

**Everyman Media Group plc**  
**(“Everyman” or the “Group”)**

**Interim Results (unaudited) for the six-month period ended 30 June 2015**

**Highlights**

- Revenue for the period up 31% to £8,159,000 (H1 2013: £6,212,000)
- Strong growth in admissions and net spend per customer
- 6 new venues added in the period, expanding the current estate to 16

Company today announces that it has exchanged on new sites in Kings Cross and Chelmsford, both due to open in 2017. These sites further grow the opening pipeline of the Company, adding to those previously announced in Bristol, Harrogate, Cirencester and Stratford-upon-Avon.

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Bobbie Hilliam

**Chairman’s Statement**

I am pleased to report on the Group’s half year results for the six-month period ended on 30 June 2015. Revenue for the half year ended 30 June 2015 was up 31% on the comparative six-month period to £8,159,000 (30 June 2014: £6,212,000, 31 December 2014: £14,096,000).

The first six months to 30 June 2015 marked an important turning point for the business with new site openings, the broadening of our new site pipeline and an equity raise to fund the acquisition of four Odeon sites. At the same time, the 2014 committed investment in the central Head Office overheads is being realised. The Board believes this increased central resource (including the appointment of our new CEO, FD and other key roles) ensures the successful delivery and growth of the business in the coming years.

The Group now operates 16 cinemas, up from 10 cinemas at the beginning of the year. The interim financial results include the full cost, but limited contribution, from our new sites in Birmingham and Canary Wharf, which were opened in the first half of the financial year. Further, the acquisition of the four Odeon sites will impact post period end trading and made no contribution to the interim financial results.

Since the period-end trading has been in line with expectations following a strong overall summer in the cinema market.

**Review of the business**

For the half year ended 30 June 2015, the Group's box office was up 31% on the previous year, reflecting favourably versus a market movement of +14%. This resulted in the Group's market share increasing to 0.94 per cent for the period (30 June 2014: 0.82 per cent) (Source: Rentrak EDI).

This above market growth reflects some revenue contribution from new sites that opened during the period whilst also taking into account the negative impact of our Reigate site being closed for refurbishment. In July, Reigate was reopened after a total investment of £800,000. The Board is pleased with the increased performance of the site post refurbishment. The Group has also made a similar investment in our existing Winchester venue, which led to the cinema being closed for a period through August 2015.

This investment in refurbishment as well as new cinemas reflects the Board's confidence in the full Everyman concept and its ability to drive higher ticket prices and retail spends whilst also growing audiences. The Everyman brand continues to be positioned at the premium end of the UK leisure market and is attracting increased interest from developers looking for a cinema/leisure operator that appeals to a more discerning customer within a more intimate environment.

### **Openings**

During this period, the Group opened new sites at the Mailbox in Birmingham (28 February 2015) and Canary Wharf, London (15 May 2015). In addition, on 25 June 2015 the Group completed the acquisition of the first of four venues purchased from Odeon, in Muswell Hill, London. See note 6 for details.

Subsequently the acquisition of the other Odeon sites has been completed: Barnet on 16 July 2015, and both Gerrards Cross and Esher on 10 August 2015. The total consideration for the four Odeon venues was £7.1 million, with only £1.9 million falling within the period to 30 June 2015.

### **Pipeline**

The Group has continued to find attractive new site opportunities for future investment. Contracts have now been exchanged on sites at Chelmsford (expected to open in 2017), Stratford-upon-Avon (2017) and Kings Cross (2017). These are in addition to those previously announced: Bristol (2016), Harrogate (2016) and Cirencester (2017). It is worth noting that the development at Stratford-upon-Avon is still subject to planning approval.

### **Financial Overview**

As previously stated, revenue for the half-year ended 30 June 2015 was up 31% on the comparative six-month period to £8,159,000 (30 June 2014: £6,212,000, 31 December 2014: £14,096,000).

The Group's underlying operating profit before pre-opening expenses and share-based payments was £181,000 (30 June 2014: £358,000, 31 December 2014: £557,000). The Group incurred pre-opening expenses of £347,000 in the period (30 June 2014: £54,000, 31 December 2014: £205,000), which reflects the increased level of developing and opening new venues during the period. Overall, the financial performance of the Group after all expenses and taxation is in line with the Board's expectations.

The effective tax rate is higher than the standard rate of corporation tax for the six-month period due to the effect of continuing and significant capital expenditure made by the Group.

The share-based payment expense for the period was £62,000 (30 June 2014: £84,000, 31 December 2014: £50,000) reflecting share option incentives provided to the Group's senior management and employees.

The Group incurred a loss after tax for the period of £430,000 (30 June 2014: a profit of £139,000, 31 December 2014: a profit of £195,000).

#### **Cash flows**

Cash outflows from operating activities were £773,000 (30 June 2014: inflows of £845,000 and 31 December 2014: an inflow of £2,187,000). Net cash outflow for the period before financing was £8,283,000 (30 June 2014: £276,000, 31 December 2014: £2,389,000). Of this, £5.2 million comprised payments towards the fit out of new developments (Birmingham and Canary Wharf) in addition to £1.9 million paid towards the lease and associated assets of the Odeon sites in the period.

In May 2015 the Company raised £19.3 million after expenses from the placing of new ordinary shares to provide additional funding for the Group's expansion programme.

Cash held at the end of the period was £17,078,000 (2014: £8,541,000). The cash held will be invested in the continuing development and expansion of the Group's business in 2015 and into 2016. Outflows of £5.2 million were committed to complete the contracted acquisition of the further three venues noted above.

The Board does not recommend the payment of a dividend at this stage of the Group's development.

#### **Board Changes**

On 30 March 2015 the Group appointed Jonathan Peters as Group finance director.

#### **Current Trading**

Since the period-end trading has been in line with expectations continuing a strong overall summer in the cinema market off the back of a much stronger slate of blockbuster titles (e.g. 'Jurassic World', 'Minions', 'Inside Out'). In addition, however, less typical summer fare had success with the likes of 'Amy', 'Southpaw' and '45 Years' playing particularly well to Everyman audiences.

The end of the year continues to look strong with a good slate of films in September and October running up to the release of 'Spectre' followed by the conclusion of the Hunger Games franchise, 'Mockingjay Part 2' and then the long awaited 'Star Wars – The Force Awakens'.

The latter will play well into 2016 and is supported by an increasingly encouraging slate for the year.

#### **Paul Wise**

#### **Chairman**

**Consolidated statement of comprehensive income for the six-month period ended 30 June 2015  
(unaudited)**

		Six-month period ended 30 June 2015 £000	Six-month period ended 30 June 2014 £000	Year ended 31 December 2014 £000
<b>Revenue</b>	<b>3</b>	<b>8,159</b>	6,212	14,096
Cost of sales		<b>(3,356)</b>	(2,423)	(5,793)
<b>Gross profit</b>		<b>4,803</b>	3,789	8,303
Administrative expenses		<b>(5,031)</b>	(3,569)	(8,001)
<b>(Loss)/profit from operations</b>		<b>(228)</b>	220	302
Adjusted profit from operations (before exceptional items, pre-opening expenses, and share-based payment expense)				
		<b>181</b>	358	557
Pre-opening expenses		<b>(347)</b>	(54)	(205)
Share based payment expense		<b>(62)</b>	(84)	(50)
(Loss)/profit from operations		<b>(228)</b>	220	302
Financial income		<b>44</b>	36	42
Financial expenses		<b>(32)</b>	(36)	(78)
<b>(Loss)/profit before taxation</b>		<b>(216)</b>	220	266
Income tax expense	<b>4</b>	<b>(214)</b>	(81)	(71)
<b>(Loss)/profit for the period and total comprehensive income attributable to equity holders of the parent company</b>		<b>(430)</b>	139	195
<b>Basic (loss)/earnings per share – pence</b>	<b>5</b>	<b>(1.00)</b>	0.38	0.54
<b>Diluted earnings (loss)/earnings per share – pence</b>	<b>5</b>	<b>(1.00)</b>	0.38	0.53

All amounts relate to continuing activities.  
There were no other recognised gains and losses in the period.

**Consolidated statement of financial position at 30 June 2015 (unaudited)**

	30 June 2015 £000	30 June 2014 £000	31 December 2014 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16,925	8,765	10,819
Goodwill	1,707	782	782
	<b>18,632</b>	9,547	11,601
<b>Current assets</b>			
Inventories	117	80	91
Trade and other receivables	2,514	704	2,020
Cash and cash equivalents	17,078	8,541	6,363
	<b>19,709</b>	9,325	8,474
<b>Total assets</b>	<b>38,341</b>	18,872	20,075
<b>Current liabilities</b>			
Trade and other payables	5,519	5,009	6,045
Loans and borrowings	-	76	76
Current corporation tax liabilities	-	-	52
	<b>5,519</b>	5,085	6,173
<b>Non-current liabilities</b>			
Loans and borrowings	-	224	193
Derivative financial instruments	171	181	203
Deferred tax	568	252	354
	<b>739</b>	657	750
<b>Total liabilities</b>	<b>6,258</b>	5,742	6,923
<b>Net assets</b>	<b>32,083</b>	13,130	13,152
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Ordinary shares	5,982	3,629	3,629
Share premium	22,720	5,774	5,774
Merger reserve	11,152	11,152	11,152
Retained deficit	(7,771)	(7,425)	(7,403)
<b>Total equity</b>	<b>32,083</b>	13,130	13,152

**Consolidated statement of changes in equity for the six-month period ended 30 June 2015 (unaudited)**

	Share capital £000	Share Premium £000	Merger reserve £000	Retained deficit £000	Total equity £000
<b>Balance at 1 January 2015</b>	<b>3,629</b>	<b>5,774</b>	<b>11,152</b>	<b>(7,403)</b>	<b>13,152</b>
Loss for the period	-	-	-	(430)	(430)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(430)</b>	<b>(430)</b>
Shares issued in the period	2,353	17,647	-	-	20,000
Share issue expenses	-	(701)	-	-	(701)
Share-based payments	-	-	-	62	62
<b>Total contributions by owners of the parent</b>	<b>2,353</b>	<b>16,946</b>	<b>-</b>	<b>62</b>	<b>19,361</b>
<b>Balance at 30 June 2015</b>	<b>5,982</b>	<b>22,720</b>	<b>11,152</b>	<b>(7,771)</b>	<b>32,083</b>

**Consolidated statement of changes in equity for the six-month period ended 30 June 2015 (unaudited) continued**

	Share capital £000	Share premium £000	Merger reserve £000	Retained deficit £000	Total equity £000
<b>At 1 January 2014</b>	3,629	5,774	11,152	(7,648)	12,907
Profit for the period	-	-	-	139	139
<b>Total comprehensive income for the period</b>	-	-	-	139	139
Share-based payments	-	-	-	84	84
<b>Total contributions by owners of the parent</b>	-	-	-	84	84
<b>Balance at 30 June 2014</b>	<b>3,629</b>	<b>5,774</b>	<b>11,152</b>	<b>(7,425)</b>	<b>13,130</b>
Profit for the period	-	-	-	56	56
<b>Total comprehensive income for the period</b>	-	-	-	56	56
Share-based payments	-	-	-	(34)	(34)
<b>Total contributions by owners of the parent</b>	-	-	-	(34)	(34)
<b>Balance at 31 December 2014</b>	<b>3,629</b>	<b>5,774</b>	<b>11,152</b>	<b>(7,403)</b>	<b>13,152</b>

<b>Consolidated statement of cash flows for the six-month period ended 30 June 2015 (unaudited)</b>	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>31 December 2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>			
(Loss)/profit from operations	(228)	220	302
Depreciation	523	380	813
Share-based payment	62	84	50
Corporation tax refund	59	-	-
	<b>416</b>	<b>684</b>	<b>1,165</b>
(Increase)/decrease in inventories	(26)	18	7
Increase in trade and other receivables	(605)	(195)	(535)
(Decrease)/increase in trade and other payables	(558)	338	1,550
<b>Net cash (used in)/generated from operating activities</b>	<b>(773)</b>	<b>845</b>	<b>2,187</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(6,629)	(1,157)	(3,644)
Purchase of goodwill (note 6)	(925)	-	-
Deposit on long-leasehold property	-	-	(975)
Interest received	44	36	43
<b>Net cash used in investing activities</b>	<b>(7,510)</b>	<b>(1,121)</b>	<b>(4,576)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issuance of ordinary shares	20,000	-	-
Share issue expenses	(701)	-	-
Repayment of bank borrowings	(269)	(30)	(61)
Interest paid	(32)	(36)	(70)
<b>Net cash generated from/(used in) financing activities</b>	<b>18,998</b>	<b>(66)</b>	<b>(131)</b>
<b>Net increase/(decrease)in cash and cash equivalents</b>	<b>10,715</b>	<b>(342)</b>	<b>(2,520)</b>
Cash and cash equivalents at the beginning of the period	6,363	8,883	8,883
<b>Cash and cash equivalents at the end of the period</b>	<b>17,078</b>	<b>8,541</b>	<b>6,363</b>



## 1 General information

Everyman Media Group plc and its subsidiaries (together 'the Group') are engaged in the ownership and management of cinemas in the United Kingdom. Everyman Media Group plc (the Company) is a public company domiciled and incorporated in England and Wales (registered number 08684079). The address of its registered office is Studio 4, 2 Downshire Hill, London NW3 1NR.

## 2 Basis of preparation

These condensed interim financial statements of the Group for the six months ended 30 June 2015 (the Period) have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest audited financial statements for the year ended 31 December 2014. Amendments made to IFRSs since 31 December 2014 have not had a material effect on the Group's results or financial position for the six-month period ended 30 June 2015.

While the financial figures included within this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as set out in International Accounting Standard 34 Interim Financial Reporting.

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2014. The auditors' opinion on these Statutory Accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or s498(3) of the Companies Act 2006.

3 Revenue	30 June	30 June	31 December
	2015	2014	2014
	£000	£000	£000
Film and entertainment	5,129	3,968	8,818
Food and beverages	2,629	1,829	4,126
Other income	401	415	1,152
	<b>8,159</b>	6,212	14,096

<b>4 Income tax</b>	<b>30 June 2015 £000</b>	<b>30 June 2014 £000</b>	<b>31 December 2014 £000</b>
<i>Current tax expense</i>			
Current tax	-	-	(111)
Deferred tax:			
Origination and reversal of temporary differences	<b>214</b>	81	182
Total tax expense	<b>214</b>	81	71

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to (loss)/profit for the period are as follows:

	<b>30 June 2015 £000</b>	<b>30 June 2014 £000</b>	<b>31 December 2014 £000</b>
(Loss)/profit before tax	<b>(216)</b>	220	266
Applied corporation tax rates:	<b>20.25%</b>	21.50%	21.50%
Tax at the UK corporation tax rate of 20.25%/21.50%/21.50%	<b>(44)</b>	47	57
Expenses not deductible for tax purposes	<b>9</b>	1	26
Net effect of share options	<b>12</b>	18	-
Effect of change in tax rates	<b>(4)</b>	(18)	-
Effect of other timing differences	<b>241</b>	33	(12)
Total tax expense	<b>214</b>	81	71

5 (Loss)/earnings per share	30 June 2015 £000	30 June 2014 £000	31 December 2014 £000
(Loss)/profit used in calculating basic and diluted earnings/(loss) per share	<b>(430)</b>	139	195
<i>Number of shares</i>			
Weighted average number of shares for the purpose of basic earnings per share	<b>42,826,972</b>	36,291,024	36,291,024
Weighted average number of shares for the purpose of diluted earnings per share	<b>42,826,972</b>	36,330,945	36,538,391
Basic (loss)/earnings per share (pence per share)	<b>(1.00)</b>	0.38	0.54
Diluted (loss)/earnings per share (pence per share)	<b>(1.00)</b>	0.38	0.53

Basic (loss)/earnings per share amounts are calculated by dividing net (loss)/profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Where the Group has incurred a loss in a period the diluted earnings per share is the same as the basic earnings per share as the loss has an anti-dilutive effect. The diluted loss per share for the six-month period ended 30 June 2015 is therefore the same as the basic loss per share for the period and the diluted weighted average number of shares is the same as the basic weighted average number of shares.

The Company has 3,538,162 potentially issuable shares all of which relate to the potential dilution from both the Group's 'A' shares and share options issued to the Directors and certain employees, under the Group's incentive arrangements.

## 6 Business combinations

On 26 June 2015 the Group completed the acquisition of the Muswell Hill venue, the first of four cinema venues from the Odeon Group for which contracts were exchanged in April 2015. The acquisition of the remaining three cinema venues was completed on 16 July and 10 August 2015.

There has been no trading from the Muswell Hill venue in the period to 30 June 2015, which is undergoing redevelopment.

Each of these venues is capable of operating as a separate business and the purchases have been or will be accounted for in accordance with IFRS3 Business Combinations. The following table summarises the consideration paid for the first of these venues and the fair-value of assets acquired. No liabilities were assumed.

<b>Cinema venue acquired on 26 June 2015 and included in these financial statements</b>	<b>Fair-value of assets acquired £000</b>
Plant & machinery	125
Fixtures and fittings	250
	<hr/>
	375
Goodwill	925
Cash consideration paid	<hr/>
	1,300

The fair value allocation exercise is on-going and so the allocation of the amounts included is still under assessment.

The initial fair-values of the acquired assets were determined by Gerald Eve LLP, Chartered surveyors, London.

The valuation was undertaken in accordance with RICS Valuation, Professional Standards January 2014 (Global and UK).