



Kinepolis Group

Results 2014

Analyst & Press Meeting
February 24, 2015





Business Review 2014

CEO, Mr Eddy Duquenne



Key financials

€m	2014	2013	Better / (Worse)
<i>Visitors ('000)</i>	19.691	18.232	8,0%
Revenue	262,6	246,0	6,8%
EBITDA	71,3	75,0	(4,9)%
REBITDA	€ 3,77/Vis 74,3	€ 4,09/Vis 74,6	(0,5)%
<i>REBITDA Margin</i>	28,3%	30,3%	
EBIT	50,7	55,1	(8,0)%
REBIT	53,2	55,0	(3,2)%
<i>REBIT Margin</i>	20,3%	22,4%	
Profit	35,2	37,5	(6,3)%
Current Profit	35,6	37,4	(4,8)%
<i>EPS (in €)</i>	1,34	1,38	(2,9)%
Free Cash Flow	51,8	46,3	11,7%
€m	31 st Dec 2014	31 st Dec 2013	Better / (Worse)
Net Financial Debt (NFD)	118,6	88,1	(30,5) €m

Highlights (1)

❑ Revenue up by 6,8%

- ❑ Visitors +8,0%
- ❑ Increase Box Office revenue (+6,8%)
- ❑ Increase In-theatre Sales (+7,7%)
- ❑ Increase Sales and Events (+2,3%)
- ❑ Decrease Screen Advertising revenue (-14,3%)
- ❑ Increase Real Estate revenue (+10,4%)

❑ Gross profit

- ❑ Increased operational efficiency cinema activities
- ❑ Strong decline contribution screen advertising
- ❑ Strong decline contribution film distribution

Highlights (2)

- ❑ REBITDA -0,5%
 - ❑ Increased visitor numbers
 - ❑ Improved operational efficiency
 - ❑ Impact expansion
 - ❑ Lower results from screen advertising and film distribution
- ❑ REBITDA margin at 28,3% (30,3% 2013)
- ❑ Current profit at € 35,6 m (€ 37,4 m 2013)
- ❑ Free cash flow of € 51,8 m (€ 5,5 m higher) or +11,7%
- ❑ NFD at € 118,6 m (€ 30,5 m higher)

Major events

- ❑ 2014 results reflect Strategic Pillars set out in 2008
 - ❑ Best Marketer
 - ❑ Best Cinema Operator
 - ❑ Best Property Manager
- ❑ Further development and implementation of Strategy in 2014
- ❑ First steps in expansion strategy
 - ❑ H1 2014: Acquisition 2 cinemas in Spain (Alicante and Madrid)
 - ❑ H2 2014: Acquisition Dutch cinema group Wolff (9 cinemas in The Netherlands)
- ❑ Capital Optimisation
 - ❑ Acquisition of 629.049 shares for € 19,6 m from 2014 until 23/02/2015
 - ❑ Sale of 30.000 shares (exercise stock options) for € 0,1 m
 - ❑ Cancellation of 548.073 shares
 - ❑ Cumulative capital optimization 2011 to 23/02/2015 of € 160,4 m

Planned Greenfields

Country	City	# Screens	Est. Visitors / Year
The Netherlands	Utrecht*	14	1,25 mio
	Dordrecht	6	0,3 mio
	Breda	10	0,45 mio
France	Brétigny-sur-Orge	10	0,5 mio

* Following the opening of the new multiplex in Utrecht, the former complexes will be closed

Kinepolis complexes today

KINEPOLIS GROUP	Complexes	Screens
Belgium *	12	148
France	7	87
Spain	5	91
The Netherlands	9	46
Poland *	1	18
Switzerland	1	8
Total	35	398



- ❑ Market Share: Belgium: to be announced**
- France: 3,2%
- Spain: 4,5%
- The Netherlands: 5,0%

❑ 370 digital screens (100% digitised***)

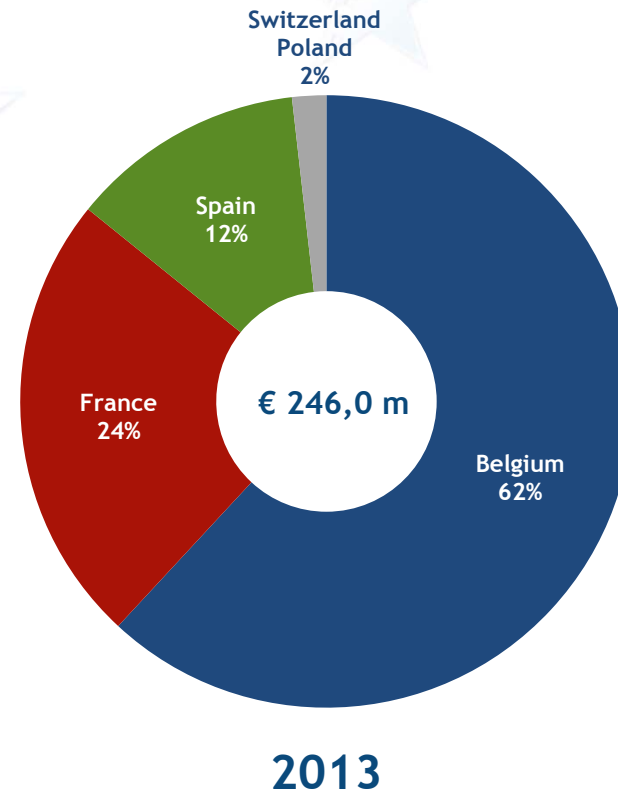
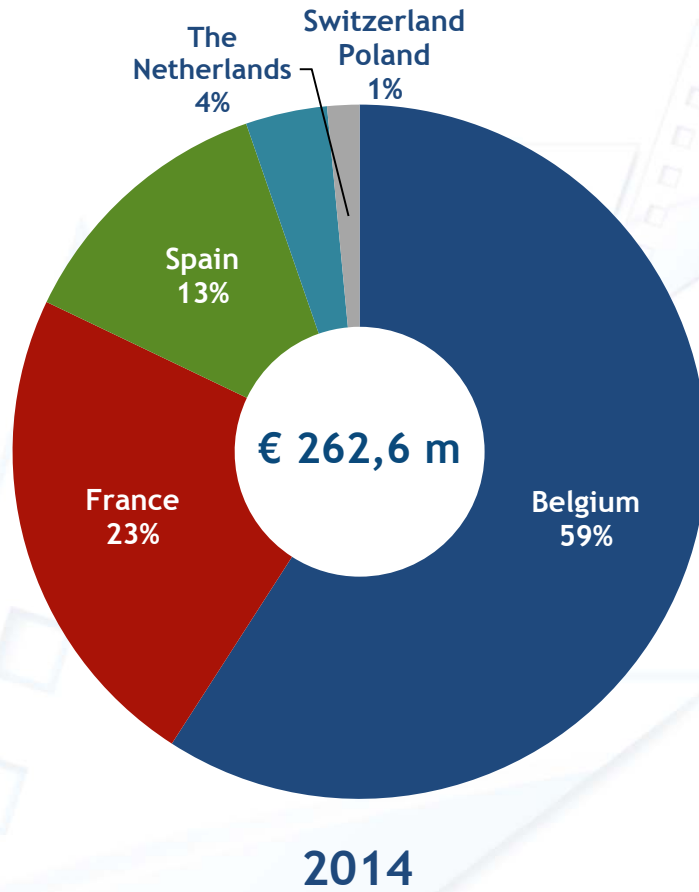
❑ Of which 124 screens with 3D***

* Operated by ITIT in Poland and 1 complex by UGC in Belgium (Brussels)

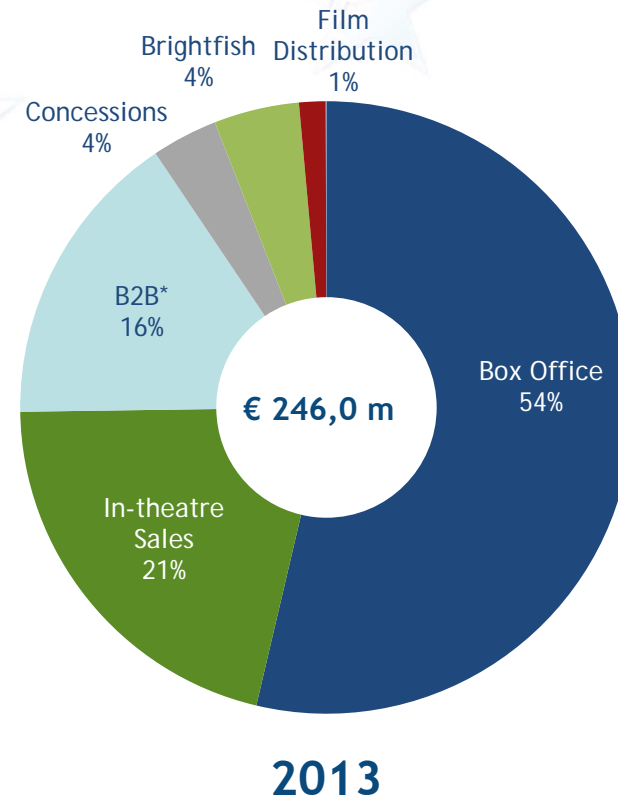
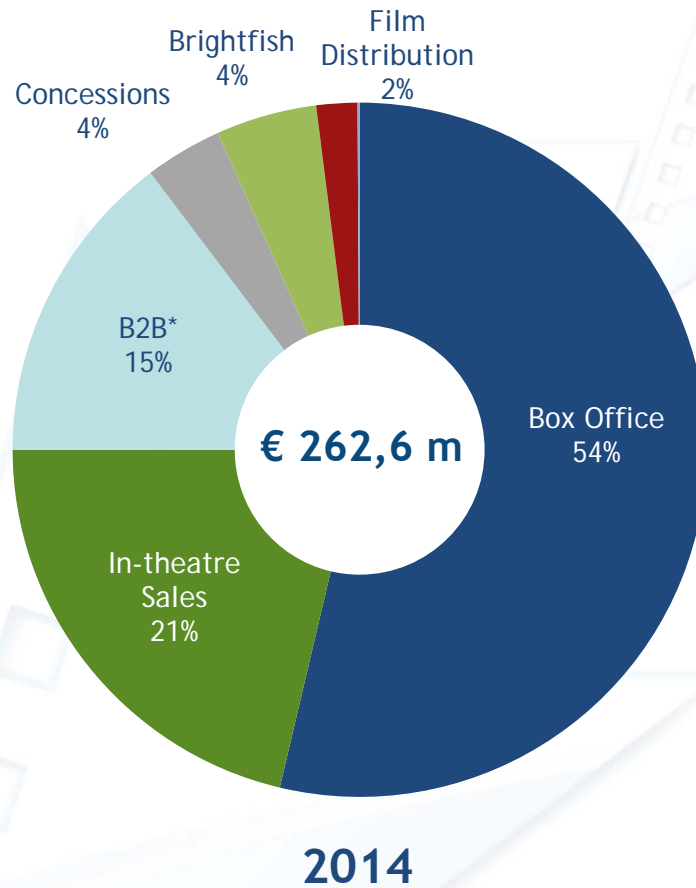
** New data platform expected to be available in 2015

*** Excluding ITIT in Poland and UGC Brussels in Belgium

Revenue by country



Revenue by activity



* Including Cinema Screen Advertising

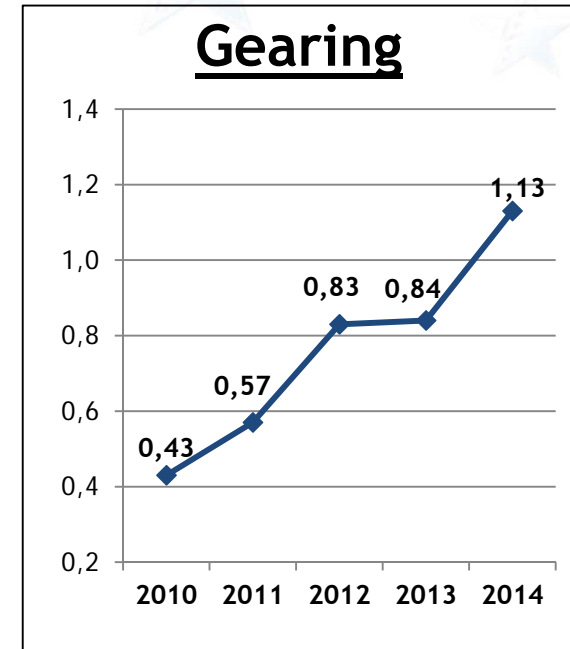
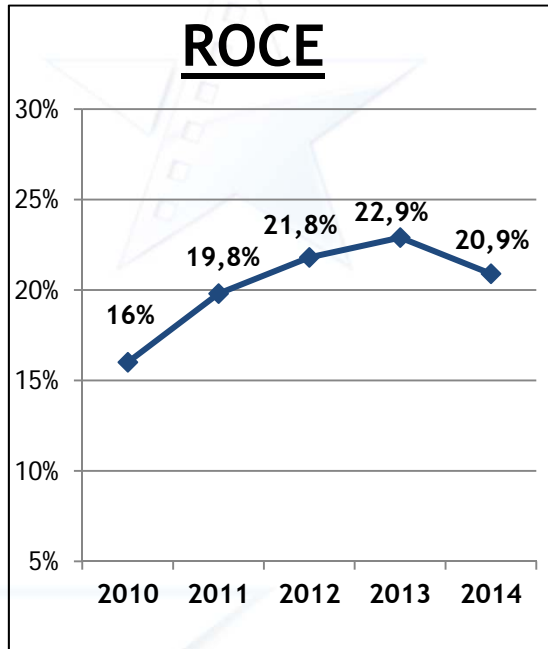
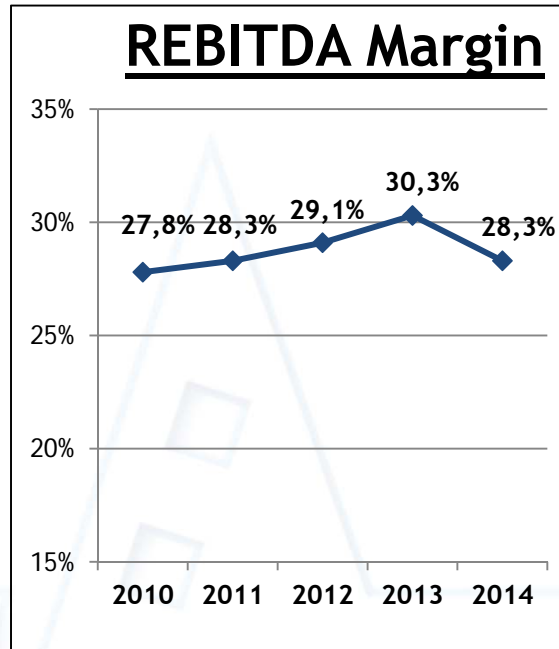
Visitors & Movies

Visitors (000's)	2014	% of Tot	2013	% of Tot	% Δ YoY
Belgium	8.967	45,6%	9.185	50,4%	(2,4)%
France	6.190	31,4%	5.805	31,8%	6,6%
Spain	3.631	18,4%	3.099	17,0%	17,2%
The Netherlands	778	4,0%	0	0,0%	-
Switzerland	125	0,6%	143	0,8%	(12,6)%
Total	19.691	100%	18.232	100%	8,0%

Top 5 Movies 2014	3D	Visitors (000's)
1. The Hobbit: The Battle of the Five Armies	✓	598
2. The Hunger Games: Mockingjay - Part I		528
3. Qu'est-ce qu'on a fait au Bon Dieu?		498
4. Lucy		495
5. Dawn of the Planet of the Apes	✓	457
Top 5		2.576
Weight Top 5		13,1%

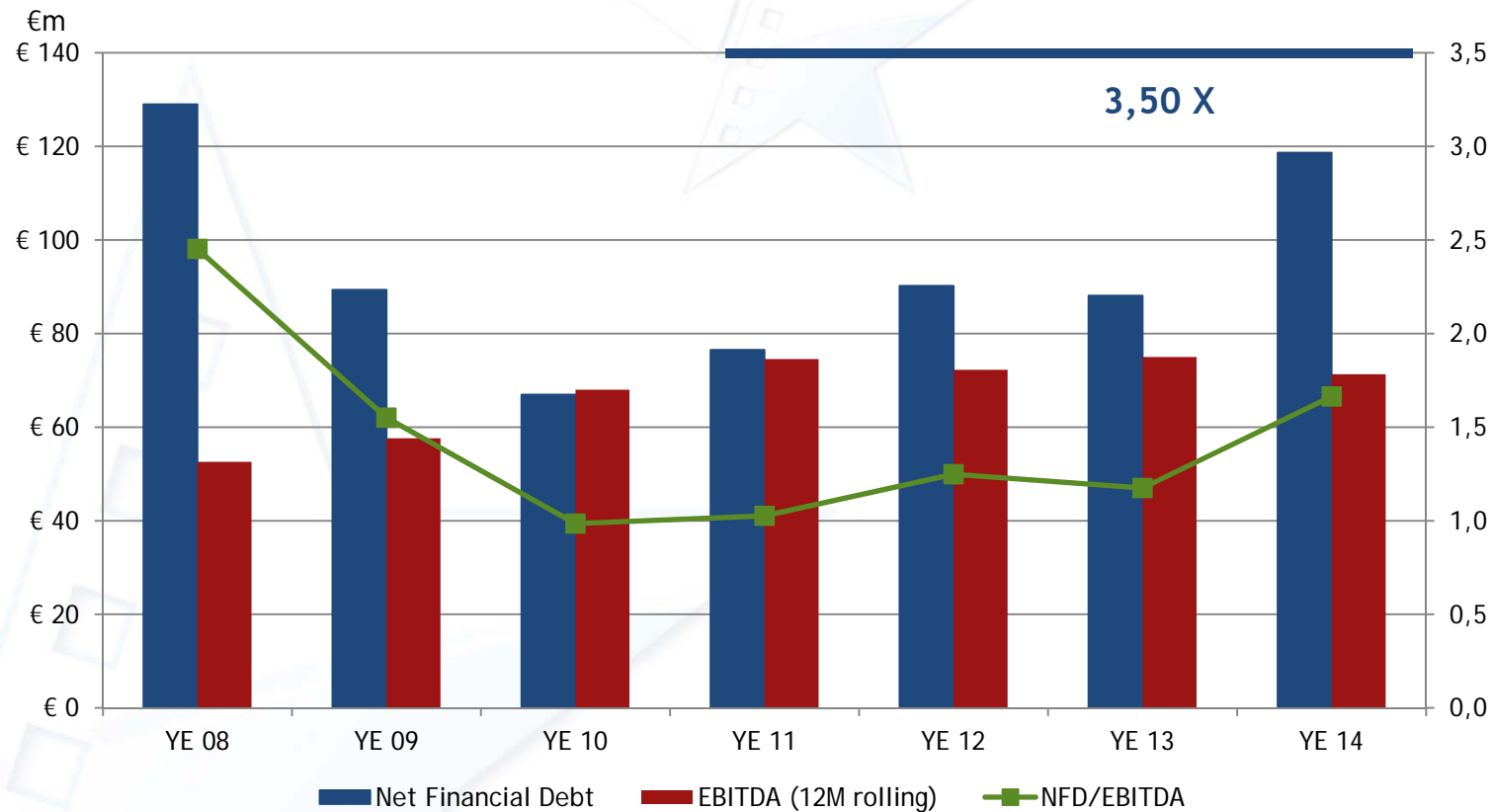
Top 5 Movies 2013	3D	Visitors (000's)
1. The Hobbit: The Desolation of Smaug	✓	553
2. Despicable Me 2	✓	467
3. The Hunger Games: Catching Fire		466
4. Fast and Furious 6		426
5. Iron Man 3	✓	415
Top 5		2.328
Weight Top 5		12,8%

Ratios



Net Financial Debt Evolution

€m	31 Dec 2014	31 Dec 2013	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	118,6	88,1	(30,5)	(34,6)%
Leverage ratio*: NFD / EBITDA	1,7	1,2		

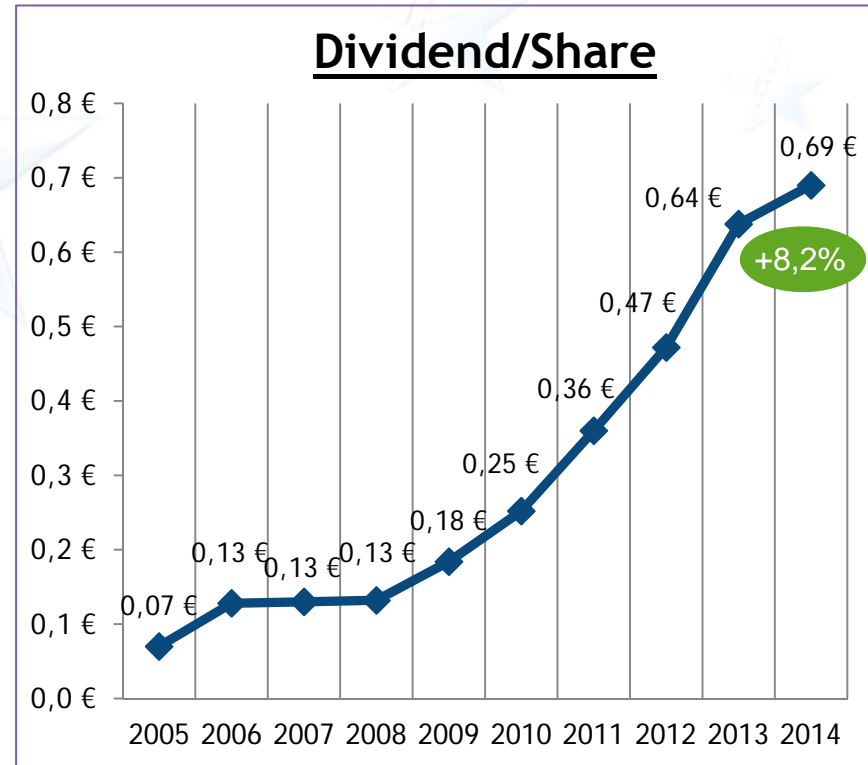


* Not Clubdeal definition

Dividend payment

→ Dividend

- Based on Net Current Income:
€ 35,6 m
- Payout ratio: 50 %
- # Dividend eligible shares:
25.811.606*
- € 0,69* per share
- 11th year increase consecutively
- Superdividend of € 0,20 per share



* Calculation based on number of treasury shares as at 23/02/2015. Number of dividend eligible shares still subject to change due to additional share buyback or exercise of options before Annual Shareholders' Meeting of 13/05/2015.

Line-up 2015

	2D	3D
Major sequels	<ul style="list-style-type: none"> • Insurgent (Q1) • Furious 7 (Q2) • The Maze Runner: The Scorch Trials (Q3) • The Fantastic Four (Q3) • The Hunger Games: Mockingjay - Part 2 (Q4) • Spectre (Q4) 	<ul style="list-style-type: none"> • Avengers: Age of Ultron (Q2) • Minions (Q3) • Star Wars: Episode VII - The Force Awakens (Q4)
New titles	<ul style="list-style-type: none"> • Fifty Shades Of Grey (Q1) 	<ul style="list-style-type: none"> • Inside Out (Q2) • Jurassic World (Q2) • Mad Max: Fury Road (Q2) • The Good Dinosaur (Q4)
Local	<ul style="list-style-type: none"> • Bis (FR, Q1) • Bloed, Zweet en Tranen (NL, Q1) • Ahora O Nunca (ES, Q2) • Regression (ES, Q3) • Babysitting 2 (FR, Q4) • Belle et Sébastien: l'Aventure Continue (FR, Q4) • FC De Kampioenen 2 (BE VL, Q4) • Safety First (BE VL, Q4) • Belgica (BE VL, Q4) • De Toppers, Lost in Vegas (NL, Q4) 	
Alternative content	<ul style="list-style-type: none"> • Opera, Ballet • Art: Exhibition on Screen (BE, FR, ES) 	



Financial Review 2014

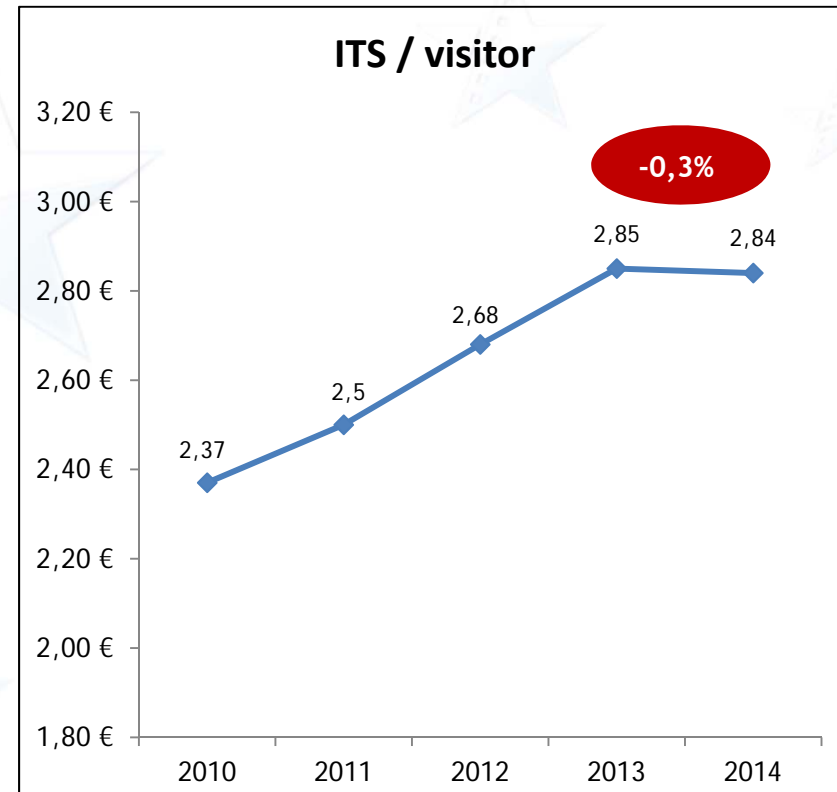
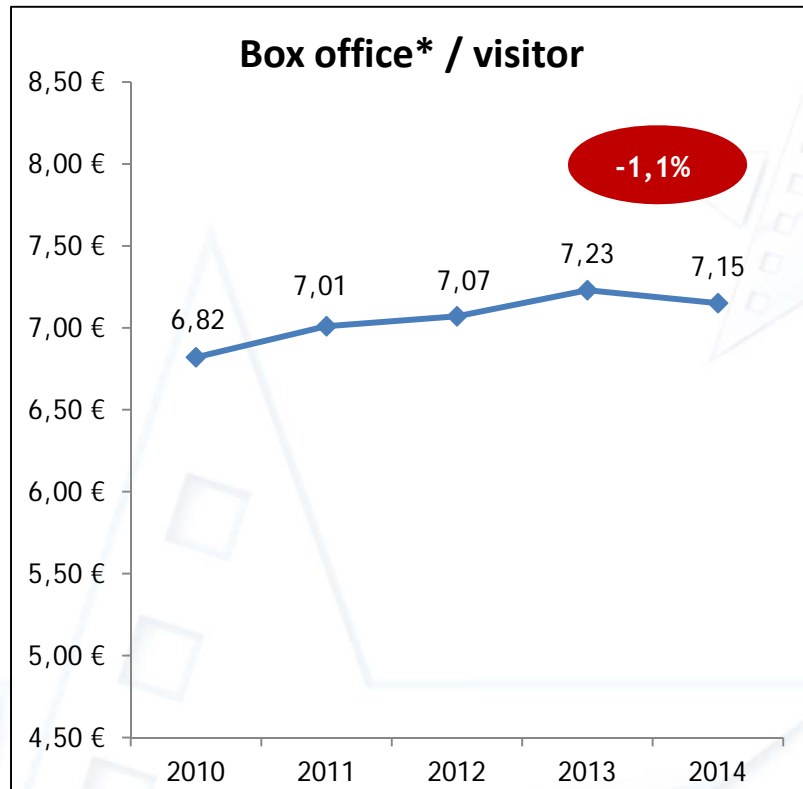
CFO, Mr Nicolas De Clercq



Revenue by country

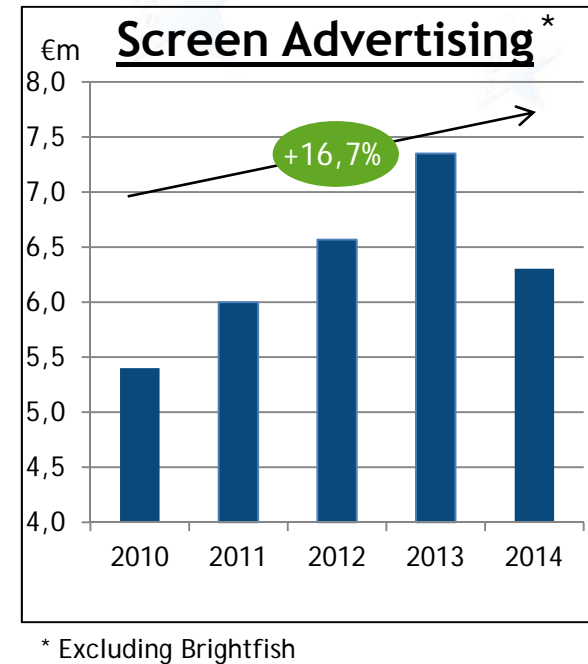
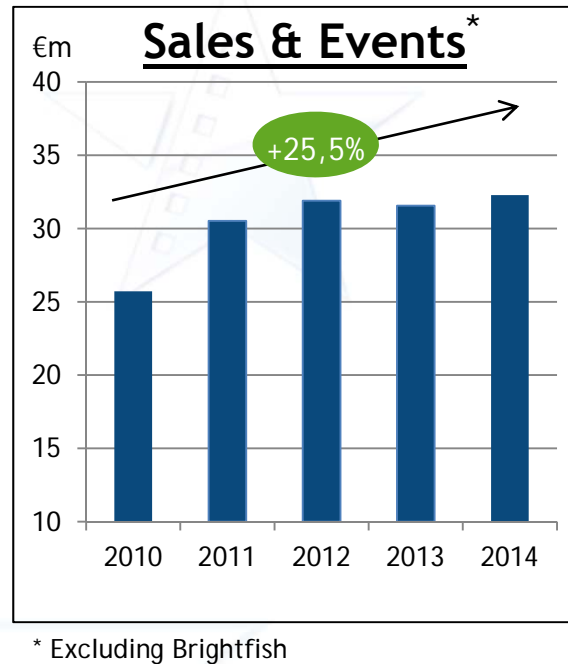
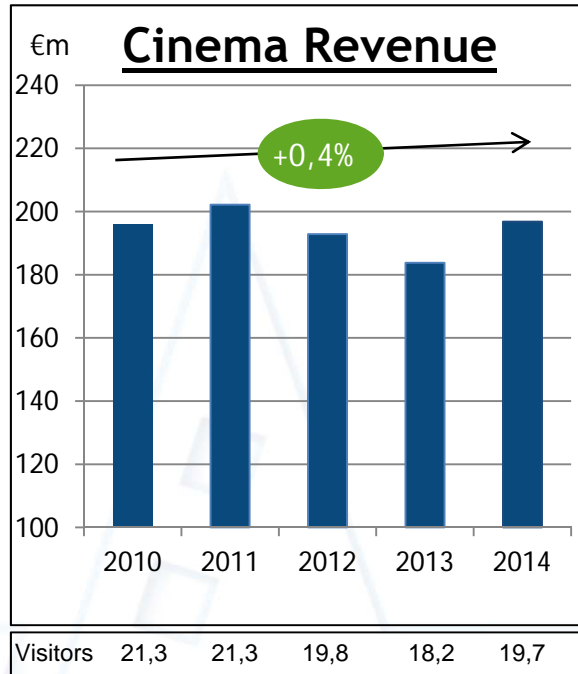
€m	2014	% of Tot	2013	% of Tot	% Δ YoY
Belgium	155,2	59,1%	152,5	61,9%	1,8%
France	60,5	23,0%	58,7	23,9%	3,1%
Spain	33,0	12,6%	30,4	12,4%	8,5%
The Netherlands	9,9	3,8%	0,0	0,0%	-
Switzerland & Poland	4,0	1,5%	4,4	1,8%	(8,1)%
Total	262,6	100%	246,0	100%	6,8%

Evolution Box Office & ITS

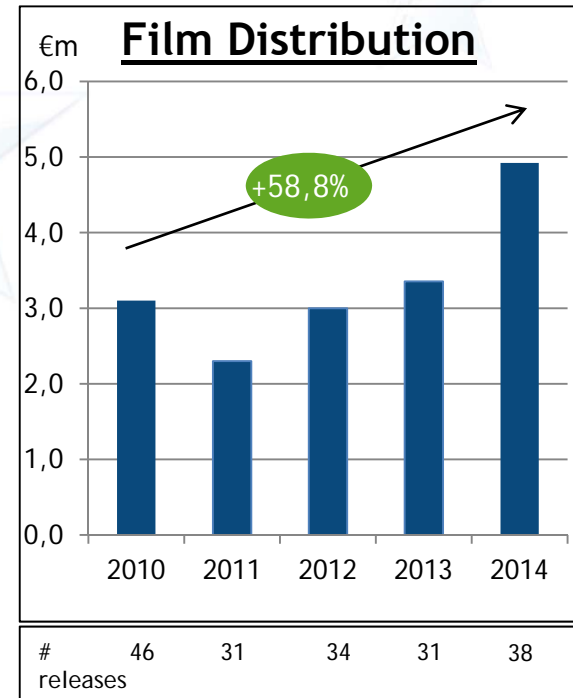
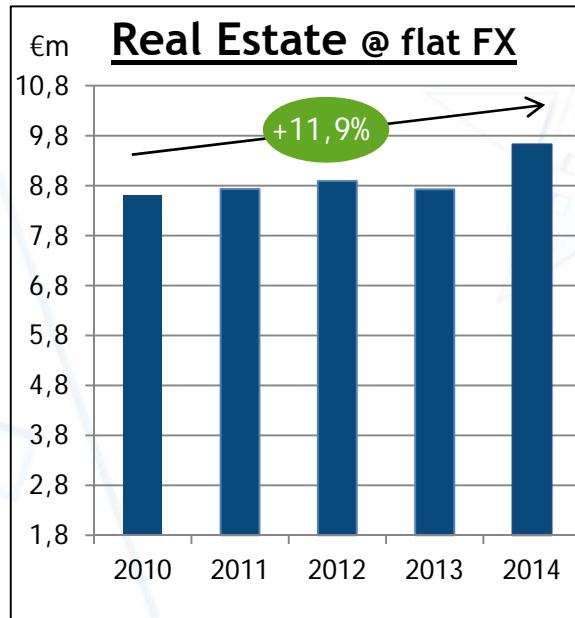


* Box Office revenue after deduction of indirect taxes, including VPF revenue

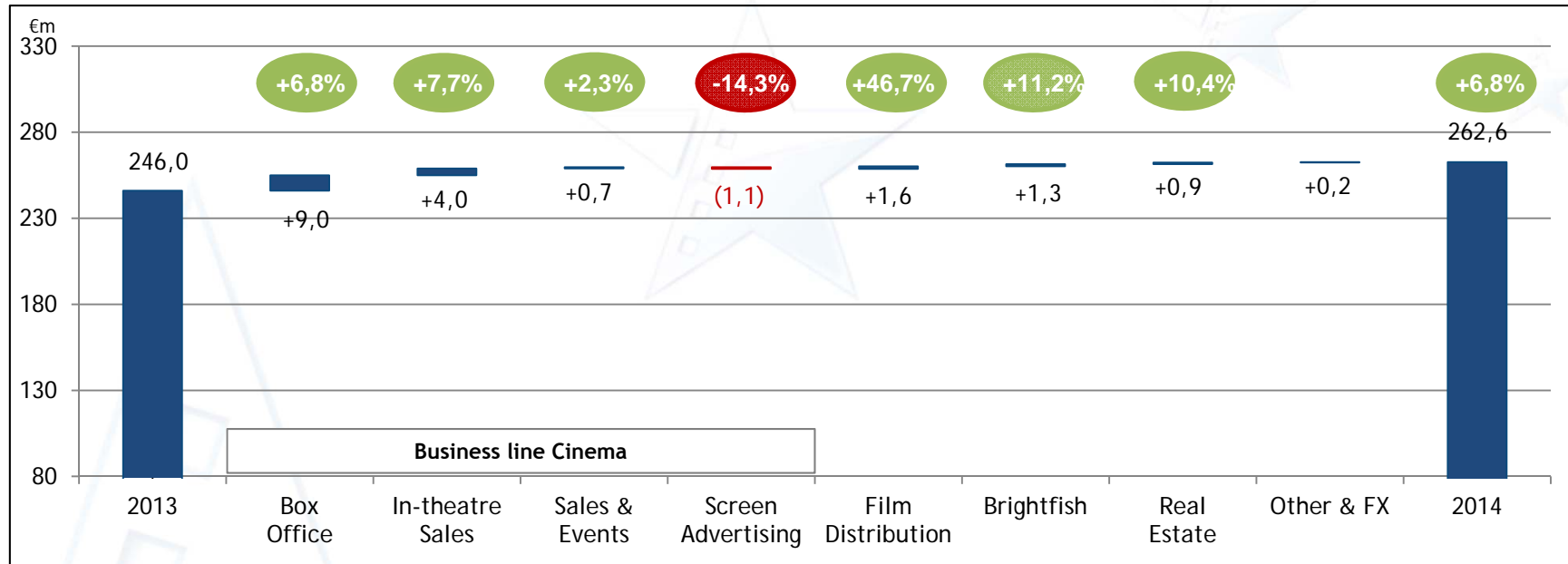
Revenue by Activity (1)



Revenue by Activity (2)



Revenue by activity



Operating Costs

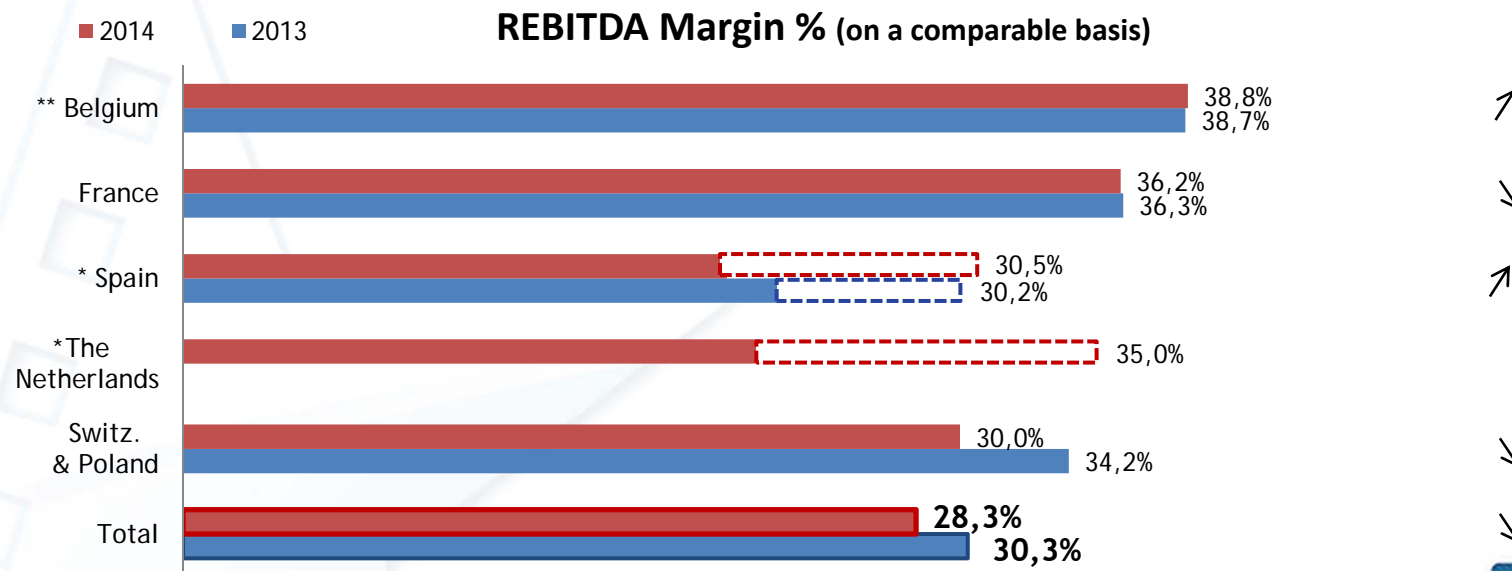
€m	2014	2013	% Better / (Worse)
Marketing & Selling Expenses	(16,1)	(15,2)	(5,4)%
Administrative Expenses	(15,6)	(13,6)	(14,3)%
Other Operating Income/(Costs)	0,5	1,8	(74,2)%
Total Operating Costs	(31,2)	(27,0)	(15,3)%
Non-Current	(1,3)	0,4	
Current Operating Costs	(29,8)	(27,4)	(8,6)%

Non-Current items

€m	2014	2013	Impacts
Expansion costs	(0,7)		EBITDA
Gain on sale land Poland		0,9	
Transformation expenses	(2,0)	(0,5)	
Loss on disposal property, plant and equipment	(0,0)	(0,1)	
Other costs	(0,2)		
EBITDA	(3,0)	0,4	
Write-down disposed of fixed assets	(0,4)	(0,2)	Depreciation
Write-down assets under construction cancelled project	(0,0)	(0,4)	
Depreciation	(0,4)	(0,6)	
Transformation provisions	0,7	(0,1)	Provisions
Reversal provision settlement leases		0,5	
Provision dismissal fees		(0,1)	
Other provisions	0,1	(0,1)	
Provisions	0,8	0,2	
Fair value adjustment future payments	1,4		Financial result
Financial income	1,4		
Income tax expense	0,8	0,1	Tax
Net impact of non-current items	(0,4)	0,1	Net Earnings

REBITDA by Country

REBITDA €m	2014	% of Total	2013	% of Total	% Better/(Worse)
Belgium	41,6	56,0%	44,3	59,4%	(6,2)%
France	22,2	29,9%	21,7	29,0%	2,5%
Spain	7,0	9,5%	7,1	9,6%	(1,4)%
The Netherlands	2,2	3,0%	0,0	0,0%	-
Switzerland & Poland	1,2	1,6%	1,5	2,0%	(19,3)%
TOTAL	74,3	100%	74,6	100%	(0,5)%

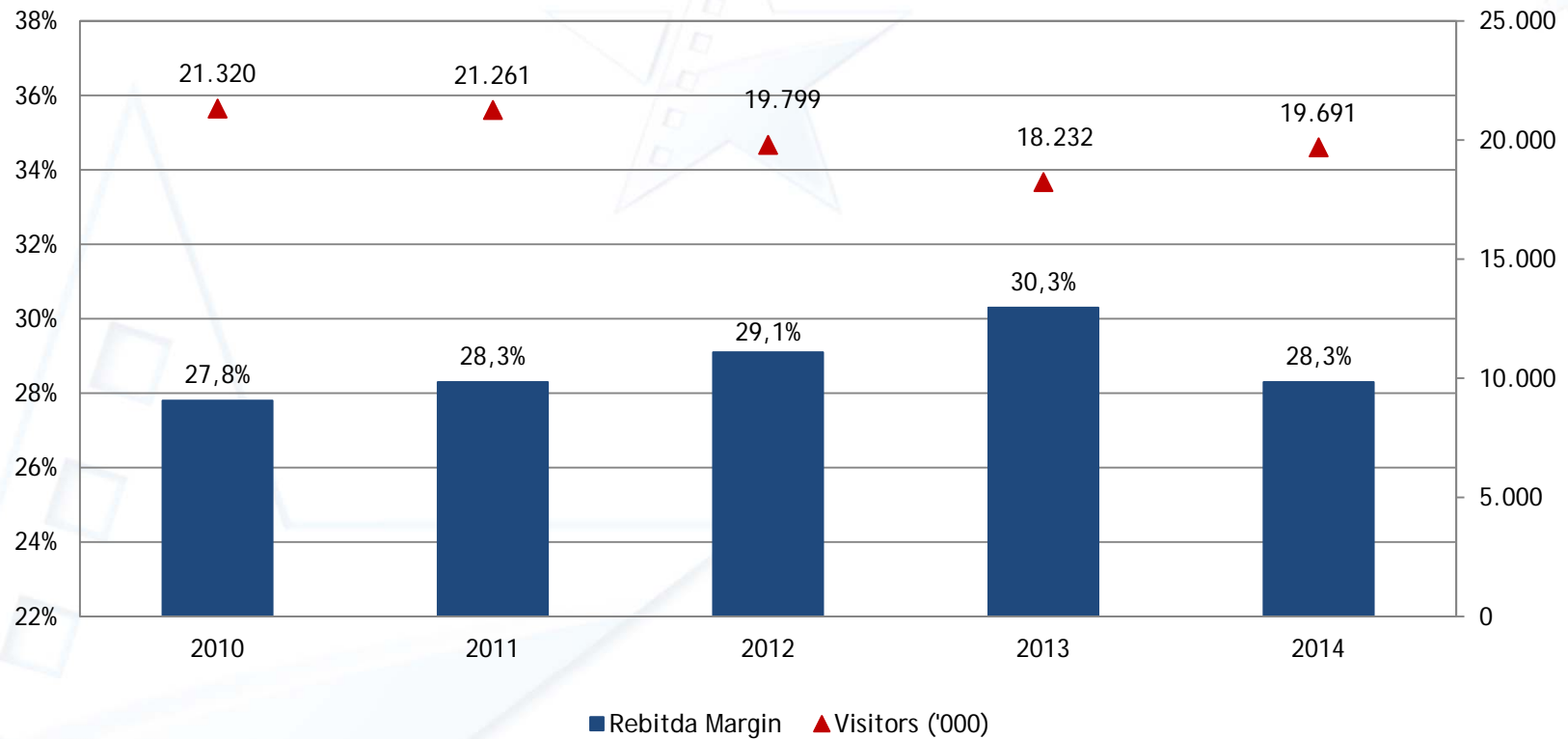


* REBITDAR (i.e. REBITDA excluding rent for Valencia, Plaza Mar 2, Alcobendas and dutch complexes)

** Excluding corporate entities, KFD, Brightfish

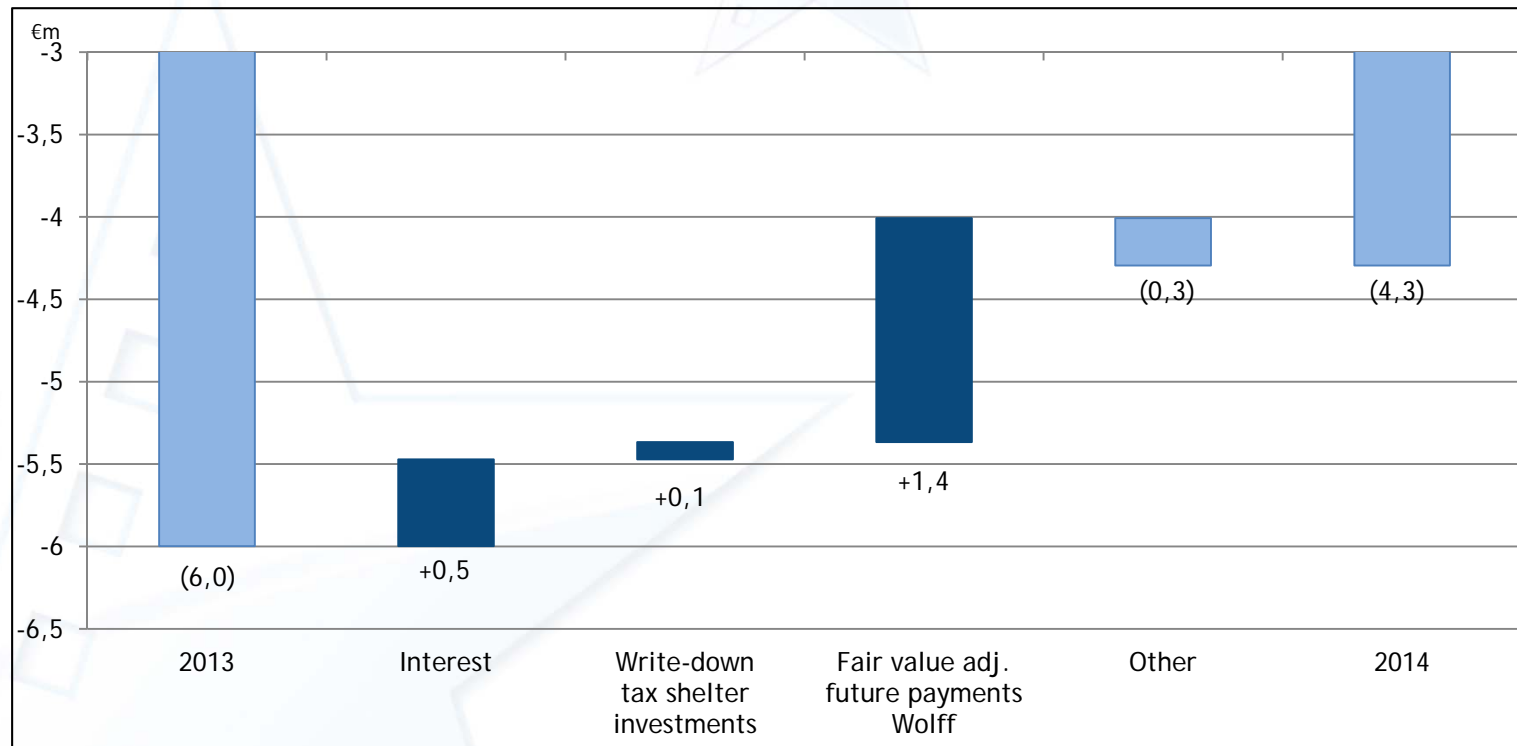
REBITDA Margin

REBITDA /Visitor	€ 3,12	€ 3,37	€ 3,74	€ 4,09	€ 3,77
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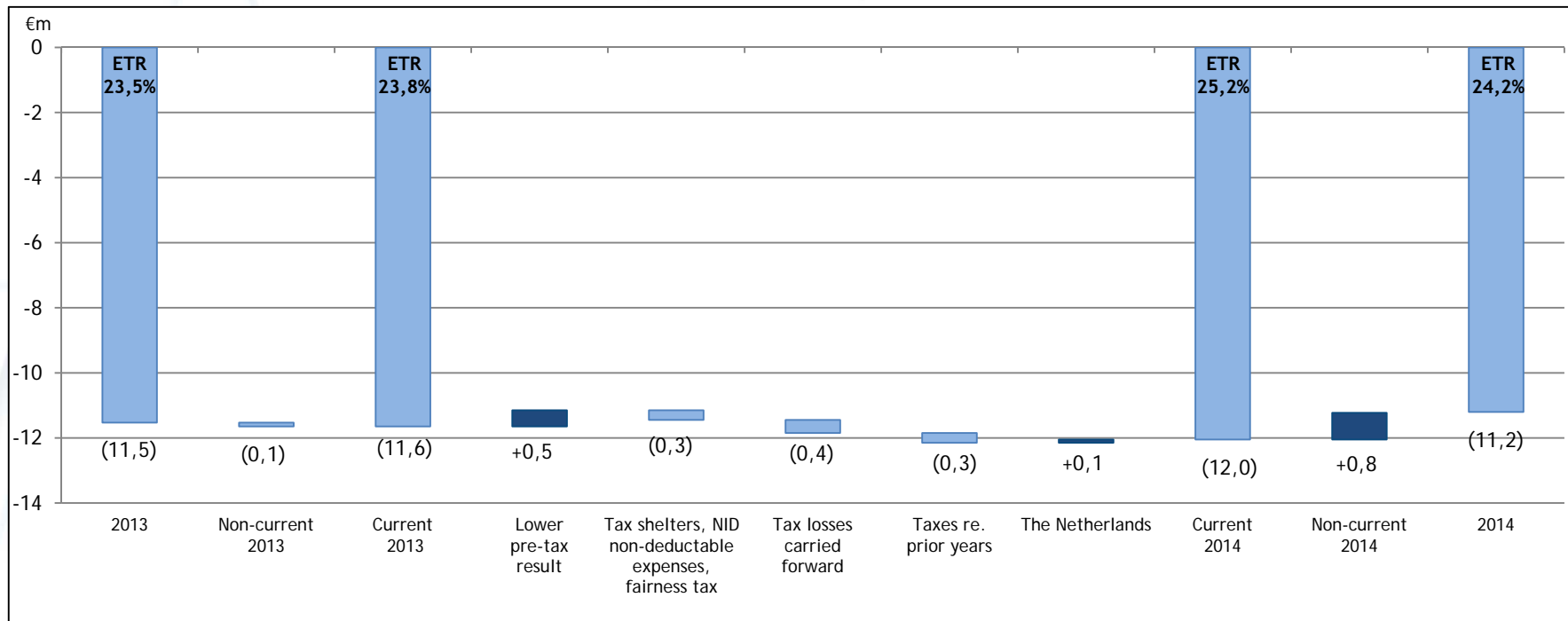
Financial Result

€m	2014	2013	% Better/(Worse)
Interest Expense	(4,3)	(4,8)	11,0%
Other (CNC, Tax Shelters, Derivatives, FX)	(0,0)	(1,2)	98,7%
Financial (Cost) / Income	(4,3)	(6,0)	28,4%

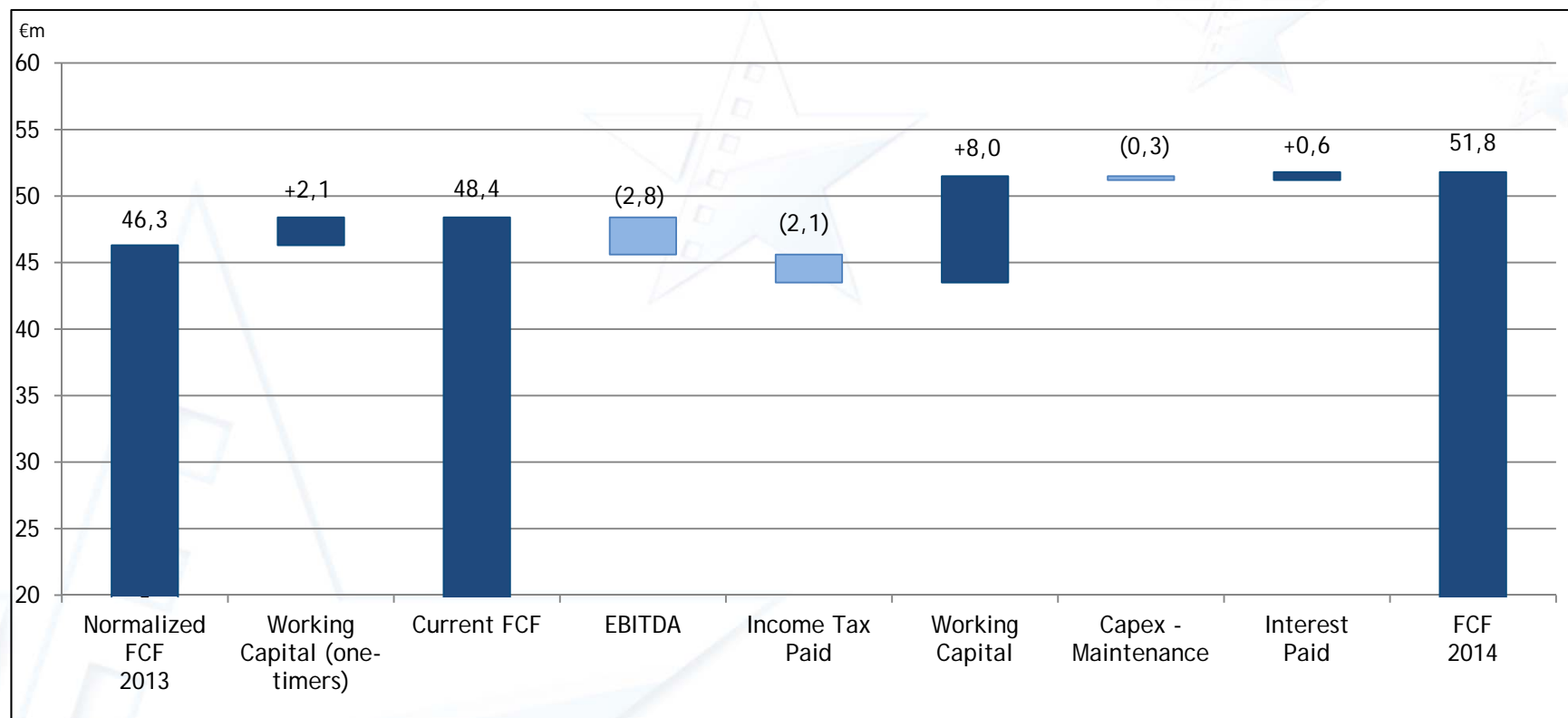


Taxes

€m	2014	2013	% Better /(Worse)
Profit before taxes	46,4	49,1	(5,5)%
Taxes	(11,2)	(11,5)	2,8%
Profit	35,2	37,5	(6,3)%
<i>Effective Tax Rate ('ETR')</i>	<i>24,2%</i>	<i>23,5%</i>	

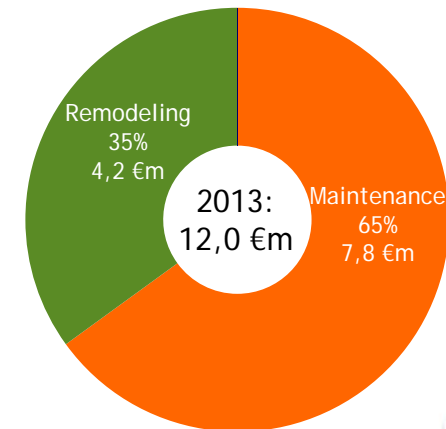
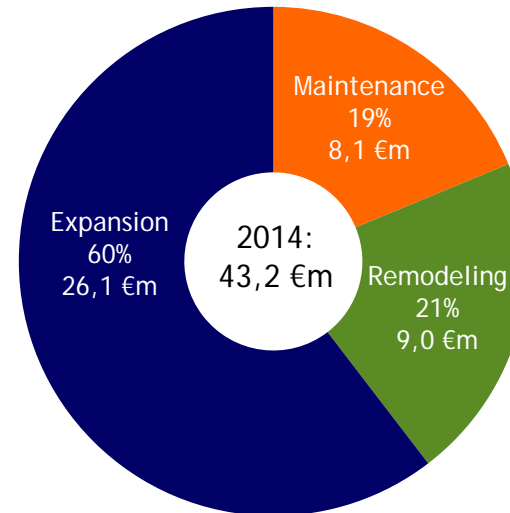


Free Cash Flow 2014 vs 2013

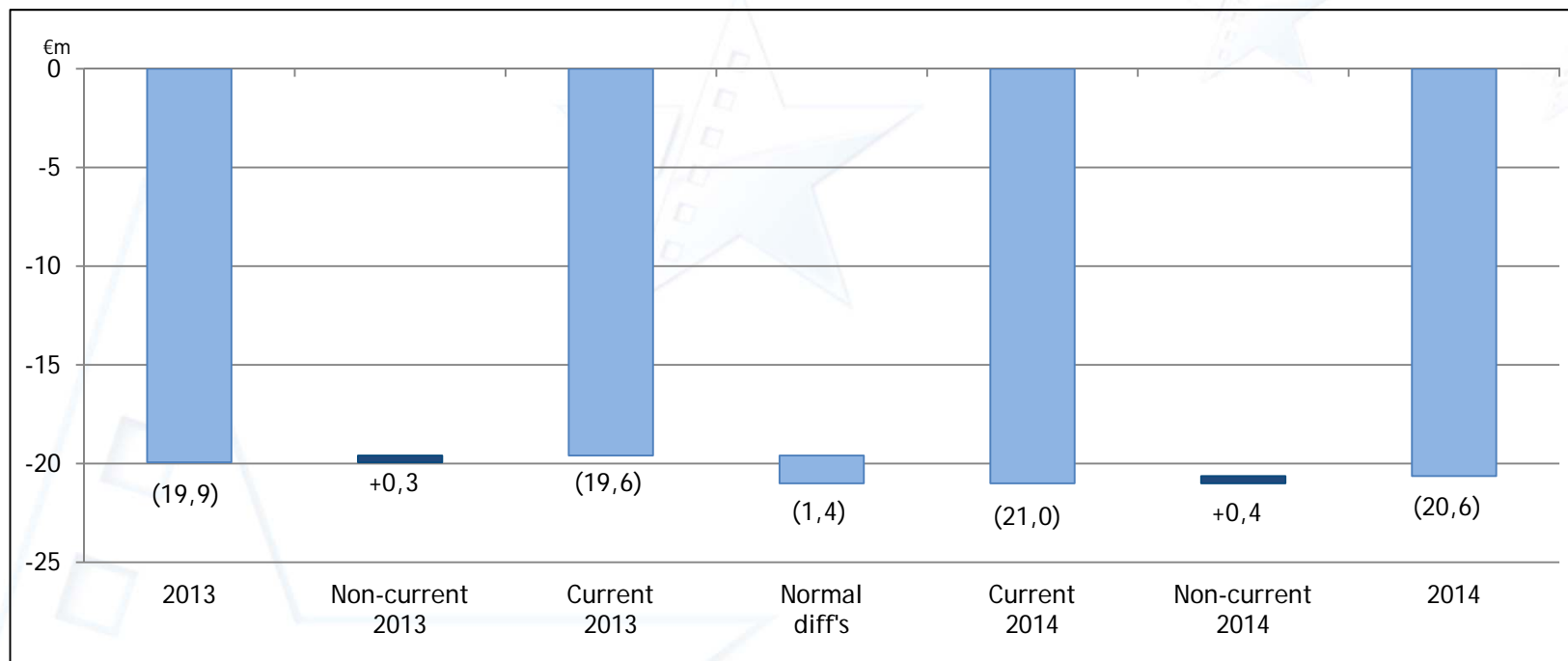


Investments

€m	2014	2013
Belgium	10,4	6,3
France	2,7	3,4
Spain	3,2	2,1
The Netherlands	0,7	0,0
Other	0,1	0,2
Maintenance & Remodeling	17,1	12,0
Expansion	26,1	
TOTAL	43,2	12,0

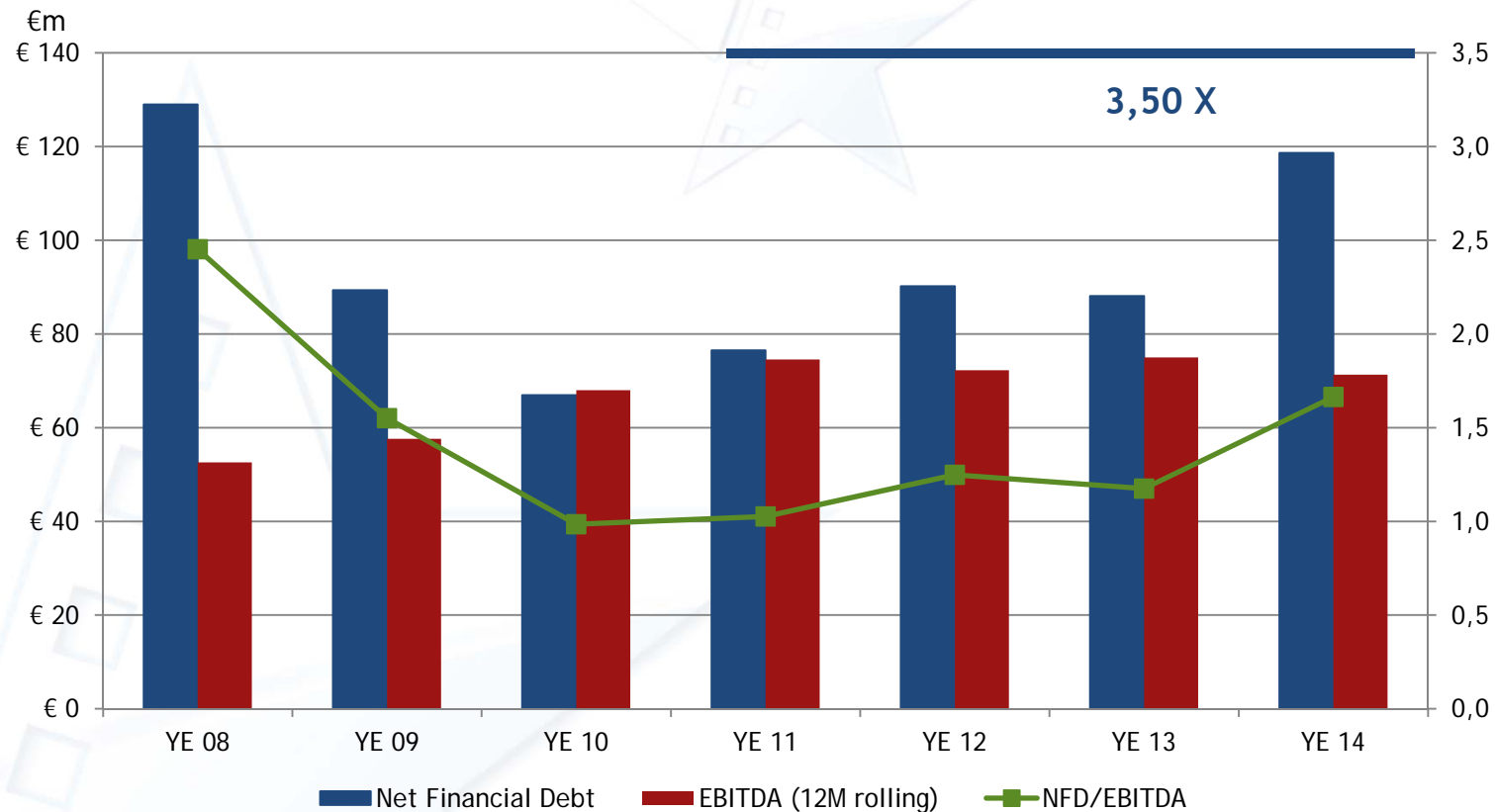


Depreciation, Amortization, Provisions



Net Financial Debt Evolution

€m	31 Dec 2014	31 Dec 2013	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	118,6	88,1	(30,5)	(34,6)%
Leverage ratio*: NFD / EBITDA	1,7	1,2		



* Not Clubdeal definition

Balance sheet

€m	31 Dec 2014	% of Total	31 Dec 2013	% of Total	€m	31 Dec 2014	% of Total	31 Dec 2013	% of Total
Intangible assets	4,0	1%	3,0	1%	Equity	104,7	30%	104,7	34%
Goodwill	36,1	10%	18,8	6%	LT financial debt	91,5	26%	87,9	28%
Land & buildings	197,1	57%	180,3	59%	Provisions ⁽¹⁾	2,5	1%	3,0	1%
Other fixed assets	50,9	15%	38,6	12%	Deferred taxes	15,9	5%	17,5	6%
Deferred taxes	1,3	0%	1,1	0%	Other payables	7,3	2%	8,1	3%
Other receivables	12,7	4%	13,4	4%	Derivatives	0,0	0%	0	0%
Non-current assets	302,1	87%	255,2	82%	Non-current liabilities	117,2	34%	116,5	38%
Assets held for sale	0,0	0%	6,7	2%	ST financial debt	44,6	13%	19,9	6%
Working capital	27,5	8%	28,2	10%	Provisions	0,6	0%	0,7	0%
Current taxes	0,1	0%	0,5	0%	Working capital	72,3	21%	62,4	20%
Financial assets	0,4	0%	0,4	0%	Current taxes	7,7	2%	6,0	2%
Cash & cash equivalents	17,0	5%	19,3	6%	Derivatives	0,0	0%	0,1	0%
Current assets	45,0	13%	55,1	18%	Current liabilities	125,2	36%	89,1	28%
Assets	347,1	100%	310,3	100%	Equity & Liabilities	347,1	100%	310,3	100%

	31 Dec 2014	31 Dec 2013
Gearing ratio*	1,13	0,84
Current ratio**	0,36	0,62
Solvency ratio***	30,2%	33,7%
ROCE****	20,9%	22,9%

(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

Shareholders

	23/02/2015		1/07/2014		
	# Shares	%	# Shares	%	
Total shares outstanding	27.365.197	100 %	27.913.270	100 %	
Refence Shareholders & Free Float					
	# Shares	%	# Shares	%	
Kinohold Bis and Mr. Joost Bert	12.908.050	47,17%	12.908.050	46,24%	↗
Treasury shares (Own shares)	1.553.591	5,68%	1.518.015	5,44%	↗
Free Float	12.903.556	47,15%	13.487.205	48,32%	↘
Other*					
	# Shares	%	# Shares	%	
Axa SA	1.523.555	5,57%	1.523.555	5,45%	↗
BNP Paribas Investment Partners SA	1.406.080	5,14%	1.406.080	5,04%	↗

* Resulting from transparency notices received

Share Buyback Program

	# shares	€m
Total shares outstanding as at 31/12/2013	27.913.270	
Treasury shares (own shares) as at 31/12/2013	1.502.615	8,8
Share buyback until 23/02/2015	629.049	19,6
Sale of shares (exercise stock options)	(30.000)	(0,1)
Cancellation	(548.073)	(19,6)
Total shares outstanding as at 23/02/2015	27.365.197	
Treasury shares (own shares) as at 23/02/2015	1.553.591	11,4
Dividend eligible shares as at 23/02/2015*	25.811.606	
SBB mandate (granted by Extraordinary Shareholders' Meeting of 19/10/2012)	5.856.505	
Remaining shares to buy back under SBB mandate as at 31/12/2014	3.844.996	

*: Excluding all treasury shares

Financial Calendar

Wednesday	13/05/2015	Business update Q1 2015
Wednesday	13/05/2015	Annual Shareholders' Meeting
Thursday	21/05/2015	Dividend payment
Thursday	27/08/2015	Analyst and press meeting HY 2015
Tuesday	17/11/2015	Business update Q3 2015



Q & A

Thank You



Annexes

Financial Statements

Results 2014



Consolidated Income Statement

€m	2014	2013	% Better / (Worse)
Revenue	262,6	246,0	6,8%
Cost of sales	(180,8)	(163,9)	(10,3)%
Gross profit	<u>81,8</u>	<u>82,1</u>	<u>(0,3)%</u>
<i>Gross profit %</i>	<i>31,2%</i>	<i>33,4%</i>	
Marketing & selling expenses	(16,1)	(15,2)	(5,4)%
Administrative expenses	(15,6)	(13,6)	(14,3)%
Other operating income and expenses	0,5	1,8	(74,2)%
EBIT	<u>50,7</u>	<u>55,1</u>	<u>(8,0)%</u>
<i>EBIT %</i>	<i>19,3%</i>	<i>22,4%</i>	
Financial result	(4,3)	(6,0)	28,4%
Profit before tax	<u>46,4</u>	<u>49,1</u>	<u>(5,5)%</u>
Income tax expense	(11,2)	(11,5)	2,8%
Profit	<u>35,2</u>	<u>37,5</u>	<u>(6,3)%</u>
<i>Profit %</i>	<i>13,4%</i>	<i>15,3%</i>	
EBITDA	<u>71,3</u>	<u>75,0</u>	<u>(4,9)%</u>
<i>EBITDA %</i>	<i>27,2%</i>	<i>30,5%</i>	

Consolidated Balance Sheet (1)

€m	31/12/2014	31/12/2013	% Better / (Worse)
Intangible assets	4,0	3,0	32,6%
Goodwill	36,1	18,8	92,5%
Property, plant & equipment	215,4	206,9	4,1%
Investment property	32,6	12,0	170,6%
Deferred tax assets	1,3	1,1	17,5%
Other receivables	12,7	13,4	(5,5)%
Other financial assets	0,0	0,0	0,0%
<u>Total non-current assets</u>	<u>302,1</u>	<u>255,2</u>	<u>18,3%</u>
Inventories	3,6	3,4	8,2%
Trade & other receivables	24,3	25,2	(3,5)%
Current income taxes	0,1	0,5	(92,4)%
Cash & cash equivalents	17,0	19,3	(11,9)%
Derivatives	0,0	0,0	100,0%
Assets held for sale	0,0	6,7	(100,0)%
<u>Total current assets</u>	<u>45,0</u>	<u>55,1</u>	<u>(18,3)%</u>
<u>TOTAL ASSETS</u>	<u>347,1</u>	<u>310,3</u>	<u>11,8%</u>

Consolidated Balance Sheet (2)

€m	31/12/2014	31/12/2013	% Better / (Worse)
Capital & share premium	20,1	20,1	0,0%
Consolidated reserves	86,3	86,1	0,2%
Translation differences	(1,7)	(1,6)	(6,1)%
Equity attributable to equity holders of the parents	104,7	104,7	0,1%
Non-controlling interests	0,0	0,0	0,0%
<u>Total equity</u>	<u>104,7</u>	<u>104,7</u>	<u>0,1%</u>
Interest bearing loans & borrowings	91,5	87,9	4,0%
Provisions & employee benefits	2,5	3,0	(17,2)%
Deferred tax liabilities	15,9	17,5	(9,4)%
Other payables	7,3	8,1	(9,2)%
<u>Total non-current liabilities</u>	<u>117,2</u>	<u>116,5</u>	<u>0,5%</u>
Interest bearing loans & borrowings & bank overdrafts	44,6	19,9	123,8%
Trade & other payables	72,3	62,4	15,9%
Provisions & employee benefits	0,6	0,7	(14,7)%
Derivatives	0,0	0,1	(100,0)%
Current income tax liabilities	7,7	6,0	27,3%
<u>Total current liabilities</u>	<u>125,2</u>	<u>89,1</u>	<u>40,4%</u>
<u>TOTAL EQUITY & LIABILITIES</u>	<u>347,1</u>	<u>310,3</u>	<u>11,8%</u>

Cash Flow Statement

€m	31/12/2014	31/12/2013	Better / (Worse)
<u>Cash flows from operating activities</u>			
Profit before tax	46,4	49,1	(2,7)
<u>Adjustments for:</u>			
Depreciation, amortization & provisions	20,6	19,9	0,7
Government grants	(0,6)	(0,7)	0,1
Gains / losses on sale of PPE & financial assets	0,0	(0,9)	0,9
Financial result & Share based payments	3,3	5,1	(1,8)
Cash generated from operations	69,7	72,5	(2,8)
Working capital movements	5,8	(4,3)	10,1
Income taxes (paid)/ received	(11,3)	(9,2)	(2,1)
Net cash from operating activities	64,2	59,0	5,2
<u>Cash from investing activities</u>			
Acquisition of (in)tangible assets	(32,8)	(12,1)	(20,7)
Acquisition of subsidiary, net of cash acquired	(10,5)	0,0	(10,5)
Proceeds from sales of PPE	0,3	1,9	(1,6)
Net cash used in investing activities	(43,0)	(10,2)	(32,8)
<u>Cash flows from financing activities</u>			
Interests (paid)/ received	(4,3)	(4,9)	0,6
Capital reduction paid	(0,0)	(0,0)	0,0
Treasury shares	(18,7)	(28,5)	9,8
Dividends paid	(16,8)	(13,1)	(3,7)
New loans / repayment of loans	16,4	(12,3)	28,7
Net cash used in financing activities	(23,4)	(58,8)	35,4
Net cash flow	<u>(2,2)</u>	<u>(10,0)</u>	<u>7,8</u>



Free Cash Flow

€m	31/12/2014	31/12/2013	Better / (Worse)
Cash Flow before WC movements & tax paid	69,7	72,5	(2,8)
Income taxes paid	(11,3)	(9,2)	(2,1)
Working capital	5,8	(4,3)	10,1
Capital exp - maintenance	(8,1)	(7,8)	(0,3)
Interest paid	(4,3)	(4,9)	0,6
Free cash flow	51,8	46,3	5,5
Capital exp - digitalization, expansion, remodeling	(24,7)	(4,3)	(20,4)
Proceeds from of PPE	0,3	1,9	(1,6)
Capital reduction paid	(0,0)	(0,0)	0,0
Acquisition of subsidiary, net of cash acquired	(10,5)	0,0	(10,5)
Treasury shares	(18,7)	(28,5)	9,8
Dividend payments	(16,8)	(13,1)	(3,7)
CF after expansion exp, dividends & treasury shares	(18,6)	2,3	(20,9)

