



## Kinopolis Group

### Annual results 2014

24 February 2015  
Regulatory information

**Kinopolis generated € 262.6 million revenue and € 35.2 million profit and took first steps in the execution of its expansion strategy**

#### Highlights 2014 compared to 2013<sup>1</sup>

- In 2014 the first steps in the execution of the expansion strategy were taken.
- Visitor numbers increased by 8.0% to 19.7 million, due to expansion.
- Revenue increased by 6.8%.
- The core activities box office and in-theatre sales performed strongly.
- Operational efficiency of the cinema activities improved further.
- Corporate events and screen advertising experienced a decline, mainly due to the World Cup football.
- Film distribution generated a negative result, due to a number of disappointing local productions.
- Current<sup>2</sup> EBITDA<sup>3</sup> was stable at € 74.3 million (-0.5%).
- Current<sup>2</sup> profit was € 35.6 million (-4.8%), earnings per share € 1.34 (-2.9%).
- Free cash flow<sup>4</sup> increased by 11.7%, from € 46.3 million to € 51.8 million.
- Net financial debt increased by € 30.5 million to € 118.6 million.
- The proposed dividend per share amounts to € 0.69 based on a 50% pay-out ratio and the number of dividend eligible shares on 23 February 2015, an increase of 8.2%.
- The distribution of a super dividend of € 0.20 per share is proposed.

The year 2014 was characterised by expansion. Kinopolis entered the Dutch market, expanded in Spain and announced various new-build projects. In the course of the year significant investments were also made to strengthen the organisation in support of the Group's expansion.

The number of visitors increased by 8.0%, thanks to the acquired cinemas in the Netherlands and Spain and a good local film offer in France and Spain. However, the warm weather in June and in the autumn in Belgium and France and the World Cup football, as anticipated, had a negative impact on visitor numbers. The higher visitor numbers led to an increase in total revenue by 6.8%. The core businesses box office and in-theatre sales performed strongly. Spain's larger share and sectoral price campaigns in France and Spain had a negative impact on the revenue per visitor. Total revenue of Brightfish increased, due to higher income from events, whereas income from screen advertising decreased. Revenue from film distribution and real estate increased. Business-to-business revenue decreased due to the lower revenue from screen advertising and fewer corporate events as a consequence of the World Cup football.

Current EBITDA was € 74.3 million, compared to € 74.6 million in 2013. Despite the increase in film distribution revenue, this activity, like screen advertising, had a negative impact on current EBITDA. Operational efficiency improved in all other businesses, resulting in a higher current gross profit margin. Due to the lower contribution of screen advertising and film distribution and increased overheads, resulting from the acquisitions in the Netherlands and Spain and organisational adjustments in response to growth, total current EBITDA remained stable (-0.5%).

Current profit was 4.8% lower due to higher depreciations and higher income tax expenses, partly offset by lower interest charges. Earnings per share were € 1.34. This is 2.9% down on the previous year.

## Key figures

In million €	2014	2013	% difference
Visitors ('000)	19,691	18,232	8.0%
Revenue	262.6	246.0	6.8%
EBITDA <sup>3</sup>	71.3	75.0	(4.9)%
Current <sup>2</sup> EBITDA <sup>3</sup> (REBITDA <sup>5</sup> )	74.3	74.6	(0.5)%
REBITDA margin	28.3%	30.3%	
EBIT	50.7	55.1	(8.0)%
Current <sup>2</sup> EBIT (REBIT)	53.2	55.0	(3.2)%
REBIT margin	20.3%	22.4%	
Profit	35.2	37.5	(6.3)%
Current <sup>2</sup> profit	35.6	37.4	(4.8)%
Earnings per share (in €)	1.34	1.38	(2.9)%
Free cash flow <sup>4</sup>	51.8	46.3	11.7%

In million €	31 Dec 2014	31 Dec 2013	% difference
Total assets	347.1	310.3	11.8%
Equity	104.7	104.7	0.1%
Net financial debt (NFD)	118.6	88.1	34.6%

## Notes

### Visitors

Kinepolis welcomed 19.7 million visitors in 2014, 8.0% more than in 2013.

The increase in the number of visitors was due, among other things, to the mild winter weather and the good international and local film offer in the first quarter. Local films continued to be successful in France and Spain in the second quarter. The Spanish visitor number was also positively influenced by the acquisition of two cinemas in Alicante and Madrid in April and June. The fine summer weather in Belgium and France had a negative impact on the number of visitors, as did the World Cup football in June, which prompted many distributors to delay their major films. Visitor numbers increased as from the third quarter, due to the addition of the Netherlands to the existing cinema portfolio and good local films in Spain. The warm autumn resulted in fewer visitors in Belgium and France.

The top five in 2014 consisted of 'The Hobbit: The Battle of the Five Armies', 'The Hunger Games: Mockingjay - Part I', 'Qu'est-ce qu'on a fait au Bon Dieu?', 'Lucy' and 'Dawn of the Planet of the Apes'.

The most successful local films were 'Qu'est-ce qu'on a fait au Bon Dieu?' and 'Supercondriaque' in France and 'Ocho Apellidos Vascos', 'El Niño' and 'Torrente 5' in Spain. The most visited Flemish films in 2014 were 'FC De Kampioenen' and 'K3 Dierenhotel'.

Visitors (in millions)	The					Total
	Belgium	France	Spain	Netherlands	Switzerland	
Number of cinemas *	11	7	5	9	1	33
2014	9.0	6.2	3.6	0.8	0.1	19.7
2013	9.2	5.8	3.1	0.0	0.1	18.2
2014 vs 2013	-2.4%	+6.6%	+17.2%	+100%	-12.6%	+8.0%

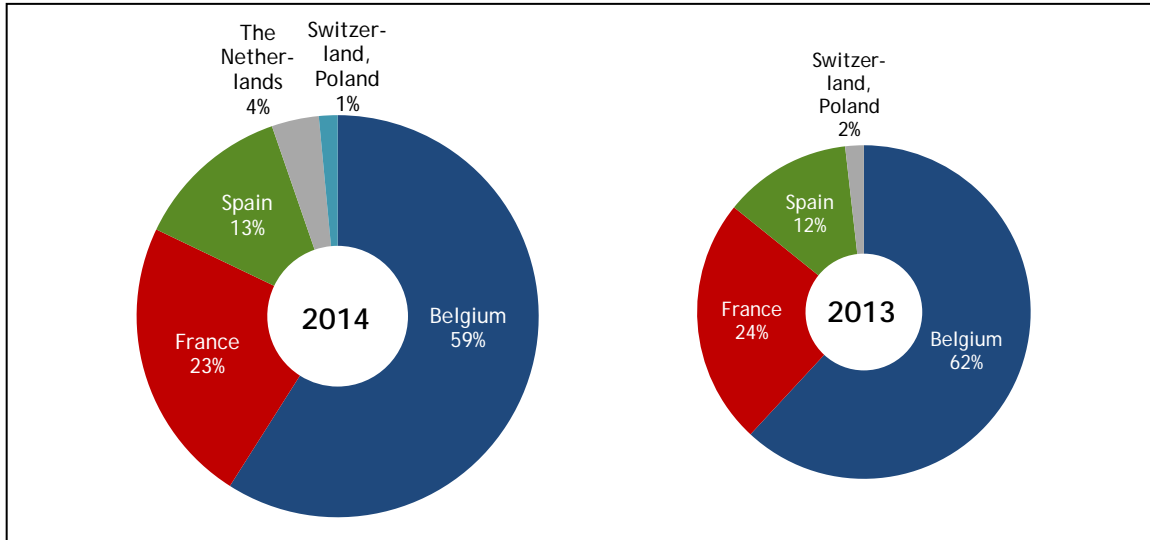
\* Operated by Kinepolis

## Revenue

Revenue was € 262.6 million, an increase of 6.8% compared to 2013. Revenue did not rise as fast as visitor numbers due to Spain's larger share in total visitor numbers and the decrease in screen advertising revenue, partly offset by the rise in revenue generated through advertising agency Brightfish and film distribution, and by higher real estate revenue. Ticket revenue (box office) increased by 6.8%. Revenue from food, beverages and retail (in-theatre sales) rose by 7.7%.

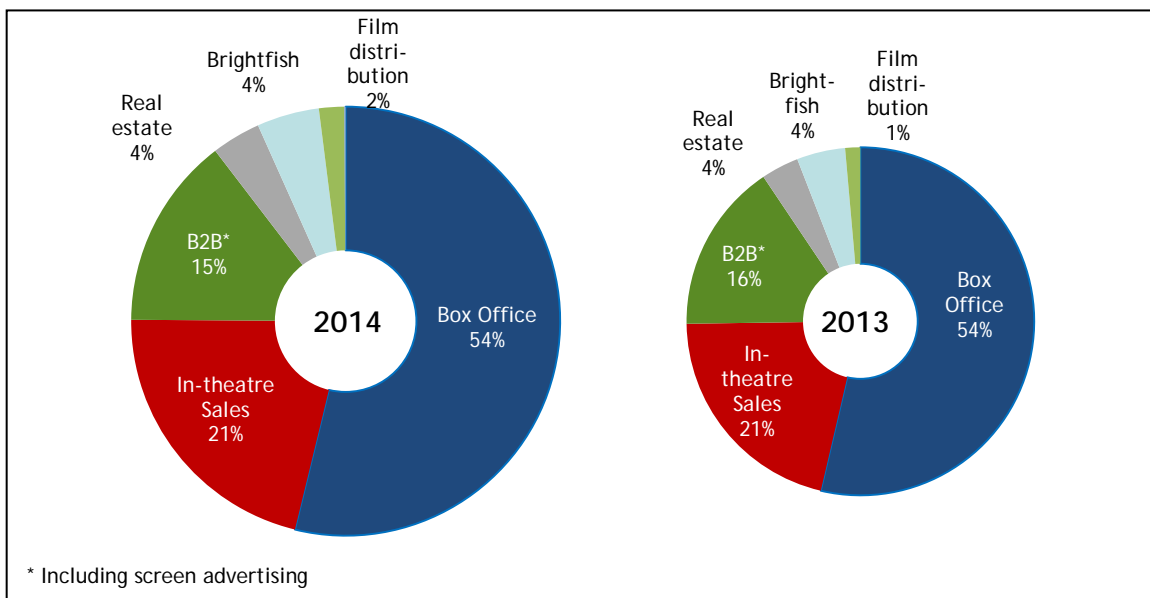
Revenue can be broken down as follows:

### Revenue by country



Since the acquisition of the Dutch group Wolff Bioscopen (July 2014) revenue is spread over six countries, resulting in a lower share of total revenue for Belgium and France. Spain's share increased due to the acquisition of two cinemas in April and June 2014.

### Revenue by activity



Box office revenue amounted to € 140.9 million, a rise of 6.8% compared to 2013. This increase was thanks to the expansion in the Netherlands and Spain, offset by lower sales of 3D glasses in France and Spain and lower VPF ('Virtual Print Fee') revenue. Per visitor there was a slight decrease (-1.1%) as a consequence of Belgium's lower share and Spain's higher share in total box office revenue. Per visitor revenue was also negatively impacted by the 'Cine Miercoles' campaign in Spain, with ticket price reductions on Wednesdays, and the 'Actions jeunes' in France, a campaign offering discounts on movie tickets to the under 14s. This evolution was

largely offset by France's lower share in total box office revenue and the addition of the Netherlands, where box office revenue per visitor is higher than the Group's average.

**In-theatre Sales (ITS)** increased by 7.7%, thanks to the expansion in the Netherlands and Spain, and higher sales in France. ITS per visitor were stable (-0.3%). They were also impacted by the 'Cine Miercoles' in Spain and the 'Actions Jeunes' in France, as these campaigns attract a different audience that usually consumes less. The acquisition of two cinemas in Spain, where ITS per visitor are lower than the Group's average, also had a negative impact on revenue per visitor. However, this was largely offset by the addition of the Netherlands, where ITS per visitor are higher.

**Business-to-business (B2B)** revenue fell by 0.8%. This was primarily due to the lower revenue from screen advertising in Belgium and France and fewer corporate events. Advertising budgets were spent differently due to the World Cup football. The screen advertising activity was also impacted by the downward pressure on prices from other media channels. The reduction was largely offset by higher revenue from the sale of cinema vouchers to companies and media campaigns with partners. The B2B activities of the cinemas acquired in the Netherlands and Spain also made a first positive contribution.

**Real estate** revenue increased by 10.4% (+10.3% at constant exchange rates). This increase was, among other things, due to the lease of the Toison d'Or cinema building in Brussels (Belgium). The expansion in the Netherlands and the indoor playground that was opened in Madrid (Spain) also contributed, as did higher revenue from the lease of commercial spaces.

Revenue from **film distribution** rose. In 2014 KFD distributed films such as 'The Wolf of Wall Street', 'K3 Dierenhotel', 'De Behandeling', 'Marina', 'Sinterklaas en het Pratende Paard', 'The Loft', 'Homefront' and 'Halfweg'. Revenue from video-on-demand and DVD distribution also increased.

**Brightfish** generated lower revenue from screen advertising as a result of lower national advertising income, which was due to the World Cup football and pressure on prices from other media channels. Nevertheless, Brightfish's total revenue increased, after elimination of intra-group transactions, due to more events with partners.

## REBITDA

Current EBITDA (REBITDA) amounted to € 74.3 million and was stable compared to 2013 (-0.5%). Earnings from screen advertising were lower. The same goes for earnings from film distribution, due to less successful film releases and higher marketing expenditure by KFD. The total operational efficiency of the Group improved all the same, resulting in a rise in the current gross profit margin. Overheads rose as a consequence of the expansion in the Netherlands and Spain and the adjustment of the organisation to the growth of the Group. Due to the lower contribution of screen advertising and film distribution and higher overheads, the REBITDA margin arrived at 28.3% compared to 30.3% in the previous year.

## Profit for the period

Current profit for the year was € 35.6 million, compared to € 37.4 million in 2013. This was due to the slight decrease in current EBITDA, the increase in the depreciations and the effective tax rate, partly offset by lower interest charges.

Profit for the fiscal year was € 35.2 million, compared to € 37.5 million in 2013, a decrease of 6.3%.

The main non-current items in 2014 were transformation costs (€ -2.0 million), expansion costs (€ -0.7 million) and the change in the fair value of the contingent considerations for the acquisition of the group Wolff Bioscopen (€ 1.4 million).

The most important non-current items in 2013 were the capital gain on the sale of an undeveloped site in Poland to Porsche Inter Auto Polska (€ 0.9 million), the reversal of a provision for the settlement of leases (€ 0.5 million) and transformation costs (€ -0.5 million).

The higher current depreciations are the consequence of higher investments in 2014.

Current net financial expenses were € 0.3 million lower than in 2013. Despite the higher average debt ratio, interest charges were lower, thanks to lower interest rates in 2014.

The effective tax rate was 24.2%, compared to 23.5% in 2013. The higher taxes were primarily due to lower tax losses carried forward, lower notional interest deduction and investments in tax sheltering and the impact of the fairness tax. This increase was largely offset by the lower profit before tax and a one-off impact as a consequence of a planned structural change.

Earnings per share were € 1.34. This is 2.9% lower than in 2013. The lower profit was partly offset by the positive impact of the share buyback in 2014, as part of the further optimisation of the capital structure.

### Free cash flow and net financial debt

The free cash flow was € 51.8 million compared to € 46.3 million in 2013, an increase of 11.7%.

The higher free cash flow was primarily due to working capital movements (€ +10.1 million) and lower interest paid (€ +0.6 million), partly offset by lower EBITDA and other financial charges (€ -2.8 million), higher income taxes paid (€ -2.1 million) and higher maintenance capital expenditures (€ -0.3 million).

The working capital movements were mainly due to:

- a number of one-off items (€ +2.1 million), including the higher receipts in 2014 of sector-related government grants in France (CNC) (€ +1.0 million), lower payments with regard to tax sheltering (€ +0.7 million) and higher subsidies received related to the training of personnel in Belgium (€ +0.5 million),
- lower minimum guarantees paid in 2014 and higher debts at year-end at KFD (€ +2.0 million),
- higher trade payables due to an improved year-end in Spain, lower invoice payables at year-end 2013 and higher invoices to be received at the end of 2014 (€ +3.9 million),
- the improved collection of past-due receivables in 2014 (€ +0.7 million) and
- the higher number of cinema vouchers sold, but not used, at year-end 2014 (€ +0.7 million).

In 2014 capital expenditure was € 32.8 million, € 20.7 million more than in 2013. The main investments were the installation of laser projectors and Dolby Atmos sound systems in the Group's four megaplexes, the first phase of the remodelling of the acquired cinemas in Spain, the investment in new front office software for the Group, the purchase of the site in Dordrecht (The Netherlands) on which a new cinema will be built, the construction of the new indoor playground in Madrid (Spain), the second part of the remodelling of the cinema in Leuven (Belgium) and the purchase of the Toison d'Or building in Brussels (Belgium).

Net financial debt was € 118.6 million at 31 December 2014, an increase of € 30.5 million compared to the end of 2013 (€ 88.1 million), due to the acquisitions in the Netherlands and Spain for € 10.5 million, the investments of € 32.8 million, the share buyback for € 18.8 million and the dividend pay-out of € 16.8 million. In spite of these investments, the NFS/EBITDA ratio only increased from 1.2 to 1.7.

The gross financial debt increased by € 28.2 million to € 136.0 million at 31 December 2014 compared to € 107.8 million at 31 December 2013.

### Balance sheet

Fixed assets, at € 302.1 million, represented 87.0% of the balance sheet total as at 31 December 2014. This included land and buildings (including investment property) with a carrying amount of € 197.1 million, or 56.8% of the balance sheet total.

As at 31 December 2014 equity amounted to € 104.7 million. Solvency was 30.2%, after the further share buyback in 2014 for € 18.8 million and the dividend pay-out of € 16.8 million.

### Dividend of € 0.69 and super dividend of € 0.20 per share

The Board of Directors will propose to the General Meeting of 13 May 2015 the application of a pay-out ratio of 50% of current profit. Based on the number of dividend eligible shares on 23 February 2015, that is 25,811,606, this means a gross dividend of € 0.69 per share for the financial year 2014.

This is 8.2% higher than in 2013 (€ 0.64 per share, bearing in mind that each old share was split into five new shares). If all vested options are exercised, the gross dividend will be € 0.65 or 1.9% higher than in 2013.

The Board of Directors will also propose the distribution of an additional super dividend of € 0.20 per share to the General Meeting.

The payment of the dividend and super dividend is foreseen as from 21 May 2015 (ex-date: 19 May 2015, record date: 20 May 2015).

## **Important events since 1 January 2014 until present**

### **Eddy Duquenne receives CinemaCon 2014 Global Achievement in Exhibition Award**

Eddy Duquenne, CEO of Kinopolis Group, was presented with the award for the best cinema operator worldwide at CinemaCon, the globe's biggest cinema industry event. The award is a global recognition for the experience Kinopolis offers to its customers. Kinopolis wants its visitors to enjoy 'the ultimate movie experience' and endeavours to be the best cinema operator, marketer and real estate manager, the three pillars of its strategic model.

### **Share split**

As a consequence of the adoption of the share split resolution by the Extraordinary Shareholders' Meeting on 16 May 2014, each ordinary share was split into five new shares on 1 July 2014. The split shares were traded on the regulated Euronext market as from this date. With the split Kinopolis aimed to improve the tradability of its shares without diluting the shareholders' position. This transaction also improved the liquidity and accessibility of the shares for private investors.

### **Purchase and cancellation of treasury shares**

As part of the share buyback programme launched in 2013 (under the authorisation to buy back up to 5,856,505 shares - after the share split - for cancellation), 15,400 shares (after the share split - 3,080 shares before the split) were bought back for € 0.4 million in 2014. The next phase of the buyback programme was launched on 8 September 2014, under the same authorisation. As part of this programme, 613,649 shares were bought back for € 19.3 million up to and including 23 February 2015.

Under the authorisation issued by the General Shareholders' Meeting of 19 October 2012, the Board of Directors of Kinopolis Group NV decided on 18 December 2014 to cancel 548,073 shares, as a result of which the total number of outstanding shares is now 27,365,197.

Kinopolis Group NV retains 1,553,591 shares (bought back up to and including 23 February 2015), which corresponds to 5.7% of the new number of shares in circulation. In the future, 88,054 of these shares will be cancelled.

The share buy-back programme is part of the optimisation of the capital structure of Kinopolis Group and the creation of greater value for the shareholders. The total capital optimisation as from 2011 until present amounts to € 160.4 million.

### **New future for Kinopolis Brussels on Heysel plateau**

The City of Brussels and the Brussels Capital Region selected the Unibail-CFE-Besix consortium as project developer for the 'Europea' project (formerly 'Neo') at the foot of the Atomium. As such, a new future for Kinopolis Brussels after 2025 has been secured. Kinopolis will build a new cutting-edge, innovative cinema. The existing megaplex will not close until the new cinema is ready to open.

### **Expansion**

In 2014 the Group acquired control of two Spanish cinemas and the Dutch group Wolff Bioscopen and announced building projects in Dordrecht and Breda (The Netherlands) and Paris (France). The Group is also evaluating other projects that fit in with its strategy. Kinopolis wants to introduce its concept in new markets and among new target groups to contribute to further value creation for all of its stakeholders.

## Spain

In April and June 2014, the Group acquired control of Abaco Cinebox (Alicante) and Abaco Alcobendas (Madrid), the two largest cinemas of the former Spanish cinema group Abaco Cinebox. Agreement was reached with the liquidators on the sale of the two multiplexes for € 1.1 million. The acquisitions were ratified by the competent judicial authorities. The Group also signed new leases with the owners of these sites, with conditions tied to the number of visitors. In 2013 the two multiplexes welcomed a combined total of 926,000 visitors. Kinopolis has targeted a future EBITDA contribution of between € 1 and € 1.5 per visitor from these leased cinemas.

## The Netherlands

On 22 July 2014 Kinopolis entered the Dutch market for the first time through the acquisition of Wolff Bioscopen. In the deal, Kinopolis acquired cinemas in Huizen, Groningen, Enschede (two sites), Rotterdam, Nieuwegein and Utrecht (three sites), as well as new-build projects in Dordrecht and Utrecht. Wolff Bioscopen is also active as a film programmer and purchasing centre for third-party cinemas, activities that Kinopolis has also acquired. Construction has started in Dordrecht (6 screens). Kinopolis itself has developed the project in Breda (10 screens), which is the third new-build project in the Netherlands.

The existing multiplexes together with the three ongoing new-build projects are expected to enable Kinopolis to attract more than 3.5 million visitors in three years' time, largely in multiplexes housed in property controlled by the Group.

On 16 March 2015 Wolff Camera in Utrecht (2 screens) will close. This closure was foreseen in the context of the development of the new-build project in Utrecht (14 screens), but happens sooner due to the redevelopment of the site. This possibility had been anticipated in the acquisition agreement.

## France

In 2015 Kinopolis Group will build a 10-screen multiplex in Brétigny-sur-Orge, 35 kilometres south of Paris. The development is part of the new 'Les Promenades de Brétigny' shopping centre. Project developer Immochan will begin construction this month (February 2015) and will lease a windproof building to Kinopolis with 6,500 m<sup>2</sup> in floor space. The interiors and finish will be paid for by Kinopolis alone. Once the multiplex is operating at full speed, around 500,000 visitors per year are expected.

## Real estate

### 'The Magic Forest' opened at Kinopolis Madrid

In July 2014 Kinopolis opened 'The Magic Forest' at Kinopolis Madrid (Spain). 'The Magic Forest' is an indoor playground covering 1,000 m<sup>2</sup>. Up to 350 children can enjoy a magical play experience, with or without a film. In the meantime, parents and child-minders can go to the film or relax with something to eat or drink in the 'Magic Forest Lounge', which seats 300. 'The Magic Forest' is also the ideal venue for birthday parties with activities.

### Acquisition building Belgium

In the summer of 2014 Kinopolis acquired the premises in Galerie Toison d'Or (Avenue de la Toison d'Or 8) in Brussels, which are leased to UGC. The purchase of the building, which is at a top location in full development, is an interesting investment opportunity for Kinopolis in line with its real estate strategy. Through the aforementioned transaction Kinopolis takes the place of the seller (former real estate owner) and takes on its rights and obligations. This means that Kinopolis does not acquire any control over the operation of the cinema.

## 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 at attractive financial conditions fits in with the financial strategy of Kinopolis, supports the expansion of Kinopolis and serves as diversification of its sources of financing and as refinancing of existing credits.

Kinopolis's main sources of financing currently are a syndicated line of credit at a bank consortium, a retail bond (€ 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).

### **Administratieve procedure FSMA**

Kinohold Bis SA, Mr. Joost Bert, PGMS NV, Mr. Philip Ghekiere and Mr. Eddy Duquenne have informed the Company that the Executive Committee of the FSMA has initiated a procedure before the Sanctions Committee of the FSMA against each of them based on alleged abuse of inside information with respect to share purchase transactions they have entered into for their own account on 22 November (and as far as Kinohold Bis SA is concerned, also on 23, 24 and 25 November) 2011 and which, at that time, have immediately been reported pursuant to the notification obligation for transactions carried out by persons discharging managerial responsibilities as referred to in article 25bis §2 of the Act of 2 August 2002. Within the framework of this procedure (in which the Company itself is not involved), the Management Committee of the FSMA claims that an administrative fine should be imposed on each of aforementioned persons. A decision is expected in the course of 2015. As the procedure is pending before the Sanctions Committee, neither the Company nor the parties involved shall provide any further comment on the content thereof.

### **Introduction of new technologies**

Kinopolis has brought together two revolutionary technologies developed by Barco and Dolby in 'Laser ULTRA by Kinopolis' to offer its visitors a unique cinema experience. This technology was presented in Antwerp and Brussels (Belgium), Lille (France) and Madrid (Spain) in December 2014 on the occasion of the release of 'The Hobbit: the Battle of the Five Armies'. Kinopolis Brussels, Antwerp, Lomme (Lille) and Madrid are the first cinemas in the world to be equipped with 'Laser ULTRA by Kinopolis'. As the Group's biggest cinemas, they each have a Laser ULTRA auditorium.

'Laser ULTRA by Kinopolis' uses BARCO's newest laser projector, the only one in the world able to show 4K content at 60 frames per second and to project 3D films in 4K resolution at exceptional brightness (60,000 lumen). Traditional film projectors use xenon lamps, but a laser projector can provide abundant light with a broader, more natural palette of colours and a better contrast ratio.

'Laser ULTRA by Kinopolis' also offers multidimensional sound through the immersive Dolby Atmos sound system. The music, characters and film elements are brought to life through the clear, rich sound, which gives viewers the impression that they are watching a live performance.

With the combination of these two technologies visitors are even more immersed in a higher dimension of film experience.

Earlier in the year, in October 2014, Kinopolis and Barco brought the 'Barco Escape' technology to Kinopolis Antwerp and Kinopolis Brussels. By combining three digital projectors with three screens, one at the front and two at the sides, a panoramic effect is created that draws the audience into the story. 20th Century Fox's 'The Maze Runner' was the first-ever film to be made for this technology.

The introduction of this technology in the biggest Kinopolis complexes is part of the strategic partnership that Kinopolis and Barco entered into at the beginning of this year to take the film experience to an even higher level.

### **'Art in the Cinema'**

In 2014 Kinopolis has established art as the third segment alongside opera and ballet in its expanding cultural programming. The 'Art in the Cinema' programme, which started in October 2014, features eight artistic presentations. Art lovers are given detailed information on historic works of art and the opportunity to take a look behind the scenes at the creative and technical aspects of life at the world's most famous museums. Kinopolis exhibits the works of Henri Matisse at the Tate Modern in London and Vincent Van Gogh in Amsterdam and provided a look behind the scenes at one of the world's oldest and largest museums, the Hermitage in Saint Petersburg.

### **Line-up**

'Fifty Shades of Grey' is currently at the top of the film charts. Other expected blockbusters in 2015 include 'Insurgent', 'Furious 7', 'Avengers: Age of Ultron', 'Mad Max: Fury Road', 'Jurassic World', 'Inside Out', 'Minions', 'The Fantastic Four', 'The Maze Runner: The Scorch Trials', 'James Bond -



Spectre', 'The Hunger Games: Mockingjay - Part 2', 'The Good Dinosaur' 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', 'Safety First' and 'Belgica', the Dutch films 'Bloed, Zweet en Tranen' and 'De Toppers, Lost in Vegas', the French films 'Bis', 'Babysitting 2' and 'Belle et Sébastien: l'Aventure Continue' and the Spanish films 'Ahora O Nunca' and 'Regression'. Live opera and ballet will be supplemented with 'Art in the Cinema'.

## Auditor's report

The statutory auditor, KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises, represented by Serge Cosijns, has confirmed that its audit procedures, which have been substantially completed, have not revealed any material adjustments that would have to be made to the accounting data included in the Company's annual announcement.

## Financial calendar

Wednesday 13 May 2015	Business update first quarter 2015
Wednesday 13 May 2015	General Shareholders' Meeting
Thursday 21 May 2015	Dividend payment
Thursday 27 August 2015	Semi-annual results 2015
Tuesday 17 November 2015	Business update third quarter 2015

## Contact

Kinepolis Press Office  
Tel: +32 9 241 00 16  
Email: [pressoffice@kinepolis.com](mailto:pressoffice@kinepolis.com)

Kinepolis Investor Relations  
Tel: +32 9 241 00 22  
Email: [investor-relations@kinepolis.com](mailto:investor-relations@kinepolis.com)

---

<sup>1</sup> All comparisons are with the figures of 2013.

<sup>2</sup> After eliminating non-current transactions

<sup>3</sup> 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.

<sup>4</sup> Kinepolis Group defines the free cash flow as the net cash from operating activities less the maintenance investments in intangible assets, property, plant and equipment and investment property and paid interest expenses.

<sup>5</sup> REBITDA is not a recognized IFRS term. Kinepolis Group NV defines this term as the current operating profit plus the current depreciations, amortizations, impairments and provisions (including any reversals or uses of these items).

CONSOLIDATED INCOME STATEMENT	31/12/2014	31/12/2013
IN '000 €		

Revenue	262.619	245.980
Cost of sales	-180.776	-163.869
<b>Gross profit</b>	<b>81.843</b>	<b>82.111</b>
<i>Gross profit / Revenue</i>	31,2%	33,4%
Marketing and selling expenses	-16.069	-15.240
Administrative expenses	-15.583	-13.638
Other operating income	816	2.681
Other operating expenses	-342	-845
<b>Operating profit</b>	<b>50.665</b>	<b>55.069</b>
<i>Operating profit / Revenue</i>	19,3%	22,4%
Finance income	2.226	1.206
Finance expenses	-6.521	-7.204
<b>Profit before tax</b>	<b>46.370</b>	<b>49.071</b>
Income tax expense	-11.203	-11.530
<b>Profit for the period</b>	<b>35.167</b>	<b>37.541</b>
<i>Profit for the period / Revenue</i>	13,4%	15,3%
Attributable to:		
Owners of the Company	35.167	37.541
Non-controlling interests	0	0
<b>Profit for the period</b>	<b>35.167</b>	<b>37.541</b>
Basic earnings per share (€)	1,34	1,38
Diluted earnings per share (€)	1,29	1,33

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
in '000 €

31/12/2014 31/12/2013

<b>Profit for the period</b>	<b>35.167</b>	<b>37.541</b>
<b>Items that are or may be reclassified to profit or loss:</b>		
Translation differences	-97	-393
Cash flow hedges - effective portion of changes in fair value	27	84
Cash flow hedges - net change in the fair value reclassified to profit or loss	60	480
Taxes on other comprehensive income	-30	-194
<b>Other comprehensive income for the period, net of tax</b>	<b>-40</b>	<b>-23</b>
<b>Total comprehensive income for the period</b>	<b>35.127</b>	<b>37.518</b>
Attributable to:		
Owners of the Company	35.127	37.518
Non-controlling interests	0	0
<b>Total comprehensive income for the period</b>	<b>35.127</b>	<b>37.518</b>

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>in '000 €</b>		
Other intangible assets	3.998	3.016
Goodwill	36.116	18.761
Property, plant and equipment	215.335	206.871
Investment property	32.628	12.056
Deferred tax assets	1.308	1.113
Other receivables	12.656	13.395
Other financial assets	27	27
<b>Non-current assets</b>	<b>302.068</b>	<b>255.239</b>
Inventories	3.636	3.359
Trade and other receivables	24.293	25.176
Current tax assets	40	523
Cash and cash equivalents	17.000	19.293
Derivative financial instruments	27	0
Assets classified as held for sale	0	6.721
<b>Current assets</b>	<b>44.996</b>	<b>55.072</b>
<b>TOTAL ASSETS</b>	<b>347.064</b>	<b>310.311</b>

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>in '000 €</b>		
Share capital	18.952	18.952
Share premium	1.154	1.154
Consolidated reserves	86.304	86.132
Translation reserve	-1.678	-1.581
<b>Total equity attributable to owners of the Company</b>	<b>104.732</b>	<b>104.657</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>
<b>Equity</b>	<b>104.732</b>	<b>104.657</b>
Loans and borrowings	91.471	87.917
Provisions	2.497	3.016
Deferred tax liabilities	15.855	17.509
Derivative financial instruments	0	0
Other payables	7.357	8.104
<b>Non-current liabilities</b>	<b>117.180</b>	<b>116.546</b>
Bank overdrafts	470	581
Loans and borrowings	44.095	19.332
Trade and other payables	72.294	62.383
Provisions	610	715
Derivative financial instruments	0	60
Current tax liabilities	7.683	6.037
<b>Current liabilities</b>	<b>125.152</b>	<b>89.108</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>347.064</b>	<b>310.311</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>IN '000 €</b>		
Profit before tax	46.370	49.071
Adjustments for:		
Depreciations and amortization	21.322	20.005
Provisions and impairments	-684	-68
Government grants	-649	-664
(Gains) Losses on sale of fixed assets	-14	-909
Change in fair value of derivative financial instruments and unrealised foreign exchange results	38	-9
Change in fair value of contingent considerations	-1.359	0
Unwinding of non-current receivables	-696	-731
Share-based payments	389	181
Impairment on tax shelter investments	433	539
Amortization of transaction costs refinancing	209	209
Interest expense and income	4.313	4.851
Change in inventory	-176	-193
Change in trade and other receivables	3.154	-2.130
Change in trade and other payables	2.803	-1.980
<b>Cash from operating activities</b>	<b>75.453</b>	<b>68.172</b>
Income taxes paid	-11.321	-9.239
<b>Net cash from operating activities</b>	<b>64.132</b>	<b>58.933</b>
Acquisition of other intangible assets	-2.169	-951
Acquisition of property, plant and equipment and investment property	-30.570	-11.086
Acquisition of subsidiaries, net of cash acquired	-10.468	0
Proceeds from sale of property, plant and equipment	293	1.851
<b>Net cash used in investing activities</b>	<b>-42.914</b>	<b>-10.186</b>
Capital reduction	-5	-8
New loans	102.000	102.641
Repayment of borrowings	-85.589	-114.998
Interest paid	-4.325	-4.873
Interest received	12	21
Repurchase and sale of own shares	-18.657	-28.459
Dividends paid	-16.846	-13.096
<b>Net cash used in financing activities</b>	<b>-23.410</b>	<b>-58.772</b>
<b>Net cash flow</b>	<b>-2.192</b>	<b>-10.025</b>
Cash and cash equivalents at beginning of the period	18.712	28.785
Cash and cash equivalents at end of the period	16.530	18.712
Effect of exchange rate fluctuations on cash held	10	-48
<b>Net cash flow</b>	<b>-2.192</b>	<b>-10.025</b>

2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OF THE COMPANY						NON- CONTROLLING INTERESTS	EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	SHARE- BASED PAYMENTS RESERVE	RETAINED EARNINGS		
At 31 December 2013	20.106	-1.581	-40	-8.816	2.597	92.390	0	104.656
<b>Profit for the period</b>	0	0	0	0	0	35.167	0	35.167
<b>Items that are or may be reclassified to profit or loss:</b>								
Translation differences		-97						-97
Cash flow hedges - effective portion of changes in fair value			27					27
Cash flow hedges - net change in the fair value reclassified to profit or loss			60					60
Taxes on other comprehensive income			-30					-30
<b>Other comprehensive income for the period, net of tax</b>	0	-97	57	0	0	0	0	-40
<b>Total comprehensive income for the period</b>	0	-97	57	0	0	35.167	0	35.127
Dividends						-16.847		-16.847
Own shares acquired / sold				-18.667		74		-18.593
Cancellation of treasury shares				16.911		-16.911		
Share-based payment transactions					314	75		389
<b>Total transactions with owners, recorded directly in equity</b>	0	0	0	-1.756	314	-33.609	0	-35.051
At 31 December 2014	20.106	-1.678	17	-10.572	2.911	93.948	0	104.732

2013

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OF THE COMPANY						NON- CONTROLLING INTERESTS	EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	SHARE- BASED PAYMENTS RESERVE	RETAINED EARNINGS		
At 31 December 2012	20.106	-1.188	-409	-8.876	2.493	96.542	0	108.668
<b>Profit for the period</b>	0	0	0	0	0	37.541	0	37.541
<b>Items that are or may be reclassified to profit or loss:</b>								
Translation differences		-393						-393
Cash flow hedges - effective portion of changes in fair value			84					84
Cash flow hedges - net change in the fair value reclassified to profit or loss			480					480
Taxes on other comprehensive income			-194					-194
<b>Other comprehensive income for the period, net of tax</b>	0	-393	370	0	0	0	0	-23
<b>Total comprehensive income for the period</b>	0	-393	370	0	0	37.541	0	37.518
Dividends						-13.085		-13.085
Own shares acquired / sold				-28.478		-146		-28.624
Cancellation of treasury shares				28.538		-28.538		
Share-based payment transactions					104	77		181
<b>Total transactions with owners, recorded directly in equity</b>	0	0	0	60	104	-41.692	0	-41.528
At 31 December 2013	20.106	-1.581	-40	-8.816	2.597	92.390	0	104.657

							31/12/2014	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	THE NETHERLANDS	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL	
Segment revenue	172.752	61.323	33.582	9.887	4.084	0	281.628	
Inter-segment revenue	-17.536	-805	-594	0	-74	0	-19.009	
<b>Revenue</b>	<b>155.216</b>	<b>60.518</b>	<b>32.988</b>	<b>9.887</b>	<b>4.010</b>	<b>0</b>	<b>262.619</b>	
<b>Segment profit</b>	<b>28.219</b>	<b>16.678</b>	<b>3.679</b>	<b>1.308</b>	<b>781</b>	<b>0</b>	<b>50.665</b>	
Finance income						2.226	2.226	
Finance expenses						-6.521	-6.521	
<b>Profit before tax</b>							<b>46.370</b>	
Income tax expense						-11.203	-11.203	
<b>Profit for the period</b>							<b>35.167</b>	
<b>Capital expenditure</b>	<b>25.035</b>	<b>2.721</b>	<b>3.185</b>	<b>1.677</b>	<b>121</b>	<b>0</b>	<b>32.739</b>	

							31/12/2014	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	THE NETHERLANDS	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL	
<b>Total assets</b>	<b>130.353</b>	<b>82.273</b>	<b>59.819</b>	<b>31.463</b>	<b>24.754</b>	<b>18.402</b>	<b>347.064</b>	
<b>Total equity and liabilities</b>	<b>49.219</b>	<b>22.830</b>	<b>6.099</b>	<b>3.830</b>	<b>780</b>	<b>264.306</b>	<b>347.064</b>	

							31/12/2013	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	THE NETHERLANDS	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL	
Segment revenue	169.244	59.604	31.043	0	4.438	0	264.329	
Inter-segment revenue	-16.734	-913	-628	0	-74	0	-18.349	
<b>Revenue</b>	<b>152.510</b>	<b>58.691</b>	<b>30.415</b>	<b>0</b>	<b>4.364</b>	<b>0</b>	<b>245.980</b>	
<b>Segment profit</b>	<b>32.284</b>	<b>15.935</b>	<b>4.879</b>	<b>0</b>	<b>1.971</b>	<b>0</b>	<b>55.069</b>	
Finance income						1.206	1.206	
Finance expenses						-7.204	-7.204	
<b>Profit before tax</b>							<b>49.071</b>	
Income tax expense						-11.530	-11.530	
<b>Profit for the period</b>							<b>37.541</b>	
<b>Capital expenditure</b>	<b>6.320</b>	<b>3.445</b>	<b>2.118</b>	<b>0</b>	<b>154</b>	<b>0</b>	<b>12.037</b>	

							31/12/2013	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	THE NETHERLANDS	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL	
<b>Total assets</b>	<b>119.286</b>	<b>86.831</b>	<b>57.873</b>	<b>0</b>	<b>25.365</b>	<b>20.956</b>	<b>310.311</b>	
<b>Total equity and liabilities</b>	<b>44.250</b>	<b>24.361</b>	<b>4.604</b>	<b>0</b>	<b>1.003</b>	<b>236.093</b>	<b>310.311</b>	