



**KPMG Bedrijfsrevisoren - Réviseurs
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**FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT
ORIGINALLY PREPARED IN DUTCH**

**Statutory auditor's report to the general meeting of shareholders of KINEPOLIS
GROUP NV for the year ended 31 December 2011**

In accordance with legal and statutory requirements, we report to you on the performance of our audit mandate. This report includes our opinion on the financial statements together with the required additional comments and information.

Unqualified audit opinion on the financial statements

We have audited the financial statements of KINEPOLIS GROUP NV for the year ended 31 December 2011, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of € 170.568.333 and a profit for the year of € 8.552.046

The board of directors of the company is responsible for the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also evaluated the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the financial statements, taken as a whole.



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Finally, we have obtained from management and responsible officers of the company the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 December 2011 give a true and fair view of the company's net worth, financial position and results in accordance with the financial reporting framework applicable in Belgium.

Additional comments and information

The preparation of the management report and its content, as well as the Company's compliance with the Company Code and their bylaws are the responsibility of the board of directors.

Our responsibility is to supplement our report with the following additional comments and information, which do not modify our audit opinion on the financial statements:

- The Management report includes the information required by law and is consistent with the financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the company is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in violation of the company's bylaws or the Company Code that we have to report to you. The appropriation of results proposed to the general meeting complies with the legal and statutory provisions.
- In accordance with Article 523 of the Company Code, we are also required to report on the following transactions which have taken place since the last annual general meeting.
 - On 25 March 2011 the Board of Directors has assessed that the qualitative and quantitative criteria for the allocation of the variable allowance and the outperformance bonus for the Executive Management as determined by the Board of Directors and the Nomination and Remuneration Committee in April 2010 have been fulfilled and thus allocates this variable allowance for the amount of € 430.000 and the Outperformance Bonus for the amount of € 231.636.

- On 25 March 2011 the Board of Directors has approved the proposition of the Nomination and Remuneration Committee with respect to the remuneration package of the Executive Management. The remuneration package is fixed for the coming two years.

The remuneration packages for BVBA Eddy Duquenne and Mr. Joost Bert for the period 2011-2012 are determined as follows: a fixed remuneration (of € 360.000 and € 315.000 respectively), a maximum variable 'on target' remuneration (of € 265.000 and € 215.000 respectively) and a maximum 'outperformance bonus' (of € 150.000 and € 75.000 respectively).

- On December 14, 2011 the Board of Directors has deliberated on the acquisition of Brightfish NV. The acquisition by Kinopolis Group NV of all shares of Brightfish NV from Wikingerhof BVBA, a company of which Joost Bert is shareholder, has been executed for the symbolic price of 1 euro.
- On December 14, 2011 the Board of Directors has deliberated on the allocation of a farewell compensation to Pentascoop NV , whose permanent representative is Mrs. Bert. A farewell compensation amounting to € 200.000 has been granted (payable in 2012).

Kontich, 30 March 2012

KPMG Réviseurs d'Entreprises
Statutory auditor
represented by

Sophie Brabants
Réviseur d'Entreprises / Bedrijfsrevisor

SB/11/38