

## Consolidated financial statements

- ❑ Consolidated income statement
- ❑ Consolidated statement of comprehensive income
- ❑ Consolidated statement of financial position
- ❑ Consolidated statement of cash flows
- ❑ Consolidated statement of changes in equity
- ❑ Segment reporting

The consolidated financial statements for the twelve months ending on 31 December 2009 have been prepared in accordance with IFRS as published by the International Accounting Standards Board (IASB) and approved by the European Community. Unless otherwise mentioned below, the financial accounting principles applied in these consolidated financial statements are the same as those applied by the Group in the consolidated financial statements for the 2008 financial year.

The new standards or amendments to existing standards or interpretations listed below have come into effect since 31 December 2008 and impact the presentation of the financial statements in 2009. Other changes coming into effect after 31 December 2008 have not affected the financial statements.

### a) IAS 1 'Presentation of financial statements'

The Group applies the revised standard IAS 1 'Presentation of financial statements' (2007), which came into force on 1 January 2009. As a result the Group presents all changes in equity relating to shareholders in their capacity as shareholders in the consolidated statement of changes in equity, while all changes in equity that are unconnected with shareholders in their capacity as shareholders are processed in the consolidated statement of comprehensive income. This presentation has been applied to the 2009 financial statements.

The comparative information has been adapted to bring it into line with the revised standard. This change in system affects solely aspects of presentation and the notes, and as such does not impact the profit per share.

### b) IFRS 8 'Operating segments'

IFRS 8 replaces IAS 14 'Segment Reporting'. The application of IFRS 8 does not affect the segment presentation of the Group nor the comparable figures from 2008. Kinopolis is organized on a geographic basis. The various countries form the operating segments.

The operating segments are reported in such a way as to be compatible with the internal reporting to the CEO, who is the highest placed officer of the Group and who takes the main operating decisions.

Segmented results reported to the CEO consist of items that can be directly, or on a reasonable basis, attributed to the segments. Financial and tax results are not allocated to the operating segments.

The main geographic markets are Belgium, France and Spain. The Polish and Swiss activities are combined in the 'Other' geographic sector.

The investment expenditure (capex) for a particular segment consists of all the costs incurred during the reporting period for acquiring tangible fixed assets and intangible assets, with the exception of goodwill.

<b>CONSOLIDATED INCOME STATEMENT</b>		<b>31/12/2009</b>	<b>31/12/2008</b>
<b>in '000 €</b>			
Revenue		231.226	216.877
Cost of sales		-172.008	-163.532
<b>Gross profit</b>		<b>59.219</b>	<b>53.346</b>
<i>Gross profit / Revenue</i>		<i>25,6%</i>	<i>24,6%</i>
Distribution expenses		-11.476	-12.008
Administrative expenses		-14.553	-14.493
Other operating income and expenses		-1.368	1.873
<b>Operating profit before financing costs</b>		<b>31.822</b>	<b>28.718</b>
<i>Operating profit from operations / Revenue</i>		<i>13,8%</i>	<i>13,2%</i>
Finance income		4.699	2.512
Finance expenses		-7.004	-10.902
<b>Profit before tax</b>		<b>29.517</b>	<b>20.328</b>
Income tax expense		-7.340	-5.142
<b>Profit for the period</b>		<b>22.177</b>	<b>15.186</b>
<i>Profit for the period / Revenue</i>		<i>9,6%</i>	<i>7,0%</i>
Profit for the period attributable to equity holders of the company		22.044	15.111
Profit for the period attributable to non-controlling interests		133	74
Earnings per share			
- Basic		3,31	2,22
- Diluted		3,31	2,22

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>		<b>31/12/2009</b>	<b>31/12/2008</b>
<b>in '000 €</b>			
<b>Profit for the period</b>		<b>22.177</b>	<b>15.186</b>
<b>Other comprehensive income</b>			
Foreign currency translation differences		-45	-21
Net change in fair value of derivative financial instruments		63	-3.322
Net change in fair value of available for sale financial assets		0	270
Net change in fair value of available for sale financial assets transferred to profit & loss		-2.070	0
<b>Total other comprehensive income for the period</b>		<b>-2.052</b>	<b>-3.073</b>
<b>Total comprehensive income</b>		<b>20.125</b>	<b>12.113</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the company		19.992	12.038
Non-controlling interests		133	74

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS</b>		<b>31/12/2009</b>	<b>31/12/2008</b>
<b>in '000 €</b>			
Other intangible assets		2.894	2.540
Goodwill		18.761	18.761
Property, plant and equipment		235.586	242.218
Investment property		13.159	14.413
Deferred tax assets		1.545	1.969
Derivative financial instruments		0	
Non-current trade and other receivables		16.179	17.350
Other financial assets		29	2.098
<b>Non-current assets</b>		<b>288.153</b>	<b>299.349</b>
Inventories		2.049	2.272
Trade and other current receivables		22.937	24.945
Current tax asset		154	221
Cash and cash equivalents		20.332	17.288
Derivative financial instruments		0	
<b>Current assets</b>		<b>45.472</b>	<b>44.726</b>
<b>Assets classified as held for sale</b>		<b>9.912</b>	<b>8.309</b>
<b>TOTAL ASSETS</b>		<b>343.537</b>	<b>352.383</b>

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES</b>		<b>31/12/2009</b>	<b>31/12/2008</b>
<b>in '000 €</b>			
Issued capital		48.963	48.963
Share premium		1.154	1.154
Consolidated reserves		82.539	67.394
Translation differences		-1.439	-1.394
<b>Total equity attributable to equity holders of the company</b>		<b>131.217</b>	<b>116.116</b>
<b>Non-controlling interests</b>		<b>1.323</b>	<b>1.190</b>
<b>Equity</b>		<b>132.540</b>	<b>117.306</b>
Interest bearing loans and borrowings		86.000	130.000
Provisions		2.886	1.839
Deferred tax liabilities		14.704	13.869
Derivative financial instruments		3.253	4.217
Trade and other payables		10.911	12.060
<b>Non-current liabilities</b>		<b>117.754</b>	<b>161.985</b>
Bank overdrafts		196	2.280
Interest bearing loans and borrowings		23.500	14.256
Trade and other payables		65.220	52.834
Provisions		86	1.564
Derivative financial instruments		964	61
Current tax liabilities		3.277	2.097
<b>Current liabilities</b>		<b>93.243</b>	<b>73.093</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>343.537</b>	<b>352.383</b>

**Cash flows from operating activities**

Profit before tax	29.517	20.328
<u>Adjustments for:</u>		
Depreciation and amortization	24.785	23.813
Provisions	1.059	-45
Government grants	-1.138	-1.284
(Gains) losses on sale of property, plant and equipment	-7	-169
(Gains) losses on realisation of other financial assets	-3.000	0
Change in fair value of derivative financial instruments and unrealised foreign exchange results	-235	-987
Unwinding of long term receivables	-926	-989
Share based payments	503	589
Interest expense	5.437	7.616
<b>Cash generated from operations</b>	<b>55.995</b>	<b>48.872</b>
Movement inventories, trade receivables and payables	3.022	-3.279
Movement in other receivables and payables	12.105	-2
Cash from operations before interests and taxes	71.122	45.591
Income taxes paid / received	-4.866	-5.582
<b>Net cash from operating activities</b>	<b>66.256</b>	<b>40.009</b>

**Cash flows from investing activities**

Acquisition of other intangible assets	-1.803	-1.510
Acquisition of property, plant and equipment and investment property	-16.977	-12.662
Proceeds from sale of other intangible assets	0	0
Proceeds from sale of property, plant and equipment	120	381
Proceeds from sales of other financial assets	3.000	0
<b>Net cash used in investing activities</b>	<b>-15.660</b>	<b>-13.791</b>

**Cash flows from financing activities**

Proceeds from issue of share capital	0	0
New loans	9.500	5.000
Repayment of borrowings	-44.256	-15.803
Interest paid	-5.535	-7.952
Interest received	166	337
Repurchase of own shares	-997	-4.465
Dividends paid	-4.397	-4.485
<b>Net cash used in financing activities</b>	<b>-45.519</b>	<b>-27.368</b>

**Net cash flow****5.076**      **-1.150****Cash and cash equivalents**

Cash and cash equivalents at beginning of the period	15.057	16.240
Cash and cash equivalents at end of the period	20.136	15.057
Effect of exchange rate fluctuations on cash held	3	-33
<b>Net cash flow</b>	<b>5.076</b>	<b>-1.150</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in '000 €)	Issued capital	Issued premium	Translation reserve	Hedging reserves	Fair value reserve	Retained earnings	Reserve for own shares	Share based payment reserve	Equity	Non- controlling Interests	Total Equity
									attributable to equity holders of the company		
<b>Situation 31 December 2008</b>	<b>48.963</b>	<b>1.154</b>	<b>-1.394</b>	<b>-2.866</b>	<b>2070</b>	<b>73.577</b>	<b>-5.976</b>	<b>589</b>	<b>116.116</b>	<b>1.190</b>	<b>117.306</b>
<b><i>Total comprehensive income</i></b>											
Profit for the period						22.044			22.044	133	22.177
<b><u>Other comprehensive income</u></b>											
Translation differences			-45						-45		-45
Net change in fair value of financial derivative instruments				63					63		63
Net change in fair value of available for sale financial assets transferred to profit & loss					-2.070				-2.070		-2.070
Total other comprehensive income	0	0	-45	63	-2.070	0	0	0	-2.052	0	-2.052
Total comprehensive income	0	0	0	0	0	22.044	0	0	19.992	133	20.125
<b><i>Transactions with owners, recorded directly in equity</i></b>											
Dividends paid						-4.397			-4397		-4.397
Share based payments transactions								503	503		503
Purchase/Sale equity shares							-998		-998		-998
Total transactions with owners recorded directly in equity	0	0	0	0	0	-4.397	-998	503	-4.892	0	-4.892
<b>Situation 31 December 2009</b>	<b>48.963</b>	<b>1.154</b>	<b>-1.439</b>	<b>-2.803</b>	<b>0</b>	<b>91.224</b>	<b>-6.974</b>	<b>1.092</b>	<b>131.216</b>	<b>1.323</b>	<b>132.539</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in '000 €)	Issued capital	Issued premium	Translation reserve	Hedging reserves	Fair value reserve	Retained earnings	Reserve for own shares	Share based payment reserve	Equity attributable to equity holders of the company	Non- controlling Interests	Total Equity
<b>Situation 31 December 2007</b>	<b>48.963</b>	<b>1.154</b>	<b>-1.373</b>	<b>456</b>	<b>1800</b>	<b>62.950</b>	<b>-1.511</b>	<b>0</b>	<b>112.438</b>	<b>1.116</b>	<b>113.554</b>
<b><i>Total comprehensive income</i></b>											
Profit for the period						15.111			15.111	74	15.186
<b><u>Other comprehensive income</u></b>											
Translation differences			-21						-21		-21
Net change in fair value of financial derivative instruments				-3.322					-3.322		-3.322
Net change in fair value of available for sale financial assets					270				270		270
Net change in fair value of available for sale financial assets transferred to profit & loss									0		0
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-21</b>	<b>-3.322</b>	<b>270</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3.073</b>	<b>0</b>	<b>-2.064</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15.111</b>	<b>0</b>	<b>0</b>	<b>12.038</b>	<b>74</b>	<b>12.113</b>
<b><i>Transactions with owners, recorded directly in equity</i></b>											
Dividends paid						-4.485			-4.485		-4.485
Share based payments transactions								589	589		589
Purchase/Sale equity shares							-4.465		-4.465		-4.465
<b>Total transactions with owners recorded directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4.485</b>	<b>-4.465</b>	<b>589</b>	<b>-8.361</b>	<b>0</b>	<b>-8.361</b>
<b>Situation 31 December 2008</b>	<b>48.963</b>	<b>1.154</b>	<b>-1.394</b>	<b>-2.866</b>	<b>2.070</b>	<b>73.577</b>	<b>-5.976</b>	<b>589</b>	<b>116.116</b>	<b>1.190</b>	<b>117.306</b>

Operational Segments (in '000 €)	Belgium		France		Spain		Others (PL+SWI)		Not allocated		TOTAL	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Total Segment Revenue	131.291	118.884	61.938	58.113	43.187	41.384	4.427	4.614	0	0	240.843	222.996
Inter-segment Revenue	-9.617	-6.118	0	0	0	0	0	0	0	0	-9.617	-6.118
Revenue	121.674	112.766	61.938	58.113	43.187	41.384	4.427	4.614	0	0	231.226	216.877
<b>Reportable segment profit</b>	<b>10.117</b>	<b>11.530</b>	<b>14.142</b>	<b>9.624</b>	<b>6.748</b>	<b>6.789</b>	<b>815</b>	<b>774</b>	<b>0</b>	<b>0</b>	<b>31.822</b>	<b>28.718</b>
Finance Income									-7.004	-10.902	-7.004	-10.902
Finance Costs									4.699	2.512	4.699	2.512
<b>Profit before tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29.517</b>	<b>20.328</b>
Taxes									-7.340	-5.142	-7.340	-5.142
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22.177</b>	<b>15.186</b>
<b>Reportable Segment Assets</b>	<b>126.082</b>	<b>126.894</b>	<b>102.432</b>	<b>105.532</b>	<b>53.055</b>	<b>55.256</b>	<b>26.858</b>	<b>28.667</b>	<b>35.109</b>	<b>36.034</b>	<b>343.537</b>	<b>352.383</b>
<b>Reportable Segment Capex</b>	<b>10.890</b>	<b>7.583</b>	<b>5.015</b>	<b>4.154</b>	<b>2.685</b>	<b>2.288</b>	<b>190</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>18.780</b>	<b>14.172</b>