



## Kinepolis Group Business Update Q1 2014 15 May 2014

### Regulatory release

#### Q1 2014<sup>1</sup>

- ★ Visitor numbers increased by 11.2% to 4.8 million in the first quarter, primarily due to a good international and local film offer and the mild winter weather.
- ★ Box office revenue increased more than visitor numbers.
- ★ In-theatre sales<sup>2</sup> (ITS) increased, in total and per visitor, thanks to higher visitor numbers and higher consumption per visitor.
- ★ Current<sup>3</sup> EBITDA<sup>4</sup> increased, in total and per visitor, thanks to higher visitor numbers, higher revenue per visitor and continued improvement of operational efficiency.
- ★ Business-to-business revenue increased.
- ★ Advertising agency Brightfish's revenue decreased.
- ★ Real estate revenue increased slightly.
- ★ Net financial debt decreased compared to year-end 2013.

#### Notes

Between 1 January and 31 March 2014 Kinepolis welcomed 4.8 million visitors, 11.2% more than in the same period last year. The first quarter of 2013 was characterized by low visitor numbers, caused, among other things, by the unfavourable weather. The increase compared to the previous year is also due to the good film offer in the first quarter of 2014, with regard to both international and local films. 'The Wolf of Wall Street' was a big hit in Belgium (where it was distributed by Kinepolis Film Distribution) and France. We did not screen the movie in Spain, which has left its mark on the figures for the first quarter. The lower visitor numbers in Spain are also due to the Easter holidays, which fell in April in 2014. Last year these fell in March.

Visitors (millions)	Belgium	France	Spain	Switzerland	Total
Q1 2014 (millions)	2.4	1.6	0.7	0.04	4.8
Q1 2013 (millions)	2.1	1.4	0.8	0.04	4.3
2014 vs 2013	16.5%	16.6%	-10.8%	-7.9%	11.2%

Box office revenue increased, rising at a slightly faster rate than visitor numbers. Revenue per visitor also rose, primarily thanks to Belgium's larger share in total box office revenue. The increase in box office revenue per visitor was partly offset by the impact of the Cine Wednesdays in Spain, when everyone can watch a film at a lower price, and the *actions jeunes* in France, whereby the under 14s can attend film screenings at a reduced rate.

The top 5 in the first quarter were 'The Wolf of Wall Street', 'Supercondriaque', '300: Rise of an Empire', 'Frozen' and 'The Hobbit: The Desolation of Smaug'. The most successful local films were 'FC De Kampioenen - Kampioen zijn blijft plezant' and 'K3 Dierenhotel' in Flanders and 'Ocho Apellidos Vascos' in Spain, alongside 'Supercondriaque', the French film that made the international top 5.

**In-theatre sales** (ITS) increased at a faster pace than visitor numbers thanks to higher consumption per visitor.

**Business-to-business** (B2B) revenue increased in the first quarter, due among other things to increased sales of cinema vouchers to companies.

**Real estate revenue** from leases increased slightly compared to the previous year, thanks among other things to higher parking revenue.

The revenue of **Kinopolis Film Distribution** (KFD) increased significantly thanks to the great success of 'The Wolf of Wall Street' and 'K3 Dierenhotel'. In the first quarter KFD also distributed films such as 'De Behandeling', 'Homefront' and 'Halfweg'. Only one Flemish film was released in the first quarter of 2013 ('Bingo').

**Brightfish** generated lower screen advertising revenue in the first quarter of 2014, primarily as a consequence of lower national advertising revenue.

**Current EBITDA** was higher than in the same period in 2013, also on a per visitor basis. This increase is due to the higher visitor numbers, higher revenue per visitor, further cost control and improved operational efficiency.

The **net financial debt** decreased compared to 31 December 2013.

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

##### **Kinopolis Group: 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 world's biggest cinema industry event. The award is a global recognition for the experience Kinopolis offers 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.

##### **Kinopolis and Barco form strategic partnership**

Kinopolis and Barco have agreed a strategic partnership. Under the agreement Kinopolis will equip some of its theatres with laser projectors, interactive technology to entertain audiences and immersive visualization, among other things. The two parties will also co-develop concepts to take the movie experience to an even higher level. For starters, Kinopolis is installing four 60,000-lumen laser projectors at its largest cinemas in Antwerp, Brussels, Madrid and Lomme, a first for Europe.

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

In April, the City of Brussels and the Brussels-Capital Region selected the Unibail-CFE-Besix consortium as project developer for the Europea (formerly Neo) project 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, now legendary megaplex will not close until the new cinema is ready to open.

##### **Share split**

Kinopolis will hold an Extraordinary General Shareholders' Meeting on 16 May 2014 to vote on a proposed share split by which every regular share will be split into five new shares. The split aims to increase the tradability of Kinopolis' shares without diluting the shareholders' position. The transaction also improves the liquidity and accessibility of the shares for private investors. After approval of the share split the capital of Kinopolis Group NV will be represented by 27,913,270 shares and the new shares will be tradable as from 1 July 2014 (regulated Euronext market).

## Share buy-back

As part of the new share buy-back program launched in 2013 (under the authorization to buy back up to 1,171,301 shares for cancellation), 3,080 shares were bought back for € 0.4 million in the first quarter of 2014.

## Line-up

'Rio 2', 'Qu'est-ce qu'on a fait au Bon Dieu?', 'Divergent', 'Noah', 'Ocho Apellidos Vascos', 'The Amazing Spider-Man 2' and 'Captain America: The Winter Soldier' currently top the film charts. Hits in the making include 'Godzilla', 'X-Men: Days of Future Past', 'Maleficent', 'How to Train Your Dragon 2', 'Transformers: Age of Extinction', 'Dawn of the Planet of the Apes', 'Step Up: All In', 'The Expendables 3', 'The Loft', 'The Hunger Games: Mockingjay - Part 1', 'Home' and 'The Hobbit: The Battle of the Five Armies'.

Various local productions also enrich the program, such as the Flemish films 'Brabançonne', 'Welp' and 'Bowling Balls', the French films 'Les vacances du Petit Nicolas', 'Samba' and 'Tu veux ou tu veux pas' and the Spanish films 'Torrente V : Misión Eurovegas', '[REC] 4 : Apocalipsis' and 'Mortadelo y Filémon'. Live opera and ballet are complemented by concerts by Peter Gabriel and others.

## Financial calendar

Friday 16 May 2014	Extraordinary and Ordinary General Shareholders' Meeting
Monday 2 June 2014	Dividend payment
Thursday 28 August 2014	Half-year results 2014
Friday 14 November 2014	Business update third quarter 2014

## Contact

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

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

---

<sup>1</sup> 1 January to 31 March. The first quarter of 2014 is compared to the first quarter of 2013.

<sup>2</sup> Revenue from the sale of drinks, snacks and merchandise

<sup>3</sup> After eliminating non-current transactions

<sup>4</sup> 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.