



Kinopolis Group

Annual results 2016

Regulatory release - 17 February 2017

In 2016 Kinopolis posted 7.7% higher revenue with 7.5% more visitors and continued to successfully implement its expansion strategy

2016 was an exceptional year of expansion for Kinopolis, with the opening of five new build cinemas in the Netherlands, Spain and France, and the successful integration of acquired cinemas. In spite of the less strong film offer, the European football championship and fewer holidays in 2016, the Group posted solid results, with a rise in REBITDA per visitor in virtually all countries.

Key figures 2016 vs. 2015¹ :

- ★ A 7.5% rise in visitor numbers to 23.8 million, due to the expansion of the Group.
- ★ Total revenue increased by 7.7% to € 324.9 million, due to the rise in visitor numbers, higher sales per visitor and increased B2B and real estate revenue.
- ★ Current² EBITDA³ (REBITDA) rose by 4.0% to € 94.6 million. REBITDA per visitor increased in all countries except for France.
- ★ Current profit decreased by 6.5% to € 40.4 million due to higher depreciations as a consequence of the expansion and a higher effective tax rate. Profit increased by 47.7% to € 47.6 million due to revenue from the sale of Utopolis and one-off tax expenses in 2015. Earnings per share were € 1.75.
- ★ The net financial debt rose by only 4.8% to € 169.8 million in spite of heavy investments in expansion, which amounted to € 71.7 million for, among other things, the construction of the five new complexes, partly offset by the revenue from the sale of Utopolis Belgium, amounting to € 34.99 million.
- ★ Free cash flow⁴ decreased by 18.8% to € 53.6 million due to higher interest and tax payments.
- ★ The proposed dividend per share is € 0.87, a rise of 10.1%, on the basis of a 50% pay-out ratio and the number of shares entitled to dividend on 17 February 2017.

Kinopolis welcomed 7.5% more visitors in 2016 compared with the previous year, primarily due to acquisitions in 2015 that were included in the figures for the whole year for the first time, the acquisition of a cinema in Rouen (France) in January 2016 and newly opened cinemas in the Netherlands (Dordrecht, Breda, Utrecht), Spain (Granada) and France (Fenouillet). The film offer in 2016 was unable to match an exceptional 2015, which included 'Star Wars: The Force Awakens', 'Minions' and 'Jurassic World', and local content also disappointed in most countries, except for France, due to the success of 'Les Tuche 2'. The later Christmas holiday and the European football championship also played a role in the lower visitor numbers.

¹ All comparisons are made with the 2015 figures.

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.

⁴ Kinopolis Group defines the free cash flow as the cash flow generated from operating profits less the investments in intangible assets and property, plant and equipment and investment property, and paid interest charges.



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At 7.7%, total revenue increased faster than visitor numbers, thanks to the rise in revenue across all activities. Only Brightfish generated less revenue. Sales of beverages and snacks (In-theatre sales) rose by 9.6%, in spite of the negative impact of the country mix due to the lower share of Belgium. More products were bought per person in all countries and there was a relative increase in the number of shop visitors in Belgium and the Netherlands. At 7.3%, revenue from ticket sales (Box Office) rose a little less sharply than visitor numbers, primarily due to the changed country mix and the loss of part of the Virtual Print Fee (VPF).

B2B revenue (+9.5%) increased due to the expansion, higher sales of cinema vouchers to businesses and higher revenue from screen advertising in all countries except for Belgium, where the national advertising market declined further. Revenue from real estate activities also rose (+11.9%⁵), primarily due to higher revenue from concessions operated by the company, a higher occupancy rate and the impact of the expansion. After a less positive 2015, Kinopolis Film Distribution (KFD) experienced an outstanding 2016 (+38.0%), primarily due to successful local releases such as 'Safety First' and 'Achter de Wolken' in the spring and 'De Premier' and 'De Buurtpolitie' in the autumn. The revenue of Brightfish fell by 12.8%, as a consequence of the further drop in revenue from Belgian screen advertising.

Current EBITDA rose less strongly, by 4.0% to € 94.6 million, primarily due to the changed country mix, the ongoing process of integrating acquired cinemas and the acquisition of Utopolis with partly leased complexes. REBITDA per visitor increased in all countries except for France.

Talking about the 2016 results, Eddy Duquenne, CEO of Kinopolis Group, said: "2016 was a tough film year, but a successful year for Kinopolis. In spite of the rather weak film offer and external factors, such as fewer holidays in 2016 and the European football championship, we have posted solid results. The commercial and operational efficiency of our existing activities continues to improve. We also took some big steps in the ongoing implementation of our expansion strategy in 2016. We acquired a cinema in Rouen, opened no fewer than five new build projects and converted various acquired cinemas to the Kinopolis concept. This was all achieved against the backdrop of an ongoing integration of acquired complexes."

⁵ At constant exchange rates.



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Key figures

In million €	2016	2015	% difference
Visitors ('000)	23,818	22,149	7.5%
Revenue	324.9	301.6	7.7%
EBITDA	91.7	88.7	3.3%
Current EBITDA (REBITDA)	94.6	91.0	4.0%
<i>REBITDA margin</i>	29.1%	30.2%	-110 bps
EBIT	63.2	65.2	-3.1%
Current EBIT (REBIT)	66.7	67.6	-1.4%
<i>REBIT margin</i>	20.5%	22.4%	-190 bps
Profit	47.6	32.3	47.7%
Current profit	40.4	43.2	-6.5%
Earnings per share (in €)	1.75	1.20	47.1%
Free cash flow	53.6	66.0	-18.8%

In million €	31 Dec 2016	31 Dec 2015	% difference
Total assets	503.4	490.7	2.6%
Equity	149.9	123.0	21.8%
Net financial debt (NFD)	169.8	162.0	4.8%

Notes

Revenue

Total revenue in 2016 was € 324.9 million, an increase of 7.7% compared with 2015. Revenue rose more strongly than visitor numbers (+7.5%), due to the slightly higher revenue per visitor and the rise in revenue from B2B activities (+9.5%), real estate (+11.9%⁶) and KFD (+38.0%), partly offset by the disappointing revenue of Brightfish (-12.8%).

Revenue from ticket sales (box office, BO) increased by 7.3%, while revenue from food and beverages (in-theatre sales; ITS) increased by 9.6%. BO revenue per visitor fell by -0.2% due to the changed country mix and the loss of part of the VPF revenue. ITS revenue per visitor rose by 1.9%.

⁶ At constant exchange rates.

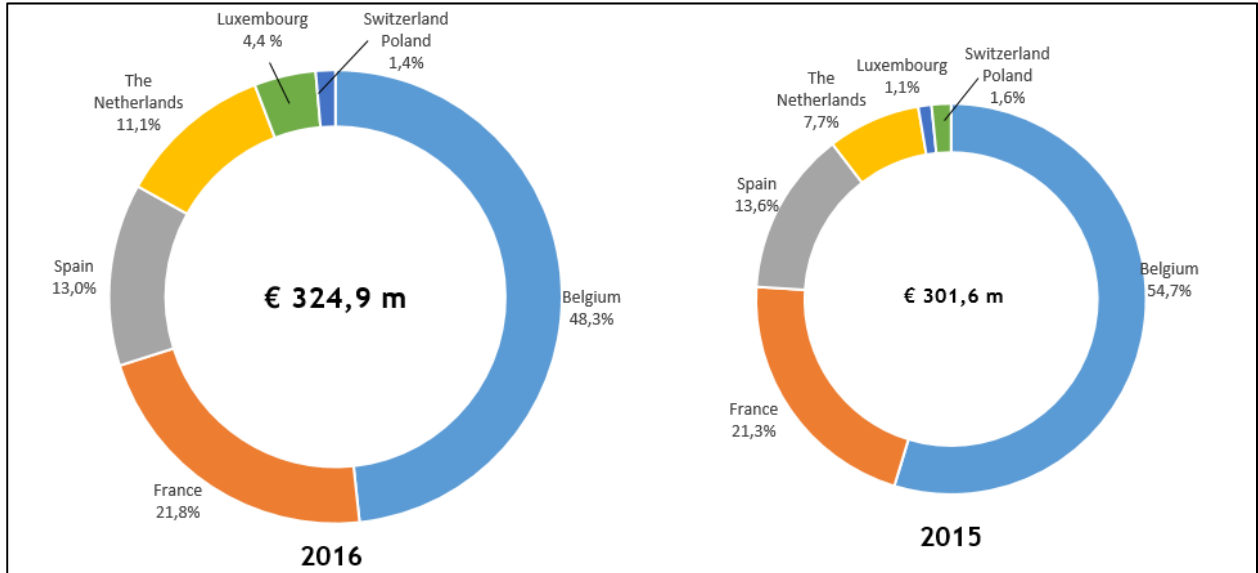


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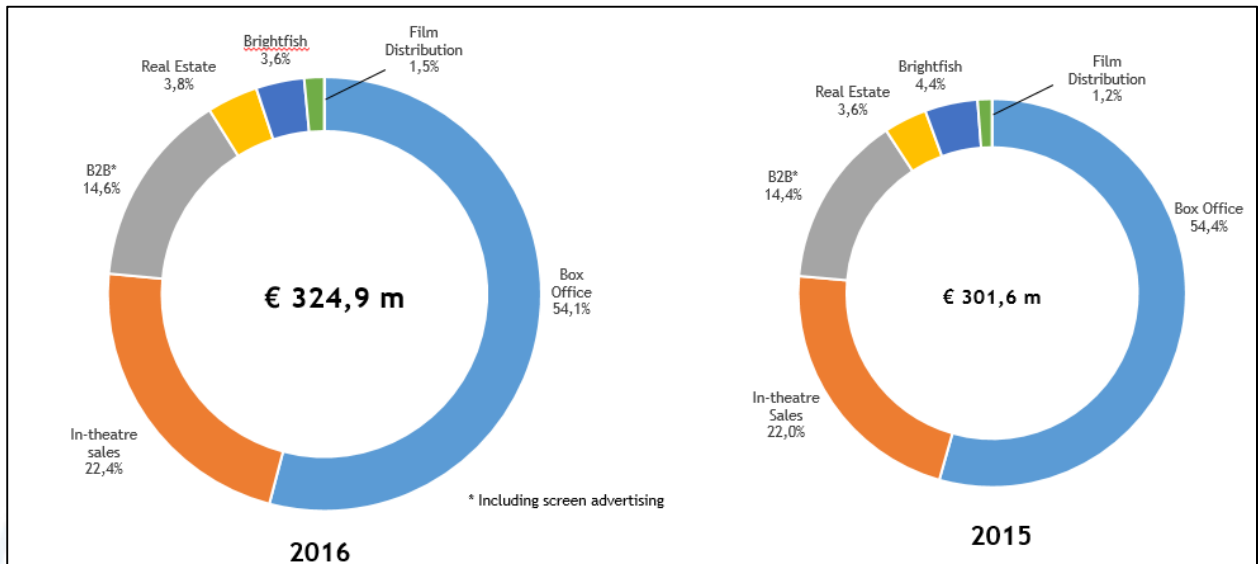
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Revenue by country



Revenue by activity





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Box Office revenue rose by 7.3% to € 175.6 million, growing less strongly than visitor numbers, primarily due to the changed country mix after expansion, with a lower share for Belgium, and the loss of part of the VPF.

The increase in the visitor numbers (+7.5%) was entirely due to the expansion.

The top 5 of 2016 were 'Finding Dory', 'Fantastic Beasts and Where to Find Them', 'The Jungle Book', 'The Revenant' and 'Rogue One: A Star Wars Story'. The most successful local films were 'Safety First' and 'De Premier' in Belgium, 'Les Tuche 2' and 'Radin' in France, 'Soof 2' and 'Rokjesdag' in the Netherlands and 'A Monster Calls' and 'Palmeras en la Nieve' in Spain.

Visitors (in millions)	Belgium	France	Spain	Netherlands	Luxembourg	Switzerland	Total
Number of cinemas*	11	11	6	15	3	1	47
2016	8.4	7	4.4	2.8	1.1	0.1	23.8
2015	9.2	6.4	4.4	1.7	0.3	0.1	22.1
2016 vs 2015	-8.2%	+9.3%	+1.0%	+56.9%	+309.3%	-10.0%	+7.5%

(*) Operated by Kinopolis. Another two cinemas (in Belgium and Poland) are leased to third parties.

In-theatre sales increased by 9.6% due to the higher visitor numbers and the stronger ITS revenue per visitor (+1.9%). Next to the positive impact of price optimizations, there was a rise in the number of products bought per visitor in all countries and a relative increase in the number of shop visitors in Belgium and the Netherlands. The rise was tempered by the lower share of Belgium and the higher share of France in the country mix. The Netherlands posted a slight fall due to the addition of Utopolis and ITS revenue per visitor also fell in France due to the integration of the acquired cinemas in Longwy and Rouen.

B2B revenue rose by 9.5% due to the expansion, increased sales of cinema vouchers to businesses and a rise in the revenue from screen advertising (+9.2%). Screen advertising posted growth in all countries, due among other things to the expansion, except in Belgium where revenue from screen advertising fell sharply.

Real estate revenue rose by 11.9%⁷ thanks to higher revenue from concessions operated by the company, a higher occupancy rate, a higher variable rent in Poland and, lastly, the expansion, particularly because of the addition of Utopolis.

The revenue of **Kinopolis Film Distribution (KFD)** rose by 38,0% thanks to a good first quarter, which included 'Safety First' and 'Achter de Wolken', a strong autumn thanks to the local hits 'De Premier' and 'De Buurtpolitie', and the success of 'Bad Moms' and 'Mechanic 2: Resurrection'.

Brightfish generated 12.8% less revenue, primarily due to the further reduction in revenue from national screen advertising in Belgium, as a consequence of the European football championship and

⁷ At constant exchange rates.



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continued strong competition from TV and online advertising. The number of advertisers rose slightly, but the budget per campaign declined.

REBITDA

Current EBITDA (REBITDA) rose by 4.0% to € 94.6 million and the REBITDA margin decreased from 30.2% to 29.1%. The changed country mix, with a lower share for Belgium, the ongoing process of integrating acquired cinemas and higher costs related to organizational changes due to the expansion meant that it grew less strongly than the visitor numbers.

REBITDA per visitor fell by 3.3% to € 3.97, due to the changed country mix and the addition of Luxembourg. REBITDA per visitor rose in all other countries except in France, due to the addition of acquired cinemas in Rouen and Longwy.

Profit for the period

Current profit in 2016 was € 40.4 million, a fall of 6.5% compared with 2015 (€ 43.2 million), due to higher depreciations as a consequence of the expansion and a higher effective tax rate.

Total profit was € 47.6 million, compared with € 32.3 million in 2015, an increase of 47.7%, due to the one-off provision in 2015 in response to the decision of the European Commission on the Belgian Excess Profit Ruling (EPR) and the one-off book profit on the sale of Utopolis Belgium.

The biggest non-current items in 2016 were the result from the sale of Utopolis België NV (€ 8.7 million), the impact of the change in the corporate tax rate in France on deferred tax (€ 1.0 million) and transformation and expansion costs (€ -2.0 million). The income tax expenses on these non-current items were € 1.0 million.

The biggest non-current items in 2015 were the EPR provision (€ -9.4 million), transformation and expansion costs (€ -1.8 million) and a number of other costs (€ -0.6 million). The income tax expenses on these non-current items were € 0.8 million.

The net financial expenses decreased by € 0.1 million or 1.7% to € 7.6 million.

The effective tax rate was 29.9% compared with 27.6% in 2015, primarily due to the withdrawal of the excess profit ruling, offset by the adjustment of the deferred tax liability (DTL) due to the fall in corporate income tax in France as of 2019.

The profit per share was € 1.75, which is 47.1% higher than in 2015.

Free cash flow and net financial debt

The free cash flow was € 53.6 million compared to € 66.0 million in 2015.

The lower free cash flow was due to a higher tax bill (€ -10.7 million), a higher interest payment (€ -3.0 million) and more maintenance investments (€ -1.5 million), slightly offset by a positive working capital effect due to the growth of the company.



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The free cash flow after expansion investments, dividends and share buybacks was € -7.4 million, € 28.6 million lower than the year before, due to € 1.5 million less dividend payments, € 10.7 million less in investments in internal expansion and acquisitions, € 35.1 million more in assets sales, partly offset by € 6.4 million less in share buybacks and € 3.0 million more in paid interest.

In 2016, € 84.5 million was invested in the purchase of fixed assets, primarily as a consequence of the construction of the new complexes in the Netherlands, France and Spain and maintenance and remodelling investments.

Net financial debt was € 169.8 million at 31 December 2016, an increase of only 4.8% compared with the end of 2015 (€ 162.0 million), in spite of the investments in expansion and maintenance. The NFS/REBITDA ratio remained stable at 1.8 at 31 December 2016.

The total gross financial debt decreased by € 8.5 million to € 214.3 million at 31 December 2016 compared to € 222.8 million at 31 December 2015.

Balance sheet

Fixed assets (€ 424.1 million) represented 84.2% of the balance sheet total at 31 December 2016 (€ 503.4 million). This includes land and buildings (including investment property) with a carrying amount of € 292.6 million.

Equity was € 149.9 million at 31 December 2016. Solvency was 29.8%, compared with 25.1% in 2015.

Dividend of € 0.87 per share

The Board of Directors will propose to the General Meeting of 10 May 2017 application of a pay-out ratio of 50% of net current profit, resulting in an amount of € 23,692,580. Taking into account the number of shares entitled to dividend on 17 February 2017, which is 27,232,851, this means a gross dividend of € 0.87 per share for the financial year 2016. This represents an increase of 10.1% compared to 2015 (€ 0.79 per share). The dividend will be made available from 16 May 2017 (ex-date: 12 May 2017, record date: 15 May 2017).



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Important events in 2016

Takeover of the operation of the cinema in the Rouen Saint-Sever shopping centre

On 13 January 2016 Kinopolis took over the operation of the cinema located in the Saint-Sever shopping centre in the heart of Rouen (Normandy, France). The cinema, previously operated by UGC, has 14 screens and 2,500 seats and welcomed more than 400,000 visitors in 2015. It is the first Kinopolis cinema in Normandy.

Remodelling of the former Wolff cinemas in Enschede and Groningen

After a thorough renovation, the former Wolff cinemas in Enschede and Groningen (the Netherlands) were reopened as 'Kinopolis' cinemas. Both were equipped with the characteristic self-service shop, automatic ticketing machines and the interior was thoroughly renewed. Kinopolis Enschede (re)opened its doors on 29 January 2016 as the first Dutch cinema under the Kinopolis name. Kinopolis Groningen followed on 18 March 2016.

Opening of Kinopolis Dordrecht

The first new-build Kinopolis cinema in the Netherlands was officially opened on 17 February 2016. It was the first new-build cinema in nine years for Kinopolis Group. Accommodating six screens and almost 1,200 seats, Kinopolis Dordrecht stands out by its unusual architectural style and location alongside the water.

Remodelling of Kinopolis Bourgoin-Jallieu

Like the former Wolff cinemas in Enschede and Groningen, the cinema in Bourgoin-Jallieu (France), which was also acquired in 2015, was converted to the Kinopolis concept. The former 'Mégaroyal' was reopened as Kinopolis Bourgoin-Jallieu on 24 March 2016.

Construction started on first Kinopolis cinema in Île-de-France region

The first stone of the 'Les Promenades de Brétigny' retail park in Brétigny-sur-Orge, 35 kilometres south of Paris, was laid on 3 June 2016. This new leisure and restaurant complex will house the first Kinopolis cinema in the Île-de-France region. The cinema will have ten screens and 1,530 seats. Some 500,000 visitors per year are expected. Kinopolis will lease a wind-tight building with a gross leasable area of 6,500 m² from Immochan. Kinopolis will take care of all cinema interiors and finishing. The cinema is scheduled to open in the third quarter of 2018.

Opening of Kinopolis Breda, Europe's first all-laser cinema

Kinopolis Breda (the Netherlands) opened to the general public on 1 August 2016. The cinema has 10 screens and 1,727 seats and is part of the 'Breepark' event area. Kinopolis targets 450,000 visitors per year in Breda. Kinopolis Breda was the first cinema in Europe to be exclusively equipped with laser projectors. One Barco Flagship laser projector and nine Barco laser phosphor projectors ensure superior quality in every theatre. In the 'Laser ULTRA' theatre, Barco's flagship laser projector is combined with the immersive Dolby Atmos sound system.

Kinopolis sells Belgian Utopolis cinemas and completes acquisition of the Utopolis group

On 30 September 2016, Kinopolis Group sold the four Belgian Utopolis cinemas in Aarschot, Lommel, Mechelen, and Turnhout to the French group UGC.

On 9 November 2015, Kinopolis Group reached an agreement with the shareholders of Utopia SA for the takeover of the Utopolis group for a total takeover sum of 66 million euros in terms of enterprise value. The takeover included five cinemas in the Netherlands (Almere, Den Helder, Oss, Zoetermeer, and Emmen), three in the Grand Duchy of Luxembourg (two in Luxembourg City and one in Esch-sur-Alzette),



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one in France (Longwy), and four in Belgium. The takeover of the cinemas in Belgium remained subject to the approval of the Belgian Competition Authority (BCA). On 25 March 2016, the BCA approved the acquisition of the Belgian Utopolis cinemas on the condition that the complexes in Mechelen and Aarschot were resold with a view to their further exploitation. Following this decision, on 14 April 2016, Kinopolis Group took over the Belgian Utopolis cinemas, which, since then, have continued to operate in accordance with the conditions imposed by the BCA. Kinopolis then opted to sell all Belgian Utopolis activities to UGC for an enterprise value of 36.2 million euros.

With the sale of the four Belgian Utopolis cinemas, Kinopolis Group has completed the takeover process of the Utopolis group (Utopia SA).

Opening Kinopolis Nevada

On 23 November 2016 Kinopolis opened a cinema in the brand-new 'Nevada' shopping centre in Armilla, in the southwest of Granada. The cinema has eight screens, all equipped with laser projectors, and 1,693 seats. It is Spain's first all-laser cinema and it targets 400,000 visitors per year. Kinopolis already has a cinema with 15 screens and 4,600 seats in Granada. This brand-new second complex will enable Kinopolis to strengthen its position in the region and offer the unique Kinopolis cinema experience to an even wider audience.

Opening first six halls Kinopolis Jaarbeurs

Kinopolis Jaarbeurs (Utrecht, the Netherlands) opened six halls on 14 December 2016. The opening was a partial opening; the rest of the 14 halls will open in early March. With 14 screens and 3,200 seats, Kinopolis Jaarbeurs is the biggest cinema in Utrecht and one of the biggest in the Netherlands. All cinema rooms have laser projection, ensuring razor-sharp image quality in every room. Kinopolis Jaarbeurs is the second all-laser cinema in the Netherlands, after Kinopolis Breda. For visitors looking for an even more intense movie experience there is also a 'Laser ULTRA' theatre.

Reopening IMAX theatre in Brussels

On 14 December 2016 Kinopolis opened a 400-seat IMAX theatre with 4K laser projection in Kinopolis Brussels. IMAX with laser offers film lovers in Brussels the sharpest, clearest and most lifelike digital images on a screen of 532 m², combined with an unparalleled immersive audio experience. The opening coincided with the release of 'Rogue One: A Star Wars Story', the first film that has been shown there. Kinopolis is convinced that IMAX next-generation laser projection, combined with blockbusters adapted to the IMAX format, provides Belgian film lovers with an additional, exclusive movie experience.

Opening Kinopolis Fenouillet

On 16 December 2016 Kinopolis also opened Kinopolis Fenouillet, near Toulouse. The eight-screen, 1,100-seat cinema is part of 'La Galerie Espaces Fenouillet', the new shopping and recreation centre in the north of Toulouse. The cinema in Fenouillet is the first in France to be fully equipped with laser projectors. It also has a 'Laser ULTRA' screen, providing an even more intense film experience.

Kinopolis builds new cinema in 's-Hertogenbosch

Kinopolis has obtained all necessary permits to begin construction of a new cinema in 's-Hertogenbosch (Netherlands). The cinema will be built in the Paleiskwartier district and will have seven screens, with around 1,000 seats in total. The Paleiskwartier is an inner-city district currently under development next to 's-Hertogenbosch central train station. The cinema will be nestled among offices, apartments, a supermarket and a restaurant. Kinopolis targets 350,000 visitors per year in 's-Hertogenbosch. Construction will begin this month and the cinema is set to open in the first quarter of 2018. It will be the second Kinopolis cinema in the province of North Brabant, after Kinopolis Breda.



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Roll-out of new ERP system Vista

In 2016 Kinopolis continued to roll out its new cinema ERP system, known as Vista, in virtually all of its complexes. Vista is the software package behind all important operational processes, from film description to popcorn sales. The new system offers uniformity and enables the central management of data, which is important in the light of the current and future growth of the Group. Vista is currently operational in all Kinopolis cinemas except the former Utopolis complexes in the Netherlands and Luxembourg. The new ERP system will also be operational in these complexes by April 2017.

Roll-out of Cosy Seating

The Cosy Seating concept has been warmly welcomed by customers and in 2016 Kinopolis equipped more cinemas with 'Cosy Seats' in Belgium (Rocourt, Bruges, Brussels, Braine-l'Alleud), France (Lomme, Thionville, Metz, Nancy, Nîmes) and the Netherlands (Breda). These seats offer even greater comfort and convenience, with extra wide armrests, a handy table for drinks and snacks and a coat hanger. Visitors can choose 'Cosy Seats' for a supplement on the normal ticket price.

Launch of the 'Meet me at Kinopolis' app

In February 2016 Kinopolis launched the 'Meet me at Kinopolis' app in Belgium. This mobile app enables like-minded people, based on their personal film preferences, to find each other to go to the movies together. Going to the cinema is a social experience: research shows that the lack of company is the main reason for not going to the cinema more often. With this app Kinopolis helps users, in three simple steps, to find someone to go to the movies at a Kinopolis cinema. After a successful Belgian introduction the app has also been launched in Spain in June 2016.

New Kinopolis website and mobile apps

Kinopolis launched a new website in Belgium, France, Spain, the Netherlands and Switzerland at the beginning of July 2016. The new website has been given an updated look and a responsive design for smartphones and tablets, while also taking more account of the diversity of the Kinopolis offering. The various aspects of the My Kinopolis profile are also integrated better to maximally personalise the web experience.

In the wake of the website, the new Kinopolis apps for Android and iOS users were released at the end of January 2017. The apps have a revamped user-friendly design, ensuring a more personalised experience, just like the website. For the first time, tickets are now delivered direct in the app, through the user's 'My Kinopolis' account. The ticket in the app contains a barcode that can be conveniently scanned at the cinema. Select the film and the cinema, pay and receive the ticket: that is now all possible with a few taps in the Kinopolis app.

Sushicque opening in Alicante

'Sushicque' opened its doors at Kinopolis Alicante (Spain) on 3 October 2016. Sushicque is a sushi bar concept developed and operated by Kinopolis. The Sushicque concept will also be introduced at Kinopolis Madrid (Ciudad de la Imagen) in the very near future. Sushicque is the first project from the Kinopolis Innovation Lab, which challenges employees to submit and develop innovative ideas.

Biggest Belgian film première at Kinopolis Antwerp

Kinopolis Antwerp hosted the première of 'De Premier' on Wednesday 19 October 2016. It was the first time that an entire Kinopolis cinema was devoted to a single Flemish film. Almost 8,000 film-lovers watched Erik Van Looy's new film across 24 screens, on the same night. A 270m² red carpet, the longest ever seen at a Belgian film première, was rolled out especially for the event. 'De Premier', distributed by Kinopolis Film Distribution, went on to sell 400,000 tickets.



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Excess Profit Ruling (EPR)

On 11 January 2016, The European Commission published a decision that a purported regime of Belgian tax rulings with regard to 'Excess Profit' should be considered as illegal state aid. The European Commission's decision requires the Belgian government to assess back taxes from companies that received a tax ruling as if such a ruling did not exist. On 22 March 2016, the Belgian government appealed against the European Commission's decision before the European General Court. The appeal has no suspensive effect.

The Belgian tax authority has granted such a tax ruling to Kinopolis Group in 2012. As a result of the European Commission's decision, Kinopolis has recorded a provision of € 9.4 million, in compliance with IAS 12, to cover the potential assessment of taxes on the excess profits that, following the ruling, were not taken into account in the taxable base. The amount fully covers the potential liability, including interest charges. In June 2016, the Belgian government issued several communications, which provide information on the methodology that should be used to determine the amount of the taxes to be recovered. The € 9.4 million EPR provision complies with the methodology communicated.

Disputed assessments were established for the financial years 2012, 2013 and 2014 and these have been paid. A final assessment has not yet been established for the financial year 2015.

On 1 July 2016 Kinopolis Group, together with the other companies involved, appealed against the decision of the European Commission at the European Court of Justice. If the appeal of Kinopolis Group is successful, all paid amounts will be refunded to Kinopolis. The final judgment of the European Court of Justice is not expected for a few years.

2017 line-up

Current hits are 'La La Land', 'Sing', 'Fifty Shades Darker' and 'The LEGO Batman movie'. The following hits in the making are programmed in 2017: 'Logan', 'Kong: Skull Island', 'Beauty and the Beast', 'Smurfs: The Lost Village', 'The Fate of the Furious', 'Pirates of the Caribbean: Dead Men Tell No Tales', 'The Mummy', 'Cars 3' and 'Dunkirk'. The programme is enriched with many local films too, including 'Raid Dingue' in Belgium and France, 'Dode Hoek' and 'FC De Kampioenen 3' in Flanders, 'Boule & Bill 2' in France, 'Contratiempo' and 'Plan de Fuga' in Spain and 'Onze Jongens' in the Netherlands. Live opera, ballet and theatre are complemented with art ('Exhibition on Screen') and concerts.

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 this announcement.



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Financial calendar

Wednesday 10 May 2017
Wednesday 10 May 2017
Tuesday 16 May 2016
Thursday 24 August 2017
Thursday 16 November 2017

Business update first quarter 2017
General meeting
Dividend payment
H1 2017 results
Business update third quarter 2017

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About Kinopolis

Kinopolis Group NV was formed in 1997 as a result of the merger of two family cinema groups and was listed on the stock exchange in 1998. Kinopolis offers an innovative cinema concept which serves as a pioneering model within the industry. Kinopolis Group NV has 49 cinemas spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. In addition to its cinema business, the Group is also active in film distribution, event organization, screen publicity and property management. 2,300 employees are committed each day to providing millions of cinema visitors an unforgettable movie experience.

CONSOLIDATED INCOME STATEMENT
IN '000 €

31/12/2016

31/12/2015

Revenue	324 938	301 571
Cost of sales	-224 729	-201 993
Gross profit	100 209	99 578
<i>Gross profit / Revenue</i>	30,8%	33,0%
Marketing and selling expenses	-18 620	-17 538
Administrative expenses	-19 059	-17 716
Other operating income	981	1 177
Other operating expenses	- 304	- 256
Operating profit	63 207	65 245
<i>Operating profit / Revenue</i>	19,5%	21,6%
Finance income	866	1 140
Finance expenses	-8 485	-8 894
Profit before tax	55 588	57 491
Belgian Excess Profit Ruling (EPR) tax		-9 355
Income tax expenses	-16 622	-15 881
Profit for the period from continuing operations	38 966	32 255
Profit from discontinued operations, net of income tax	8 680	
Profit for the period	47 646	32 255
<i>Profit for the period / Revenue</i>	14,7%	10,7%
Attributable to:		
Owners of the Company	47 646	32 255
Profit for the period	47 646	32 255
Basic earnings per share from continued operations (€)	1,43	1,20
Basic earnings per share from discontinued operations (€)	0,32	
Basic earnings per share (€)	1,75	1,20
Diluted earnings per share from continued operations (€)	1,43	1,19
Diluted earnings per share from discontinued operations (€)	0,32	
Diluted earnings per share (€)	1,75	1,19

INCOME	31/12/2016	31/12/2015
in '000 €		

Profit for the period	47 646	32 255
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Items that are or may be reclassified to profit or loss:

Translation differences	- 277	884
Cash flow hedges - effective portion of changes in fair value	- 334	64
Remeasurements of defined benefit liability (asset)	- 541	
Cash flow hedges - net change in the fair value reclassified to profit or loss	- 63	- 29
Taxes on other comprehensive income	319	- 12
Other comprehensive income for the period, net of tax	- 896	907

Total comprehensive income for the period	46 750	33 162
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Attributable to:

Owners of the Company	46 750	33 162
Total comprehensive income for the period	46 750	33 162

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS		31/12/2016	31/12/2015
in '000 €			
Intangible assets		5 900	5 111
Goodwill		53 255	53 256
Property, plant and equipment		321 457	289 201
Investment property		31 007	31 965
Deferred tax assets		902	670
Other receivables		11 574	11 845
Other financial assets		27	27
Non-current assets		424 122	392 075
Inventories		5 292	4 694
Trade and other receivables		29 370	32 992
Current tax assets		418	442
Cash and cash equivalents		44 244	60 432
Derivative financial instruments			64
Current assets		79 324	98 624
TOTAL ASSETS		503 446	490 699

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES		31/12/2016	31/12/2015
in '000 €			
Share capital		18 952	18 952
Share premium		1 154	1 154
Consolidated reserves		130 863	103 721
Translation reserve		-1 071	- 794
Total equity attributable to owners of the Company		149 898	123 033
Equity		149 898	123 033
Loans and borrowings		207 278	214 000
Provision for employee benefits		544	
Provisions		6 664	7 161
Deferred tax liabilities		18 324	19 868
Derivative financial instruments		333	
Other payables		9 174	10 124
Non-current liabilities		242 317	251 153
Bank overdrafts		34	44
Loans and borrowings		6 996	8 714
Trade and other payables		90 653	86 966
Provisions		1 366	753
Current tax liabilities		12 182	20 036
Current liabilities		111 231	116 513
TOTAL EQUITY AND LIABILITIES		503 446	490 699

CONSOLIDATED STATEMENT OF CASH FLOWS
IN '000 €

31/12/2016

31/12/2015

Profit before tax	55 589	57 491
Adjustments for:		
Depreciations and amortization	27 621	23 572
Provisions and impairments	269	- 260
Government grants	-1 031	- 791
(Gains) Losses on sale of fixed assets	102	201
Change in fair value of derivative financial instruments and unrealised foreign exchange results		164
Unwinding of non-current receivables	- 584	- 609
Share-based payments	84	259
Amortization of transaction costs refinancing	320	287
Interest expense and income	6 813	6 703
Change in inventory	- 598	- 853
Change in trade receivables and other assets	4 333	-2 949
Change in trade and other payables	3 053	10 036
Cash from operating activities	95 971	93 251
Income taxes paid	-26 764	-16 059
Net cash from operating activities	69 207	77 192
Acquisition of intangible assets	-1 760	-1 976
Acquisition of property, plant and equipment, investment property	-58 047	-51 646
Acquisition of subsidiaries, net of cash acquired	-24 740	-40 190
Proceeds from sale of intangible and tangible assets	310	179
Sale of businesses net of cash acquired	34 990	
Net cash used in investing activities	-49 247	-93 633
Capital reduction		- 2
New loans and borrowings		136 808
Repayment of loans and borrowings	-8 714	-55 378
Payment of transaction costs with regard to refinancing obligations	- 45	-1 629
Interest paid	-7 473	-4 495
Interest received	59	66
Repurchase and sale of own shares	1 514	7 881
Dividends paid	-21 480	-23 009
Net cash - used in / + from financing activities	-36 139	60 242
+ increase / - decrease in cash and cash equivalents	-16 179	43 801
Cash and cash equivalents at beginning of the period	60 388	16 530
Cash and cash equivalents at end of the period	44 210	60 388
Effect of exchange rate fluctuations on cash and cash equivalents	1	57
+ increase / - decrease in cash and cash equivalents	-16 179	43 801

							2016
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OF THE COMPANY						EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	SHARE-BASED PAYMENTS RESERVE	RETAINED EARNINGS	
At 31 December 2015	20 106	- 794	40	-4 439	247	107 873	123 033
Profit for the period						47 646	47 646
Items that are or may be reclassified to profit or loss:							
Translation reserve		- 277					- 277
Cash flow hedges - effective portion of changes in fair value			- 334				- 334
Remeasurements of defined benefit liability (asset)			- 541				- 541
Cash flow hedges - net change in the fair value reclassified to profit or loss			- 63				- 63
Taxes on other comprehensive income			319				319
Other comprehensive income for the period, net of tax		-277	-619				-896
Total comprehensive income for the period		- 277	- 619			47 646	46 750
Dividends						-21 484	-21 484
Own shares acquired / sold				712		802	1 514
Share-based payment transactions					- 247	332	85
Total transactions with owners, recorded directly in equity				712	- 247	-20 350	-19 885
At 31 December 2016	20 106	-1 071	- 579	-3 727		135 169	149 898

							2015
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OF THE COMPANY						EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	SHARE-BASED PAYMENTS RESERVE	RETAINED EARNINGS	
At 31 December 2014	20 106	-1 678	17	-10 572	2 911	93 948	104 732
Profit for the period						32 255	32 255
Items that are or may be reclassified to profit or loss:							
Translation reserve		884					884
Cash flow hedges - effective portion of changes in fair value			64				64
Cash flow hedges - net change in the fair value reclassified to profit or loss			- 29				- 29
Taxes on other comprehensive income			- 12				- 12
Other comprehensive income for the period, net of tax		884	23				907
Total comprehensive income for the period		884	23			32 255	33 162
Dividends						-23 102	-23 102
Own shares acquired / sold				6 133		1 849	7 982
Share-based payment transactions					-2 664	2 923	259
Total transactions with owners, recorded directly in equity				6 133	-2 664	-18 330	-14 861
At 31 December 2015	20 106	- 794	40	-4 439	247	107 873	123 033

31 december 2016

SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SW)	NOT ALLOCATED	TOTAL
Segment revenue	180 909	71 375	42 732	35 941	14 321	4 721		349 999
Inter-segment revenue	-24 074	- 502	- 387	- 4	- 51	- 43		-25 061
Revenue	156 835	70 873	42 345	35 937	14 270	4 678		324 938
Segment profit	27 987	18 814	8 873	4 672	1 423	1 438		63 207
Finance income							866	866
Finance expenses							-8 485	-8 485
Profit before tax								55.588
Income tax expense							-16 622	-16 622
Profit for the period from continuing operations								38 966
Profit from discontinued operation, net of tax							8.680	8.680
Profit for the period								47 646
Capital expenditure	8 345	11 400	5 636	34 224	104	98		59 807

31 december 2016

SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SW)	NOT ALLOCATED	TOTAL
Total assets	122 088	106 963	62 691	121 365	20 098	24 650	45 591	503 446
Total equity and liabilities	52 385	29 704	8 842	14 143	2 719	608	395 045	503 446

31 december 2015

SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SW)	NOT ALLOCATED	TOTAL
Segment revenue	187 990	65 169	41 579	23 114	3 428	4 937		326 217
Inter-segment revenue	-23 164	- 823	- 546	- 3	- 66	- 44		-24 646
Revenue	164 826	64 346	41 033	23 111	3 362	4 893		301 571
Segment profit	32 936	19 055	7 739	3 712	556	1 247		65 245
Finance income							1 140	1 140
Finance expenses							-8 894	-8 894
Profit before tax								57 491
Income tax expense							-25 236	-25 236
Profit for the period								32 255
Capital expenditure	7 244	1 990	2 876	41 422	3	87		53 622

31 december 2015

SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SW)	NOT ALLOCATED	TOTAL
Total assets	129 525	101 010	59 876	90 617	22 877	25 159	61 635	490 699
Total equity and liabilities	54 087	28 143	7 065	12 211	2 645	853	385 695	490 699

* The other operating segment includes Poland and Switzerland. None of these segments met the quantitative thresholds for reportable segments in 2015 and 2016.