable targets are set for Executive Directors.

Details of bonuses paid to Executive Directors in the year to 27 December 2007 are included in the remuneration tables herein. Bonuses are awarded wholly in cash.

Stephen Wiener is eligible for a bonus payable in the range of 0% to 100% of salary on achievement by the Group of 95% to 120% of full-year budgeted EBITDA. Richard Jones is eligible for a bonus payable in the range of 0% to 95% of salary on achievement by the Group of 95% to 120% of full-year budgeted EBITDA.

The Cineworld Group Performance Share Plan ("PSP")

The PSP was implemented at IPO and the first grants of Awards will be made after the announcement of the Company's results for the financial year ending 27 December 2007. It is anticipated that only the Executive Directors and certain members of the senior management team, at the discretion of the Remuneration Committee, will initially participate in the PSP.

Under the PSP, awards of conditional shares can be made that vest after three years subject to continued employment and the achievement of specified performance conditions. As outlined in the prospectus, the performance condition applying to the 2008 Awards is that:

- 30% of the shares under the Award will vest if the average annual growth in earnings per share ("EPS") (calculated by comparing the EPS for the financial year ended 27 December 2007 and the EPS for the financial year ended 30 December 2010) is not less than 3.2%
- 100% of the shares under the Award will vest if the average annual growth in EPS (calculated by comparing the EPS for the financial year ended 27 December 2007 and the EPS for the financial year ended 30 December 2010) is at least 9.2%
- Where the average annual growth in EPS (calculated by comparing the EPS for the financial year ended 27 December 2007 and the EPS for the financial year ended 30 December 2010) is between the two limits above, the Award shall vest on a straight-line basis between 30% and 100%.

The Remuneration Committee will review the performance conditions for future Awards regularly to ensure they are appropriate for the Company and the prevailing recruitment market. The conditions may be varied in exceptional circumstances following the grant of an Award so as to achieve their original purpose but not so as to make their achievement any more or less difficult to satisfy.

The maximum number of shares subject to an Award to an individual in any financial year is 100% of annual base salary as at the Award date, unless the Remuneration Committee decides that exceptional circumstances exist in relation to the recruitment or retention of an employee, in which case the limit is 150% of annual base salary. In 2008, it is intended the Executive Directors will receive an Award of 50% of their annual base salary with other executives receiving lower levels of awards. On vesting, participants will also receive additional shares or a cash sum equivalent to the dividends that would have been paid on the vested shares in respect of dividend record dates occurring between grant and vesting.

Awards under the PSP can be satisfied using new issue shares or shares purchased in the market in conjunction with the Cineworld Group Employee Benefit Trust (the "Trust"), established by the Company on 24 March 2006 with independent trustees based in Jersey. However, if new issue shares are used, the PSP is subject to the following limits:

- In any ten-year period, the number of shares which may be issued under the PSP and under any other executive share scheme established by the Company may not exceed 5% of the issued ordinary share capital of the Company from time to time
- In any ten-year period, the number of shares which may be issued under the PSP and under any employees' share scheme established by the Company may not exceed 10%, of the issued ordinary share capital of the Company from time to time.

All-employee share incentives

On 9 October 2007, the Company approved a Sharesave scheme open respectively to all UK – (and Jersey) based employees, including Executive Directors. Under the Sharesave scheme, employees are eligible to acquire shares in the Company at a discount of up to 20% of the market value at grant if they agree to enter into a savings contract for a three-year period. Consistent with the relevant legislation, no performance conditions apply. Awards were granted to 213 employees over 348,168 shares on 3 November 2007. The Company approved a second Sharesave scheme on 21 November 2007, which was open to all Ireland-based employees of which seven employees have joined.

Pension contributions

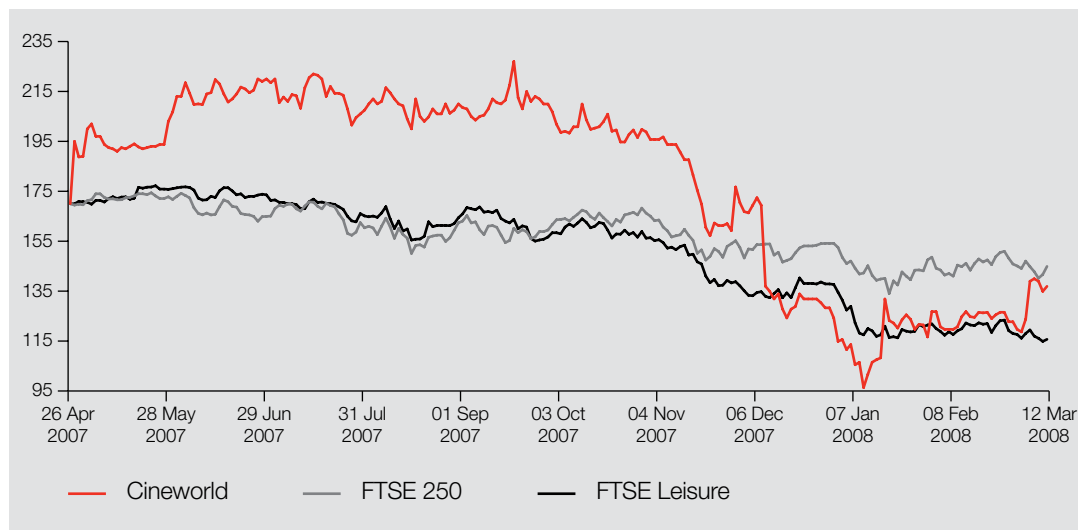
All employees, including Executive Directors, are invited to participate in a Group Personal Pension Plan. All major schemes are money purchase in nature and have no defined benefits. Two defined benefit schemes are operated in the UK and in Ireland and both have been closed to new members for a number of years. Details of these schemes are shown in note 17 of the financial statements. The Group has no obligation to the pension scheme beyond the payment of contributions. The Company contributions for the Executive Directors are 20% of salary.

Other benefits

Benefits in kind for Executive Directors can include the provision of a company car allowance or service, fuel, life insurance and medical benefits.

Performance graph

The graph below compares the Company's Total Shareholder Return performance against the FTSE 250 and FTSE Leisure indices since IPO in April 2007.



Rebased to 170p

The Shares of the Company commenced trading on the London Stock Exchange on 26 April 2007 at an offer price of 170p per share. Admission became effective and unconditional dealings in the Shares commenced on the London Stock Exchange on 2 May 2007.

Executive Directors' contracts

The Group's policy in entering into service contracts with Executive Directors is to enable the recruitment of high-quality executives and to obtain protection from their sudden departure whether or not to competitor companies. In addition, service contracts are an important element in maintaining maximum protection for the Group's intellectual property rights and other commercially sensitive information.

The details of the Executive Directors' contracts are summarised in the table below:

Director	Date of contract	Notice period from company	Notice period from employee
Stephen Wiener	23 April 2007	12 months	12 months
Richard Jones	23 April 2007	12 months	6 months

Non-Executive Directors' letters of appointment

The Non-Executive Directors do not have service contracts with the Company. The terms and conditions of their appointment as Non-Executive Directors are set out in letters of appointment, which are subject to the provisions of the Articles of Association.

Non-Executive Directors receive fees for services as members of the Board and its Committees. The level of fees is determined by the Board after taking into account appropriate advice. Non-Executive Directors do not participate in the Group's share incentives or otherwise receive performance-related pay. Where a Non-Executive Director does not serve until the end of his term, the policy is to pay the fees due pro rata to the date of cessation.

The appointment of each Non-Executive Director is terminable without notice in accordance with the Articles of Association of the Company and does not give rise to any entitlement of the relevant Director to compensation for loss of office.

Their appointments were made as follows:

Director	Date of appointment	Notice period
Anthony Bloom	7 October 2004	1 month
Lawrence Guffey	21 December 2004	1 month
David Maloney	22 May 2006	1 month
Thomas McGrath	16 May 2005	1 month
Matthew Tooth	24 August 2004	1 month
Peter Williams	22 May 2006	1 month

AUDITED INFORMATION

Aggregated Directors' remuneration

The total amounts for Directors' remuneration were as follows:

Emoluments

(i) Executive

Name of Director	Fees/basic salary £'000	Performance bonus £'000	IPO bonus £'000	Company contributions to money purchase pension schemes £'000	Benefits £'000	2007 Total £'000	2006 Total £'000
Stephen Wiener	355	333	350	56	33	1,127	541
Richard Jones	195	183	175	34	12	599	269
	550	516	525	90	45	1,726	810

Directors' share scheme interests

Details of share options of those Directors who served during the period are as follows:

Name of Director	Scheme	At 28 Dec 2006	Awarded	Exercised	Lapsed	At 27 Dec 2007	Ex. Price	Earliest date of exercise	Expiry date
Stephen Wiener	SAYE	–	6,000	–	–	6,000	£1.60	3/11/2010	3/5/2011
Richard Jones	SAYE	–	6,000	–	–	6,000	£1.60	3/11/2010	3/5/2011

(ii) Non-Executive

Name of Director	Fees/basic salary £'000	2007 Total £'000	2006 Total £'000
Anthony Bloom	66	66	44
Lawrence Guffey	21	21	–
David Maloney	40	40	18
Thomas McGrath	35	35	30
Matthew Tooth	21	21	–
Peter Williams	40	40	18
	223	223	110

Approval

This report was approved by the Remuneration Committee on 18 March 2008 and signed on its behalf by:

Peter Williams

Chairman of the Remuneration Committee

INDEPENDENT AUDITORS' REPORT

to the members of Cineworld Group plc

We have audited the Group and parent company financial statements (the "financial statements") of Cineworld Group plc for the period ended 27 December 2007 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Directors' Report and the Group financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the EU, and for preparing the parent company financial statements and the Directors' Remuneration Report in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 26.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

OPINION

In our opinion:

- The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 27 December 2007 and of its profit for the period then ended
- The Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation
- The parent company financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 27 December 2007
- The parent company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985
- The information given in the Directors' Report is consistent with the financial statements.

KPMG Audit plc

18 March 2008

Chartered Accountants

Registered Auditor

THE FINANCIALS
FOR THE 52 WEEKS ENDED 27 DECEMBER 2007

CONSOLIDATED INCOME STATEMENT

for the period ended 27 December 2007

	Note	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 (restated*) £m
Revenue		285.3	278.5
Cost of sales		(220.6)	(213.1)
Gross profit		64.7	65.4
Other operating income	4	8.3	3.1
Administrative expenses		(42.6)	(49.8)
Operating profit		30.4	18.7
Analysed between:			
Operating profit before depreciation and amortisation, impairment charges, onerous lease and other non-recurring, or non-cash property charges and transaction and reorganisation costs and profit on disposal of cinema sites		52.0	48.6
– Depreciation and amortisation	5	(18.3)	(23.0)
– Adjustments to goodwill and fixed asset impairment charges	5	(7.7)	(2.2)
– Onerous leases and other non-recurring or non-cash property charges	5	(1.1)	(4.1)
– Transaction and reorganisation costs	5	(2.6)	(3.4)
– Profit on disposal of cinema sites	4	8.1	2.8
Financial income	8	2.6	14.4
Financial expenses	8	(20.6)	(40.8)
Net financing costs		(18.0)	(26.4)
Profit/(loss) on ordinary activities before tax		12.4	(7.7)
Tax on profit/(loss) on ordinary activities	9	13.3	–
Profit/(loss) for the period attributable to equity holders of the Company		25.7	(7.7)
Basic and diluted earnings/(loss) per share	6	24.5p	(22.3)p

* See note 2

The notes on pages 46 to 80 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

at 27 December 2007

		27 December 2007		28 December 2006 (restated*)	
	Note	£m	£m	£m	£m
Non-current assets					
Property, plant and equipment	10		110.9		119.9
Goodwill	11		216.1		223.8
Intangible assets	11		0.8		3.0
Other receivables	14		0.9		0.9
Deferred tax assets	12		19.8		5.3
Total non-current assets			348.5		352.9
Current assets					
Inventories	13	1.5		1.6	
Trade and other receivables	14	17.8		18.1	
Cash and cash equivalents		10.4		27.7	
Total current assets			29.7		47.4
Total assets			378.2		400.3
Current liabilities					
Interest bearing loans, borrowings and other financial liabilities	15	(9.2)		(1.0)	
Trade and other payables	16	(40.2)		(51.0)	
Current taxes payable	9	(1.8)		–	
Provisions	18	(1.5)		(2.1)	
Total current liabilities			(52.7)		(54.1)
Non-current liabilities					
Interest bearing loans, borrowings and other financial liabilities	15	(125.6)		(340.9)	
Trade and other payables	16	(48.0)		(44.3)	
Employee benefits	17	(2.4)		(4.6)	
Provisions	18	(13.4)		(16.2)	
Deferred tax liabilities	12	(3.5)		(3.9)	
Total non-current liabilities			(192.9)		(409.9)
Total liabilities			(245.6)		(464.0)
Net assets/(liabilities)			132.6		(63.7)
Equity attributable to equity holders of the Company					
Share capital	19		1.4		–
Share premium	19		171.4		–
Translation reserves	19		0.4		0.4
Hedging reserves	19		(0.2)		–
Retained deficit	19		(40.4)		(64.1)
Total equity			132.6		(63.7)

* See note 2

The notes on pages 46 to 80 are an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on 18 March 2008 and were signed on its behalf by:

AH Bloom
Chairman

SM Wiener
Director

CONSOLIDATED CASH FLOW STATEMENT

for the period ended 27 December 2007

	Note	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 (restated*) £m
Cash flow from operating activities			
Profit/(loss) for the period		25.7	(7.7)
Adjustments for:			
Financial income	8	(2.6)	(14.4)
Financial expense	8	20.6	40.8
Taxation	9	(13.3)	–
Operating profit		30.4	18.7
Depreciation and amortisation	5	18.3	23.0
Impairment charges and adjustment to goodwill	5	7.7	2.2
Non-cash property charges	5	1.1	1.8
Profit on disposal of cinema sites	4	(8.1)	(2.8)
Operating cash flow before changes in working capital and provisions		49.4	42.9
Decrease/(increase) in trade and other receivables		0.2	(0.7)
Decrease/(increase) in inventories		0.1	(0.1)
Decrease in trade and other payables		(12.4)	(2.3)
Decrease in provisions and employee benefit obligations		(2.8)	(0.5)
Cash generated from operations		34.5	39.3
Tax paid		(0.2)	–
Net cash flows from operating activities		34.3	39.3
Cash flows from investing activities			
Proceeds from the disposal of cinema sites		12.3	25.1
Interest received		1.2	0.6
Acquisition of property, plant and equipment		(9.9)	(6.4)
Surplus of pension contributions over current service cost		(1.8)	(0.4)
Net cash flows from investing activities		1.8	18.9
Cash flows from financing activities			
Share issue proceeds		104.3	–
Proceeds from new loan		135.0	226.0
Dividends paid to shareholders		(4.3)	–
Interest paid		(10.2)	(18.8)
Repayment of bank loans		(214.0)	(253.0)
Repayment of subordinated bonds		(54.3)	–
Share issuance costs		(7.8)	–
Payment of finance lease liabilities		(0.5)	(0.5)
Debt issuance costs		(1.6)	(3.8)
Net cash from financing activities		(53.4)	(50.1)
Net increase/(decrease) in cash and cash equivalents		(17.3)	8.1
Cash and cash equivalents at start of period		27.7	19.6
Cash and cash equivalents at end of period		10.4	27.7

* See note 2

The notes on pages 46 to 80 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT

of recognised income and expense for the period ended 27 December 2007

	Note	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 (restated*) £m
Actuarial gains on defined benefit pension schemes	17	0.7	2.7
Tax recognised on income and expenses recognised directly in equity		(0.2)	(0.7)
Movement in fair value of cash flow hedge		(0.2)	–
Net income recognised directly in equity		0.3	2.0
Profit/(loss) for the period		25.7	(7.7)
Total recognised income and expense for the period attributable to equity holders of the Company		26.0	(5.7)
Impact of prior year adjustment on retained earnings at 29 December 2006	2	(4.9)	N/A

* See note 2

The notes on pages 46 to 80 are an integral part of these consolidated financial statements.

NOTES

to the consolidated financial statements (forming part of the financial statements)

1 ACCOUNTING POLICIES

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

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRSs). The Company has elected to prepare its parent company financial statements in accordance with UK GAAP; these are presented on pages 81 to 85.

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements other than as described under the operating leases policy and note 2.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial period are set out below.

The Directors have reviewed the Group's projected working capital requirements and fixed asset expenditure and believe that the Group has sufficient funding for the foreseeable future. The financial statements has therefore been prepared on a going concern basis.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified as fair value through the income statement or as available for sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial information of subsidiaries is included in the consolidated financial information from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations after 23 August 2004 (the date of incorporation) are taken directly to the translation reserve. They are released into the income statement upon disposal.

Derivative financial instruments and hedging

In these financial statements, IFRS 7 “Financial Instruments: Disclosures” has been adopted for the first time. The application of the relevant financial instruments is disclosed below.

Cash flow hedges and interest swap policy

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement except where derivatives qualify for hedge accounting when recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases, the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Other leases are operating leases. These leased assets are not recognised in the Group’s balance sheet.

Depreciation is charged to the income statement to write assets down to their residual values on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Freehold buildings and long leasehold properties: 30 years or life of lease if shorter
- Leasehold improvements: life of lease
- Plant and equipment: 5 to 10 years
- Fixtures and fittings: 4 to 10 years

No depreciation is provided on freehold land, assets held for sale or on assets in the course of construction.

Depreciation methods, residual values and the useful lives of all assets are re-assessed annually.

1 ACCOUNTING POLICIES (CONTINUED)

Intangible assets and goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries. In respect of business acquisitions that have occurred since incorporation, goodwill represents the difference between the cost of the acquisition and the Group's interest in the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Brands: 10 years
- Customer relationships: 3 years

Trade and other receivables

Trade and other receivables were initially measured on the basis of their fair value. Subsequently they will be carried at amortised cost using the effective interest method.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the First In, First Out (FIFO) principle. Cost comprises expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, and net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Impairment

The carrying amounts of the Group's assets other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have an indefinite useful economic life, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount, including a change in fair value less costs to sell.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, Interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Employee benefits

Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit pension plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit-rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The increase in the present value of the liabilities expected to arise from the employees' services in the accounting period is charged to the income statement. The expected return on the schemes' assets and the interest on the present value of the schemes' liabilities during the accounting period are shown as finance income and finance expense respectively. Actuarial gains and losses are recognised immediately in equity.

Share-based payment transactions

The share option programme allows Group employees to acquire shares of the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date using the Black Scholes Model and spread over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Share appreciation rights are also granted by the Company to employees. The fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value of the share appreciation rights is measured taking into account the terms and conditions upon which the instruments were granted. The liability is remeasured at each balance sheet date and at settlement date and any changes in fair value in the income statement.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time, value of money and, where appropriate, the risks specific to the liability.

1 ACCOUNTING POLICIES (CONTINUED)

Own shares held by Employee Benefit Trust ("EBT")

Transactions of the Group sponsored EBT are included in the Group financial information. In particular, the trust's purchase of shares in the company are debited directly to equity.

Revenue

Revenue represents the total amount receivable for services rendered or goods sold, excluding sales-related taxes and intra-Group transactions. Revenue is recognised in the income statement at the point of sale for ticket and refreshment sales. Income from other related activities is recognised in the period to which they relate.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense. Where the Group has operating leases that contain minimum guaranteed rental uplifts over the life of the lease, the Group recognises the guaranteed minimum lease payment on a straight-line basis over the lease term. See also note 2.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable, amortisation of financing costs, unwind of discount on onerous lease provisions, finance lease interest, net gain/loss on re-measurement of interest rate swaps, interest receivable on funds invested, foreign exchange gains and losses and finance costs for defined benefit pension schemes.

Sale and leaseback

Where the Group enters into a sale and leaseback transaction whereby the risks and rewards of ownership of the assets concerned have not been substantially transferred to the lessor, any excess of sales proceeds over the previous carrying amount are deferred and recognised in the income statement over the lease term. At the date of the transaction the assets and the associated finance lease liabilities on the Group's balance sheet are stated at the lower of fair value of the leased assets and the present value of the minimum lease payments.

Where the Group enters into a sale and leaseback transaction whereby the risks and rewards of ownership of the assets concerned have been substantially transferred to the lessor, any excess of sales proceeds over the previous carrying amount is recognised in the income statement on completion of the transaction, when the sale and subsequent lease back has been completed at fair value.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised using the balance sheet method, providing temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (2007: 28%; 2006: 30%) enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements and estimates

In applying the Group's accounting policies described above management has made the following judgements and estimates that have a significant impact on the amounts recognised in the financial statements.

Onerous leases

Provision is made for onerous leases where it is considered that the unavoidable costs of the lease obligations are in excess of the economic benefits expected to be received from operating it. The unavoidable costs of the lease reflect the least net cost of exiting from the contract and are measured as the lower of the net cost of continuing to operating the lease and any penalties or other costs from exiting it.

Claims and litigations

In making provision for claims and litigations, management bases its judgement on the circumstances relating to each specific event, internal and external legal advice, knowledge of the industries and markets, prevailing commercial terms and legal precedents.

Intangible assets

When the Group makes an acquisition, management review the business and assets acquired to determine whether any intangible assets should be recognised separately from goodwill. If such an asset is identified, it is valued using an appropriate valuation methodology. Where there is uncertainty over the amount of economic benefits and the useful life, this is factored into the calculation. Details of intangible assets are given in note 11.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimate of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit that holds the goodwill at a determined discount rate to calculate the present value of those cash flows.

Impairment of tangible fixed assets

The Group determines whether tangible fixed assets are impaired when indicators of impairments exist. This requires an estimate of the value in use of the cash-generating units to which the tangible fixed assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units that holds the tangible fixed assets at a determined discount rate to calculate the present value of those cash flows.

Employee post-retirement benefit obligations

The Group has two defined benefit pension plans. The obligations under these plans are recognised in the balance sheet and represent the present value of the obligations calculated by independent actuaries, with input from management. These actuarial valuations include assumptions such as discount rates, return on assets, salary progression and mortality rates. These assumptions vary from time to time according to prevailing economic and social conditions. Details of the assumptions used are provided in note 17.

Adopted IFRS not yet applied

The following standards were available for early application under Adopted IFRSs but have not been applied by the Group in these financial statements.

IFRIC 11 "IFRS 2: – Group and treasury share transactions" provides guidance on whether share-based transactions involving Group entities should be accounted for as equity-settled or cash-settled share-based payment transactions. IFRIC 11 is effective for annual periods beginning on or after 1 March 2007. The Group does not currently expect this interpretation to have a material impact on its financial position, results or cash flows.

IFRS 8 "Operating Segments" which will replace IAS 14, "Segment Reporting", adopts a "management approach" under which segmental information is presented on the same basis as that used for internal reporting purposes. It is effective for annual periods beginning on or after 1 January 2009. This standard will not significantly impact the financial position of the Group or the current segment reporting disclosures as the Group only operates in one business sector, being cinema operations.

2 PRIOR YEAR ADJUSTMENT

The Directors have undertaken a review of the Group's accounting treatment with respect to operating leases and have concluded that, where the Group as lessee has entered into rental agreements with guaranteed minimum uplifts, it is appropriate to recognise the total minimum lease payments, including the uplifts, on a straight-line basis over the period of the operating lease. In prior years, the uplifts were recognised as an expense only when payable. A prior period adjustment has been recorded to reflect this adjustment.

As a number of the operating leases that contain minimum uplifts were acquired in prior periods in business combinations, the recognition, by prior year adjustment, of the minimum lease payment on a straight-line basis has resulted in an additional accrual being recognised at the date of the business combination. This has resulted in an increase to goodwill arising on those business combinations as at 30 December 2005 and 28 December 2006 of £19.5m. The impact on the previously reported results for 2006, the opening balance sheet at 29 December 2005 and the balance sheet at 28 December 2006 is set out below:

Prior period adjustment

	2006 (as originally reported) £m	Impact of prior period adjustment £m	2006 (as restated) £m
Goodwill	204.3	19.5	223.8
Current trade and other payables	(51.5)	0.5	(51.0)
Non-current trade and other payables	(19.4)	(24.9)	(44.3)
Retained deficit	(59.2)	(4.9)	(64.1)
Net liabilities	(58.8)	(4.9)	(63.7)
Cost of sales	(211.3)	(1.8)	(213.1)
Operating profit	20.5	(1.8)	18.7
Profit before and after tax	(5.9)	(1.8)	(7.7)

Prior period adjustments (continued)

	2006 £m	2005 £m
Retained deficit at end of period (as originally reported)	(59.2)	(55.3)
Impact of prior period adjustment	(4.9)	(3.1)
Retained deficit at end of period (as restated)	(64.1)	(58.4)

Basic and diluted loss per share for the year ended 28 December 2006 as originally reported was 17.1p and is 22.3p as restated. There was no impact on current or deferred tax as recovery of the resulting deferred tax asset was not probable in the prior period. The net tax asset increased by £7.5m as at 27 December 2007 (2006: £nil) as a result of the adjustment.

3 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.

4 OTHER OPERATING INCOME

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Rental income	0.2	0.3
Gain on disposal of cinema sites	8.1	2.8
	8.3	3.1

On 15 March 2007, the Group completed a sale and leaseback transaction in respect of its Swindon site, realising proceeds of approximately £5.7m, and generated a profit on disposal of £3.5m (after costs). On 27 March 2007, the Group completed a sale and leaseback transaction in respect of its site in Southampton, realising proceeds of approximately £6.6m, and generated a profit on disposal of £4.6m (after costs).

5 OPERATING PROFIT

Included in operating profit for the period are the following:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 (restated*) £m
Depreciation (note 10)	16.2 ⁽¹⁾	19.9
Impairment of property, plant and equipment and adjustments to goodwill (note 10,11)	7.7 ⁽²⁾	2.2
Amortisation of intangibles (note 11)	2.1 ⁽²⁾	3.1
Onerous lease and other non-recurring or non-cash property charges	1.1 ⁽¹⁾	4.1
Transaction costs	1.9 ⁽²⁾	2.7
Reorganisation costs	0.7 ⁽²⁾	0.7
Hire of other assets – operating leases	42.8 ⁽¹⁾	41.7

* See note 2

⁽¹⁾ Included in costs of sales

⁽²⁾ Included in administrative expenses

Transaction costs relate to professional fees in relation to IPO transactions. Reorganisation costs relate to redundancy, rebranding costs and cancellation of material contracts as a result of the UGC acquisition.

The total remuneration of the Group Auditor's, KPMG Audit plc, and its affiliates for the services to the Group is analysed below.

	52 week period ended 27 December 2007 £000	52 week period ended 28 December 2006 £000
Auditors' remuneration:		
Group – audit	217	165
Company – audit	5	–
Amounts received by auditors and their associates in respect of:		
– Audit of financial statements pursuant to legislation	222	165
– Other services relating to taxation	339	528
– Valuation and actuarial services	18	–
– Services relating to corporate finance transactions entered into by, or on behalf of, the Company or the Group	793	1,325

6 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) 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/(loss) 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/(loss) per share is calculated by applying a pro-forma interest charge on the new debt structure, and a tax charge at 30%, to the adjusted profit/(loss).

Diluted earnings/(loss) 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 2007 £m	52 week period ended 28 December 2006 (restated*) £m
Profit/(loss) attributable to ordinary shareholders – net profit	25.7	(7.7)
Adjustments:		
– Amortisation of intangible assets	9.8	3.1
– Share based payments	0.5	0.9
– Transaction and reorganisation costs	2.6	3.4
– Profit on disposal	(8.1)	(2.8)
– Impact of straight lining operating leases	1.1	1.8
Adjusted earnings/(loss)	31.6	(1.3)
Add back net financing costs (see note 8)	18.0	–
Less normalised interest	(10.2)	–
Less tax credit	(13.3)	–
Adjusted pro-forma profit/(loss) before tax	26.1	(1.3)
Less tax at 30%	(7.8)	0.4
Adjusted pro-forma profit/(loss) after tax	18.3	(0.9)

The current year effective tax rate before taking account of deferred tax is 14.5%. When applying this tax rate the adjusted pro-forma profit after tax is £22.3m.

	52 week period ended 27 December 2007 Number of shares (m)	52 week period ended 28 December 2006 (restated*) Number of shares (m)
Weighted average number of shares in issue	104.9	34.6
Basic and adjusted earnings/(loss) per share denominator	104.9	34.6
Dilutive options	–	–
Diluted earnings/(loss) per share denominator	104.9	34.6
Share in issue at period end	141.7	34.6
	Pence	Pence
Basic and diluted earnings/(loss) per share	24.5	(22.3)
Adjusted basic and diluted earnings/(loss) per share	30.1	(3.8)
Adjusted pro-forma basic and diluted earnings/(loss) per share	17.4	(2.6)
Adjusted pro-forma basic and diluted earnings per share using 2007 effective tax rate and number of shares in issue at period end	15.7	N/A

* See note 2

7 STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the period, analysed by category, was as follows:

	Number of staff	
	2007	2006
Head office	122	116
Cinemas	4,273	4,250
	4,395	4,366

Included in the average number of persons employed by the Group are part-time employees. No distinction is made between full-time and part-time employees in the analysis above.

The aggregate payroll costs of these persons were as follows:

	52 week	52 week
	period ended	period ended
	27 December	28 December
	2007	2006
	£m	£m
Wages and salaries	41.5	39.8
Social security costs	2.8	2.7
Other pension costs – Defined benefit	0.1	0.1
– Defined contribution	0.3	0.3
	44.7	42.9

8 FINANCE INCOME AND EXPENSE

	52 week	52 week
	period ended	period ended
	27 December	28 December
	2007	2006
	£m	£m
Net gain on remeasurement of interest rate swap to fair value	0.3	12.8
Interest income	1.2	0.6
Expected return on defined benefit pension plan assets	1.1	1.0
Financial income	2.6	14.4
Interest expense on bank loans and overdrafts	12.3	18.4
Interest accrued on deep discount bonds	4.2	11.6
Write off of financing fees on redemption of loans	1.0	3.1
Amortisation of financing costs	0.5	3.7
Unwind of discount on onerous lease provision	0.8	0.6
Finance cost for defined benefit pension scheme (note 20)	1.3	1.3
Recognition of expense relating to cash settled shares	–	0.9
Other financial costs	0.5	1.2
Financial expense	20.6	40.8
Net financing costs	18.0	26.4

8 FINANCE INCOME AND EXPENSE (CONTINUED)

Amortisation of financing costs in 2006 includes £2.0m of accelerated amortisation as a result of revising the amortisation period due to planned refinancing.

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

9 TAXATION

Recognised in the income statement

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Current tax expense		
Current year	1.8	–
Deferred tax expense		
Origination and reversal of temporary differences	(15.1)	4.6
Benefit of tax losses recognised	–	(4.6)
Total tax credit in income statement	(13.3)	–

Reconciliation of effective tax rate

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 (restated*) £m
Profit/(loss) before tax	12.4	(7.7)
Tax using the UK corporation tax rate of 30% (2006: 30%)	3.7	(2.3)
Non-deductible expenses	5.8	4.8
Differences in overseas tax rates	(0.2)	–
Effect of tax losses utilised	(0.8)	0.2
Temporary differences not recognised	–	(2.1)
Accelerated capital allowances not recognised	–	(3.3)
Accelerated capital allowances in excess of depreciation	(5.9)	–
Effect of higher/(lower) tax rate on gain on sale of cinema sites	(0.8)	2.7
Recognition and reversal of temporary differences	(15.1)	–
Total tax in income statement	(13.3)	–

* See note 2

During the period there was a deferred tax credit of £0.2m (2006: credit of £0.8m) recognised directly in equity. See note 12.

Factors that may affect future tax charges

As at 27 December 2007 the Group had the potential tax assets relating to the following:

- Other non-trading and capital losses of approximately £36.8m (2006: £36.8m)
- Other temporary differences of £nil (2006: £36.8m).

No deferred tax asset has been recognised in respect of non-trading and capital losses as the Group has no expectation that it will be able to use its other losses in the foreseeable future except against a capital gain on future property disposals.

The net tax benefit of utilising any of the above losses is expected to amount to approximately 28% of the losses utilised.

To the extent that such potential deferred tax assets crystallise or are recognised in future, a tax credit will arise. Where such potential tax assets relate to Cineworld Group plc's acquisitions of Cine UK or UGC, an equivalent reduction in goodwill will also be made via an adjustment to goodwill within administrative expenses.

10 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Assets in the course of construction £m	Total £m
Cost					
Balance at 29 December 2005	92.9	36.2	34.0	1.3	164.4
Additions	1.3	1.7	2.9	0.2	6.1
Disposals	(7.4)	(6.4)	(6.8)	–	(20.6)
Transfers	1.0	(0.8)	0.1	(0.3)	–
Balance at 28 December 2006	87.8	30.7	30.2	1.2	149.9
Additions	0.6	4.3	4.6	1.4	10.9
Disposals	(12.2)	(1.7)	(1.7)	–	(15.6)
Balance at 27 December 2007	76.2	33.3	33.1	2.6	145.2
Accumulated depreciation and impairment					
Balance at 29 December 2005	9.4	8.3	10.8	–	28.5
Charge for the period	4.5	6.6	8.8	–	19.9
Transfers	(0.1)	–	0.1	–	–
Impairment	1.4	0.8	–	–	2.2
Disposals	(7.4)	(6.4)	(6.8)	–	(20.6)
Balance at 28 December 2006	7.8	9.3	12.9	–	30.0
Charge for the period	4.3	5.3	6.6	–	16.2
Transfers	0.5	(0.5)	–	–	–
Disposals	(8.5)	(1.7)	(1.7)	–	(11.9)
Balance at 27 December 2007	4.1	12.4	17.8	–	34.3
Net book value					
At 29 December 2005	83.5	27.9	23.2	1.3	135.9
At 28 December 2006	80.0	21.4	17.3	1.2	119.9
At 27 December 2007	72.1	20.9	15.3	2.6	110.9

In 2006 an impairment of £2.2m was recorded in relation to two cinema sites where the carrying amounts were deemed to exceed the recoverable amount and this was not anticipated to change in the foreseeable future.

The net book value of land and buildings comprised:

	27 December 2007 £m	28 December 2006 £m
Freehold	–	0.1
Long leasehold	0.7	3.1
Short leasehold	71.4	76.8
	72.1	80.0

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Security

The secured bank loans (see note 15) are secured by fixed and floating charges on the assets of the Group.

The net book value of assets held under finance leases comprised:

	27 December 2007	28 December 2006
	£m	£m
Opening net book value	6.0	6.3
Depreciation charge	(0.3)	(0.3)
Closing net book value	5.7	6.0

11 INTANGIBLE ASSETS

	Goodwill £m	Brand £m	Customer relationships £m	Total £m
Cost				
Balance at 29 December 2005 (restated*)	223.8	1.2	8.4	233.4
Balance at 28 December 2006 (restated*)	223.8	1.2	8.4	233.4
Balance at 27 December 2007	223.8	1.2	8.4	233.4
Accumulated amortisation and impairment				
Balance at 29 December 2005	–	0.1	3.4	3.5
Amortisation	–	0.1	3.0	3.1
Balance at 28 December 2006	–	0.2	6.4	6.6
Amortisation	–	0.1	2.0	2.1
Adjustment to goodwill	7.7	–	–	7.7
Balance at 27 December 2007	7.7	0.4	8.4	16.5
Net book value				
At 29 December 2005 (restated*)	223.8	1.1	5.0	229.9
At 28 December 2006 (restated*)	223.8	1.0	2.0	226.8
At 27 December 2007	216.1	0.8	–	216.9

* See note 2.

Impairment testing

Goodwill on acquisition is allocated to individual cash-generating units ("CGUs"). Each individual cinema is considered to be a CGU; however, for the purpose of testing goodwill for impairment, it is acceptable under IAS 36 to Group CGUs. This is because the CGUs were acquired as part of the same investment and are involved in the same business operation. Accordingly, three groups of CGUs have been identified:

- Ex-Cine-UK sites
- Ex-UGC sites excluding Dublin
- Dublin

Dublin is considered as a separate CGU as a CGU cannot be larger than a segment, and Ireland is considered to be a separate segment (but is not material).

The key assumptions behind the impairment review, which also drives the fixed-asset impairment review, are as follows:

- 2008 forecast earnings before interest, tax, depreciation and amortisation (EBITDA) was used as the basis of the future cash flow calculation. This is adjusted to add back rent (EBITDAR). In line with long-term industry growth rates, EBITDAR is assumed to grow at 3% per annum for the first five years. Thereafter, it is assumed that the growth rate will decline over the remaining 15 years of cash flows
- Property costs are factored into the model, but are assumed to grow at 2.5% per annum over the life of the model. Cash flows are not assumed in perpetuity
- The Group has discounted forecast cash flows using its WACC, which is considered to reflect the risks associated with the relevant cash flows.

Amortisation charge

The amortisation of intangible assets and adjustment to goodwill are recognised in the following line items in the income statement:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Administrative expenses	9.8	3.1

An adjustment of £7.7m in 2007 has been recorded to reduce goodwill for tax assets recognised during the period which existed at the time of the business combinations.

12 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	27 December 2007 £m	28 December 2006 £m	27 December 2007 £m	28 December 2006 £m	27 December 2007 £m	28 December 2006 £m
Property, plant and equipment	10.3	–	(4.9)	(4.9)	5.4	(4.9)
Intangible assets	–	–	(0.2)	(0.6)	(0.2)	(0.6)
Employee benefits	0.7	1.4	–	–	0.7	1.4
Reverse premiums	2.9	–	–	–	2.9	–
Effect of straight lining operating lease accruals	7.5	–	–	–	7.5	–
Tax value of loss carry forward	–	5.5	–	–	–	5.5
Tax assets/(liabilities)	21.4	6.9	(5.1)	(5.5)	16.3	1.4
Set off tax	(1.6)	(1.6)	1.6	1.6	–	–
Net tax assets/(liabilities)	19.8	5.3	(3.5)	(3.9)	16.3	1.4

No deferred tax asset was recognised at 28 December 2006 in respect of past trading losses, capital losses or capital allowances, other than to the extent that the asset matched deferred tax liabilities. This is with the exception of the deferred tax asset on the pension liability of £1.4m.

However, post-IPO and the resulting re-financing, the Group is now forecast to be in a tax-paying situation. Accordingly, a net asset of £16.3m has been recognised to represent losses, unclaimed capital allowances and other temporary differences that are likely to be utilised in the foreseeable future.

Due to the change in accounting treatment for operating lease payments (see note 2) in 2007, a deferred tax asset of £7.5m associated with the operating lease accrual has been recorded as the Group will be getting tax deductions on the lower cash costs incurred.

12 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

At the balance sheet date, the Group has estimated unused capital losses of £15.6m available for offset against future capital disposals. No deferred tax asset has recognised in respect of these losses due to the unpredictability of future profit streams available to offset these losses.

Deferred taxation provided for in the financial statements at the year end represents provision at 28% (2006: 30%) on the above items.

A review of the deferred tax will be performed at each balance date and adjustments made in the event of a change in any key assumptions.

Deferred tax assets and liabilities are attributable to the following:

	28 December 2006 £m	Recognised in income £m	Recognised in equity £m	27 December 2007 £m
Property, plant and equipment	(4.9)	10.3	–	5.4
Intangible assets	(0.6)	0.4	–	(0.2)
Employee benefits	1.4	(0.5)	(0.2)	0.7
Reverse premiums	–	2.9	–	2.9
Effect of straight lining operating lease accruals	–	7.5	–	7.5
Tax value of loss carry forward	5.5	(5.5)	–	–
Tax assets/(liabilities)	1.4	15.1	(0.2)	16.3

	29 December 2005 £m	Recognised in income £m	Recognised in equity £m	28 December 2006 £m
Property, plant and equipment	(6.9)	2.0	–	(4.9)
Intangible assets	(3.0)	2.4	–	(0.6)
Assets held for sale	(0.2)	0.2	–	–
Employee benefits	2.2	–	(0.8)	1.4
Tax value of loss carry forward	10.1	(4.6)	–	5.5
Tax assets/(liabilities)	2.2	–	(0.8)	1.4

13 INVENTORIES

	27 December 2007 £m	28 December 2006 £m
Raw materials and consumables	–	0.1
Goods for resale	1.5	1.5
	1.5	1.6

14 TRADE AND OTHER RECEIVABLES

	27 December 2007 £m	28 December 2006 £m
Current		
Trade receivables	1.4	1.7
Other receivables	1.2	1.5
Prepayments and accrued income	15.2	14.9
	17.8	18.1

	27 December 2007 £m	28 December 2006 £m
Non-current		
Other receivables	0.9	0.9

Non-current trade and other receivables relate to land lease premiums which are being amortised over the lives of the leases.

15 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.

	27 December 2007 £m	28 December 2006 £m
Non-current liabilities		
Deep discounted bonds	–	126.6
10% interest-bearing unsecured bonds	–	1.2
Secured bank loans, less issue costs of debt to be amortised	119.2	206.7
Liabilities under finance leases	6.4	6.4
	125.6	340.9
Current liabilities		
Interest rate swaps	0.2	0.3
Liabilities under finance leases	0.5	0.5
Secured bank loans, less issue costs of debt to be amortised	8.5	0.2
	9.2	1.0

15 OTHER INTEREST-BEARING LOANS AND BORROWINGS AND OTHER FINANCIAL LIABILITIES (CONTINUED)

The terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest rate	Year of maturity	27 December 2007		28 December 2006	
				Face value	Carrying amount	Face value	Carrying amount
Secured bank loan	GBP	LIBOR + 1.35%	2012	129.0	127.7	208.0	206.9
Finance lease liability	GBP	7.2%	2029	6.9	6.9	6.9	6.9
Total interest-bearing liabilities				135.9	134.6	214.9	213.8

At 27 December 2007, the Group had the following borrowings:

On 26 April 2007 the bank loans in existence at 28 December 2006 were refinanced with a new loan of £165m of which £135m was drawn down for a term of five years and interest charged at 1.35% above LIBOR. The bank loans are secured by fixed and floating charges on the assets of the Group. The balance of the loan at 27 December 2007 was £129m.

At 28 December 2006, the Group had the following borrowings:

Deep discounted bonds

The bonds were zero coupon and unsecured and bear an effective interest rate of 10% per annum which is payable on redemption of the bonds. The amounts redeemable were: £152.8m on 7 October 2014 (book value on 28 December 2006: £105.7m) and £103.9m on 1 December 2014 (book value £116.2m). The bonds were measured at amortised cost.

Subject to having given no less than 30 days, and not more than 60 days, notice in writing to the bondholders, the Group may, at any time, with the consent of the bondholders having the majority of the bonds, redeem the whole or any part of the bonds.

10% interest-bearing unsecured bonds

The 10% interest-bearing unsecured bonds have a redemption date of 7 October 2014. Interest is payable on repayment or redemption of the bonds.

On IPO, the deep discounted bonds and interest-bearing bonds were either repaid or converted to equity.

Group's assets and undertakings.

Secured bank loans (2006)

On 22 June 2006 the bank loans were refinanced on new terms, comprising:

Term A: £45m drawn down at 28 December 2006, repayable over the term to 22 June 2013 at 2.25% above LIBOR.

Term B: £81.5m drawn down at 28 December 2006, repayable in full on 22 June 2014 at 2.5% above LIBOR.

Term C: £81.5m drawn down at 28 December 2006, repayable in full on 22 June 2015 at 3.0% above LIBOR.

Term D: undrawn, repayable in full on 22 December 2016 at 2.75% above LIBOR.

The bank loans are secured by fixed and floating charges on the assets of the Group. On 25 August 2006 the loans were syndicated.

As at 28 December 2006, the Group had drawn down a total of £208m on the available £246m facility.

Finance lease liabilities

The maturity of obligations under finance leases is as follows:

	27 December	28 December
	2007	2006
	£m	£m
Within one year	0.5	0.5
Between one and two years	0.5	0.5
In the second to fifth years	1.7	1.7
Over five years	11.6	12.1
	14.3	14.8
Less future finance charges	(7.4)	(7.9)
	6.9	6.9
Analysed as:		
Within one year	0.5	0.5
More than one year	6.4	6.4
	6.9	6.9

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 29 December 2005	19.6	(230.9)	(116.2)	(6.1)	(13.1)	(346.7)
Cash flows	8.1	30.8	–	0.5	–	39.4
Non-cash movement	–	(6.8)	(11.6)	(1.3)	12.8	(6.9)
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)

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

16 TRADE AND OTHER PAYABLES

	27 December 2007 £m	28 December 2006 (restated*) £m
Current		
Trade payables	16.6	16.0
Other payables	3.3	6.6
Accruals and deferred income	20.3	28.4
	40.2	51.0
Non-current		
Accruals and deferred income	48.0	44.3

* See note 2

17 EMPLOYEE BENEFITS

Pension plans

The Group operates two externally funded defined benefit pension schemes, one in the UK (the MGM Pension Scheme) and one in Ireland (the Adelphi-Carlton Limited Contributory Pension Plan).

The Company made special contributions of £1.8m during 2007 and has made normal contributions of £0.1m.

The latest actuarial valuation of the MGM Pension Scheme took place on 5 April 2006. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the scheme for IAS 19 are stated further below.

The Adelphi-Carlton Limited Contributory Pension Plan is closed to new entrants and therefore the current service cost is £nil. The trustees of the Adelphi-Carlton Contributory Pension Plan have not agreed that any surplus on the plan can be refunded to the Company. Accordingly, the surplus has not been recognised.

Actuaries for Adelphi-Carlton Limited carried out the last actuarial valuation of the scheme as at 1 April 2007. Based on this assessment, the actuarial value of the assets of the scheme was more than sufficient to cover 100% of the benefits that had accrued to members. In view of this, a suspension of company contributions was in force from 1 April 2001 to 27 December 2007. Total contributions for the 52 weeks ended 28 December 2006 and 27 December 2007 were £nil and £nil, respectively. No surplus is recognised in respect of the Adelphi-Carlton Scheme because the company is not able to assess the surplus.

Actuarial gains and losses are recognised immediately in equity.

The net deficit in the pension scheme is:

	27 December 2007 £m	28 December 2006 £m
MGM Pension Scheme	(2.4)	(4.6)
Adelphi-Carlton Limited Contributory Pension Plan	-	-
Net deficit	(2.4)	(4.6)

MGM Pension scheme

	27 December 2007 £m	28 December 2006 £m
Present value of funded defined benefit obligations	(26.6)	(26.4)
Fair value of plan assets	24.2	21.8
Deficit in scheme	(2.4)	(4.6)

Movements in present value of defined benefit obligation:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
At beginning of period	(26.4)	(28.2)
Current service cost	(0.1)	(0.1)
Interest cost	(1.3)	(1.3)
Contributions by scheme participants	(0.1)	–
Actuarial gains/(losses)	0.3	2.3
Benefits paid	1.0	0.9
At end of period	(26.6)	(26.4)

Movements in fair value of plan assets

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
At start of period	21.8	20.9
Expected return on plan assets	1.1	1.0
Actuarial gains	0.3	0.4
Contributions by employer	1.9	0.5
Contributions by members	0.1	0.1
Benefits paid	(1.0)	(1.1)
At end of period	24.2	21.8

Income/(expense) recognised in the consolidated income statement:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Current service cost	(0.1)	(0.1)
Interest on defined benefit pension plan obligation	(1.3)	(1.3)
Expected return on defined benefit pension plan assets	1.1	1.0
Total	(0.3)	(0.4)

17 EMPLOYEE BENEFITS (CONTINUED)

The income/(expense) is recognised in the following line items in the consolidated income statement:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Administrative expenses	(0.1)	(0.1)
Financial expenses	(1.3)	(1.3)
Financial income	1.1	1.0
Total	(0.3)	(0.4)

Actuarial gains/losses recognised in equity:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Actuarial gains recognised in the period	0.7	2.7
Cumulative amount at start of period	1.3	(1.4)
Cumulative amount at end of period	2.0	1.3

The fair value of the plan assets and the return on those assets were as follows:

	Long-term rate of return expected at 27 December 2007	52 week period ended 27 December 2007 £m	Long-term rate of return expected at 28 December 2006	52 week period ended 28 December 2006 £m
Equities	8.00%	12.0	8.00%	11.2
Fixed-interest bonds	4.50%	3.6	4.50%	3.1
Index linked bonds	4.25%	8.4	4.25%	7.4
Other	5.50%	0.2	5.30%	0.1
		24.2		21.8

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Expected return on scheme assets	1.1	1.0
Actuarial gain	0.3	0.4
Actual return on plan assets	1.4	1.4

Principal actuarial assumptions (expressed as weighted averages):	52 week period ended 27 December 2007 %	52 week period ended 28 December 2006 %
Inflation	3.4	3.1
Rate of general long-term increase in salaries	4.4	4.6
Rate of increase to pensions in payment	2.8 – 3.6	2.7 – 3.5
Discount rate for scheme liabilities	5.9	5.2

Demographic assumptions have been taken to be the same as those adopted for the 2006 funding valuation. In particular, post-retirement mortality is assumed to be in line with the standard PA92 tables based on year of birth with the Medium Cohort adjustment and a scaling factor of 115%. Under these assumptions, the life expectancies from age 65 for future males and females is 20.8 years and 23.6 years respectively (for prior year, 20.1 years and 22.7 years respectively).

History of plans

The history of the plans for the current and prior periods is as follows:

<i>Balance Sheet</i>	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m	52 week period ended 29 December 2005 £m	52 week period ended 30 December 2004 £m
Present value of defined benefit obligation	(26.6)	(26.4)	(28.2)	(24.4)
Fair value of plan assets	24.2	21.8	20.9	18.4
Deficit	(2.4)	(4.6)	(7.3)	(6.0)

<i>Experience adjustments</i>	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m	52 week period ended 29 December 2005 £m	52 week period ended 30 December 2004 £m
Experience adjustments on plan assets	0.3	0.3	1.9	0.1
Experience adjustments on plan liabilities	–	0.1	(0.1)	0.1
Losses on change in actuarial assumptions	–	–	(3.3)	–

The Group expects to contribute approximately £0.3m to its defined benefit plans in the next financial period.

Adelphi-Carlton Limited Contributory Pension Plan

	27 December 2007 £m	28 December 2006 £m
Present value of funded defined benefit obligations	(1.0)	(1.0)
Fair value of plan assets	1.7	1.7
Surplus in scheme	0.7	0.7
Irrecoverable surplus	(0.7)	(0.7)
	–	–

17 EMPLOYEE BENEFITS (CONTINUED)

Movements in present value of defined benefit obligation:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
At beginning of period	(1.0)	(1.1)
Benefits paid	-	0.1
At end of period	(1.0)	(1.0)

Movements in fair value of plan assets:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
At start of period	1.7	1.7
Expected return on plan assets	-	0.1
Benefits paid	-	(0.1)
At end of period	1.7	1.7

Expense recognised in the consolidated income statement:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Expected return on defined benefit pension plan assets	-	-
Total	-	-

The income is recognised in the following line items in the consolidated income statement:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Financial income	-	-
	-	-

Actuarial gains recognised directly in equity:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Actuarial gains recognised in the period	–	–
Cumulative amount at start of period	0.1	0.1
Cumulative amount at end of period	0.1	0.1

The fair value of the plan assets and the return on those assets were as follows:

	Expected rate of return	52 week period ended 27 December 2007 £m	Expected rate of return	52 week period ended 28 December 2006 £m
Equities	7.50%	0.6	7.50%	0.6
Property	6.10%	0.1	5.60%	0.1
Corporate bonds	4.70%	1.0	4.20%	1.0
		1.7		1.7

Actual return on plan assets:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Expected return on scheme assets	–	0.1
Actuarial gain	–	–
Actual return on plan assets	–	0.1

Principal actuarial assumptions (expressed as weighted averages):

	52 week period ended 27 December 2007 %	52 week period ended 28 December 2006 %
Inflation rate	2.50	2.35
Discount rate	5.25	4.5
Expected rate of return on plan assets	5.73	5.44
Rate of pension increases in payment	3.00	3.00
Rate of pension increases in deferment	2.25	2.25
Material demographic assumptions	PMA92c10 for males PFA92c10 for females	PMA92c10 for males PFA92c10 for females

17 EMPLOYEE BENEFITS (CONTINUED)

History of plans

The history of the plans for the current and prior periods is as follows:

Balance Sheet

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m	52 week period ended 29 December 2005 £m	52 week period ended 30 December 2004 £m
Present value of defined benefit obligation	(1.0)	(1.0)	(1.1)	(1.1)
Fair value of plan assets	1.7	1.7	1.7	1.6
Surplus	0.7	0.7	0.6	0.5
Irrecoverable surplus	(0.7)	(0.7)	(0.6)	(0.5)
	-	-	-	-

Experience adjustments

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m	52 week period ended 29 December 2005 £m	52 week period ended 30 December 2004 £m
Experience adjustments on plan assets	-	-	0.2	-
Experience adjustments on plan liabilities	-	-	-	-
Gains/(losses) on change in actuarial assumptions	-	0.1	(0.1)	-

The Group expects to contribute approximately £nil to the Adelphi-Carlton defined benefit plans in the next financial year.

Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £0.3m (2006: £0.3m).

Share-based payments

Management Equity Scheme – period ended 28 December 2006

The members of the Group's senior management team were included in a scheme under which they had subscribed for ordinary shares in Cineworld Group plc (the "Management Equity Scheme"). These shares vested on listing of the Group.

On the basis that the company considered the most likely vesting condition to be satisfied was listing of the Group, the scheme had been accounted for as equity-settled under IFRS 2. The amount subscribed for the shares by the employees was £0.01 per share. This was estimated to be the fair value of the shares at the time. Accordingly, no incremental value was considered to have been awarded to the employees and hence no share-based payment expense had been recognised in 2006.

Roll-over Equity Scheme – period ended 28 December 2006

In addition to the above, certain individuals had subscribed to shares in Cineworld Group plc prior to the acquisition of Cine-UK Limited (the Roll-over Equity Scheme). There are no vesting conditions associated with these shares. Any restrictions on the transfer of these shares was lifted on the flotation of Cineworld Group plc.

As a result, the liability for cash settled shares was reversed through equity during the year.

Employee Sharesave Scheme – period ended 27 December 2007

The employees of the Group were included in a scheme where they could acquire ordinary shares in Cineworld Group plc. The share options programme allows Group employees to acquire shares of the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. 348,168 shares were granted under the Employee Sharesave Scheme and were valued using the Black Scholes Model. A charge of £nil was recorded in the income statement for the period.

The numbers of shares included in each of the schemes was as follows:

	Cash – settled at 27 December 2007	Equity – settled at 27 December 2007	Cash – settled at 28 December 2006	Equity – settled at 28 December 2006
Outstanding at the beginning of the period	3,755 ⁽¹⁾	14,031 ⁽¹⁾	3,755 ⁽¹⁾	14,031 ⁽¹⁾
Granted during the period	–	348,168 ⁽²⁾	–	–
Vested during the period	(3,755) ⁽¹⁾	(14,031) ⁽¹⁾	–	–
Outstanding at the end of the period	–	348,168	3,755	14,031

⁽¹⁾ Pre-IPO shares

⁽²⁾ Post-IPO shares. Immediately pre-IPO there was a share split (see note 19)

The total expenses recognised for the period arising from share-based payments are as follows:

	52 week period ended 27 December 2007 £m	52 week period ended 28 December 2006 £m
Equity-settled share-based payment expense	0.5	–
Cash-settled share-based payment expense	–	0.9
Share-based payments expenses	0.5	0.9

The £0.5m equity-settled share-based payment expense in 2007 relates to 1,383 shares held by the trustees of the Cineworld Employee Benefit Trust. On IPO these shares were converted to 276,600 ordinary shares, as a result of the share-split, and were gifted to senior managers of the Group. An expense has been recognised for the market value of the shares.

18 PROVISIONS

	Property provisions £m
Balance at 30 December 2005	18.6
Provisions made during the period	2.3
Utilised	(2.6)
Balance at 28 December 2006	18.3
Non-current	16.2
Current	2.1
Balance at 28 December 2006	18.3
Provisions made during the period	–
Utilised	(3.4)
Balance at 27 December 2007	14.9
Non-current	13.4
Current	1.5
Total	14.9

Property provisions relate to onerous leases, dilapidations and other property liabilities. The provision for onerous leases covers the rent payable on particular cinema sites that is in excess of the economic benefits expected to be derived from their operation on a discounted basis. The remaining provision will be utilised over the period to the next rent review date or the remaining lease life depending on the term of the lease. The discount rate used was 11.8%. The utilisation of the provision is net of the unwinding of the discount on onerous leases of £0.8m (2006: £0.6m).

19 CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

52 weeks ended 28 December 2006 and 52 weeks ended 27 December 2007:

	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained deficit £m	Total £m
At 29 December 2005 (restated*)	–	–	0.4	–	(58.4)	(58.0)
Loss for the period (restated*)	–	–	–	–	(7.7)	(7.7)
Actuarial gain on defined benefit pension scheme	–	–	–	–	2.7	2.7
Tax recognised on income and expenses recognised directly in equity	–	–	–	–	(0.7)	(0.7)
At 28 December 2006 (restated*)	–	–	0.4	–	(64.1)	(63.7)
Profit for the period (restated*)	–	–	–	–	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 for 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

* See note 2

Share premium is stated net of capitalised transaction costs of £9.4m in association with the IPO.

Share capital

	27 December 2007 £m	28 December 2006 £m
Cineworld Group plc		
Authorised		
200,000,000 ordinary shares of £0.01 each (2006: 173,515 ordinary shares of £0.01 each)	2.0	–
Nil redeemable preference shares of £1 each (2006: 48,272 redeemable preference shares of £1 each)	–	–
Allotted, called up and fully paid		
141,721,509 ordinary shares of £0.01 each (2006: 172,815 ordinary shares of £0.01 each)	1.4	–
Nil redeemable preference shares of £1 each (2006: 48,272 redeemable preference shares of £1 each)	–	–

On 26 April 2007 the authorised share capital was increased from £50,017.15 to £2,048,272 by the creation of 199,826,485 ordinary shares.

On admission to the London Stock Exchange on 2 May 2007, the Company made the following ordinary share issues:

- 61,381,075 shares in connection with the global offer
- 45,777,434 shares in connection with the conversion of outstanding bonds
- 34,390,185 bonus shares on the existing shares (on the basis of 199 new shares for every existing one share)

48,272 redeemable preference shares of £1 each were redeemed and cancelled from the Company's authorised share capital on 2 May 2007.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Hedging reserve

The hedging reserve comprises the liability in relation to the interest rate swap entered into to hedge against variable interest payments on £67.5m of the new debt taken out on 2 May 2007. As hedge accounting has been adopted, the gains/losses are recorded through equity until such time as the swap matures, when they are recycled to the income statement.

Dividends

An interim dividend of 3p per share was paid on 26 October 2007 to ordinary shareholders (2006; £nil). The Board has proposed a final dividend of 6.5p per share payable on 18 June 2008. In accordance with IAS 10, this has not been recognised as a liability at 27 December 2007.

20 FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

20 FINANCIAL INSTRUMENTS (CONTINUED)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of certain risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group's credit risk is primarily attributable to its trade receivables. However, due to the nature of the Group's business, trade receivables are not significant which limits the related credit risk. The Group's trade receivables are disclosed in note 14. Of the total balance of £1.4m (2006: £1.7m) due 60.6% (2006: 57.8%) are within credit terms. The trade receivables balance is stated net of a provision for doubtful debts of £0.3m (2006: £0.2m). Based on past experience the Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due. The credit risk on liquid funds and derivative financial instruments is also limited because the counterparties are banks with high credit ratings.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

27 December 2007

	Carrying amount £m	Contractual cash flows £m	6 months or less £m	6 – 12 months £m	1 – 2 years £m	2 – 5 years £m	More than 5 years £m
Non-derivative financial liabilities							
Secured bank loans	127.7	(129.0)	(4.5)	(4.5)	(9.0)	(111.0)	–
Finance lease liabilities	6.9	(14.7)	(0.2)	(0.3)	(0.5)	(1.7)	(12.0)
Trade and other payables	19.9	(19.9)	(19.9)	–	–	–	–
Derivative financial liabilities							
Interest rate swaps used for hedging	0.2	(0.2)	–	–	–	(0.2)	–
	154.7	(163.8)	(24.6)	(4.8)	(9.5)	(112.9)	(12.0)

28 December 2006

	Carrying amount £m	Contractual cash flows £m	6 months or less £m	6 – 12 months £m	1 – 2 years £m	2 – 5 years £m	More than 5 years £m
Non-derivative financial liabilities							
Secured bank loans	208.0	(208.0)	(208.0)	–	–	–	–
Finance lease liabilities	6.9	(15.1)	(0.2)	(0.3)	(0.5)	(1.7)	(12.4)
Trade and other payables	22.6	(22.6)	(22.6)	–	–	–	–
Derivative financial liabilities							
Interest rate swaps used for hedging	0.3	(0.3)	(0.3)	–	–	–	–
	237.8	(246.0)	(231.1)	(0.3)	(0.5)	(1.7)	(12.4)

As per the credit agreement, if a listing occurs then the total of the loans would become immediately due. At 28 December 2006, it was anticipated that the Group would attempt to float during 2007 and accordingly the balance of the loan would become payable.

Cash flow hedges

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur:

2007

	Carrying amount £m	Contractual cash flows £m	6 months or less £m	6 – 12 months £m	1 – 2 years £m	2 – 5 years £m	More than 5 years £m
Interest rate swaps:							
– Liabilities	(0.2)	(0.2)	–	–	–	(0.2)	–

2006

	Carrying amount £m	Contractual cash flows £m	6 months or less £m	6 – 12 months £m	1 – 2 years £m	2 – 5 years £m	More than 5 years £m
Interest rate swaps:							
– Liabilities	(0.3)	(0.3)	(0.3)	–	–	–	–

It is anticipated that the expected cash flows will impact profit and loss when the cash flows occur.

At 28 December 2006, it was expected that the existing bank debt would be refinanced within six months and, accordingly, the interest rate swap would be closed out at that point.

20 FINANCIAL INSTRUMENTS (CONTINUED)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The majority of the Group's operations are in the UK and hence for these operations there is no exposure to foreign currency risk other than in respect of certain purchases that may be denominated in currencies other than sterling. In addition, there is an operation in Ireland where non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected by movements in euro rates. However, the exposure is limited as euro operations are not significant.

Interest rate risk

The Group's policy is to manage its cost of borrowing by securing fixed interest rates on non-current debt.

Whilst fixed-rate interest-bearing debt is not exposed to cash flow interest rate risk, there is no opportunity for the Group to enjoy a reduction in borrowing costs in markets where rates are falling.

In addition, the fair value risk inherent in fixed-rate borrowing means that the Group is exposed to unplanned costs should debt be restructured or repaid early as part of the liquidity management process.

The Group uses interest rate swaps agreed with other parties to hedge a portion of its bank loans that have variable interest rates. Interest rate swaps are measured at fair value, which have been calculated by discounting the expected future cash flows at prevailing interest rates.

At the period end the Group had one interest rate swap which hedged 52.3% (2006: 100%) of the Group's variable rate secured bank debt.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2007	2006
Fixed-rate instruments		
Financial liabilities	(0.2)	(0.3)
Variable-rate instruments		
Financial liabilities	(129.0)	(208.0)

Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for fixed-rate derivative financial instruments (interest rate swaps) at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement except where derivatives qualify for hedge accounting when recognition of any resultant gain or loss depends on the nature of the item being hedged. Hedge accounting has been adopted for the year ended 27 December 2007.

A change of 100 basis points in interest rates would have increased equity by £2.1m or decreased equity by £2.2m (2006 : £nil) and would have increased or decreased profit or loss by £nil (2006: £3.6m).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2006.

Effect in GBP thousands	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
27 December 2007				
Variable-rate instruments	(1,584)	1,584	–	–
Interest rate swap	989	(989)	–	–
Cash flow sensitivity (net)	(595)	595	–	–
28 December 2006				
Variable-rate instruments	(2,281)	2,281	–	–
Interest rate swap	2,000	(2,000)	–	–
Cash flow sensitivity (net)	(281)	281	–	–

Fair values

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

Short-term debtors and creditors have been excluded from the following disclosures on the basis that their carrying amount is a reasonable approximation to fair value.

	Carrying amount	Fair value	Carrying amount	Fair value
	27 December 2007 £m	27 December 2007 £m	28 December 2006 £m	28 December 2006 £m
Cash and cash equivalents	(10.4)	(10.4)	(27.7)	(27.7)
Secured bank loans	127.7	129.0	206.9	208.0
Deep discounted bonds	–	–	127.8	127.8
Finance lease liabilities	6.9	6.9	6.9	6.9
Interest rate swaps	0.2	0.2	0.3	0.3
	124.4	125.7	314.2	315.3

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of loan notes and other financial assets has been calculated using the market interest rates. The carrying amount of secured bank loans is stated net of debt issuance costs.

The difference between net carrying amount and estimated fair value reflects unrealised gains or losses inherent in the instruments based on valuations at 27 December 2007 and 28 December 2006. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

20 FINANCIAL INSTRUMENTS (CONTINUED)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding non-redeemable preference shares and minority interests, and the level of dividends to ordinary shareholders.

21 OPERATING LEASES

Non-cancellable operating lease rentals commitments are as follows:

	Land and buildings £m	Other £m	27 December 2007 £m	Land and buildings £m	Other £m	28 December 2006 (restated*) £m
Less than one year	40.2	0.3	40.5	39.7	0.1	39.8
Between one and five years	164.4	1.4	165.8	163.3	0.5	163.8
More than five years	604.0	-	604.0	645.3	-	645.3
	808.6	1.7	810.3	848.3	0.6	848.9

In prior periods the Group had disclosed total expected rental payments over the lease term, however it is considered more appropriate to only present the guaranteed contracted minimum payments. Also see note 2.

22 CAPITAL COMMITMENTS

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

	27 December 2007 £m	28 December 2006 £m
Contracted	6.7	8.3

23 RELATED PARTIES

The compensation of key management personnel (including the Directors) is as follows:

52 weeks ended 27 December 2007

	Salary and fees including bonus £000	Compensation for loss of office £000	Pension contributions £000	Total £000
A Alvarez	131	–	12	143
A Bloom	66	–	–	66
L Guffey	21	–	–	21
R Jones	565	–	34	599
W Kamhawi	–	–	–	–
D Maloney	40	–	–	40
D Marks	–	–	–	–
T McGrath	35	–	–	35
P Stefka	302	–	18	320
M Tooth	21	–	–	21
S Wiener	1,071	–	56	1,127
P Williams	40	–	–	40
	2,292	–	120	2,412

52 weeks ended 28 December 2006

	Salary and fees including bonus £000	Compensation for loss of office £000	Pension contributions £000	Total £000
A Alvarez	249	–	15	264
A Bloom	44	–	–	44
L Guffey	–	–	–	–
R Jones	254	–	15	269
W Kamhawi	–	–	–	–
D Maloney	18	–	–	18
D Marks	–	–	–	–
T McGrath	30	–	–	30
P Stefka	269	–	16	285
M Tooth	–	–	–	–
S Wiener	513	–	28	541
P Williams	18	–	–	18
	1,395	–	74	1,469

Share based compensation benefit charges for key management personnel (including the Directors) was £0.5m in 2007 (2006: £0.9m).

23 RELATED PARTIES (CONTINUED)

Other related party transactions

52 week period ended 27 December 2007

Included in the results for the period were amounts paid to the Blackstone Shareholders in respect of management fees of £1,169,956 and interest of £4,245,099 on the deep discounted bonds. These bonds were redeemed on IPO in 2007.

S Wiener had 10% interest-bearing loan notes (nominal value of £699,998) which accrued interest of £23,139 during the period. These loan notes were redeemed in cash at carrying amount upon IPO for an amount of £895,564.

P Stefka had 10% interest-bearing loan notes (nominal value of £99,998) which accrued interest of £2,091 during the period. These loan notes were redeemed in cash at carrying amount upon IPO for an amount £127,937.

R Jones had 10% interest-bearing loan notes (nominal value of £99,998) which accrued interest of £2,091 during the period. These loan notes were redeemed in cash at carrying amount upon IPO for an amount of £127,937.

A Alvarez had 10% interest-bearing loan notes (nominal value of £99,998) which accrued interest of £2,091 during the period. These loan notes were redeemed in cash at carrying amount upon IPO for an amount of £127,937.

52 week period ended 28 December 2006

Included in the results for the period were amounts accruing to the Blackstone Shareholders in respect of management fees of £500,000 and interest of £11,620,605 on the deep discounted bonds.

S Wiener has 10% interest-bearing loan notes (nominal value of £699,998) which accrued interest of £78,518 during the period. The loan outstanding at the end of the period was £866,014.

P Stefka has 10% interest-bearing loan notes (nominal value of £99,998) which accrued interest of £11,217 during the period. The loan outstanding at the end of the period was £123,716.

R Jones has 10% interest-bearing loan notes (nominal value of £99,998) which accrued interest of £11,217 during the period. The loan outstanding at the end of the period was £123,716.

A Alvarez has 10% interest-bearing loan notes (nominal value of £99,998) which accrued interest of £11,217 during the period. The loan outstanding at the end of the period was £123,716.

24 SUBSEQUENT EVENTS

On 6 March 2008 it was announced that Cineworld in association with Odeon Cinemas Limited have formed a 50:50 joint venture, Digital Cinema Media ("DCM") to address cinema advertising. This has arisen as a result of the termination of the agreement with Carlton Screen Advertising ("CSA"). DCM has reached agreement in principle to purchase certain assets from CSA, subject to a competition approval process.

COMPANY BALANCE SHEET

at 27 December 2007

	27 December 2007 £'000	28 December 2007 £'000	28 December 2006 £'000	28 December 2006 £'000
	Note			
Fixed assets				
Investments	26	131,248		2
Current assets				
Other debtors	27	70,298	48	
Creditors: amount falling due within one year	28	(17,444)	(3,763)	
Net current assets/(liabilities)		52,854		(3,715)
Net assets/(liabilities)		184,102		(3,713)
Capital and reserves				
Called up share capital	29	1,417		50
Share premium account	29	171,354		–
Profit and loss account	29	11,331		(3,763)
Shareholders' funds/(deficit) – equity		184,102		(3,713)

These financial statements were approved by the Board of Directors on 18 March 2008 and were signed on its behalf by:

AH Bloom
Chairman

SM Wiener
Director

RECONCILIATION OF MOVEMENTS

in shareholders' funds/(deficit) for the period ended 27 December 2007

	52 week period ended 27 December 2007 £'000	52 week period ended 28 December 2006 (restated*) £'000
Profit/(loss) for the period	17,651	(3,422)
Acquisition of own shares by the Employee Benefit Trust	–	(41)
Issue of shares at nominal value	1,415	48
Cancellation of shares	(48)	–
Share premium	171,354	–
Dividends paid during the year	(4,252)	–
Share-based payments	1,695	–
Net increase/(decrease) in shareholders' funds	187,815	(3,415)
Opening shareholders' (deficit)/funds	(3,713)	(298)
Closing shareholders' funds/(deficit)	184,102	(3,713)

NOTES

to the Company financial statements (forming part of the financial statements)

25 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements except as noted below.

In these financial statements UITF 41 "Scope of FRS 20 Share-based payment" has been adopted for the first time. There was no material impact from adoption of UITF 41.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Directors have reviewed the Group's projected working capital requirements and fixed-asset expenditure and believe that the Company has sufficient funding for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Under Section 230 (4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for any impairment in value.

Impairment

The Group evaluates its investments for financial impairment where events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value, an impairment in value is recorded.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Share-based payment transactions

The share options programme allows Group employees to acquire shares of the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an appropriate model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of shares options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Shares appreciation rights are also granted by the Company to employees. The fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value of the share appreciation rights is measured based on an option valuation model, taking into account the terms and conditions upon which the instruments were granted. The liability is remeasured at each balance sheet date and at settlement date and any changes in fair value recognised in profit and loss spread equally over the vesting period.

Own shares held by Employee Benefit Trust ("EBT")

Transactions of the Group sponsored EBT are included in the Group financial information. In particular, the trust's purchase of shares in the Company are debited directly to equity.

26 FIXED-ASSET INVESTMENTS

Company	Share in Group undertaking £'000
Investment at cost	
Balance at 29 December 2005	2
Balance at 28 December 2006	2
Additions	131,246
Balance at 27 December 2007	131,248
Provision for impairment	
Balance at 29 December 2005	–
Balance at 28 December 2006	–
Balance at 27 December 2007	–
Net book value	
At 29 December 2005	2
At 28 December 2006	2
At 27 December 2007	131,248

An additional capital contribution of £131,246K was made to Augustus 1 Limited from the Company during the year ended 27 December 2007. Augustus 1 Limited was originally acquired for the nominal value of their share capital with no goodwill arising on acquisition.

	Country of incorporation	Principal activity	Class and % of shares held	
Subsidiary undertakings				
Directly Held				
Augustus 1 Limited	England & Wales	Holding company	Ordinary	100
Indirectly Held				
Augustus 2 Limited	England & Wales	Holding company	Ordinary	100
Cineworld Group Limited	England & Wales	Holding company	Ordinary	100
Cine-UK Limited	England & Wales	Cinema operation	Ordinary	100
Cineworld Cinemas Holdings Limited	England & Wales	Holding company	Ordinary	100
Cineworld Cinemas Limited	England & Wales	Holding company and cinema operation	Ordinary	100
Cineworld Finance Limited	England & Wales	Dormant	Ordinary	100
Cineworld Estates Limited	England & Wales	Cinema property leasing	Ordinary	100
Cineworld South East Cinemas Limited	England & Wales	Holding company	Ordinary	100
Cineworld Exhibition Limited	England & Wales	Dormant	Ordinary	100
Gallery Holdings Limited	England & Wales	Holding company	Ordinary	100
			"A" Ordinary	100
			Preference	100
Gallery Cinemas Limited	England & Wales	Dormant	Ordinary	100
Slough Movie Centre Limited	England & Wales	Dormant	Ordinary	100
Adelphi-Carlton Limited	Eire	Cinema operation	Ordinary	100
Cineworld Cinema Properties Limited	England & Wales	Property company	Ordinary	100
Cineworld Elite Pictures Theatre (Nottingham) Limited	England & Wales	Non-trading	Ordinary	98.2
			Cum 5% Pref	99.6
Classic Cinemas Limited	England & Wales	Retail services company	Ordinary	100
Computicket Limited	England & Wales	Dormant	Ordinary	100

27 DEBTORS

	27 December 2007 £'000	28 December 2006 £'000
Other debtors	–	48
Amounts due from subsidiary undertakings	70,298	–
	70,298	48

28 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	27 December 2007 £'000	28 December 2006 £'000
Accruals	–	(1,227)
Amounts due to subsidiary undertakings	(17,444)	(2,536)
	(17,444)	(3,763)

29 SHARE CAPITAL AND RESERVES

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 29 December 2005	2	–	(300)	(298)
Loss for the period	–	–	(3,422)	(3,422)
Issue of shares	48	–	–	48
Purchase of own shares	–	–	(41)	(41)
At 28 December 2006	50	–	(3,763)	(3,713)
Profit for the period	–	–	17,651	17,651
Shares issued, net of related costs	613	93,532	–	94,145
Bonds converted to shares	458	77,822	–	78,280
Bonus share issue	344	–	–	344
Cancellation of shares	(48)	–	–	(48)
Reversal of share-based payments	–	–	1,695	1,695
Dividends paid during the year	–	–	(4,252)	(4,252)
At 27 December 2007	1,417	171,354	11,331	184,102

Share premium is stated net of share issue costs.

30 SHARE-BASED PAYMENTS

See note 17 of the Group accounts.

31 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

The Company is a subsidiary undertaking of Blackstone Capital Partners (Cayman) IV LP, which is the ultimate parent organisation, whose head office is at 345 Park Avenue, New York, NY 10154, USA.

SHAREHOLDER INFORMATION

DIRECTORS

AH Bloom

Non-Executive Director
and Chairman

L Guffey

Non-Executive Director
and Deputy Chairman

S Wiener

Chief Executive Officer

R Jones

Chief Financial Officer
and Company Secretary

D Maloney

Non-Executive Director
and Senior Independent Director

T McGrath

Independent Non-Executive Director

M Tooth

Non-Executive Director

P Williams

Independent Non-Executive Director

HEAD OFFICE

Power Road Studios
Power Road
Chiswick
London W4 5PY

TELEPHONE NUMBER

020 8987 5000

WEBSITE

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

COMPANY NUMBER

Registered Number: 5212407

FINANCIAL ADVISER AND BROKER

JP Morgan Cazenove Ltd
20 Moorgate
London EC2R 6DA

LEGAL ADVISERS TO THE COMPANY

Olswang
90 High Holborn
London WC1V 6XX

REGISTRAR

Capita Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0GA

PUBLIC RELATIONS ADVISERS

M: Communications
1 Ropemaker Street
Ninth Floor
London EC2Y 9HT

AUDITORS

KPMG Audit plc
8 Salisbury Square
London EC4Y 8BB

REGISTERED OFFICE

Beaufort House
51 New North Road
Exeter
Devon EX4 4EP

FINAL DIVIDEND – 2007

Announcement
18 March 2008

Ex Dividend
21 May 2008

Record Date
23 May 2008

Payment Date
18 June 2008



UK SCREEN LOCATIONS

LOCATIONS

■ Aberdeen (Queen's Links)	9
■ Ashford	12
■ Ashton-under-Lyne	14
■ Bedford (Aspect Leisure Park)	6
■ Bexleyheath	9
■ Birmingham (Broad Street)	12
■ Boldon	11
■ Bolton	15
■ Bradford	16
■ Braintree (Chapel Hill)	12
■ Brighton (Marina Village)	8
■ Bristol (Hengrove)	14
■ Burton upon Trent	9
■ Bury St. Edmunds	8
■ Cambridge	9
■ Cardiff	15
■ Castleford	14
■ Cheltenham	11
■ Chester	6
■ Chesterfield	10
■ Chichester	10
■ Crawley	15
■ Didcot	5
■ Didsbury (Parrs Wood)	11
■ Dublin	17
■ Dundee	9
■ Eastbourne (The Crumbles)	6
■ Edinburgh	13
■ Enfield	15
■ Falkirk	12
■ Feltham	14
■ Glasgow (Parkhead)	7
■ Glasgow (Renfrew Street)	18
■ Gloucester (Peel Centre)	6
■ Harlow	6
■ High Wycombe	12
■ Huntingdon	10
■ Ilford	11
■ Ipswich	11
■ Isle of Wight (Coppins Bridge, Newport)	11
■ Jersey (St Helier)	10

SCREENS

LOCATIONS

■ Kingston upon Hull	9
■ Liverpool (Edge Lane)	8
■ Llandudno	9
■ London (Chelsea)	4
■ London (Fulham Road)	6
■ London (Hammersmith)	4
■ London (Haymarket)	3
■ London (Shaftesbury Avenue)	7
■ London (Staples Corner, Hendon)	6
■ London (Wandsworth)	14
■ London (West India Quay, Canary Wharf)	10
■ London (Wood Green)	12
■ Luton	11
■ Middlesbrough (Riverside Stadium)	11
■ Milton Keynes	16
■ Newport (Newport Retail Park)	13
■ Northampton (Sixfields Park)	9
■ Nottingham	14
■ Rochester	9
■ Rugby	9
■ Runcorn	9
■ Sheffield	20
■ Shrewsbury	8
■ Solihull Touchwood	9
■ Southampton (Ocean Village)	5
■ Stevenage	16
■ St Helens	11
■ Stockport (Grand Central Leisure Park)	10
■ Swindon (Shawridge Leisure Park)	7
■ Wakefield	9
■ Weymouth	9
■ Wolverhampton	14
■ Yeovil	10
■ Total screens	770

SCREENS

COMING SOON

■ Aberdeen (Union Square)	10
■ Haverhill	5
■ Witney	5
■ Total new screens	20

