



Kinopolis Group

Business Update Q3 2015

Regulatory release - 16 November 2015

Third quarter 2015¹

Kinopolis continued the first half-year trend in the third quarter with more visitors, higher revenue per visitor in all countries and a positive contribution of the recently acquired cinemas to turnover and EBITDA development at Group level. The net current profit rose, both as a total and per visitor.

This resulted in:

- ★ A 4.1% rise in visitor numbers to 4.9 million, due to the Group expansion and organic growth in Spain. Year to date (YTD), visitor numbers rose by 8.6% to 14.7 million.
- ★ A stronger increase in total revenue with regard to visitor numbers, due to the **higher revenue per visitor**.
- ★ A rise in current² EBITDA³, at Group level and per visitor, due to the rise in total revenue.
- ★ A rise in net current profit, in spite of the higher financial costs due to the pre-financing of the expansion and the increased tax burden.
- ★ A rise in net financial debt compared with 30 June 2015 due to the continued expansion of the Group.

From 1 July to 30 September 2015 Kinopolis Group welcomed 4.9 million visitors, 4.1% more than in the same period the previous year. This rise is due to the addition of the cinema in Bourgoin (France) acquired at the start of the summer and the Wolff cinemas in the Netherlands, acquired last year, which were included for a full quarter for the first time. Organic growth was also observed in Belgium and Spain in the third quarter. July, in particular, was a very strong month, as a result of successful international films such as 'Minions' and 'Jurassic World' and in spite of the lack of successful local films.

The top 5 in the third quarter of 2015 were 'Minions', 'Inside Out', 'Jurassic World', 'Mission Impossible: Rogue Nation' and 'Ted 2'. The most successful local films were 'Les Profs 2' in France, 'Atrapa la Bandera' in Spain and 'Le Tout Nouveau Testament' in Belgium.

¹ From 1 January through 30 September. The third quarter of 2015 is compared to the third quarter of 2014.

² After eliminating non-current transactions.

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



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Visitors (in millions)	Belgium	France	Spain	Nether-lands	Switzerland	Total
Number of cinemas *	11	8	5	8	1	33
Q3 2015	2.1	1.4	1.0	0.3	0.03	4.9
Q3 2014	2.1	1.4	0.9	0.3	0.03	4.7
2015 vs 2014	+0.1%	-0.1%	+16.5%	+17.8%	-3.6%	+4.1%

* Operated by Kinopolis

Total revenue increased faster than visitor numbers, particularly due 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 July, due to the success of 'Minions' and 'Jurassic World', and higher 3D sales. **In-theatre sales** increased due to the larger share of blockbusters compared with the same period last year. BO and ITS revenue per visitor also rose in Belgium, despite the great success of the BNP Fortis Film Days, which had a negative impact on average sales per visitor in September.

Business-to-business (B2B) revenue in the third quarter was virtually unchanged compared to the same period last year. The higher revenue from the sale of vouchers and visibility in the complexes was offset by the lower revenue from events and screen advertising.

Real estate income rose in the third quarter of 2015, fuelled by more income from concessions operated by the company and the addition of the Dutch cinemas, which were included for a full quarter for the first time.

The income of **Kinopolis Film Distribution (KFD)** fell as a consequence of the low number of film releases in the third quarter.

Brightfish generated more income in the third quarter due to more partnerships and events, in spite of a slight fall in screen advertising revenue.

Current EBITDA was higher than in the same period last year. Current EBITDA per visitor also rose, due to the further increase in sales per visitor and in spite of the larger number of leased complexes - which have a negative impact on EBITDA per visitor - after the acquisition of Wolff cinemas last year.

The **net financial debt** rose compared to 30 June 2015 due to the acquisition of the Mégaroyal cinema in France, the purchase of ground for the new cinema at Utrecht Jaarbeurs (Netherlands) and the construction of the complex in Dordrecht (Netherlands).

Important events since 30 June 2015

Green light for new megaplex in Utrecht Jaarbeurs

On 1 July 2015 Kinopolis was given the green light to build and operate a new cinema in Utrecht Jaarbeurs (Netherlands). The permit had already been issued by the municipality of Utrecht and was ratified by the Council of State. The megaplex cinema in Utrecht will have 14 screens and 3,300 seats, making it one of the biggest cinemas in the Netherlands. Kinopolis targets more than 1.25 million visitors per year at Utrecht Jaarbeurs.



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Acquisition of Mégaroyal cinema in France

Kinopolis acquired the Mégaroyal cinema in France at the beginning of July 2015. Mégaroyal is a 12-screen cinema with around 2,100 seats, located in Bourgoin-Jallieu, 35 km east of Lyon. Mégaroyal currently welcomes some 600,000 visitors per year. This acquisition enables Kinopolis to strengthen its position on the French market.

Acquisition Utopolis' activities in Luxembourg, the Netherlands and France

In pursuance of the agreement in principle announced in July, on 9 November 2015 Kinopolis completed the acquisition of Utopolis (Utopia SA), excluding the Belgian companies. The acquisition concerns nine cinemas in three countries, i.e. the Grand Duchy of Luxembourg, the Netherlands and France. The acquisition of the four Belgian cinemas is subject to the approval of the Belgian Competition Authority. A decision is expected before the end of the year.

Utopia SA operates three cinemas in the Grand Duchy of Luxembourg (two in Luxembourg City and one in Esch-sur-Alzette), five in the Netherlands (Oss, Almere, Zoetermeer, Den Helder and Emmen), one in France (Longwy) and four in Belgium (Mechelen, Turnhout, Aarschot and Lommel), which are not yet included in the transaction.

Utopia SA primarily operates multiplexes and owns the property of several of its cinema complexes, as does Kinopolis. In 2014, Utopia SA welcomed 2.3 million visitors in the Grand Duchy of Luxembourg, the Netherlands and France, generating € 28.3 million in turnover and € 4.9 million EBITDA.

The acquisition of Utopolis is in line with the expansion strategy of Kinopolis, which strengthens its position in France and the Netherlands while adding a new geographic market, Luxembourg, to its portfolio.

Start of construction work of Kinopolis Breda

On 21 October 2015 the first piles were driven in the Kinopolis Breda (Netherlands) construction project. Kinopolis Breda will have ten screens and 1,727 seats and will be located in the 'Breepark' event area. Kinopolis Breda is scheduled to open in the summer of 2016.

eSports at the Cinema

At the end of July Kinopolis launched 'eSports at the Cinema' in France and Belgium, in response to one of the world's fastest-growing sports, gaming. Kinopolis has an exclusive partnership with BY Experience and ESL to show various international eSports events via satellite on the big screen. 'eSports at the Cinema' brings various gaming events to the cinema, as well as content specially developed for the cinema, giving fans a unique window onto the world of eSports.

'The Maze Runner: The Scorch Trials' in Barco Escape

Since the end of September, visitors of Kinopolis Antwerp and Kortrijk have the opportunity to experience 'The Maze Runner: The Scorch Trials' in Barco Escape. The film is shown using three projectors on three screens: the regular screen in the middle, together with two screens at the sides. This creates a huge panoramic picture, which produces an unrivalled film experience. Kinopolis Antwerp and Kortrijk are the only two cinemas in Europe with a Barco Escape-equipped cinema.



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Line-up

Current hits are the new James Bond film 'Spectre', 'Hotel Transylvania 2', 'The Martian' and 'The Walk'. Hits in the making in the fourth quarter include 'Bridge of Spies', 'The Good Dinosaur', 'In the Heart of the Sea', 'The Hunger Games: Mockingjay - Part 2' and 'Star Wars: Episode VII - The Force Awakens'. The local film program is also very promising, with 'FC De Kampioenen 2: Jubilee General' alongside 'Wat Mannen Willen' and 'Safety First' in Flanders; 'Les Nouvelles Aventures d'Aladin', 'Babysitting 2' and 'Belle et Sébastien: l'Aventure continue' in France; 'Regressión' and 'Ocho Apellidos Catalanes' in Spain, and 'Ja, ik wil!' and 'Mannenharten 2' in the Netherlands. The alternative program of opera and ballet is complemented with art exhibitions ('Exhibition on Screen') and concerts.

Financial calendar

Thursday 18 February 2016
Wednesday 11 May 2016
Wednesday 11 May 2016

Annual results 2015
Business update first quarter 2016
Shareholders' meeting

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Kinopolis

Kinopolis Group 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. Kinopolis Group has 35 multiplexes throughout Belgium, the Netherlands, France, Spain, Switzerland and Poland. In addition to its cinema business, the Group is also active in film distribution, event organization, screen advertising and property management. 2,100 employees work hard every day to give millions of cinema visitors an unforgettable movie experience.