

# SEMESTRIAL FINANCIAL REPORT



30 JUNE 2012





## Kinopolis Group

Half-year financial report 30 June 2012

Press release - Regulatory information

23 August 2012

**Kinopolis generates € 117.3 million revenue and € 14.9 million profit in the first half year**

### The first half year at a glance<sup>1</sup>

- 9.4 million admissions: 2.1% less than the first half of 2011
- Combined 0.7% rise in Box Office revenue<sup>2</sup> and In-theatre Sales (ITS)<sup>3</sup>
- Strong growth in Business-to-Business (B2B) revenue
- Real estate: rental income up
- Positive impact of Brightfish acquisition
- Digitisation complete: Kinopolis 100% digital
- Current<sup>4</sup> EBITDA<sup>5</sup> 6.6% higher than previous year
- Current<sup>4</sup> profit up by 9.6%
- Increase in free cash flow<sup>6</sup> from € 14.2 million to € 15.6 million
- Rise in net financial debt from € 76.5 million on 31 December 2011 to € 104.8 million on 30 June 2012 due to the share buy-back for € 30.7 million and the dividend payments of € 10.6 million

### Key figures

In million €	H1 2012	H1 2011	% difference
Visitors ('000)	9,414	9,619	-2.1%
Revenue	117.3	111.5	5.3%
EBITDA <sup>5</sup>	31.7	30.5	3.7%
Current <sup>4</sup> EBITDA <sup>5</sup> (REBITDA <sup>7</sup> )	32.1	30.1	6.6%
REBITDA margin	27.4%	27.0%	
EBIT	22.1	20.2	9.2%
Current <sup>4</sup> EBIT (REBIT)	22.2	19.8	12.1%
REBIT margin	18.9%	17.8%	
Profit	14.9	14.0	7.0%
Current <sup>4</sup> profit	15.0	13.7	9.6%
Earnings per share (in €)	2.46	2.08	18.3%
Free cash flow <sup>6</sup>	15.6	14.2	9.8%

In million €	30 Jun 2012	31 Dec 2011	% difference
Total assets	311.8	327.0	-4.6%
Equity	108.6	133.9	-18.9%
Net financial debt (NFD)	104.8	76.5	-37.0%

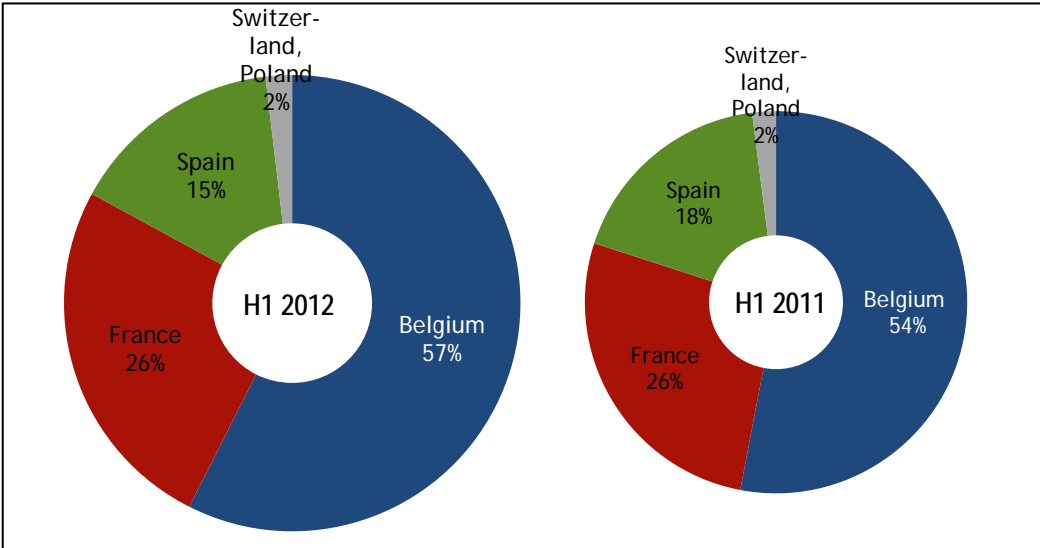
Notes to the consolidated results

Revenue

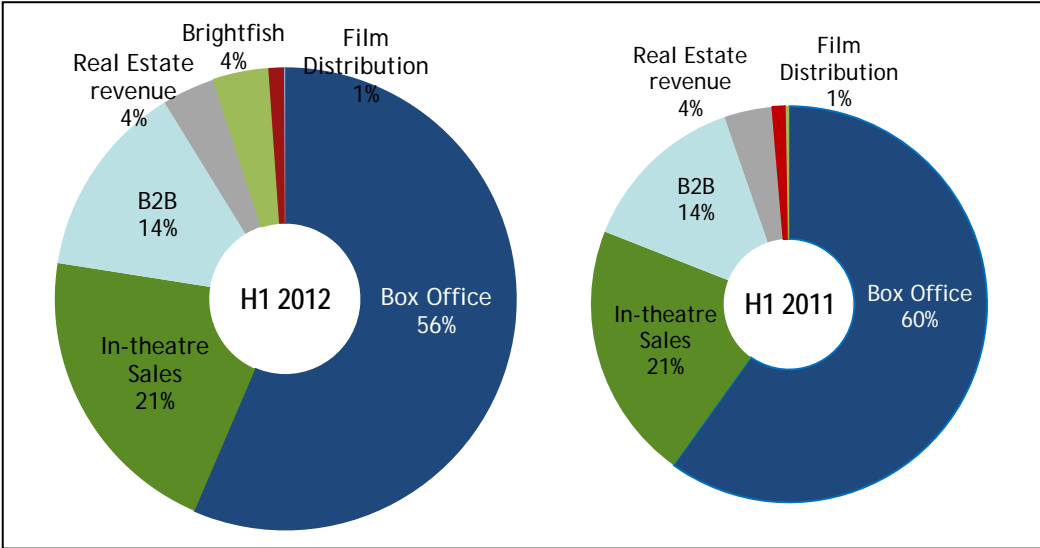
Revenue was € 117.3 million, an increase of 5.3% compared to the first half of 2011.

Revenue can be broken down as follows:

Revenue by country



Revenue by activity



Box office revenue in the first six months of 2011 was € 66.2 million. In spite of the lower admissions, this was just 0.9% less than in the first half of 2011, thanks to the increased share of Belgium, price adjustments to compensate for inflation and VPF (Virtual Print Fee) revenue.

Kinepolis welcomed 9.4 million visitors in the first half of 2012, a fall of 2.1% compared to the previous year. As a result of the stronger movie offering and the favourable cinema weather at the start of the second quarter, the substantial fall in admissions during the first quarter was transformed into a limited decrease of 2.1% in the first six months. Admissions actually increased in

Belgium and France, in contrast to Spain, where the lack of local movies and the severe economic crisis impacted cinema admissions.

The top five movies in the first six months of 2012 were 'Marvel Avengers Assemble', 'The Hunger Games', 'Sherlock Holmes: A Game of Shadows', 'Intouchables' and 'Sur la piste du Marsupilami'. Two French films made the top five thanks to active programming by Kinopolis, in France, but also in Belgium and Spain. 'Tot Altijd' was the most popular Flemish movie.

Visitors (millions)	Belgium	France	Spain	Switzerland	Total
Number of cinemas	11	7	3	1	22
H1 2012	4.4	3.1	1.8	0.1	9.4
H1 2011	4.3	3.1	2.1	0.1	9.6
2012 compared to 2011	1.4%	0.2%	-12.1%	-22.1%	-2.1%

**In-theatre Sales (ITS)** increased by 5.3%, driven by the further optimisation of the product range. The continued roll out in the course of 2011 and the success of the Mega Candy self-service shops generated higher consumption per visitor, which offset the impact of lower ticket sales.

**Business-to-business (B2B)** revenue rose by 5.5% compared to last year, thanks to the intensive efforts of the B2B sales teams, who concentrate on the sale of cinema vouchers and business events.

**Real estate** revenue increased by 1.5% thanks to higher income from existing rental agreements. At constant exchange rates the increase was 2.6%.

Revenue from **Kinopolis Film Distribution (KFD)** was € 1.2 million, a decrease of 1.1% compared to the first six months of 2011, due to fewer film releases and the great success of 'Bullhead' in the first quarter of last year. In the first six months of 2011 KFD's major releases were 'Tot Altijd', 'The Grey', 'Plop wordt Kabouterkoning' and 'What to Expect when you're Expecting'.

Kinopolis Group acquired advertising agency Brightfish at the end of 2011. Brightfish's revenue, after elimination of the intra-group transactions, is now also recognised in the consolidated figures of the Group. The additional revenue as a consequence of the acquisition of **Brightfish** was € 4.6 million in the first half of 2012.

## REBITDA

The permanent focus on raising efficiency, increasing margins and controlling fixed costs (even after inflation) helped drive up current EBITDA to 27.4%, compared to 27.0% last year, despite the lower admissions. Overhead costs rose mainly as a consequence of the acquisition of Brightfish.

## Profit for the period

Current profit for the period was € 15.0 million, an increase of 9.6% compared to the same period in 2011 (€ 13.7 million). This strong growth is mainly due to the rise in operating profit.

Total profit for the period was € 14.9 million, compared to € 14.0 million in the same period in 2011, an increase of 7.0%.

The effective tax rate fell from 24.7% to 23.8% in the period under review as a result of the accelerated use of existing tax losses carried forward.

## Free cash flow and net financial debt

The free cash flow was € 15.6 million for the first six months of 2012, compared to € 14.2 million for the same period in 2011.

The increase in the free cash flow is primarily due to the higher operating cash flow (€ 1.5 million) and lower tax paid (€ 2.1 million), offset by working capital movements (€ -1.7 million) and higher maintenance capital expenditure (€ -0.6 million).

The working capital movements can be primarily explained by the seasonal fluctuations in the cinema business and a number of one-off items.

Total capital expenditure was € 5.7 million in the first six months of 2012, € 0.5 million less than in the same period last year (€ 6.2 million). The investment in digital projection systems was completed, so all cinema screens of Kinopolis Group are now digital.

The net financial debt of Kinopolis rose by € 28.3 million from € 76.5 million at 31 December 2011 to € 104.8 million at 30 June 2012, as a consequence of the share buy-back for € 30.7 million and the dividend payments of € 10.6 million in the first half of 2012. The NFD/EBITDA ratio was at a conservative level of 1.4 at 30 June 2012.

## Balance sheet

Fixed assets (including those classified as held for sale) at € 273.7 million represented 87.8% of the balance sheet total at 30 June 2012. This includes land and buildings (including those classified as held for sale and investment property) with a carrying value of € 195.6 million.

At 30 June 2012 equity was € 108.6 million or 34.8% of the balance sheet total, 6.2% less than the solvency at the end of 2011, as a consequence of the share buy-back for € 30.7 million in 2012 (see below) and the dividend payment of €10.6 million.

## Significant events since 1 January 2012

### Refinancing

On 15 February 2012 Kinopolis signed a new € 90 million credit agreement with ING Belgium, KBC Bank and BNP Paribas Fortis within the framework of the refinancing of its syndicated credit and the financing of the further general development of the Group. The previous syndicated credit was repaid in full.

On 20 February 2012 Kinopolis Group launched an offer to subscribe to bonds in Belgium with a 7-year term and a fixed annual pre-tax interest of 4.75%. Due to the huge response, the subscription period was closed early with a total issue amount of € 75 million. The bonds were issued and listed on NYSE Euronext Brussels on 6 March 2012.

### CFO

Nicolas De Clercq was appointed Chief Financial Officer of Kinopolis Group on 12 March 2012. Nicolas De Clercq succeeds Henk Rogiers.

### New website and apps

At the beginning of 2012 Kinopolis launched its new website and a number of personalised iPhone, iPad and Android apps alongside a newsletter with film and event news tailored to the profile of the individual movie lover. The corporate and investor relations website was completed revised and optimised.

## Share buy-back

The share buy-back programme launched on 1 September 2011 was continued in 2012 and has been completed. In 2012, Kinopolis Group bought back 713,422 of its shares (466,099 in the first half of 2012) for an average price of € 67.11 per share. Including the treasury shares the Group already held and after the cancellation of 349,423 treasury shares at the end of 2011, Kinopolis Group holds 1,036,732 treasury shares at present (789.409 on 30 June 2012). The share buy-back programme allowed Kinopolis Group to further optimise its capital structure to create value for its shareholders. After cancellation there will be 5,856,508 shares in circulation.

## Significant events since 30 June 2012

### Online ticketing

Since July smartphone users no longer need a printed proof of purchase to gain access to Kinopolis theatres. Now they only need to open the barcode of their electronic ticket on their smartphone and scan it at the control point. This innovation is the next step in the evolution of online ticketing. Movie tickets will soon be available for purchase on a mobile device such as a tablet or a smartphone.

### VAT on cinema tickets in Spain

As part of its budgetary measures, the Spanish government has announced the intention to adjust the VAT rate on cinema tickets from 8% to 21% on 1 September 2012. Kinopolis is lobbying against the introduction of this measure together with the whole Spanish cinema industry, because of its impact on Box Office revenue in Spain.

## A glance at the second semester 2012

Despite the favourable cinema weather, the results in July and August were below expectations.

'The Dark Knight Rises', 'The Amazing Spiderman', 'The Brave' and 'Ice Age 4: Continental Drift' opened the second half of the year. Expected blockbusters include the KFD film 'The Expendables 2', 'Twilight: Breaking Dawn - Part 2', 'The Bourne Legacy', the new James Bond movie 'Skyfall', 'The Hobbit: An Unexpected Journey' and 'Wreck-It Ralph'. Various local films will also be screened at Kinopolis, including the new movie by Felix van Groeningen 'The Broken Circle Breakdown', as well as 'Brasserie Romantiek', 'Les Seigneurs', 'Le Plan Parfait', 'Lobos de Arga' and '7 dias en la Habana'. Kinopolis will also continue to complement the usual film offering with more specialised programming, such as Ladies@theMovies and Cinémanie, as well as live highlights, such as opera, ballet, modern dance, theatre, musicals and sport, which are attracting a new cinema audience.

## Financial calendar

Wednesday 14 November 2012  
Thursday 21 February 2013  
Thursday 16 May 2013  
Friday 17 May 2013

Business update third quarter 2012  
Annual results 2012  
Business update first quarter 2013  
General Shareholders' Meeting

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<sup>1</sup> All comparisons are made with the first half of 2011

<sup>2</sup> Revenue from ticket sales

<sup>3</sup> Revenue from the sale of beverages, snacks and merchandising in the cinema

<sup>4</sup> After eliminating non-current transactions

<sup>5</sup> EBITDA is not a recognised IFRS term. Kinepolis Group has defined this concept by adding depreciations, amortisations and provisions to the operating profit and subtracting any reversals or uses of the same items

<sup>6</sup> Kinepolis Group defines the free cash flow as the cash flow generated from operating activities less the maintenance investments in other intangible assets, property, plant and equipment and investment property, paid interest charges, including the sales of property, plant and equipment and other financial assets.

<sup>7</sup> REBITDA is not a recognised IFRS term. Kinepolis Group defines this term as the current operating profit plus the current depreciations, amortisations, impairments and provisions (including any reversals or uses of these items).

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2012

- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Notes



**CONSOLIDATED INCOME STATEMENT**  
**IN '000 €****30/06/2012****30/06/2011**

Revenue	117.344	111.450
Cost of sales	-82.463	-79.206
<b>Gross profit</b>	<b>34.881</b>	<b>32.244</b>
<i>Gross profit / Revenue</i>	<i>29,7%</i>	<i>28,9%</i>
Distribution expenses	-5.980	-5.852
Administrative expenses	-7.608	-7.038
Other operating income and expenses	805	874
<b>Operating profit</b>	<b>22.098</b>	<b>20.227</b>
<i>Operating profit / Revenue</i>	<i>18,8%</i>	<i>18,1%</i>
Finance income	756	704
Finance expenses	-3.263	-2.406
<b>Profit before tax</b>	<b>19.591</b>	<b>18.525</b>
Income tax expense	-4.663	-4.573
<b>Profit for the period</b>	<b>14.928</b>	<b>13.952</b>
<i>Profit for the period / Revenue</i>	<i>12,7%</i>	<i>12,5%</i>
Attributable to:		
Owners of the Company	14.815	13.862
Non-controlling interests	113	90
<b>Profit for the period</b>	<b>14.928</b>	<b>13.952</b>
Basic earnings per share (€)	2,46	2,08
Diluted earnings per share (€)	2,41	2,05

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
in '000 €

**30/06/2012 30/06/2011**

<b>Profit of the period</b>	<b>14.928</b>	<b>13.952</b>
Translation differences	425	138
Net changes in the fair value of derivative financial instruments	382	518
<b>Other comprehensive income for the period</b>	<b>807</b>	<b>656</b>
<b>Total comprehensive income for the period</b>	<b>15.735</b>	<b>14.608</b>
Attributable to:		
Owners of the Company	15.622	14.518
Non-controlling interests	113	90
<b>Total comprehensive income for the period</b>	<b>15.735</b>	<b>14.608</b>

CONSOLIDATED BALANCE SHEET / ASSETS in '000 €	30/06/2012	31/12/2011
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Other intangible assets	3.419	3.367
Goodwill	18.761	18.761
Property, plant and equipment	217.228	221.231
Investment property	13.084	12.837
Deferred tax assets	17	1.551
Derivative financial instruments	0	0
Other receivables	14.493	14.365
Other financial assets	27	27
<b>Non-current assets</b>	<b>267.029</b>	<b>272.139</b>
Assets classified as held for sale	6.721	6.721
Inventories	3.357	3.024
Trade and other receivables	19.337	27.375
Current tax assets	251	24
Cash and cash equivalents	15.120	17.670
Derivative financial instruments	0	0
<b>Current assets</b>	<b>44.786</b>	<b>54.814</b>
<b>TOTAL ASSETS</b>	<b>311.815</b>	<b>326.953</b>

CONSOLIDATED BALANCE SHEET / EQUITY AND LIABILITIES in '000 €	30/06/2012	31/12/2011
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Issued capital	18.952	18.952
Share premium	1.154	1.154
Consolidated reserve	88.171	114.040
Translation reserve	-1.594	-2.019
<b>Total equity attributable to owners of the Company</b>	<b>106.683</b>	<b>132.127</b>
<b>Non-controlling interests</b>	<b>1.928</b>	<b>1.815</b>
<b>Equity</b>	<b>108.611</b>	<b>133.942</b>
Loans and borrowings	87.932	38.502
Provisions	3.058	3.513
Deferred tax liabilities	14.785	14.319
Derivative financial instruments	857	856
Other payables	8.993	9.318
<b>Non-current liabilities</b>	<b>115.625</b>	<b>66.508</b>
Bank overdrafts	329	126
Loans and borrowings	32.018	55.894
Trade and other payables	50.613	63.331
Provisions	248	278
Derivative financial instruments	235	511
Current tax liabilities	4.136	6.363
<b>Current liabilities</b>	<b>87.579</b>	<b>126.503</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>311.815</b>	<b>326.953</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS (IN '000€)**
**30/06/2012**
**30/06/2011**
**Cash flows from operating activities**

Profit before tax	19.591	18.525
Adjustments for:		
Depreciations and amortization	9.932	10.082
Provisions and impairments	-356	220
Government grants	-377	-387
(Gains) Losses on sale of fixed assets	0	-398
Change in fair value of derivative financial instruments and unrealised foreign exchange results	-28	-27
Discount of non-current receivables	-383	-419
Share-based payments	232	225
Write-down tax shelter investments	0	383
Amortization transaction costs refinancing	70	0
Interest expense and income	2.192	1.191
Change in inventory	-332	-152
Change in trade and other receivables	8.227	2.875
Change in trade and other payables	-14.120	-7.312
<b>Cash from operating activities</b>	<b>24.648</b>	<b>24.805</b>
Income taxes paid	-5.119	-7.212
<b>Net cash from operating activities</b>	<b>19.529</b>	<b>17.593</b>

**Cash flows from investing activities**

Acquisition of other intangible assets	-585	-364
Acquisition property, plant and equipment and investment property	-5.167	-5.796
Proceeds from sale of property, plant and equipment	0	36
<b>Net cash used in investing activities</b>	<b>-5.752</b>	<b>-6.124</b>

**Cash flows from financing activities**

Capital reduction	-87	0
New loans	145.576	21.933
Repayment of borrowings	-118.962	-28.271
Transaction costs refinancing	-1.130	0
Interest paid	-1.147	-1.316
Interest received	15	77
Repurchase of own shares	-30.268	0
Dividends paid	-10.558	-8.275
<b>Net cash used in financing activities</b>	<b>-16.561</b>	<b>-15.852</b>

**Net cash flow**
**-2.784**
**-4.383**
**Cash and cash equivalents**

Cash and cash equivalents at beginning of the period	17.544	12.239
Cash and cash equivalents at end of the period	14.791	7.866
Effect of exchange rate fluctuations on cash held	31	10
<b>Net cash flow</b>	<b>-2.784</b>	<b>-4.383</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000€	Issued capital	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Treasury shares	Share-based payments reserve	Total equity attributable to owners of the company	Non-controlling Interests	Total Equity
At 31 December 2011	18.952	1.154	-2.019	-1.319	0	122.830	-9.489	2.018	132.127	1.815	133.942
<b>Profit for the period</b>						14.815			14.815	113	14.928
Translation differences			425						425		425
Net changes in the fair value of derivative financial instruments				382					382		382
<b>Other comprehensive income for the period</b>	0	0	425	382	0	0	0	0	807	0	807
<b>Total comprehensive income for the period</b>	0	0	425	382	0	14.815	0	0	15.622	113	15.735
Dividends						-10.576			-10.576		-10.576
Own shares acquired							-30.722		-30.722		-30.722
Share-based payment transactions								232	232		232
<b>Total transactions with owners, recorded directly in equity</b>	0	0	0	0	0	-10.576	-30.722	232	-41.066	0	-41.066
At 30 June 2012	18.952	1.154	-1.594	-937	0	127.069	-40.211	2.250	106.683	1.928	108.611

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	Issued capital	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Treasury shares	Share-based payments reserve	Total equity attributable to owners of the company	Non-controlling Interests	Total Equity
At 31 December 2010	48.963	1.154	-629	-1.210	0	112.949	-6.974	1.527	155.780	1.538	157.318
Profit for the period	0	0	0	0	0	13.862	0	0	13.862	90	13.952
Translation differences			138						138		138
Net changes in the fair value of derivative financial instruments				518					518		518
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>138</b>	<b>518</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>656</b>	<b>0</b>	<b>656</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>138</b>	<b>518</b>	<b>0</b>	<b>13.862</b>	<b>0</b>	<b>0</b>	<b>14.518</b>	<b>90</b>	<b>14.608</b>
Capital reduction	-30.011					1.200			-28.811		-28.811
Dividends						-8.383			-8.383		-8.383
Share-based payment transactions								228	228		228
<b>Total transactions with owners, recorded directly in equity</b>	<b>-30.011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7.183</b>	<b>0</b>	<b>228</b>	<b>-36.966</b>	<b>0</b>	<b>-36.966</b>
At 30 June 2011	18.952	1.154	-491	-692	0	119.622	-6.974	1.755	133.326	1.628	134.954

SEGMENT INFORMATION IN '000 €	Belgium		France		Spain		Others (PL+SWI)		Not allocated		TOTAL	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011
Segment revenue	74.862	64.378	29.922	28.996	17.840	19.856	2.187	2.510	0	0	124.812	115.740
Inter-segment revenue	-7.468	-4.290	0	0	0	0	0	0	0	0	-7.468	-4.290
<b>Revenue</b>	<b>67.395</b>	<b>60.088</b>	<b>29.922</b>	<b>28.996</b>	<b>17.840</b>	<b>19.856</b>	<b>2.187</b>	<b>2.510</b>	<b>0</b>	<b>0</b>	<b>117.344</b>	<b>111.450</b>
<b>Segment profit</b>	<b>10.004</b>	<b>8.683</b>	<b>7.811</b>	<b>7.020</b>	<b>3.755</b>	<b>3.855</b>	<b>528</b>	<b>669</b>	<b>0</b>	<b>0</b>	<b>22.098</b>	<b>20.227</b>
Finance income									756	704	756	704
Finance expenses									-3.263	-2.406	-3.263	-2.406
<b>Profit before tax</b>											<b>19.591</b>	<b>18.525</b>
Income tax expense									-4.663	-4.573	-4.663	-4.573
<b>Profit for the period</b>											<b>14.928</b>	<b>13.952</b>
<b>Investments</b>	<b>3.468</b>	<b>3.652</b>	<b>716</b>	<b>1.118</b>	<b>1.512</b>	<b>1.381</b>	<b>56</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>5.752</b>	<b>6.161</b>
<b>Total assets</b>	<b>120.726</b>	<b>121.995</b>	<b>89.494</b>	<b>94.556</b>	<b>51.182</b>	<b>50.070</b>	<b>26.592</b>	<b>28.816</b>	<b>23.821</b>	<b>19.750</b>	<b>311.815</b>	<b>315.186</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2012

### 1. Information about the company

Kinepolis Group NV (the 'Company') is a company registered in Belgium. Kinepolis offers leisure and contemporary entertainment to all generations through its network of movie theatres.

Since its foundation in 1997 and initial public offering in 1998, Kinepolis has grown into the market leader in Belgium and a leading player in Europe. Kinepolis runs 23 cinema complexes in Belgium, France, Spain, Poland and Switzerland. The group employs approximately 1.400 people and welcomed 9.4 million visitors in the first six months of 2012.

The condensed consolidated interim financial statements of the company for the half year ending 30 June 2012 include the company and its subsidiaries (jointly referred to as the 'Group') and the Group's interests in affiliated enterprises. The condensed consolidated interim financial statements were approved for publication by the Board of Directors on 14 August 2012.

### 2. Statement of compliance

The condensed consolidated interim financial statements for the six months ending on 30 June 2012 have been prepared in accordance with the International Financial Reporting Standard (IFRS) IAS34 "Interim financial reporting", as published by the International Accounting Standards Board (IASB) and approved by the European Union. The statements do not include all the information required for the full annual financial statements and need to be read in conjunction with the consolidated annual financial statements of the group for the financial year ending on 31 December 2011.

The consolidated annual financial statements of the Group for the financial year 2011 can be read on the website [www.kinepolis.com](http://www.kinepolis.com) and can be requested from Investor Relations free of charge.

### 3. Summary of significant accounting policies

The financial reporting principles which the Group has applied in these condensed consolidated interim financial statements are the same as those the Group applied in the consolidated annual accounts for financial year 2011. There are no new standards or revised existing standards which have an impact on the condensed consolidated interim financial statements for 2012.

### 4. Segment information: *see separate table*

### 5. Non-current items included in the results

The administrative expenses include a transformation provision for € 0.1 million (pre tax).

### 6. Risks and uncertainties

There are no fundamental changes in the risks and uncertainties for the Group as set out in the 2011 Management Report included in the 2011 Annual Report (Section 03 – Management Report).

### 7. Related party transactions

There are no additional related party transactions apart from those transactions disclosed in the 2011 Annual Report (Section 04 – Financial Report – Note 29).



## 8. Financial liabilities – future cash flows

The following table provides an overview of the contractual maturities for the financial liabilities, including the estimated interest:

IN '000 €	1 YEAR OR LESS	1-5 YEARS	MORE THAN 5 YEARS	TOTAL
<b>Non-derivative financial liabilities</b>				
Trade payables	36.161			36.161
Third party current account payables	73			73
Bank overdrafts	329			329
Loans and borrowings with credit institutions	25	6.000		6.025
Bond	3.563	14.250	82.125	99.938
Commercial Paper	30.000			30.000
Finance lease liabilities	2.377	8.578		10.955
<b>Financial derivatives</b>				
Interest rate swaps	659	131		790
<b>TOTAL</b>	<b>73.187</b>	<b>28.959</b>	<b>82.125</b>	<b>184.271</b>

## 9. Other notes

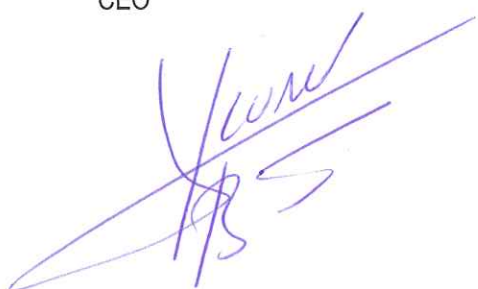
Additional information concerning the Group's financing, treasury shares and dividends is included in the first part of the press release.

**DECLARATION WITH REGARD TO MANAGEMENT RESPONSIBILITY**

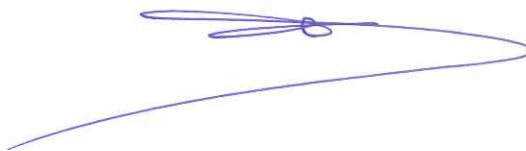
Joost Bert and Eddy Duquenne, CEOs of Kinopolis Group, and Nicolas De Clercq, CFO of Kinopolis Group, declare that, to the best of their knowledge, the condensed consolidated interim financial statements, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), provide a true and fair view of the net assets, the financial position and the results of Kinopolis Group.

The interim financial report gives a true and fair view of the development and the results of the company and the position of the Group.

Joost Bert  
CEO



Eddy Duquenne  
CEO





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**Free translation of the Statutory auditor's report to the board of directors of  
KINEPOLIS GROUP NV/SA on the review of the condensed consolidated interim  
financial information as at 30 June 2012 and for the 6-month period then  
originally prepared in Dutch**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of KINEPOLIS GROUP NV/SA as at 30 June 2012, the consolidated income statement and consolidated statements of comprehensive income, changes in equity and cash flows for the 6-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2012 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Kontich, 22 August 2012

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises  
Statutory Auditor  
represented by

Sophie Brabants  
Réviseur d'Entreprises / Bedrijfsrevisor