



Kinopolis Group Business Update Q1 2016 Regulatory release - 11 May 2016

First quarter 2016¹

Compared to the same period last year, Kinopolis registered in the first quarter of 2016 more visitors, higher revenue per visitor in all countries and a positive contribution of the recently acquired cinemas to the turnover and EBITDA development at Group level. The net current profit also rose, both overall and per visitor.

This generated the following figures:

- ★ A rise in visitor numbers of 26.8% to 6.7 million, thanks to the expansion of the Group, a strong film offer and recovering consumer confidence in Spain.
- ★ A stronger increase in total revenue compared to visitor numbers, due to the **higher revenue per visitor**.
- ★ A rise in **current² EBITDA³**, both overall and per visitor, thanks to the rise in total revenue and a further improvement in operating efficiency.
- ★ An **increase in net current profit**, in spite of the increased tax burden.
- ★ A **decrease in the net financial debt** compared to 31 December 2015, thanks to the favourable operating cash flow and in spite of investments in the further expansion of the Group.

Between 1 January and 31 March 2016, Kinopolis welcomed 6.7 million visitors, 26.8% more than in the same period last year. This rise is due to the addition of acquired and new cinemas, after the acquisition of nine Utopolis cinemas⁴ and the cinema in Bourgoin (France) in 2015, as well as the acquisition of the cinema in Rouen (France) and the opening of Kinopolis Dordrecht (the Netherlands) at the beginning of 2016. None of the above-mentioned cinemas were included in the figures for the first quarter of 2015. The strong film offer contributed to the higher visitor numbers in all countries except in the Netherlands, where the success of the local hits 'Gooische Vrouwen 2' and 'Michiel de Ruyter' in 2015 proved tough to equal. January in particular was a very strong month in all countries, thanks to the successful international film offer, which included 'Star Wars: Episode VII - The Force Awakens', 'The Revenant' and 'Deadpool'. In Spain, recovering consumer confidence also played a role in the rise of visitor numbers.

The top 5 in the first quarter of 2016 were 'The Revenant', 'Star Wars: Episode VII - The Force Awakens', 'Deadpool', 'Zootopia' and 'Les Tuche 2: Le rêve américain'. The most successful local films were 'Safety First' in Flanders, 'Les Tuche 2: Le rêve américain' in France and 'Palmeras en la Nieve' in Spain.

¹ From 1 January through 31 March. The first quarter of 2016 is compared to the first quarter of 2015.

² After eliminating non-current transactions.

³ EBITDA is not a recognized IFRS term. Kinopolis Group has defined this concept by adding depreciations, amortizations and provisions to the operating profit and subtracting any reversals or uses of the same items.

⁴ Five in the Netherlands (Almere, Den Helder, Emmen, Oss, Zoetermeer), three in Luxembourg (two in Luxembourg-City and one in Esch-sur-Alzette) and one in France (Longwy).



Kinopolis Group

Business Update Q1 2016

Regulatory release - 11 May 2016

Visitors (million)	Belgium	France	Spain	The Netherlands	Luxembourg	Switzerland	Total
Number of cinemas*	11	10	5	14	3	1	44
Q1 2016	2.43	2.04	1.15	0.69	0.31	0.04	6.7
Q1 2015	2.15	1.67	0.98	0.42	-	0.04	5.3
2016 vs 2015	+12.8%	+22.6%	+17.1%	+64.9%	+100.0%	+10.5%	+26.8%

* Operated by Kinopolis; in addition, two complexes (in Belgium and Poland) are leased to third parties.

Total revenue increased faster than visitor numbers, thanks to the higher revenue per visitor in all countries, with regard to both ticket sales (box office, BO) and sales of beverages and snacks (in-theatre sales, ITS). **Box office revenue** peaked in January, in particular due to the success of 'Star Wars: Episode VII - The Force Awakens' and the corresponding higher 3D sales. **In-theatre sales** increased due to the larger share of blockbusters compared to the same period last year.

Business-to-business (B2B) revenue rose, due to the higher revenue from the sale of cinema vouchers, events and screen advertising.

Real estate revenue increased in the first quarter of 2016, due to higher revenue from concessions operated by the company - including the 'Leonidas Chocolates Café', which opened in February 2015 - and real estate revenue from the acquired Utopolis cinemas, which were not yet part of the Group last year.

The revenue of **Kinopolis Film Distribution (KFD)** rose, due, among other things, to the huge success of 'Safety First'.

Brightfish also generated more income in the first quarter due to more partnerships and events, in spite of a slight decrease in national screen advertising revenue.

Current EBITDA increased, both overall and per visitor, due to the continued rise in sales per visitor and in spite of Belgium's reduced share, which has a negative impact on the average EBITDA per visitor.

Net financial debt decreased compared to 31 December 2015 due to the favourable operating cash flow and in spite of the higher investments in expansion and the construction of Kinopolis Dordrecht, Breda and Utrecht (the Netherlands).



Kinopolis Group

Business Update Q1 2016

Regulatory release - 11 May 2016

Important events since 31 December 2015

Takeover of the operation of the cinema in the Rouen Saint-Sever shopping centre

On 13 January 2016 Kinopolis took over the operation of the cinema located in the Saint-Sever shopping centre in the heart of Rouen (Normandy, France). The cinema, previously operated by UGC, has 14 screens and 2,500 seats and welcomed more than 400,000 visitors in 2015. It is the first Kinopolis cinema in Normandy.

Reopening of Kinopolis Enschede and Groningen

After a thorough renovation, the former Wolff cinemas in Enschede and Groningen (the Netherlands) were reopened as 'Kinopolis' cinemas. Both were equipped with the characteristic self-service shop, automatic ticketing machines and the interior was thoroughly renewed. Kinopolis Enschede (re)opened its doors on 29 January 2016 as the first Dutch cinema under the Kinopolis name. Kinopolis Groningen followed on 18 March 2016. Together with the opening of the first Dutch Kinopolis cinema, the kinopolis.nl website also went live.

Opening of Kinopolis Dordrecht

The first new-build Kinopolis cinema in the Netherlands was officially opened on 17 February 2016. It was the first new-build cinema in a decade for Kinopolis Group. Accommodating six screens and almost 1,200 seats, Kinopolis Dordrecht stands out by its unusual architectural style and location alongside the water.

Acquisition of the Belgian Utopolis cinemas

On 25 March 2016 the Belgian Competition Authority (BCA) approved the acquisition of the Belgian Utopolis cinemas by Kinopolis Group, on the condition that the complexes in Mechelen and Aarschot are sold with a view to their continuing operation. Following this decision, in pursuance of the agreement concluded with the shareholders of Utopia SA on 9 November 2015, Kinopolis acquired the Belgian Utopolis cinemas in Lommel, Turnhout, Mechelen and Aarschot on 14 April 2016. Pending the sale of at least the complexes in Mechelen and Aarschot, the operation of these cinemas will be continued in compliance with the conditions imposed by the BCA.

Further rollout of Cosy Seating

The Kinopolis cinemas in Liege (Rocourt), Bruges, Brussels, Braine-l'Alleud (Imagibraine) and Lomme (France) were equipped with Cosy Seating during the first quarter of 2016. All Belgian cinemas, except for Kinopolis Ostend and the Palace in Liege, now have Cosy Seating. These seats offer even greater comfort and convenience, with extra wide armrests, a handy table for drinks and snacks and a coat hanger. Visitors who prefer cosy seats pay a supplement on the normal ticket price.

Launch of the 'Meet me at Kinopolis' app

In February 2016 Kinopolis launched the 'Meet me at Kinopolis' app in Belgium. This mobile app enables like-minded people to find each other to go to the movies together. Going to the cinema is a social experience: research shows that the lack of company is the main reason for not going to the cinema more often. With this app Kinopolis helps users, in three simple steps, to find someone to go to the movies at a Kinopolis cinema.



Kinopolis Group Business Update Q1 2016 Regulatory release - 11 May 2016

Line-up

The current international hits are 'The Jungle Book', 'Batman v Superman: Dawn of Justice', 'Kung Fu Panda 3', 'Zootopia' and 'Robinson Crusoe'. Expected hits in the second quarter include 'Independence Day: Resurgence', 'Now You See Me 2', 'Ice Age: Collision Course', 'Finding Dory', 'Alice Through the Looking Glass' and 'Warcraft'. The local film offer is also promising, including 'Les visiteurs: La révolution' and 'Camping 3' in France, and later this year 'El hombre de las mil casas' and 'Julietta' in Spain and 'De Premier' in Belgium. The alternative programme includes opera, ballet, art exhibitions ('Exhibition on Screen') and concerts.

Financial calendar

Wednesday 11 May 2016
Tuesday 17 May 2016
Thursday 25 August 2016
Thursday 17 November 2016

General Shareholders' meeting
Dividend payment
H1 2016 results
Business update third quarter 2016

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About Kinopolis

Kinopolis Group NV was formed in 1997 as a result of the merger of two family-run cinema groups and was first listed on the stock exchange in 1998. Kinopolis offers an innovative cinema concept which serves as a pioneering model within the industry. Today, Kinopolis Group NV has 46 multiplexes spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. In addition to its cinema business, the Group is also active in film distribution, event organization, screen advertising and property management. Approximately 2,300 employees are committed to providing millions of cinema visitors an unforgettable movie experience.