



Kinepolis Group
Results 2013

February 20, 2014





Business Review 2013

CEO, Mr Eddy Duquenne



Key Financials

€m	2013	2012	Better / (Worse)
<i>Visitors ('000)</i>	18.232	19.799	(7,9)%
Revenue	246,0	254,5	(3,3)%
EBITDA	75,0	72,3	3,8%
REBITDA	€ 4,09/Vis 74,6	€ 3,74/Vis 74,0	0,9%
<i>REBITDA Margin</i>	30,3%	29,1%	
EBIT	55,1	51,7	6,6%
REBIT	55,0	54,0	2,0%
<i>REBIT Margin</i>	22,4%	21,2%	
Profit	37,5	35,7	5,1%
Current Profit	37,4	37,4	0,0%
<i>EPS (in €)</i>	6,91	6,15	12,4%
Free Cash Flow	46,3	54,1	(14,4)%
€m	31 st Dec 2013	31 st Dec 2012	Better / (Worse)
Net Financial Debt (NFD)	88,1	90,2	2,1

Highlights

- ❑ Revenue down by 3,3%
 - ❑ Visitors -7,9%, due to bad film weather conditions, poor local film content in France and economic crisis in Spain
 - ❑ Increase Box Office per visitor to € 7,23 (+2,4%)
 - ❑ Increase In-theatre Sales spend per visitor to € 2,85 (+6,4%)
 - ❑ Sales and Events stable (-1,1%)
 - ❑ Growth of Screen Advertising revenue (+11,9%)
 - ❑ Concessions revenue down (-1,8%)
 - ❑ Revenue Brightfish in line with prior year(-0,6%)
- ❑ REBITDA per visitor of € 4,09 (+9,5%), resulting from
 - ❑ A higher revenue per visitor
 - ❑ Improved operational efficiency
 - ❑ Lower overhead costs
- ❑ REBITDA margin increases to 30,3% (29,1% in 2012)
- ❑ Current profit at € 37,4 m (equal to 2012)
- ❑ Free cash flow of € 46,3 m
- ❑ NFD at € 88,1 m (€ 2,1 m lower)

Major events

- ❑ 2013 results reflect Strategic Pillars set out in 2008
 - ❑ Best Marketer
 - ❑ Best Cinema Operator
 - ❑ Best Property Manager
- ❑ Further development and implementation of Strategy in 2013
- ❑ Settlement with TPB (Belgium)
- ❑ Sale of land in Poland (surplus value of € 0,9 m)
- ❑ Green Star report published
- ❑ Share Buyback
 - ❑ Acquisition of 276.492 shares for € 28,8 m in 2013
 - ❑ Sale of 14.000 shares (exercise stock options) for € 0,2 m
 - ❑ Cancellation of 273.854 shares
 - ❑ Cumulative capital optimization 2011 - 2012 - 2013 of € 135,4 m

Kinepolis complexes today

KINEPOLIS GROUP	Complexes	Screens
Belgium	11	138
France	7	87
Spain	3	63
Poland *	1	18
Switzerland	1	8
Total	23	314

Market Share: Belgium: to be announced**
 France: 3,2%
 Spain: 4,4%

296 digital screens (100% digitised***)

Of which 93 screens with 3D

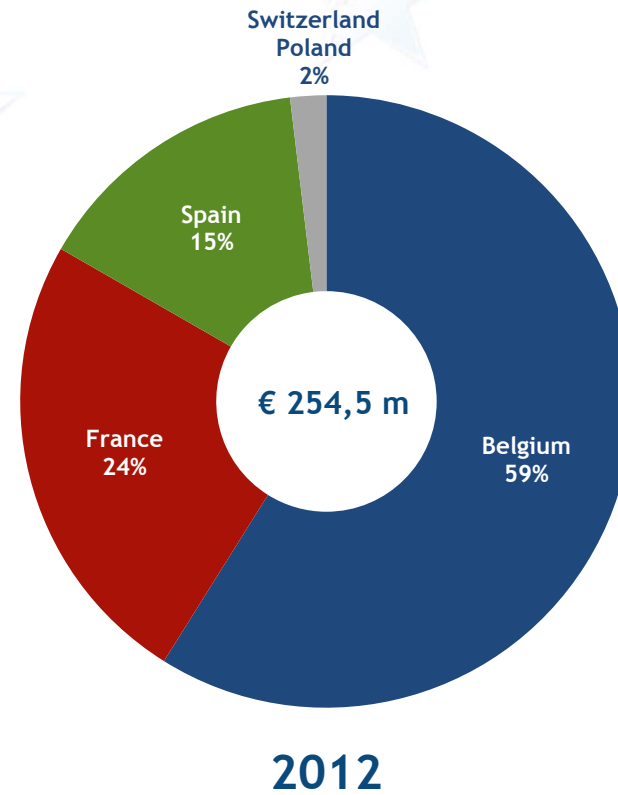
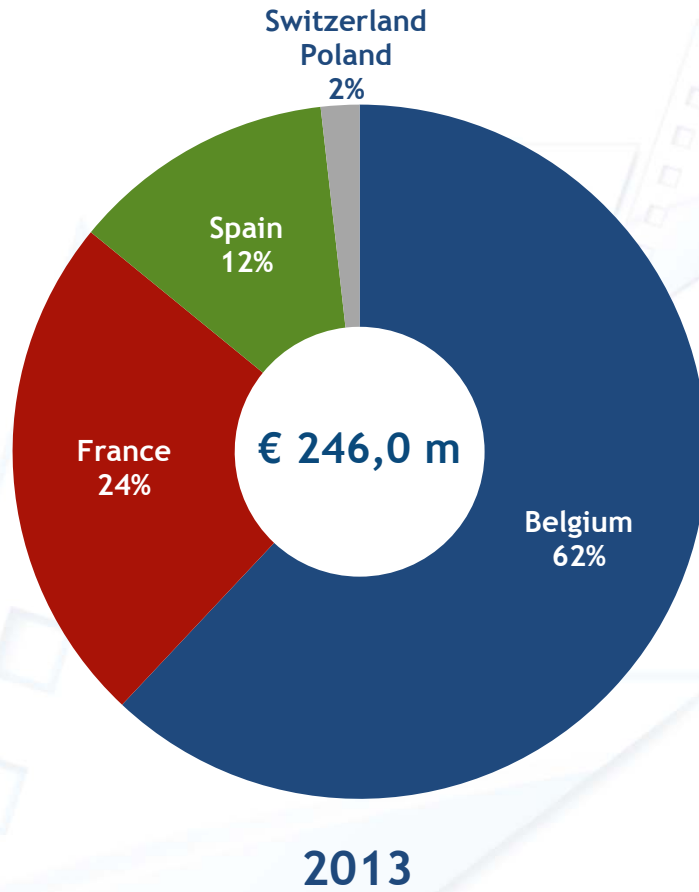


* Operated by ITIT

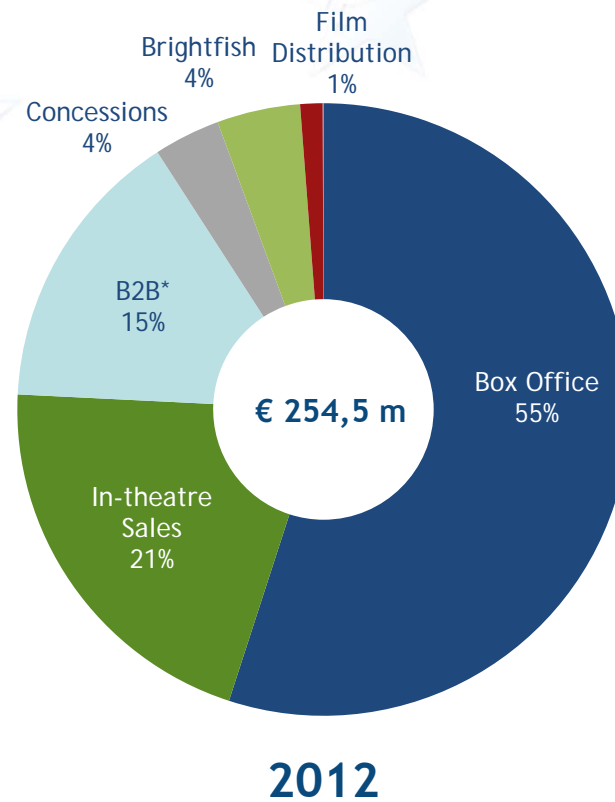
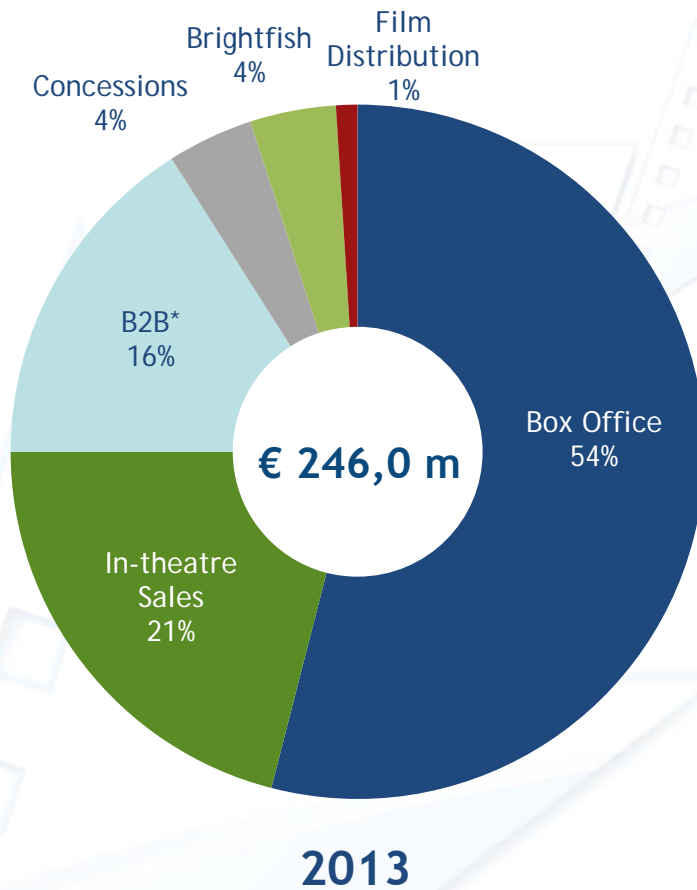
** New data platform expected to be available in 2014

*** Excluding ITIT

Revenue by country



Revenue by activity



* Including Cinema Screen Advertising

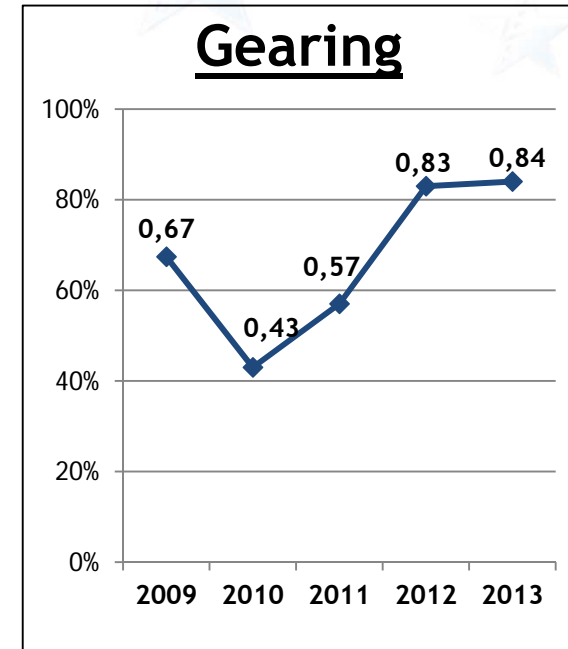
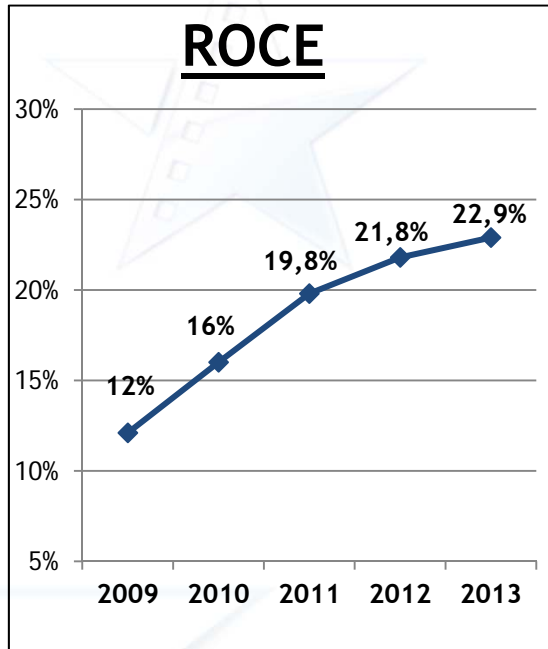
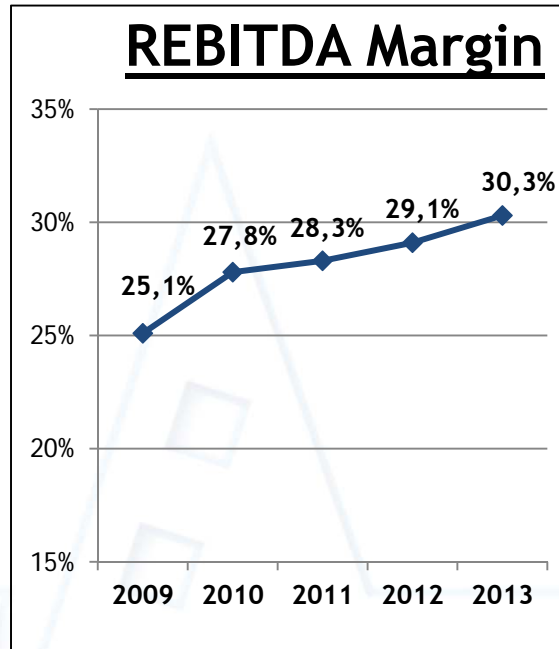
Visitors & Movies

Visitors (000's)	2013	% of Tot	2012	% of Tot	% Δ YoY
Belgium	9.185	50,4%	9.444	47,6%	(2,7)%
France	5.805	31,8%	6.328	32,0%	(8,3)%
Spain	3.099	17,0%	3.876	19,6%	(20,0)%
Switzerland	143	0,8%	151	0,8%	(5,3)%
Total	18.232	100%	19.799	100%	(7,9)%

Top 5 Movies 2013	3D	Visitors (000's)
1. The Hobbit: The Desolation of Smaug	✓	553
2. Despicable Me 2	✓	467
3. The Hunger Games: Catching Fire		466
4. Fast and Furious 6		426
5. Iron Man 3	✓	415
Top 5		2.328
Weight Top 5		12,8%

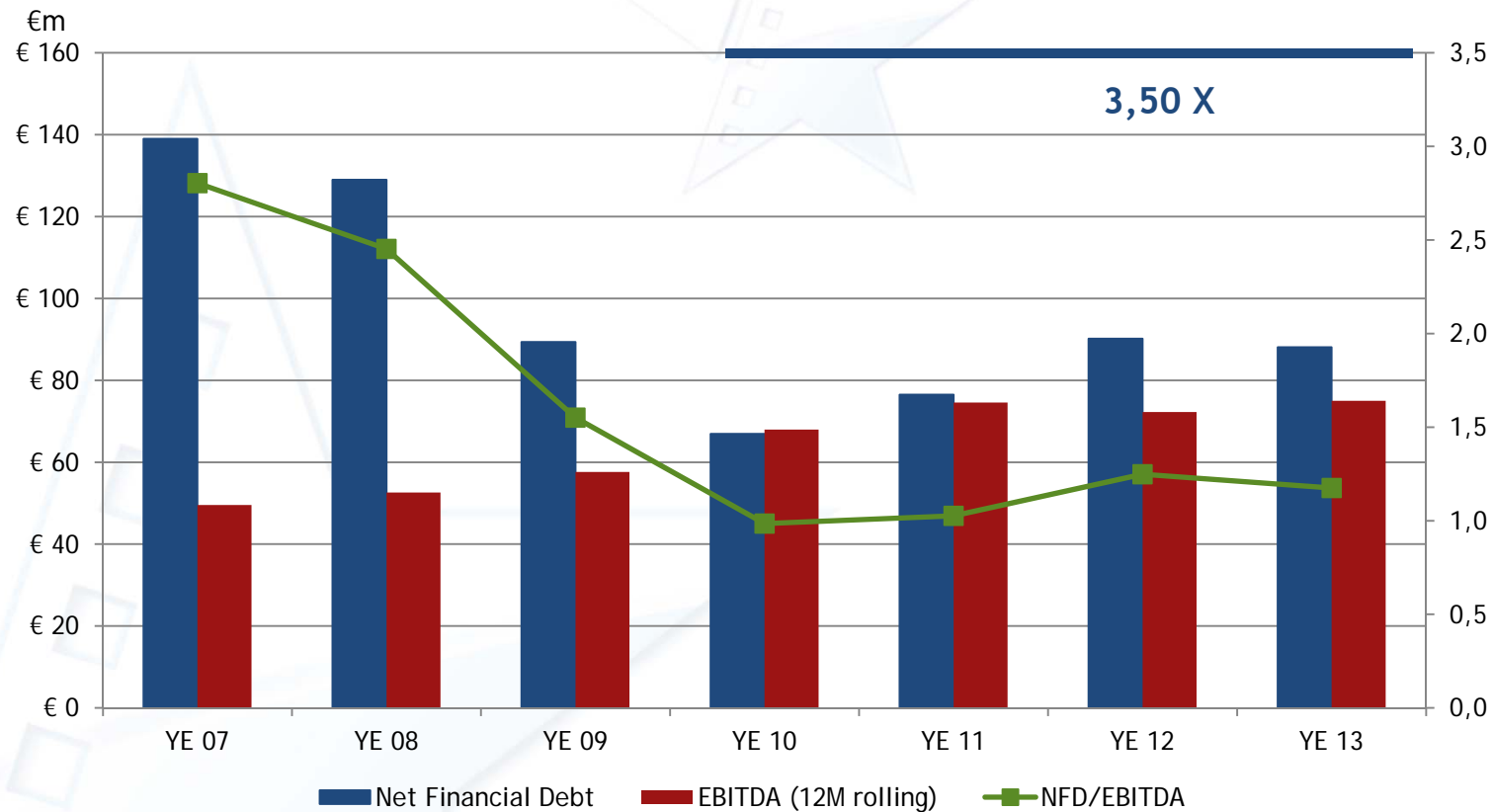
Top 5 Movies 2012	3D	Visitors (000's)
1. Skyfall		845
2. Ice Age 4: Continental drift	✓	633
3. Twilight: Breaking Dawn - Part II		630
4. The Hobbit: An Unexpected Journey	✓	570
5. The Dark Knight Rises		556
Top 5		3.234
Weight Top 5		16,3%

Ratios



Net Financial Debt Evolution

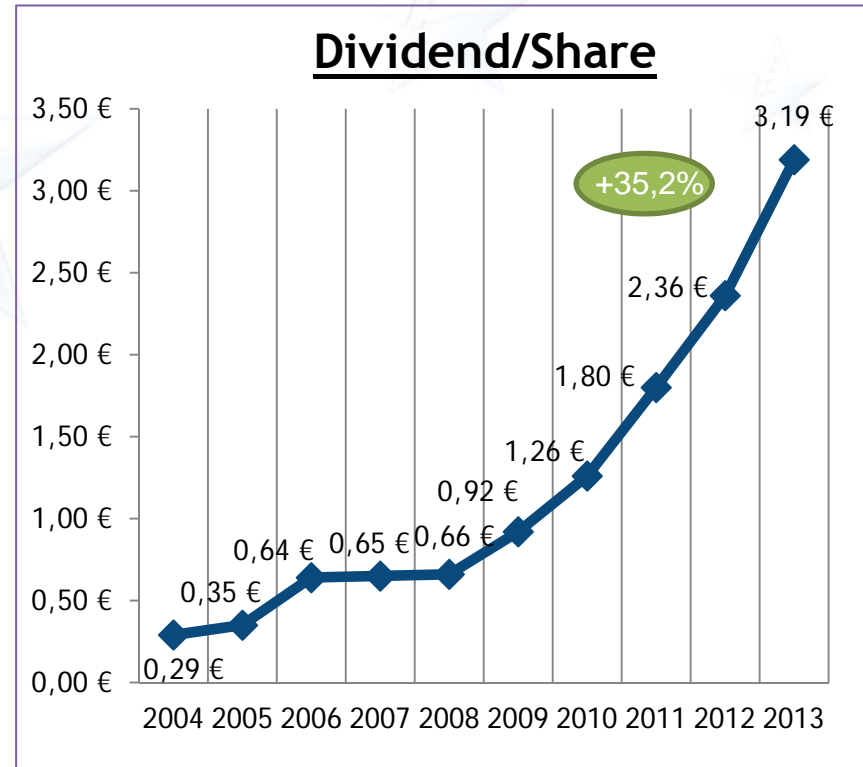
€m	31 Dec 2013	31 Dec 2012	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	88,1	90,2	2,1	2,3%
Leverage ratio*: NFD / EBITDA	1,2	1,2		



* Not Clubdeal definition

Dividend payment

- Based on Net Current Income:
€ 37,4 m
- Payout ratio: 45%
- # Dividend eligible shares: 5.282.131*
- € 3,19 per share / € 3,09 per share fully diluted*
- 10th year consecutively increase



* Calculation based on number of treasury shares as at 14/02/2014. Number of dividend eligible shares still subject to change due to additional share buyback and/or the potential exercise of vested stock options.

Line-up 2014

	2D	3D
Major sequels	<ul style="list-style-type: none"> • Dawn of the Planet of the Apes (Q3) • The Hunger Games: Mockingjay - Part 1 (Q4) 	<ul style="list-style-type: none"> • Rio 2 (Q2) • How to Train Your Dragon 2 (Q3) • Transformers: Age of Extinction (Q3) • The Hobbit: There and Back again (Q4)
New titles	<ul style="list-style-type: none"> • The Wolf of Wall Street (Q1) • Maleficent (Q2) • The Loft (BE VL, Q3) • Interstellar (Q4) 	
Local	<ul style="list-style-type: none"> • De Behandeling (BE VL, Q1) • K3 Dierenhotel (BE VL, Q1) • Halfweg (BE VL, Q1) • Witse (BE VL, Q1) • La Belle & la Bête (BE, FR Q1) • Le Crocodile du Botswana (BE, FR, Q1) • Supercondriaque (BE, FR, Q1) • Brabançonne (BE VL, Q4) • Samba (BE, FR, Q4) 	
Alternative content	<ul style="list-style-type: none"> • Opera, Ballet • Concerts • Series: Galaxy Park 3 (BE, Q1) • Nacht van de Wansmaak (BE, Q1) 	



Financial Review 2013

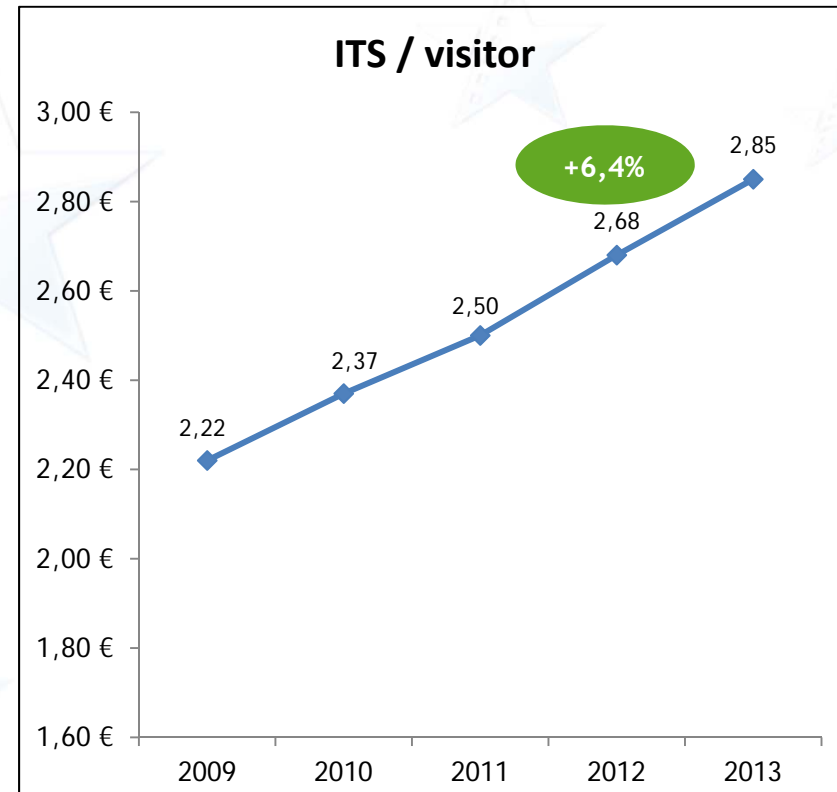
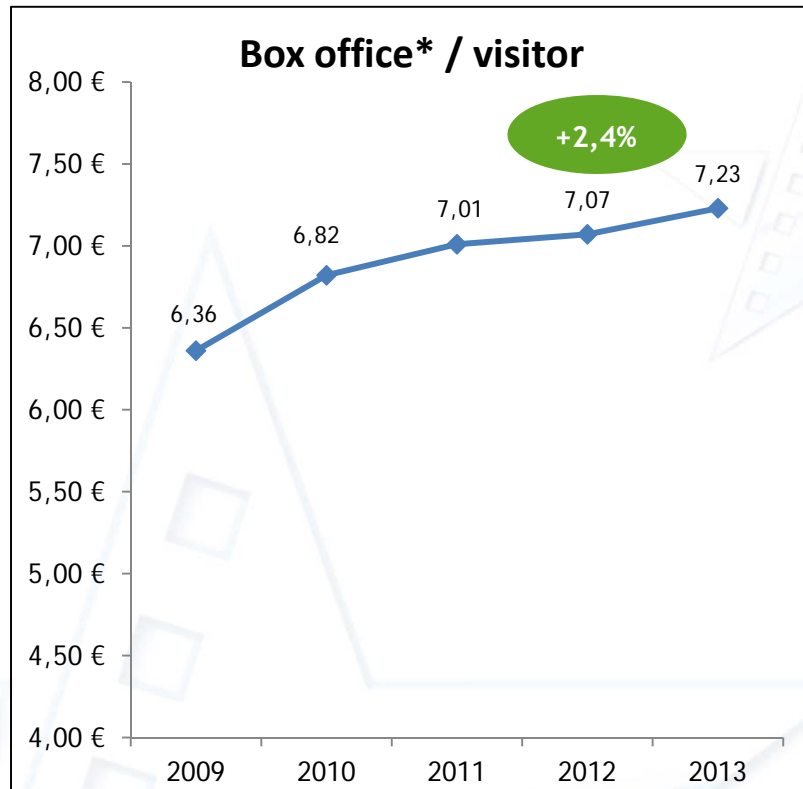
CFO, Mr Nicolas De Clercq



Revenue by country

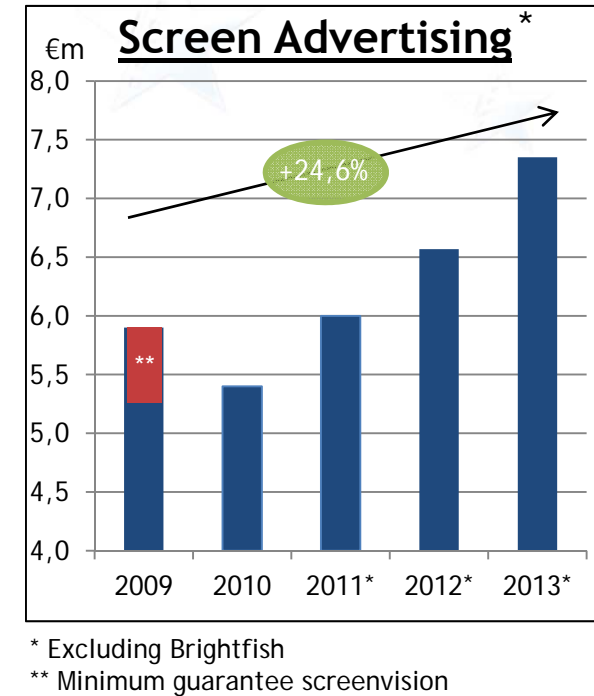
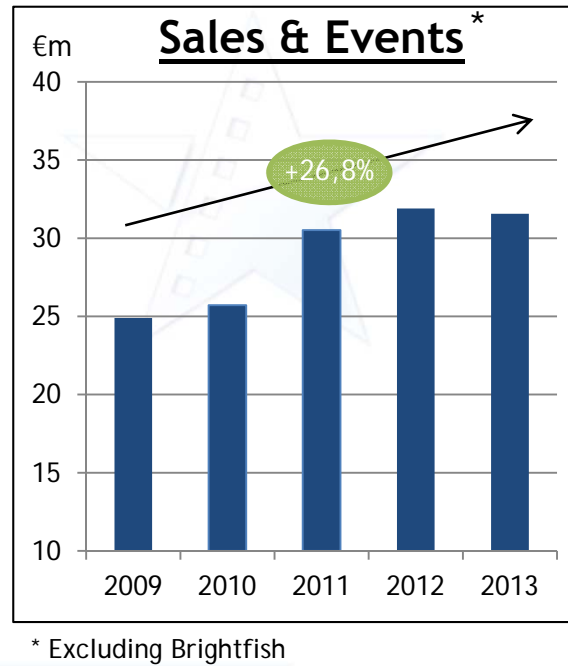
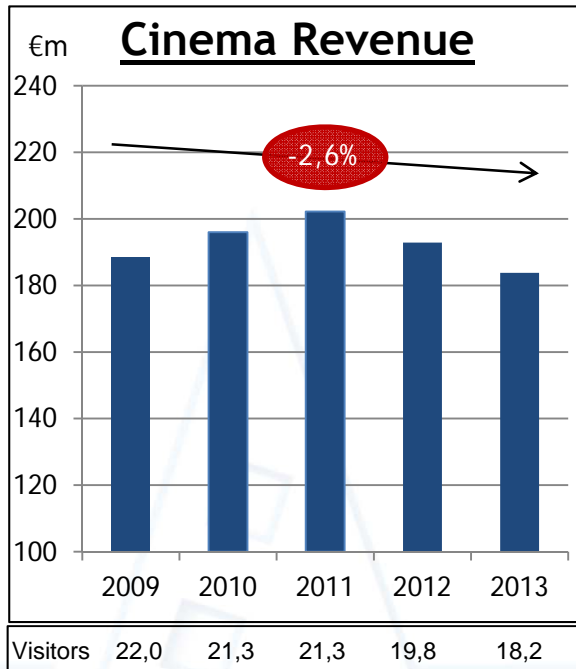
€m	2013	% of Tot	2012	% of Tot	% Δ YoY
Belgium	152,5	62,0%	149,8	58,9%	1,8%
France	58,7	23,9%	62,3	24,4%	(5,8)%
Spain	30,4	12,3%	37,6	14,8%	(19,2)%
Switzerland & Poland	4,4	1,8%	4,7	1,9%	(7,8)%
Total	246,0	100%	254,5	100%	(3,3)%

Evolution Box Office & ITS

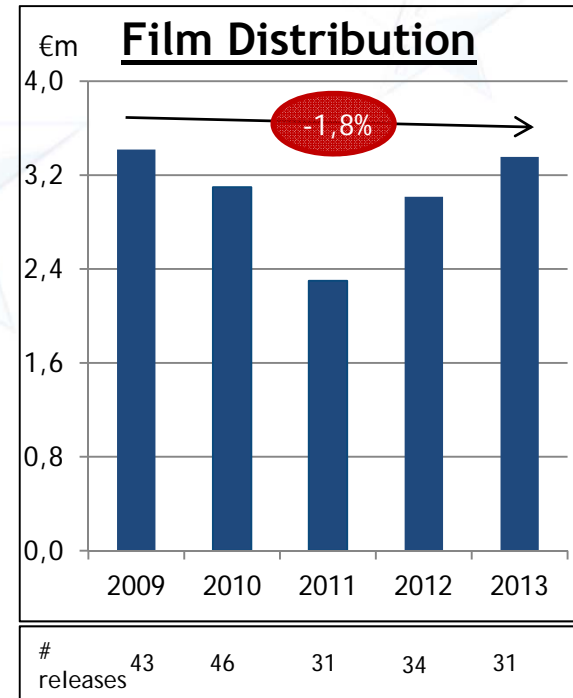
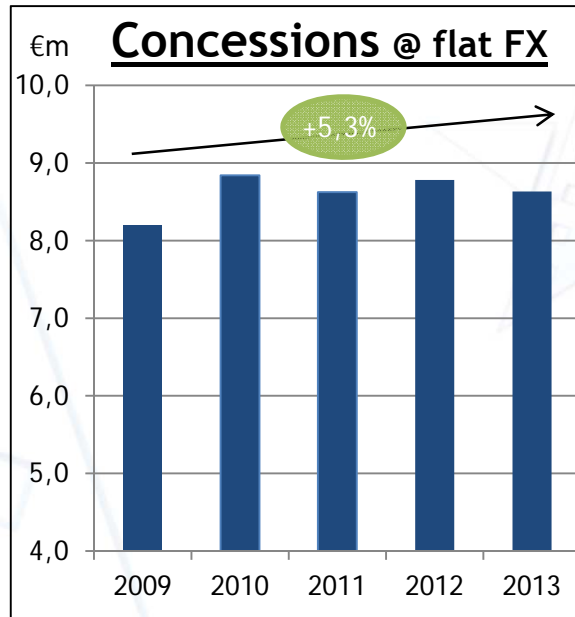


* Box Office revenue after deduction of indirect taxes, including VPF revenue

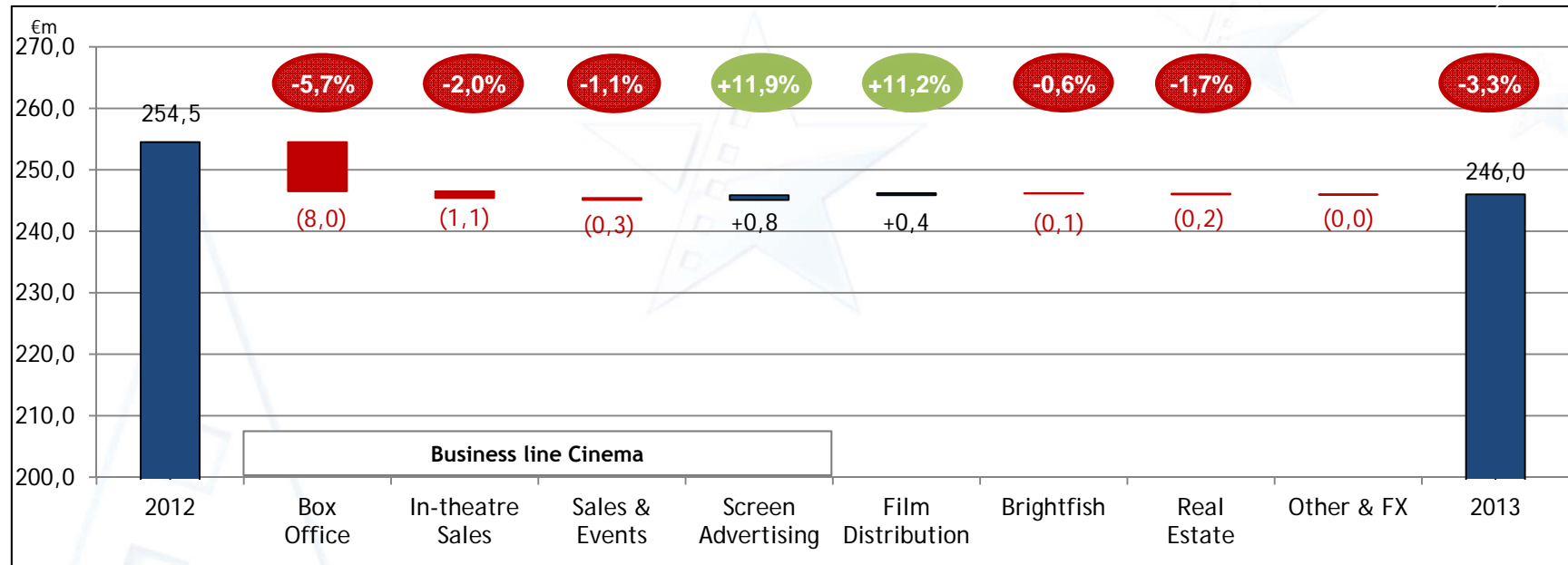
Revenue by Business (1)



Revenue by Business (2)



Revenue by activity waterfall



Operating Costs

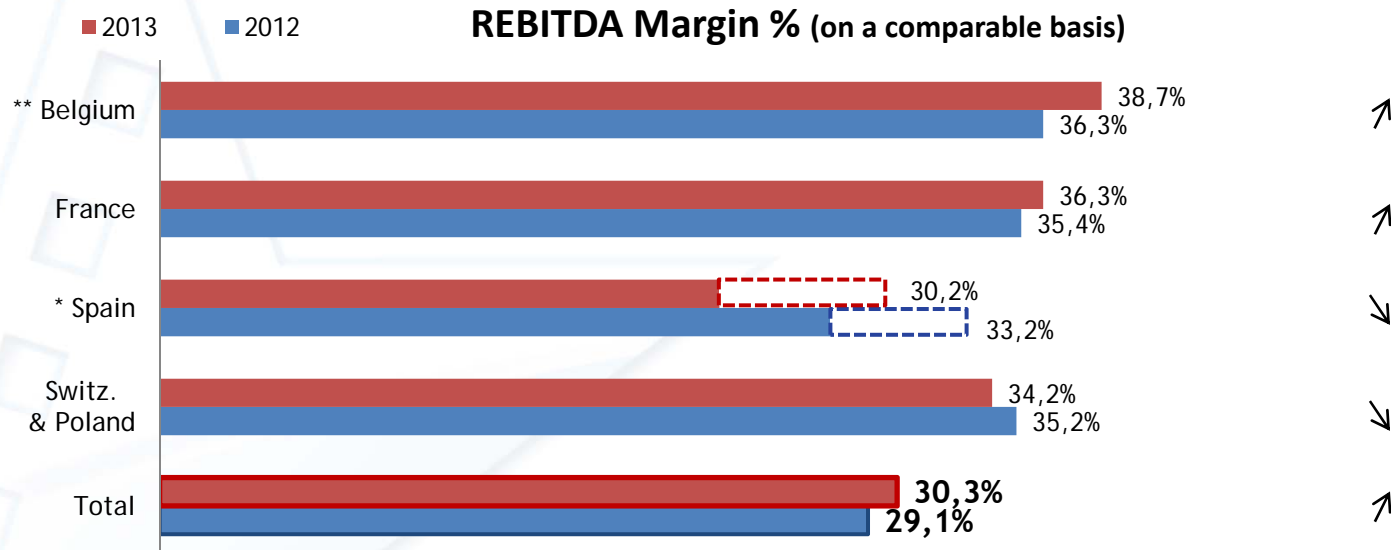
€m	2013	2012	% Better / (Worse)
Marketing & Selling Expenses	(15,2)	(16,2)	5,8%
Administrative Expenses	(13,6)	(15,1)	9,7%
Other Operating Income/(Costs)	1,8	0,7	153,2%
Total Operating Costs	(27,0)	(30,5)	11,2%
Non-Current	0,4	(0,9)	
Current Operating Costs	(27,4)	(29,6)	7,2%

Non-Current items

€m	2013	2012	Impacts
Gain on sale land Poland	0,9		EBITDA
Transformation expenses	(0,5)	(1,7)	
Loss on disposal leasehold improvements former Brightfish offices	(0,1)		
EBITDA	0,4	(1,7)	
Write-down disposed of fixed assets	(0,2)	(0,2)	Depreciation
Write-down assets under construction cancelled project	(0,4)		
Depreciation	(0,6)	(0,2)	
Transformation provisions	(0,1)	0,1	Provisions
Reversal provision settlement leases	0,5	(0,5)	
Provision dismissal fees	(0,1)		
Other provisions	(0,1)		
Provisions	0,2	(0,4)	
Tax on above items	0,1	0,6	Taxes
Taxes	0,1	0,6	
Net impact of non-current items	0,1	(1,7)	Net Earnings

REBITDA by Country

REBITDA €m	2013	% of Total	2012	% of Total	% Better/(Worse)
Belgium	44,3	59,4%	39,4	53,2%	12,6%
France	21,7	29,0%	22,3	30,2%	(17,2)%
Spain	7,1	9,6%	10,6	14,3%	(2,9)%
Switzerland & Poland	1,5	2,0%	1,7	2,3%	(10,0)%
TOTAL	74,6	100%	74,0	100%	0,9%

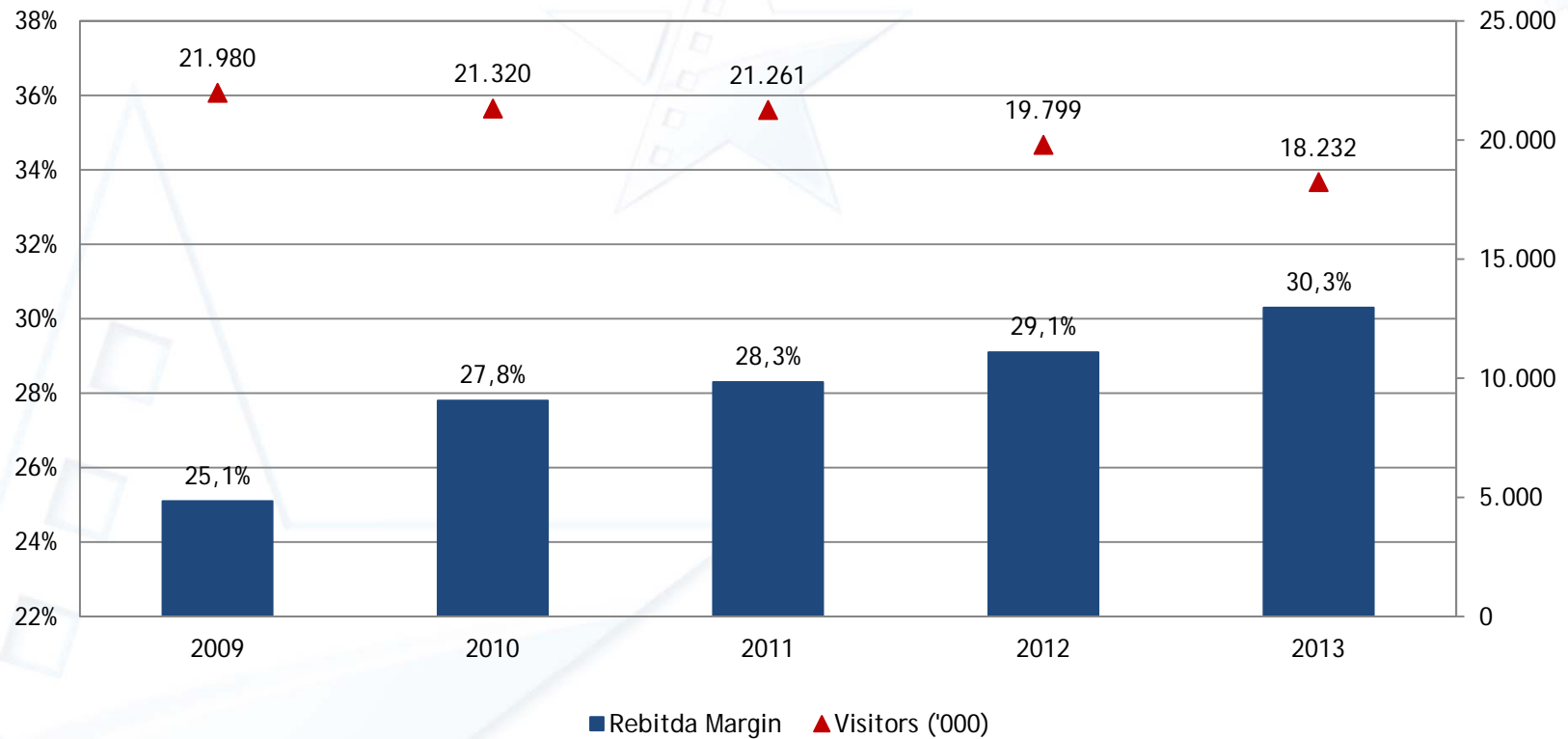


* REBITDAR (i.e. REBITDA excluding rent for Valencia complex)

** Excluding corporate entities, KFD, Brightfish

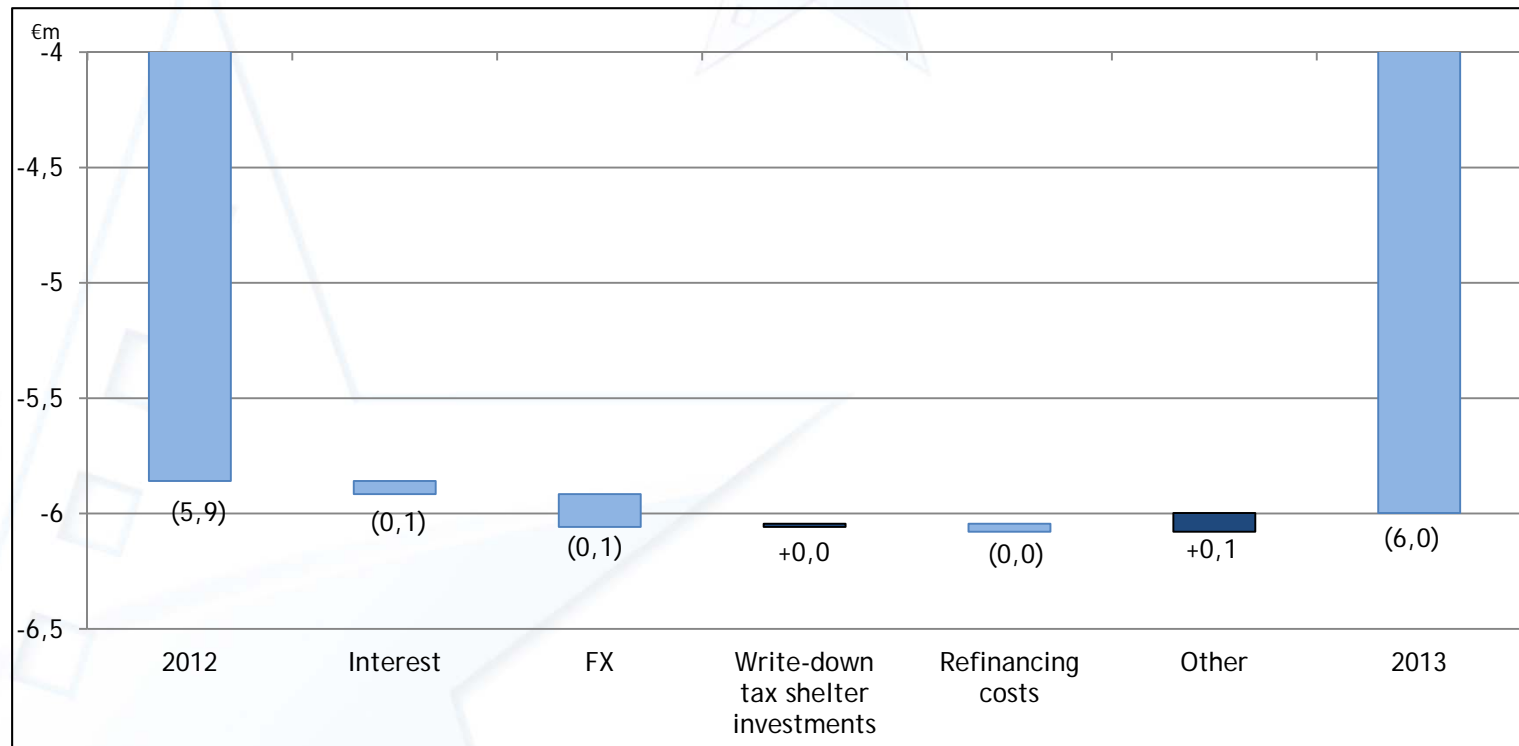
REBITDA Margin

REBITDA /Visitor	€ 2,64	€ 3,12	€ 3,37	€ 3,74	€ 4,09
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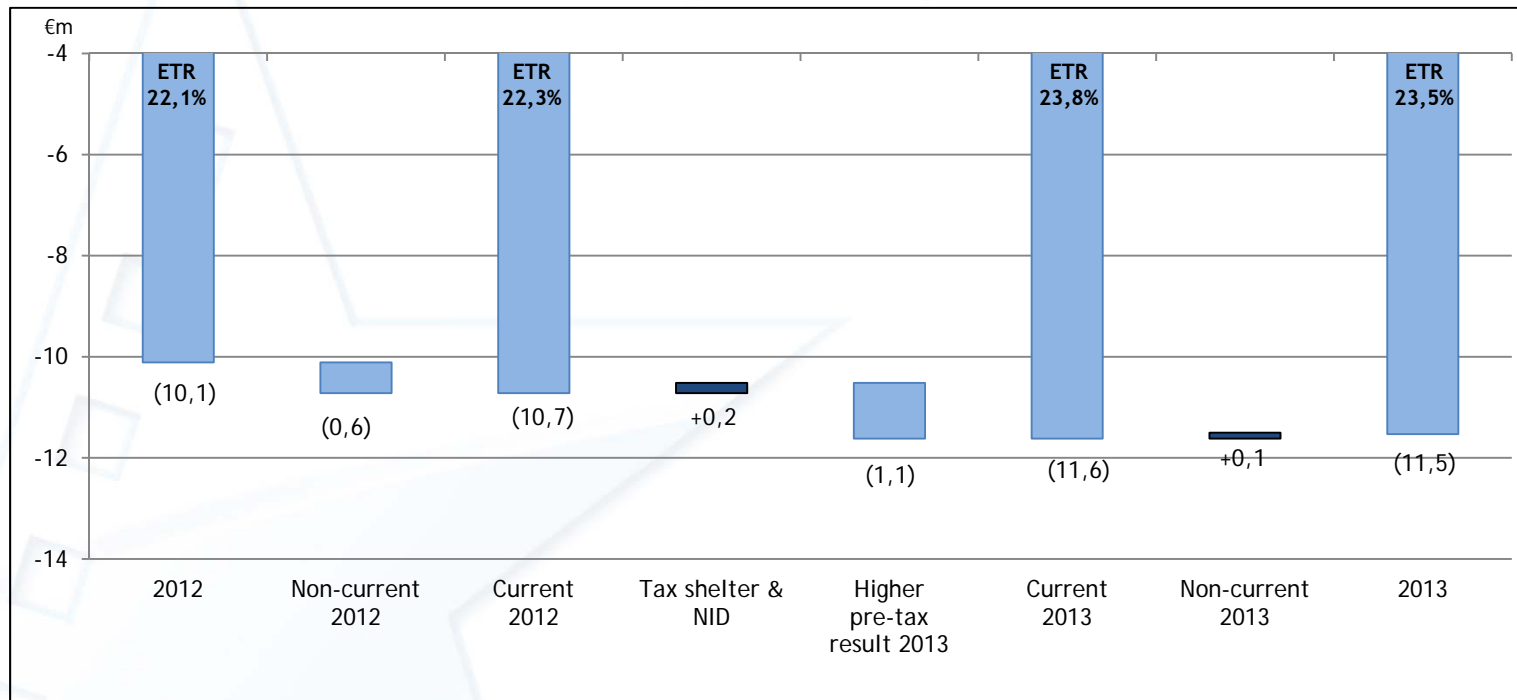
Financial Result

€m	2013	2012	% Better/(Worse)
Interest Expense	(4,8)	(4,7)	(1,2)%
Other (CNC, Tax Shelters, Derivatives, FX)	(1,2)	(1,1)	(7,4)%
Financial (Cost) / Income	(6,0)	(5,9)	(2,4)%

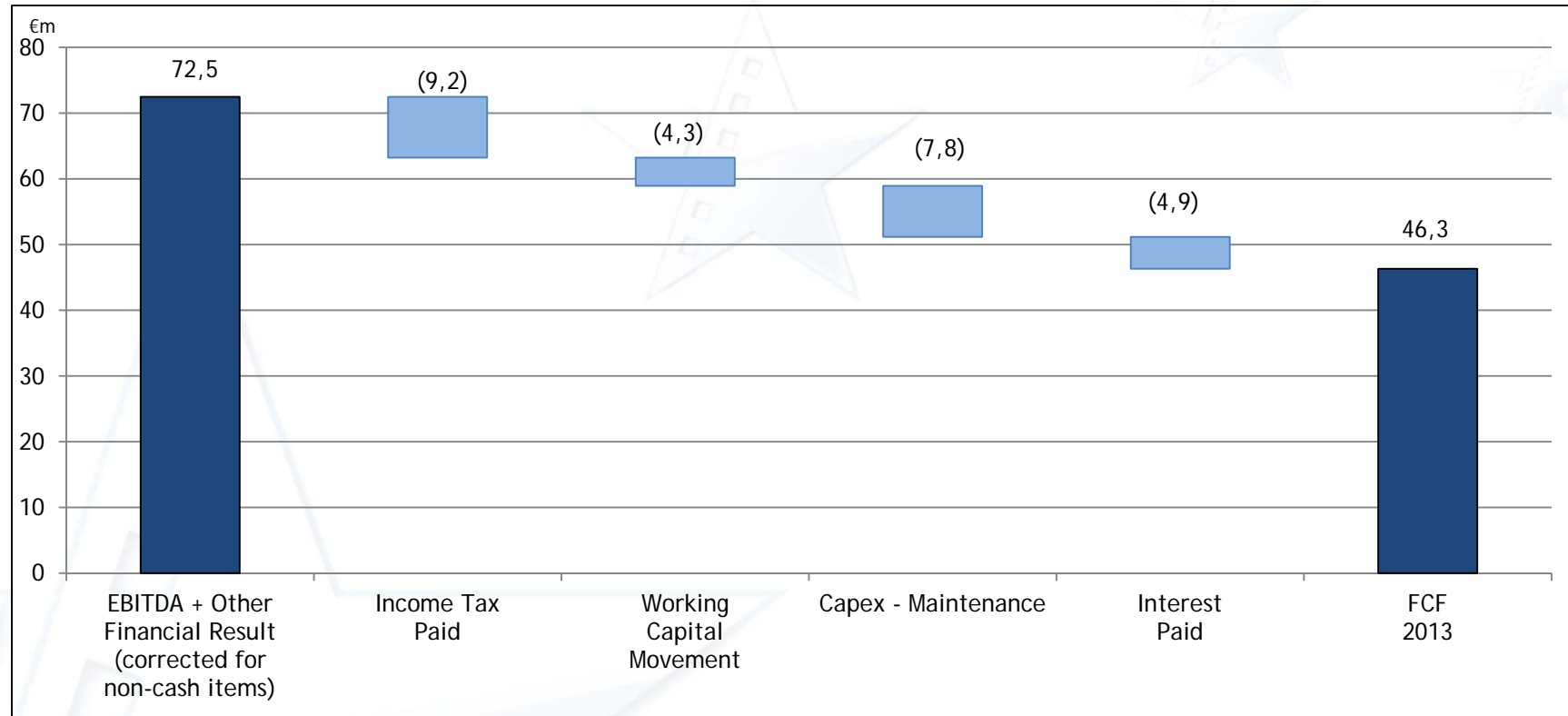


Taxes

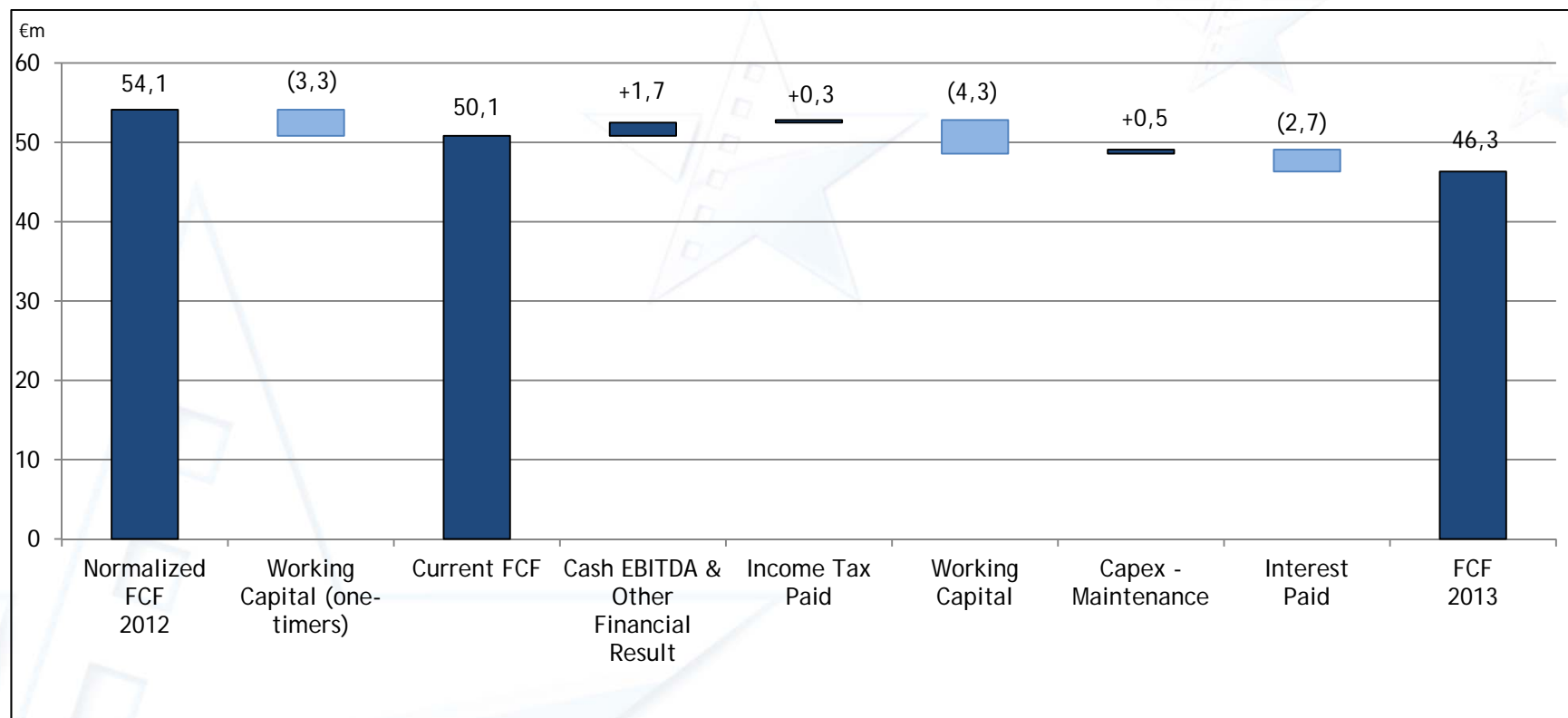
€m	2013	2012	% Better /(Worse)
Profit before taxes	49,1	45,8	7,1%
Taxes	(11,5)	(10,1)	(14,0)%
Profit	37,5	35,7	5,1%
<i>Effective Tax Rate ('ETR')</i>	<i>23,5%</i>	<i>22,1%</i>	



Free Cash Flow 2013

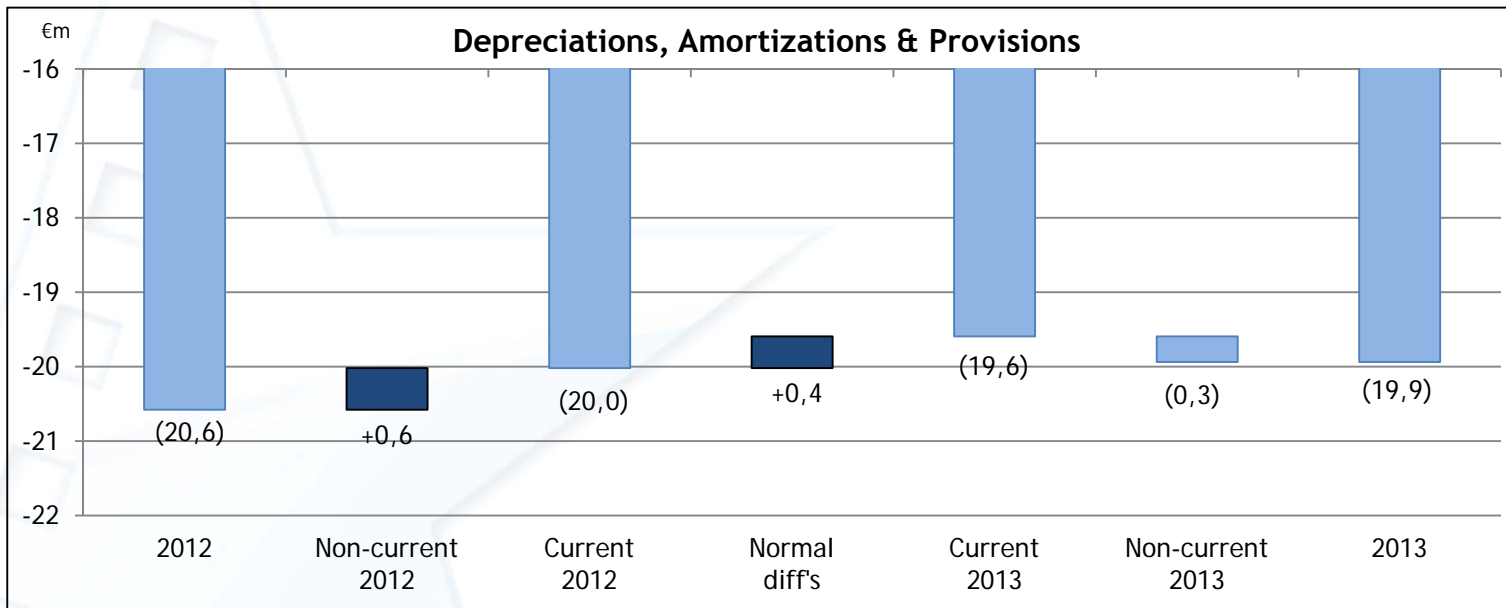
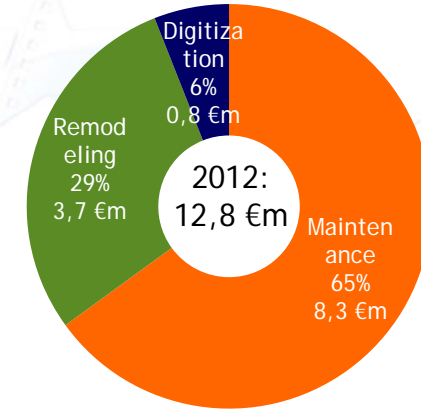
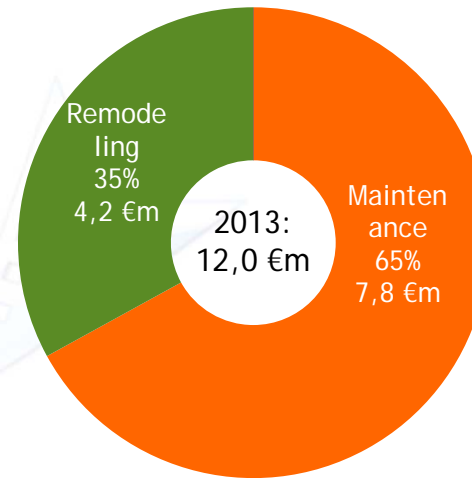


Free Cash Flow 2013 vs 2012



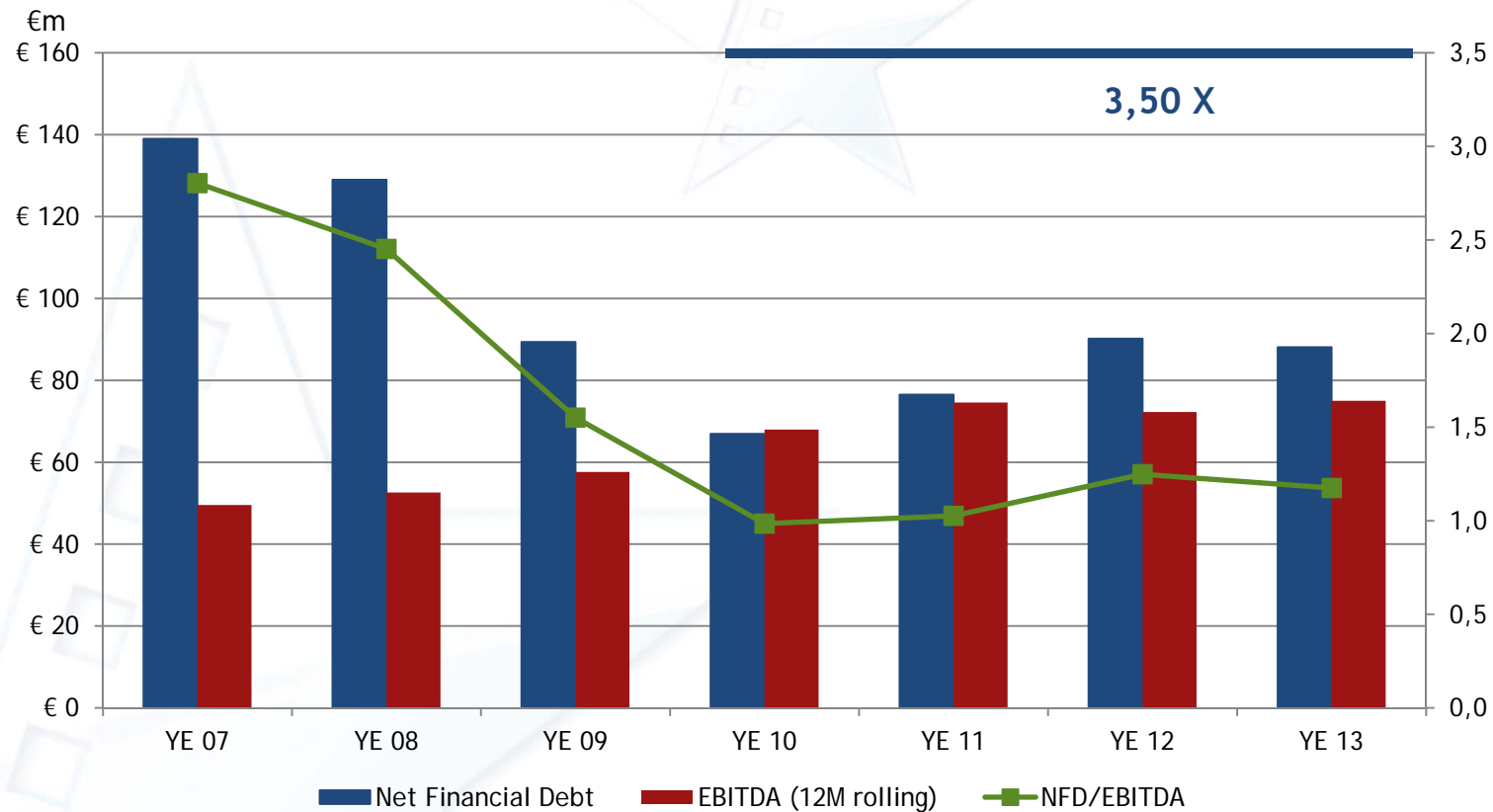
Capex - Depreciation

Capex €m	2013	2012
Belgium	6,3	7,8
France	3,4	2,3
Spain	2,1	2,5
Other	0,2	0,2
TOTAL	12,0	12,8



Net Financial Debt Evolution

€m	31 Dec 2013	31 Dec 2012	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	88,1	90,2	2,1	2,3%
Leverage ratio*: NFD / EBITDA	1,2	1,2		



* Not Clubdeal definition

Balance sheet

€m	31 Dec 2013	% of Total	31 Dec 2012	% of Total	€m	31 Dec 2013	% of Total	31 Dec 2012	% of Total
Intangible assets	3,0	1%	3,3	1%	Equity	104,7	34%	108,7	33%
Goodwill	18,8	6%	18,8	6%	LT financial debt	87,9	28%	81,7	25%
Land & buildings	180,3	58%	184,6	56%	Provisions ⁽¹⁾	3,0	1%	3,8	1%
Other fixed assets	38,6	12%	41,3	13%	Deferred taxes	17,5	6%	17,4	5%
Deferred taxes	1,1	0%	0,7	0%	Other payables	8,1	3%	8,6	3%
Other receivables	13,4	4%	13,2	4%	Derivatives	0	0%	0,1	0%
Non-current assets	255,2	82%	261,9	80%	Non-current liabilities	116,5	38%	111,7	34%
Assets held for sale	6,7	2%	8,7	3%	ST financial debt	19,9	6%	37,7	12%
Working capital	28,2	9%	26,1	8%	Provisions	0,7	0%	0,3	0%
Current taxes	0,5	0%	1,7	1%	Working capital	62,4	20%	64,3	20%
Financial assets	0,4	0%	0,4	0%	Current taxes	6,0	2%	4,4	1%
Cash & cash equivalents	19,3	6%	28,8	9%	Derivatives	0,1	0%	0,5	0%
Current assets	55,1	18%	65,7	20%	Current liabilities	89,1	29%	107,2	33%
Assets	310,3	100%	327,6	100%	Equity & Liabilities	310,3	100%	327,6	100%

	31 Dec 2013	31 Dec 2012
Gearing ratio*	0,84	0,83
Current ratio**	0,62	0,61
Solvency ratio***	33,7%	33,2%
ROCE****	22,9%	21,8%

(1): Including employee benefits liabilities

*: Gearing ratio: Net Financial Debt / Equity

** : Current ratio: Current Assets / Current Liabilities

***: Solvency ratio: Total Equity / Total Equity & Liabilities

****: ROCE: Current operating profit / Capital employed

Tax Shelters

Tax Shelters 2013: € 1,1 m	Tax Shelters 2012: € 1,1 m
Halfweg	Bingo
Crimi clowns	82 days in April
De welp	Flying Home
Morrocan gigolo's	Het vonnis
Studio 100 (K3)	De behandeling
Brabançonne	
Trippel Trappel	

Shareholders

	14/02/2014		23/08/2013	
	# Shares	%	# Shares	%
Total Shares outstanding	5.582.654	100 %	5.856.508	100 %
Refence Shareholders & Free Float	# Shares	%	# Shares	%
Kinohold Bis and Mr. Joost Bert	2.581.610	46,24%	2.581.610	44,08%
Treasury shares (Own shares)	303.603	5,44%	451.569	7,71%
Free Float	2.697.441	48,32%	2.823.329	48,21%
Other*	# Shares	%	# Shares	%
Axa SA	304.711	5,45%	304.711	5,20% ↗
Ameriprise Financial Inc - Threadneedle AMH Ltd			266.256	4,55% ↘
BNP Paribas Investment Partners SA	281.216	5,04%	194.659	3,32% ↗

* Resulting from transparency notices received

Share Buyback Program

	# shares	€m
Total shares outstanding as at 31/12/2012	5.856.508	
Treasury shares (own shares) as at 31/12/2012	311.885	8,9
Share buyback 2013	276.492	28,8
Sale of shares (exercise stock options)	(14.000)	(0,4)
Cancellation	(273.854)	(28,5)
Total shares outstanding as at 31/12/2013	5.582.654	
Treasury shares (own shares) as at 31/12/2013	300.523	8,8
Share buyback YTD 14/02/2014	3.080	0,4
Total shares outstanding as at 14/02/2014	5.582.654	
Treasury shares (own shares) as at 14/02/2014	303.603	9,2
Dividend eligible shares as at 14/02/2014*	5.279.051	
SBB mandate granted by Extraordinary Shareholders' Meeting of 19/10/2012	1.171.301	
Remaining shares to buy back under SBB mandate as at 14/02/2014	891.729	

*: Excluding all treasury shares

Financial Calendar

Thursday	15/05/2014	Business update Q1 2014
Friday	16/05/2014	Annual Shareholders' Meeting
Monday	02/06/2014	Dividend payment
Thursday	28/08/2014	Analysts and press meeting HY 2014
Friday	14/11/2014	Business update Q3 2014



Q & A

Thank You



Annexes

Financial Statements

Results 2013



Consolidated Income Statement

€m	2013	2012	% Better / (Worse)
Revenue	246,0	254,5	(3,3)%
Cost of sales	(163,9)	(172,3)	4,9%
Gross profit	<u>82,1</u>	<u>82,2</u>	<u>(0,1)%</u>
<i>Gross profit %</i>	<i>33,4%</i>	<i>32,3%</i>	
Marketing & selling expenses	(15,2)	(16,2)	5,8%
Administrative expenses	(13,6)	(15,1)	9,7%
Other operating income and expenses	1,8	0,7	153,2%
EBIT	<u>55,1</u>	<u>51,7</u>	<u>6,6%</u>
<i>EBIT %</i>	<i>22,4%</i>	<i>20,3%</i>	
Financial result	(6,0)	(5,9)	(2,4)%
Profit before tax	<u>49,1</u>	<u>45,8</u>	<u>7,1%</u>
Income tax expense	(11,5)	(10,1)	(14,0)%
Profit	<u>37,5</u>	<u>35,7</u>	<u>5,1%</u>
<i>Profit %</i>	<i>15,3%</i>	<i>14,0%</i>	
EBITDA	<u>75,0</u>	<u>72,3</u>	<u>3,8%</u>
<i>EBITDA %</i>	<i>30,5%</i>	<i>28,4%</i>	

Current Income Statement

€m	2013	2012	% Better / (Worse)
Revenue	246,0	254,5	(3,3)%
Cost of sales	(163,5)	(170,9)	4,4%
<u>Gross profit</u>	<u>82,5</u>	<u>83,6</u>	<u>(1,3)%</u>
<i>Gross profit %</i>	<i>33,5%</i>	<i>32,8%</i>	
Marketing & selling expenses	(15,3)	(16,0)	4,8%
Administrative expenses	(13,2)	(14,3)	7,7%
Other operating income & expenses	1,0	0,7	35,6%
<u>REBIT</u>	<u>55,0</u>	<u>54,0</u>	<u>2,0%</u>
<i>REBIT %</i>	<i>22,4%</i>	<i>21,2%</i>	
Financial result	(6,0)	(5,9)	(2,4)%
<u>Profit before tax</u>	<u>49,0</u>	<u>48,1</u>	<u>1,9%</u>
Income tax expense	(11,6)	(10,7)	(8,7)%
<u>Current profit</u>	<u>37,4</u>	<u>37,4</u>	<u>0,0%</u>
<i>Current profit %</i>	<i>15,2%</i>	<i>14,7%</i>	
<u>REBITDA</u>	<u>74,6</u>	<u>74,0</u>	<u>0,9%</u>
<i>REBITDA %</i>	<i>30,3%</i>	<i>29,1%</i>	

Consolidated Balance Sheet (1)

€m	31/12/2013	31/12/2012	% Better / (Worse)
Intangible assets	3,0	3,3	(9,0)%
Goodwill	18,8	18,8	0,0%
Property, plant & equipment	206,9	214,4	(3,5)%
Investment property	12,0	11,5	5,3%
Deferred tax assets	1,1	0,7	49,2%
Other receivables	13,4	13,2	1,9%
Other financial assets	0,0	0,0	0,0%
<u>Total non-current assets</u>	<u>255,2</u>	<u>261,9</u>	<u>(2,5)%</u>
Assets held for sale	6,7	8,7	(22,5)%
Inventories	3,4	3,2	3,4%
Trade & other receivables	25,2	23,3	8,1%
Current income taxes	0,5	1,7	(68,4)%
Cash & cash equivalents	19,3	28,8	(33,1)%
<u>Total current assets</u>	<u>55,1</u>	<u>65,7</u>	<u>(16,2)%</u>
<u>TOTAL ASSETS</u>	<u>310,3</u>	<u>327,6</u>	<u>(5,3)%</u>

Consolidated Balance Sheet (2)

€m	31/12/2013	31/12/2012	% Better / (Worse)
Capital & Share premium	20,1	20,1	0,0%
Consolidated reserves	86,1	89,8	(4,0)%
Translation differences	(1,6)	(1,2)	(33,1)%
Equity attributable to equity holders of the parents	104,7	108,7	(3,7)%
Non-controlling interests	0,0	0,0	0,0%
<u>Total equity</u>	<u>104,7</u>	<u>108,7</u>	<u>(3,7)%</u>
Interest bearing loans & borrowings	87,9	81,7	7,6%
Provisions & employee benefits	3,0	3,8	(20,1)%
Deferred tax liabilities	17,5	17,4	0,5%
Derivatives	0,0	0,1	(100,0)%
Other payables	8,1	8,6	(6,0)%
<u>Total non-current liabilities</u>	<u>116,5</u>	<u>111,7</u>	<u>4,4%</u>
Interest bearing loans & borrowings & Bank overdrafts	19,9	37,7	(47,2)%
Trade & other payables	62,4	64,3	(3,0)%
Provisions & employee benefits	0,7	0,3	159,6%
Derivatives	0,1	0,5	(87,8)%
Current income tax liabilities	6,0	4,4	36,8%
<u>Total current liabilities</u>	<u>89,1</u>	<u>107,2</u>	<u>(16,9)%</u>
<u>TOTAL EQUITY & LIABILITIES</u>	<u>310,3</u>	<u>327,6</u>	<u>(5,3)%</u>

Cash Flow Statement

€m	31/12/2013	31/12/2012	Better / (Worse)
<u>Cash flows from operating activities</u>			
Profit before tax	49,1	45,8	3,3
<u>Adjustments for:</u>			
Depreciation, amortization & provisions	19,9	20,6	(0,7)
Government grants	(0,7)	(0,8)	0,1
Gains / losses on sale of PPE & financial assets	(0,9)	(0,0)	(0,9)
Financial result & Share based payments	5,1	5,2	(0,1)
Cash generated from operations	72,5	70,8	1,7
Working capital movements	(4,3)	3,3	(7,6)
Income taxes (paid)/ received	(9,2)	(9,6)	0,4
Net cash from operating activities	59,0	64,5	5,5
<u>Cash from investing activities</u>			
Acquisition of (in)tangible assets	(12,1)	(12,8)	0,7
Proceeds from sales of PPE	1,9	0,0	1,9
Net cash used in investing activities	(10,2)	(12,8)	2,6
<u>Cash flows from financing activities</u>			
Interests (paid)/ received	(4,9)	(2,1)	(2,8)
Acquisition of non-controlling interests	0,0	(4,7)	4,7
Capital reduction paid	(0,0)	(0,1)	0,1
Treasury shares	(28,5)	(47,9)	19,4
Dividends paid	(13,1)	(10,6)	(2,5)
New loans / repayment of loans	(12,3)	24,9	(37,2)
Net cash used in financing activities	(58,8)	(40,5)	(18,3)
Net cash flow	<u>(10,0)</u>	<u>11,2</u>	<u>(21,2)</u>



Free Cash Flow

€m	31/12/2013	31/12/2012	Better / (Worse)
Cash Flow before WC movements & tax paid	72,5	70,8	1,7
Income taxes paid	(9,2)	(9,6)	0,4
Working capital	(4,3)	3,3	(7,6)
Capital exp - maintenance	(7,8)	(8,3)	0,5
Interest paid	(4,9)	(2,1)	(2,8)
Free cash flow	46,3	54,1	(7,8)
Capital exp - digitalization, expansion, remodeling	(4,3)	(4,5)	0,2
Sale financial assets & PPE	1,9	0,0	1,9
Acquisition of non-controlling interests	0,0	(4,7)	4,7
Capital reduction paid	(0,0)	(0,1)	0,1
Treasury shares	(28,5)	(47,9)	19,4
Dividend payments	(13,1)	(10,6)	(2,5)
CF after expansion exp, dividends & treasury shares	2,3	(13,6)	15,9

