



Kinopolis Group Business Update Q1 2015 12 May 2015

Regulatory release

Q1 2015¹

- ★ Visitor numbers rose by 10.1% to 5.3 million, mainly thanks to the expansion of the Group.
- ★ Total revenue increased, due to higher visitor numbers, higher box office² revenue and in-theatre³ sales per visitor, and higher business-to-business and real estate revenue.
- ★ Current⁴ EBITDA⁵ rose.
- ★ Current EBITDA per visitor decreased due to the acquisition of leased cinemas in Spain and the Netherlands in 2014 and the changed country mix.
- ★ Net financial debt was virtually stable compared to 31 December 2014.

Between 1 January and 31 March 2015 Kinopolis welcomed 5.3 million visitors, 10.1% more than in the same period in the previous year. The cinemas acquired in the Netherlands in 2014, successful local films in France and higher visitor numbers in Spain have significantly contributed to this growth.

In France the number of visitors increased thanks to a good local film offer and successful international films. The special offer to 14-25 year olds, who could buy film tickets at the child rate in March 2015, also contributed positively to the rise in visitor numbers.

In Spain visitor numbers grew as a consequence of the expansion in 2014, despite the lack of successful local films compared to the great success of 'Ocho Apellidos Vascos' last year. Part of the growth is also due to the Easter holiday, which fell in the first quarter this year. On the other hand, the 'Fiesta del Cine', which was organized on 31 March last year, will not be held until May this year. The growth is also partly explained by the improved economic conditions compared with the first quarter of 2014, alongside the non-screening of 'The Wolf of Wall Street' in the first quarter of 2014, which had a negative impact on the figures at the time.

In Belgium the first quarter of 2015 was characterised by lower visitor numbers. This was due to the lack of good local films compared to last year ('FC De Kampioenen', 'K3 Dierenhotel' and 'De Behandeling') and the great success of 'The Wolf of Wall Street' in the first quarter of 2014. 'Fifty Shades of Grey' performed very well in all countries in the first quarter of 2015.

Visitors (in millions)	Belgium	France	Spain	The Netherlands	Switzerland	Total
Number of cinemas *	11	7	5	8	1	32
Q1 2015	2.2	1.7	1.0	0.4	0.04	5.3
Q1 2014	2.4	1.6	0.7	0.0	0.04	4.8
2015 vs. 2014	-10.2%	+2.3%	+37.9%	-	+8.6%	+10.1%

* Operated by Kinopolis

Box office revenue increased, due to the increase in visitor numbers. Also per visitor an increase was observed, thanks to the addition of the Netherlands to the cinema portfolio in the third quarter 2014, the lower share of France and the increased per visitor revenue in Belgium and Spain.

The top 5 films in the first quarter were 'Fifty Shades of Grey', 'American Sniper', 'Taken 3', 'Big Hero 6' and 'The Hobbit: The Battle of the Five Armies'. The biggest local films were: 'Bowling Balls' and 'Maya's Eerste Vlucht' in Flanders and 'Perdiendo el Norte' in Spain, as well as 'La Famille Bélier', 'Papa ou Maman' and 'Bis' in France.

In-theatre sales (ITS) per visitor increased. This is the consequence of a higher number of commercial films and the changed country mix due to the addition of the Netherlands, where ITS per visitor are higher than the Group average. ITS per visitor also increased in Belgium and France. In Belgium, this was due to the lower number of local films, which attract visitors who usually consume less. In France the great success of 'Supercondriaque' led to lower consumption on average in the first quarter of 2014.

Business-to-business (B2B) revenue rose in the first quarter, particularly due to a larger number of corporate events in our cinemas and the increased sale of cinema vouchers to companies.

Real estate revenue was also higher, thanks to the expansion into the Netherlands in 2014 and the lease of the Toison d'Or cinema building in Brussels. The increase in exploitations in ownership also had a positive impact. These include 'Leonidas Chocolates Café' in Antwerp (Belgium), which opened in February 2015, and 'The Magic Forest' indoor playground in Madrid (Spain), which opened in July 2014.

Revenue from **Kinopolis Film Distribution (KFD)** fell, due to the low number of films released in the first quarter of 2015 and the lack of local films, compared to the great success of 'The Wolf of Wall Street', followed by 'K3 Dierenhotel' and 'De Behandeling' in the first quarter of 2014. In the first quarter of 2015 KFD distributed 'Wolves', 'You're Not You', 'The Taking of Deborah Logan' and 'Wild Card'.

Brightfish generated lower screen advertising revenue in the first quarter of 2015, primarily as a consequence of lower national advertising revenue.

Current EBITDA was higher than in the same period last year, also thanks to the higher visitor numbers. Current EBITDA per visitor fell, due to the addition of newly acquired leased cinemas in The Netherlands and Spain. The EBITDA level of these cinemas is as foreseen at takeover. The country mix also continuously impacts the EBITDA per visitor evolution.

Net financial debt was virtually stable compared to 31 December 2014, despite the investments in expansion.

Important events since 1 January 2015

Private placement of bonds

In January 2015 Kinopolis successfully placed bonds worth € 96.0 million at institutional investors. This comprised € 61.4 million worth of bonds maturing in seven years and € 34.6 million worth of bonds maturing in ten years. The placement fits into the financial strategy of Kinopolis and supports the expansion of Kinopolis.

Currently, Kinopolis' main sources of financing are a syndicated line of credit at a bank consortium, a retail bond loan (€ 75.0 million maturing in March 2019) and now also this private placement (€ 61.4 million maturing in 2022, € 34.6 million maturing in 2025).

New cinema in Breda

In January 2015 project developer MaVer inaugurated the 'Evenementenzone Breda'. In the course of the year Kinopolis will build a 10-screen cinema with 1,727 seats on the site. Various mutually reinforcing leisure functions will be developed in the area. The site is expected to welcome around 450,000 Kinopolis visitors per year. Kinopolis Breda, which is fully owned by Kinopolis, will be the third construction project in the Netherlands, alongside Dordrecht and Utrecht.

Kinepolis arrives in Brétigny-sur-Orge (Paris)

Kinepolis and project developer Immochan were granted all necessary permits for the construction of a new cinema in Brétigny-sur-Orge, 35 kilometres south of Paris (France). This cinema, with a floor space of 6,500 m² for 10 screens and 1,530 seats, will be part of the new 'Les Promenades de Brétigny' shopping centre. Immochan will lease a windproof building to Kinepolis, which in turn will take care of all interiors and finishing. Once it is operating at full speed, around 500,000 visitors per year are expected.

Acquisition of Enschede cinema building

On 1 April 2015 ownership of the cinema building in Enschede (the Netherlands) has passed to Kinepolis. The cinema in Enschede was part of the Wolff Bioscopen group acquired by Kinepolis and was previously leased. This acquisition is part of the real estate strategy of Kinepolis.

Closure Camera cinema in Utrecht

Mid-March 2015 the two-screen Camera cinema in Utrecht was closed. This closure was scheduled as part of the development of the 14-screen construction project in Utrecht. This was taken into account in the acquisition agreement.

Opening 'Leonidas Chocolates Café' at Kinepolis Antwerp

'Leonidas Chocolates Café' successfully opened at Kinepolis Antwerp (Belgium) on 20 February 2015. Cinema visitors can drop in for an additional experience with the famous Leonidas pralines and chocolates. 'Leonidas Chocolates Café' is operated by Kinepolis, just like the 'Ola Happiness Station' on the same site.

Purchase and sale of treasury shares

As part of the share buyback programme launched on 8 September 2014 (under the authorisation to buy back up to 5,856,505 shares for cancellation), 29,339 shares were bought back for € 1.0 million in 2015. As such, this phase of the share buy-back programme has been completed. In the first quarter of 2015 1,263,745 shares were sold as a consequence of the exercise of options by employees and directors. At the time of this publication, the Group held 294,846 treasury shares.

Line-up

'Furious 7' and 'Avengers: Age of Ultron' are currently at the top of the film charts. Hits in the making include 'Mad Max: Fury Road', 'Tomorrowland', 'San Andreas', 'Jurassic World', 'Inside Out', 'Minions', 'The Fantastic Four', 'Mission Impossible - Rogue Nation', 'The Maze Runner: The Scorch Trials', 'James Bond - Spectre', 'The Hunger Games: Mockingjay - Part 2', 'The Good Dinosaur', 'The Martian', 'In the Heart of the Sea' and 'Star Wars: Episode VII - The Force Awakens'. The programme is enriched with various local productions, such as the Flemish films 'FC De Kampioenen 2' and 'Safety First', the Dutch film 'De Toppers, Lost in Vegas', the French films 'Babysitting 2' and 'Belle et Sébastien: l'Aventure Continue', and the Spanish films 'Ahora O Nunca', 'Altrapa la Bandera' and 'Regression'. Live opera and ballet are supplemented with 'Art in the Cinema'.

Kinepolis meets the admission requirements for the PEA-PME 2015/2016

Towards French investors, Kinepolis Group confirms its eligibility for the PEA-PME (Plan d'Épargne en Actions) in accordance with decree n°2014-283 of 4 March 2014, in pursuance of article 70 of the 2014 Finance Act n°2013-1278 of 29 December 2013. A company's eligibility for the PEA-PME depends on a number of INSEE conditions: employment of less than 5,000 employees and an annual turnover of less than € 1.5 billion or a balance sheet total of less than € 2.0 billion. Kinepolis Group meets these requirements. This new form of investment allows French private investors to invest up to € 75,000 in eligible companies and, under certain conditions, to take advantage of the beneficial tax conditions of the classic PEA.

Financial calendar

Wednesday 13 May 2015
Thursday 21 May 2015
Thursday 27 August 2015
Tuesday 17 November 2015

General Shareholders' Meeting
Dividend made available
Semi-annual results 2015
Business update third quarter 2015

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About Kinepolis

Kinepolis Group was formed in 1997 as a result of the merger of two family cinema groups and was listed on the stock exchange in 1998. Kinepolis offers an innovative cinema concept which serves as a pioneering model within the industry. Kinepolis has a chain of 34 cinemas spread across Belgium, France, Spain, the Netherlands, Switzerland and Poland. Apart from its cinema activities, the Group also operates in film distribution, event organization, screen publicity and property management. 2,100 employees are committed to providing millions of cinema visitors an unforgettable movie experience.

¹ From 1 January through 31 March. The first quarter of 2015 is compared to the first quarter of 2014

² Revenue from ticket sales

³ Revenue from the sale of drinks, snacks and merchandise in cinemas

⁴ After eliminating non-current transactions.

⁵ EBITDA is not a recognized IFRS term. Kinepolis 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.