



Kinepolis Group

Results Half 1 2015

Analyst & Press Meeting
27 August 2015



Business Review Half 1 2015

CEO, Mr Eddy Duquenne



Key financials

€m	H1 2015	H1 2014*	Better / (Worse)
<i>Visitors ('000)</i>	9.799	8.827	11,0%
Revenue	130,2	115,1	13,1%
EBITDA	34,8	29,9	16,1%
REBITDA	€ 3,66/Vis 35,8	€ 3,50/Vis 30,9	16,0%
<i>REBITDA Margin</i>	27,5%	26,8%	
EBIT	23,6	20,2	16,8%
REBIT	24,7	20,8	18,9%
<i>REBIT Margin</i>	19,0%	18,1%	
Profit	14,4	13,0	10,7%
Current Profit	15,1	13,4	13,1%
<i>EPS (in €)</i>	0,54	0,49	10,2%
Free Cash Flow	9,3	11,6	(19,2)%
€m	30 Jun 2015	31 Dec 2014	Better / (Worse)
Net Financial Debt (NFD)	153,7	118,6	(35,1) €m

* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015

Highlights

- ❑ Revenue growth and further cost efficiency of existing business (excluding 2014 expansion)
- ❑ Strong contribution to revenue and REBITDA of companies acquired in 2014
- ❑ Revenue +13,1% and REBITDA +16,0% with 11% more visitors
- ❑ Higher interest charges due to prefinancing future expansion

Major events

- ❑ H1 2015 results reflect strategic pillars set out in 2008
 - ❑ Best Marketer
 - ❑ Best Cinema Operator
 - ❑ Best Property Manager
- ❑ Further development and implementation of strategy in 2015
- ❑ Further steps in expansion strategy
 - ❑ April 2015: Acquisition cinema building Enschede (the Netherlands)
 - ❑ July 2015: Acquisition French cinema Mégaroyal
 - ❑ July 2015: Agreement in principle on takeover Utopia Group (13 cinemas in 4 countries: 4 in Belgium, 3 in Luxembourg, 5 in the Netherlands and 1 in France)

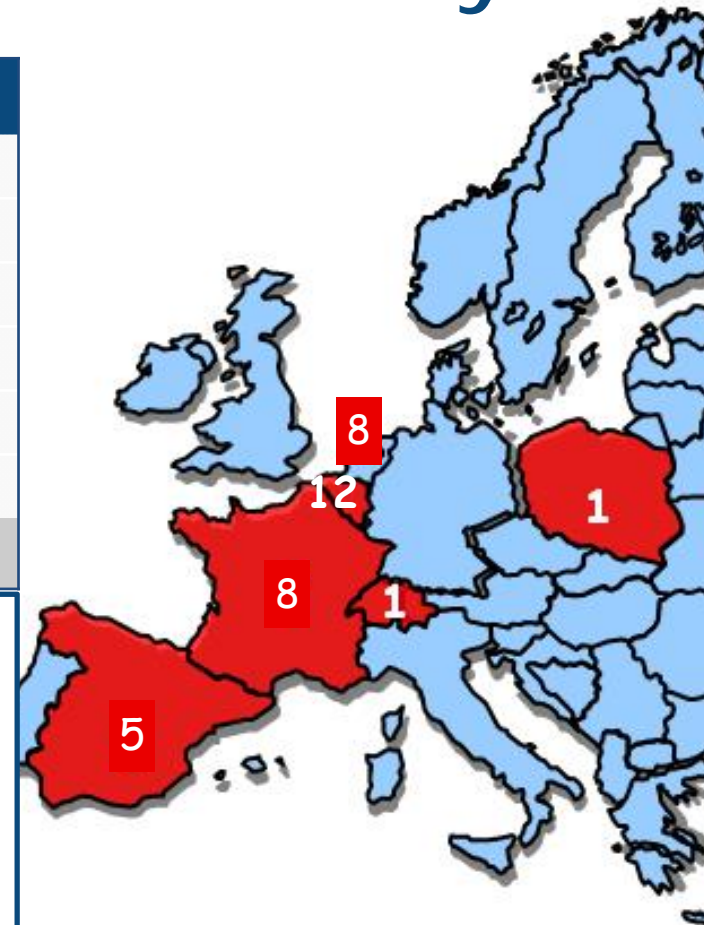
Kinepolis complexes today

KINEPOLIS GROUP	Complexes	Screens
Belgium *	12	148
France	8 +1	99 +12
Spain	5	91
The Netherlands	8 -1	44 -2
Poland *	1	18
Switzerland	1	8
Total	35 0	408 +10

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

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

❑ Of which 125 screens with 3D***

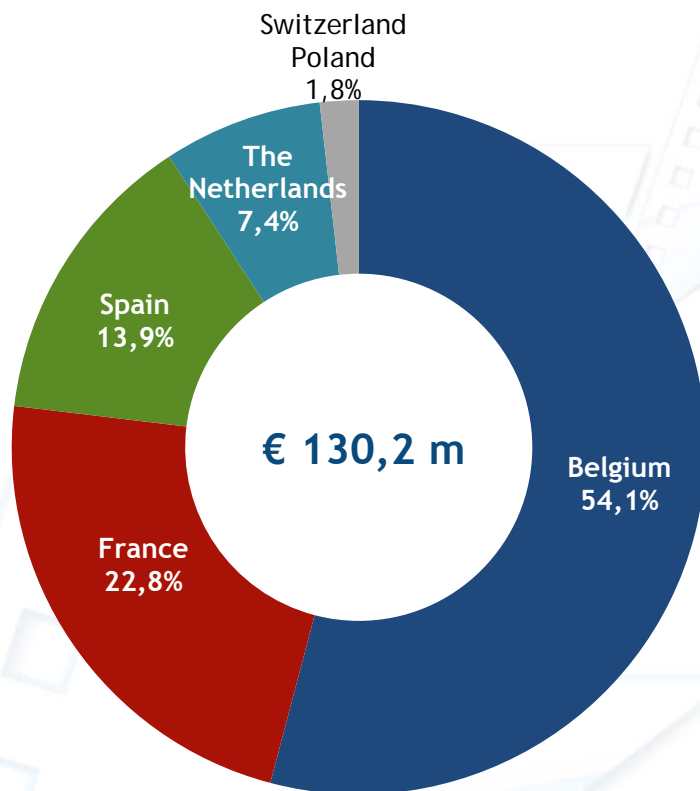


* Operated by ITIT in Poland and 1 complex by UGC in Belgium (Brussels)
 ** New platform Cinedata operational, but not all operators are participating yet
 *** Excluding ITIT in Poland and UGC Brussels in Belgium

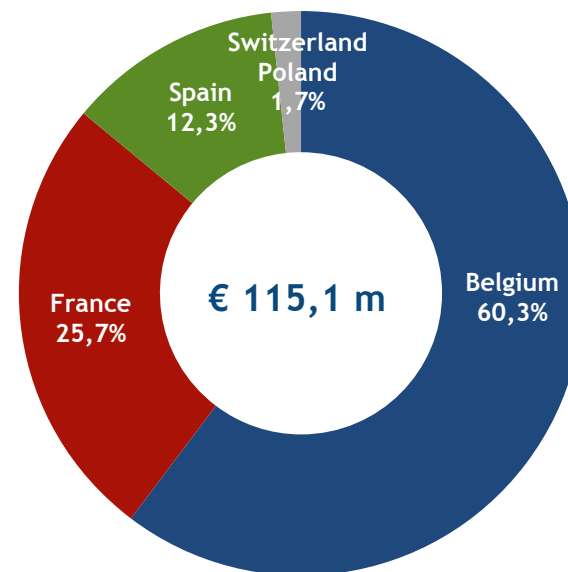
Planned greenfields

Country	City	# Theaters	Est. Visitors / Year	Estimated opening
The Netherlands	Dordrecht	6	0,3 mio	Q1 2016
	Breda	10	0,45 mio	Q3 2016
	Utrecht	14	1,25 mio	Q1 2017
France	Brétigny-sur-Orge	10	0,5 mio	Q4 2016

Revenue by country



H1 2015



H1 2014

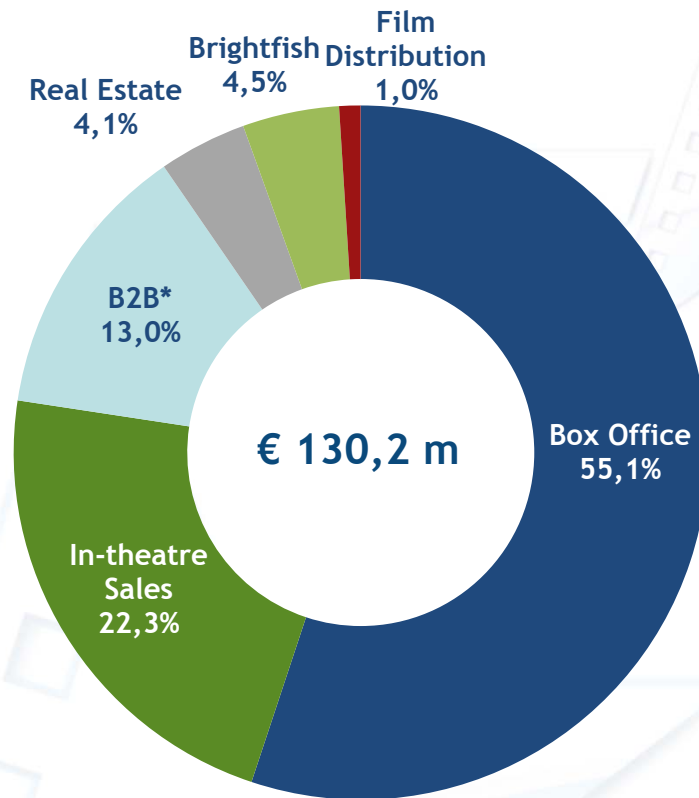
Visitors & Movies

Visitors (000's)	H1 2015	% of Tot	H1 2014	% of Tot	% Δ YoY
Belgium	4.048	41,3%	4.166	47,2%	(2,8)%
France	3.015	30,8%	3.064	34,7%	(1,6)%
Spain	1.933	19,7%	1.536	17,4%	25,8%
The Netherlands	734	7,5%	0,0	0,0%	-
Switzerland	69	0,7%	61	0,7%	13,1%
Total	9.799	100%	8.827	100%	11,0%

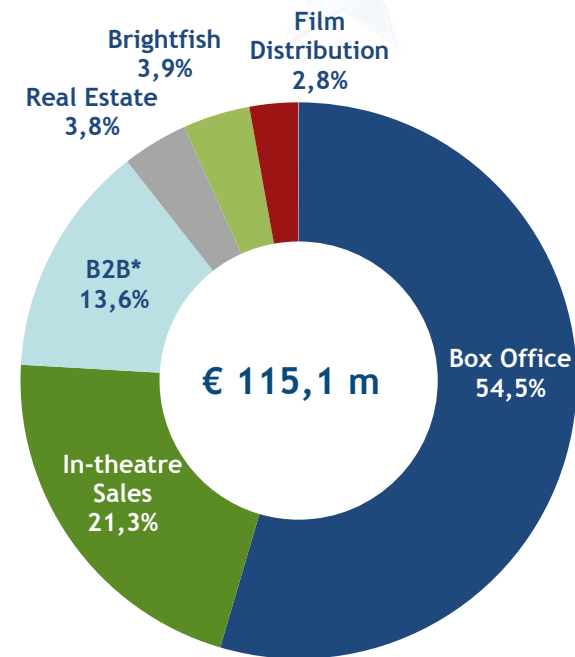
Top 5 Movies H1 2015	3D	Visitors (000's)
1. Fast and Furious 7		700
2. Fifty Shades of Grey		635
3. Jurassic World	✓	586
4. Avengers: Age of Ultron	✓	494
5. American Sniper		331
Top 5		2.747
Weight Top 5		28,0%

Top 5 Movies H1 2014	3D	Visitors (000's)
1. Qu'est-ce qu'on a fait au Bon Dieu?		356
2. The Wolf of Wall Street		327
3. Supercondriaque		299
4. Ocho Apellidos Vascos		298
5. Rio 2	✓	296
Top 5		1.576
Weight Top 5		17,9%

Revenue by activity



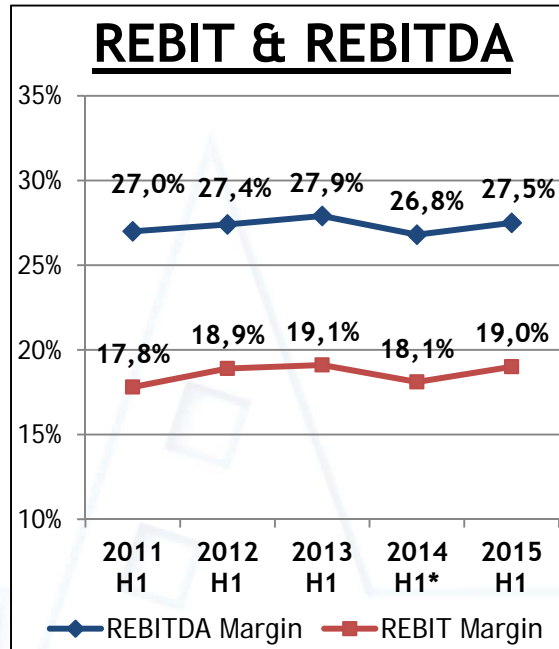
H1 2015



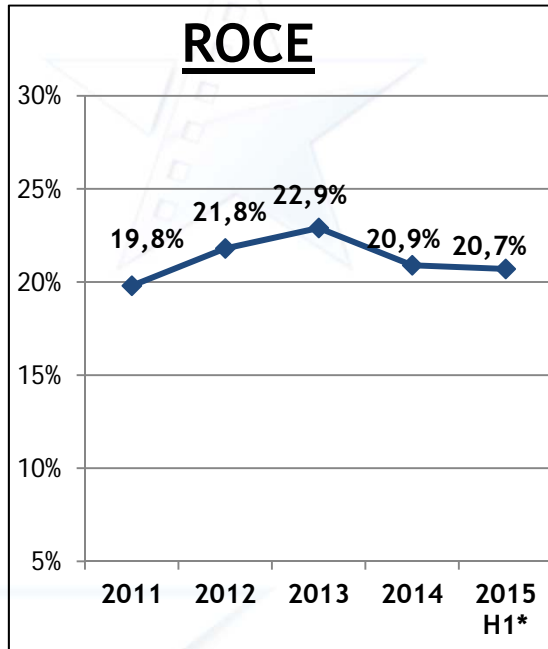
H1 2014

* Including Cinema Screen Advertising

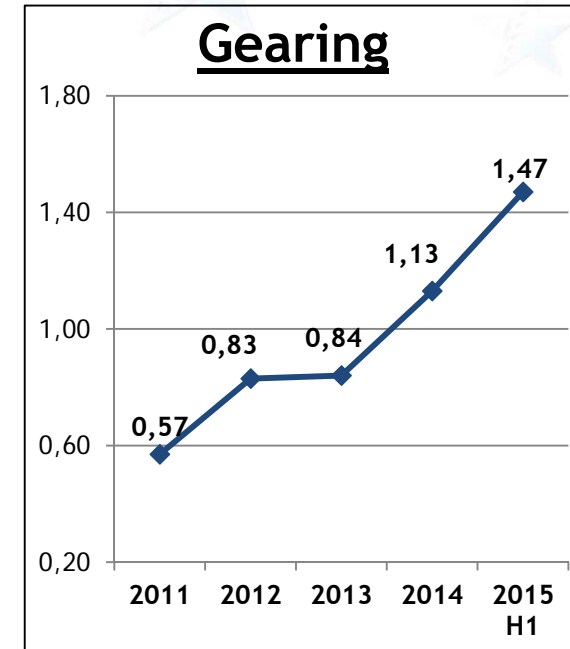
Ratios



* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015

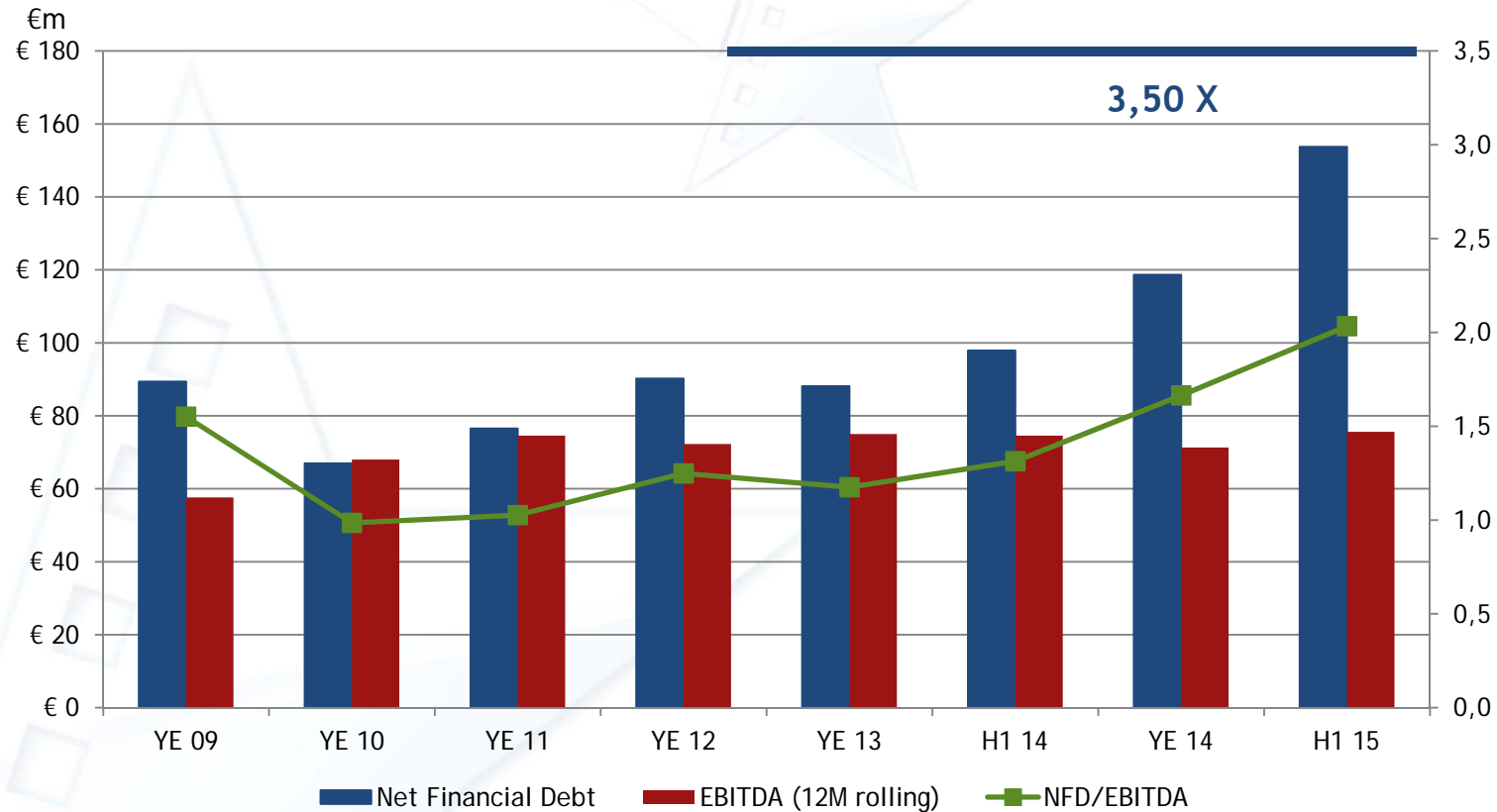


*: 12 months rolling



Net Financial Debt Evolution

€m	31 Jun 2015	31 Dec 2014	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	153,7	118,6	(35,1)	(29,6)%
Leverage ratio*: NFD / EBITDA	2,0	1,7		



* Not Clubdeal definition

Line-up Half 2 2015

	2D	3D
Major sequels	<ul style="list-style-type: none"> • Mission Impossible - Rogue Nation (Q3) • Ted 2 (Q3) • The Maze Runner: The Scorch Trials (Q3) • The Fantastic Four (Q3) • Spectre (James Bond) (Q4) 	<ul style="list-style-type: none"> • Minions (Q3) • Terminator Genysis (Q3) • The Hunger Games: Mockingjay - Part 2 (Q4) • Star Wars: Episode VII - The Force Awakens (Q4)
New titles	<ul style="list-style-type: none"> • The Martian (Q4) • In the Heart of the Sea (Q4) 	<ul style="list-style-type: none"> • Ant-Man (Q3) • Everest (Q3) • The Good Dinosaur (Q4)
Local	<ul style="list-style-type: none"> • FC De Kampioenen 2 (BE VL, Q4) • Wat Mannen Willen (BE VL, Q4) • Safety First (BE VL, Q4) • Les profs 2 (FR, Q3) • Babysitting 2 (FR, Q4) • Belle et Sébastien: l'Aventure Continue (FR, Q4) • Les nouvelles aventures d'Aladin (FR, Q4) • Asesinos Inocentes (ES, Q3) • Regresión (ES, Q4) • Ja, ik wil (NL, Q4) • Mannenharten 2 (NL, Q4) 	<ul style="list-style-type: none"> • Altrapa la bandera (ES, Q3)
Alternative content	<ul style="list-style-type: none"> • Opera, Ballet • Art: Exhibition on Screen (BE, FR, ES) • E-Sports at the Cinema (BE/FR, Q3) 	

Financial Review Half 1 2015

CFO, Mr Nicolas De Clercq



Change in accounting treatment

Levies (property taxes) (IFRIC 21)

€m	H1 2015	H1 2014 As restated	Adjustments	H1 2014 As previously reported
Revenue	130,2	115,1		115,1
REBITDA	35,8	30,9	(0,5)	31,4
<i>REBITDA Margin</i>	<i>27,5%</i>	<i>26,8%</i>		<i>27,3%</i>
REBIT	24,7	20,8	(0,5)	21,3
<i>REBIT Margin</i>	<i>19,0%</i>	<i>18,1%</i>		<i>18,5%</i>
Profit	14,4	13,0	(0,3)	13,3
Current Profit	15,1	13,4	(0,3)	13,7
<i>EPS (in €)</i>	<i>0,54</i>	<i>0,49</i>	<i>(0,01)</i>	<i>0,50</i>

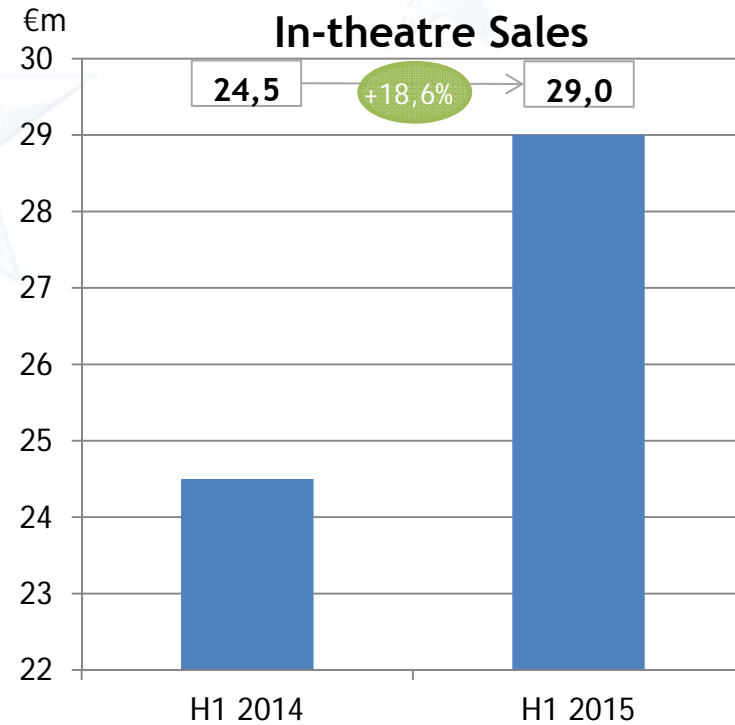
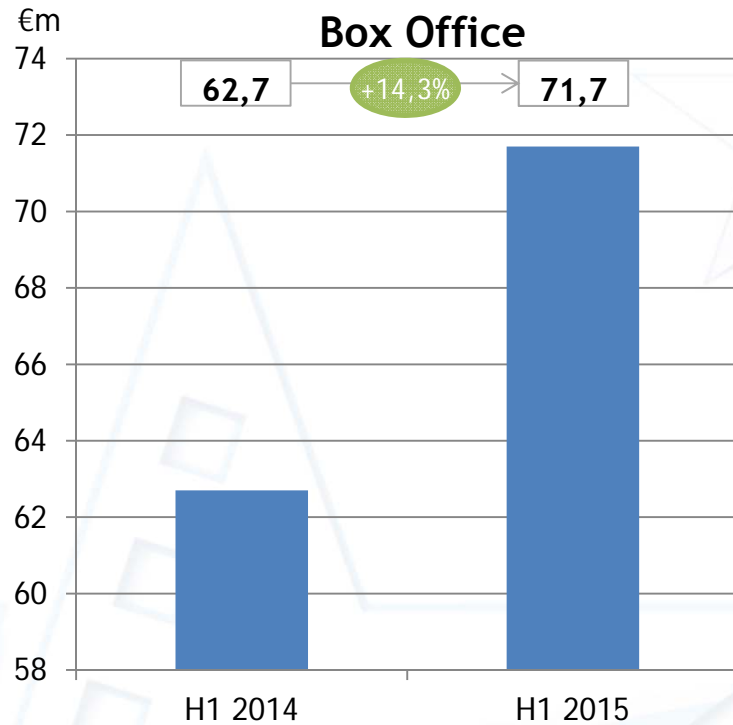
Revenue by country

€m	H1 2015	% of Tot	H1 2014	% of Tot	% Δ YoY
Belgium	70,4	54,1%	69,5	60,3%	1,3%
France	29,7	22,8%	29,6	25,7%	0,5%
Spain	18,1	13,9%	14,1	12,3%	28,0%
The Netherlands	9,6	7,4%	0,0	-	-
Switzerland & Poland	2,4	1,8%	1,9	1,7%	23,1%
Total	130,2	100%	115,1	100%	13,1%

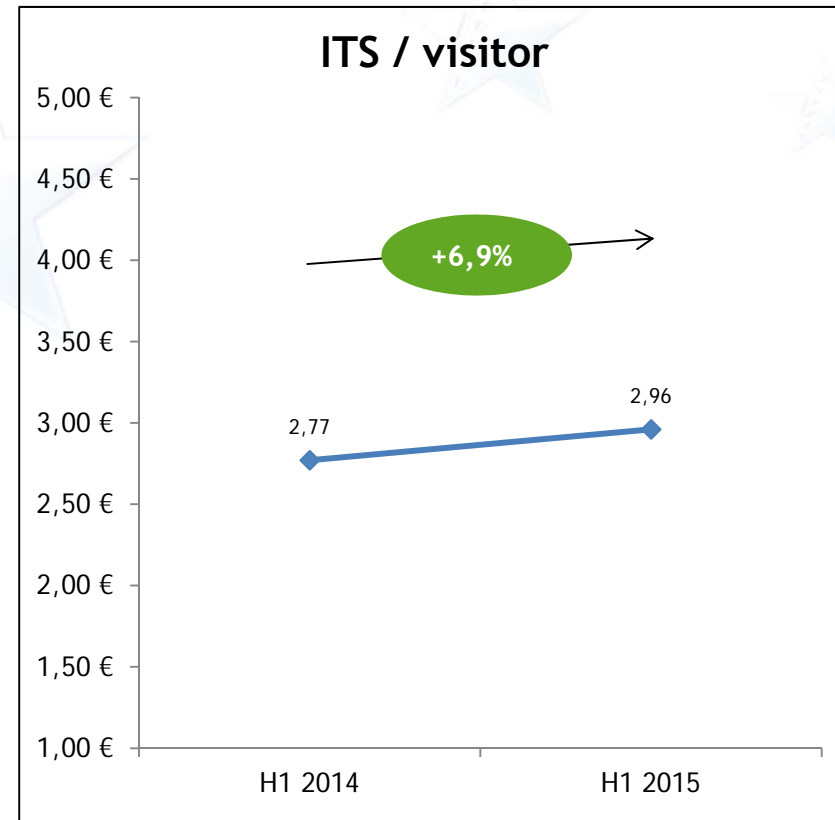
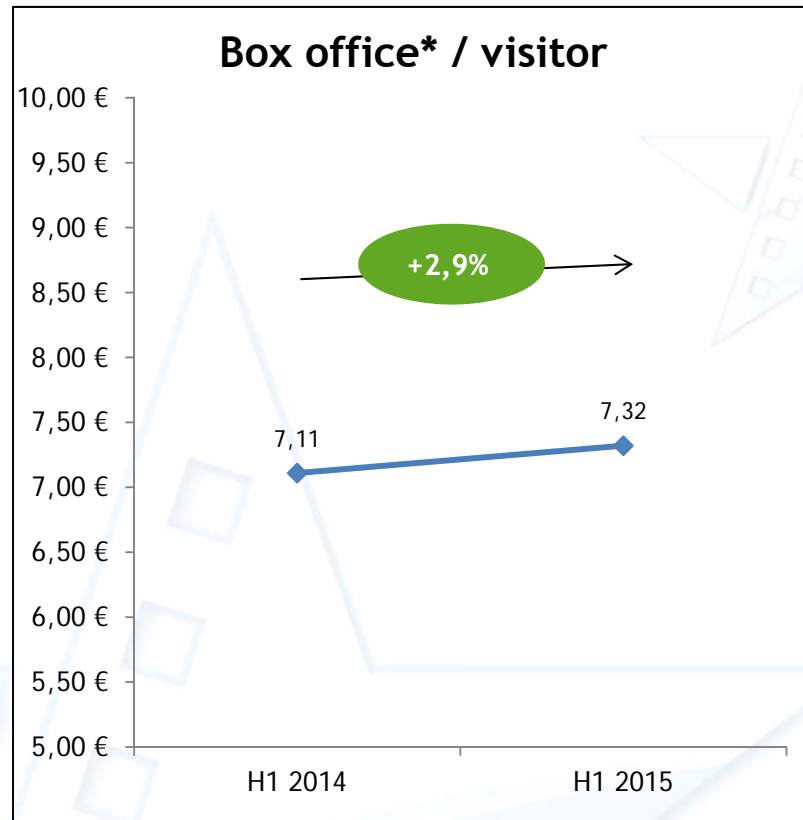
Revenue by activity

€m	H1 2015	H1 2014	% Δ YoY
Box Office	71,7	62,7	14,3%
In-theatre Sales	29,0	24,5	18,6%
Sales and Events	14,1	12,6	11,5%
Screen Advertising	2,9	3,0	(2,7)%
Real Estate	5,4	4,3	24,2%
Brightfish	5,8	4,5	29,6%
Film Distribution	1,3	3,2	(60,0)%
Other	0,0	0,3	(94,3)%
Total	130,2	115,1	13,1%

Cinema Revenue

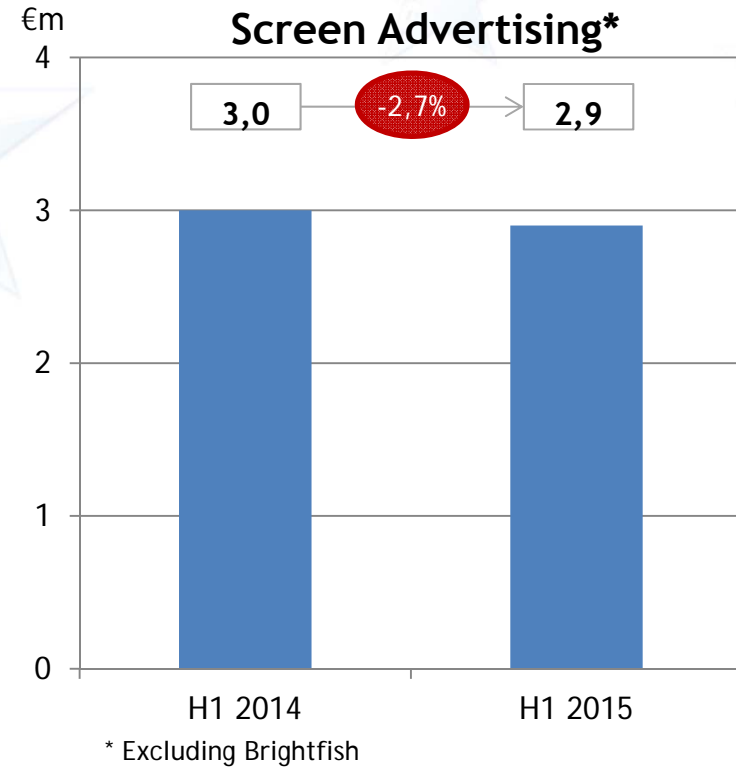
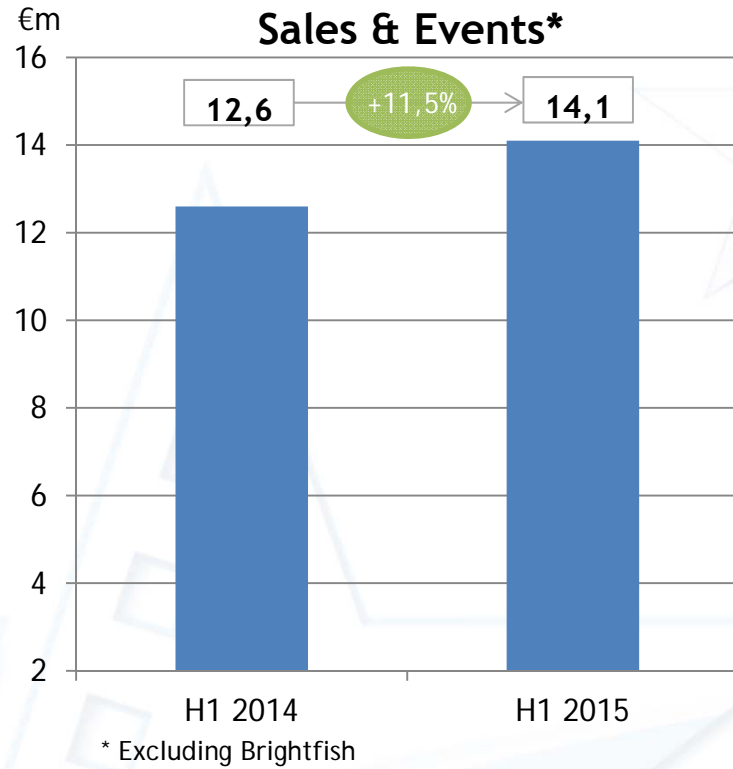


Evolution Box Office & ITS

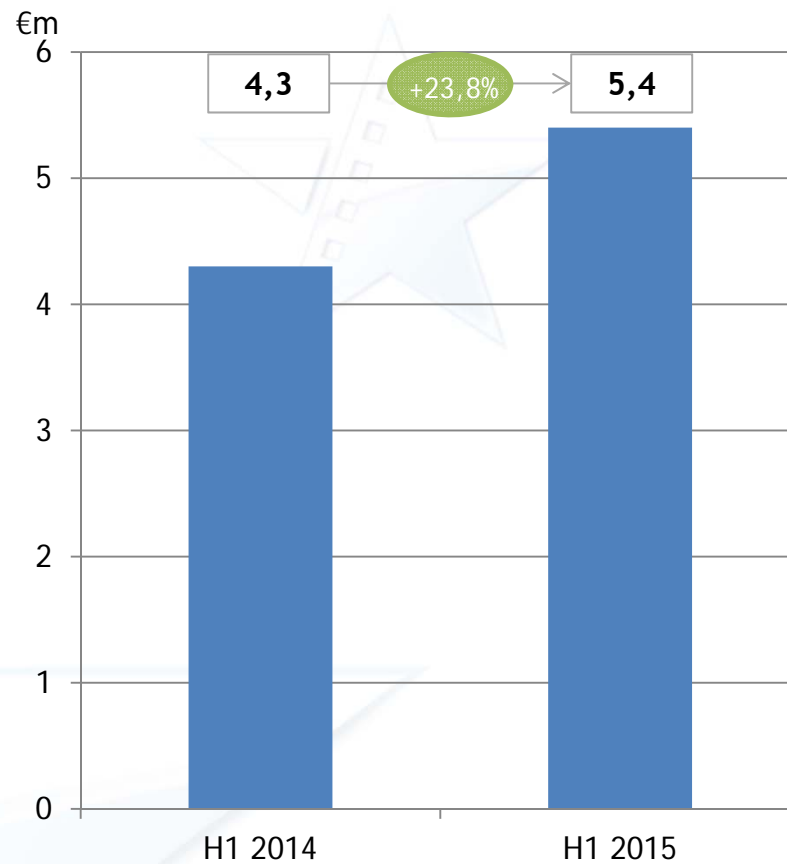


* Box Office revenue after deduction of indirect taxes, including VPF revenue

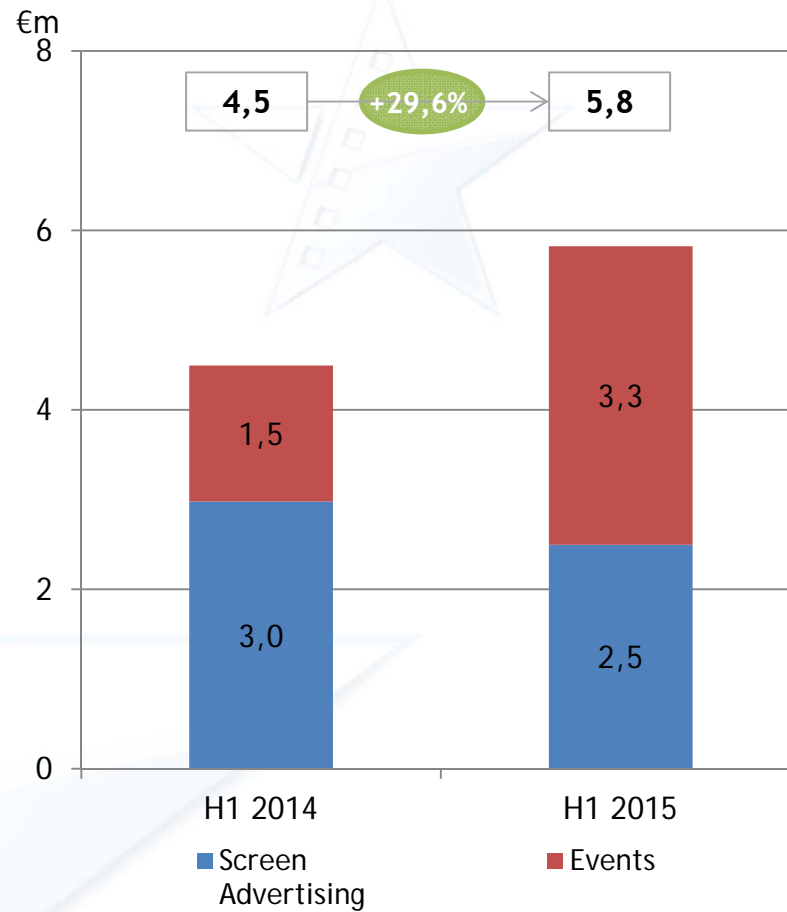
B2B Revenue



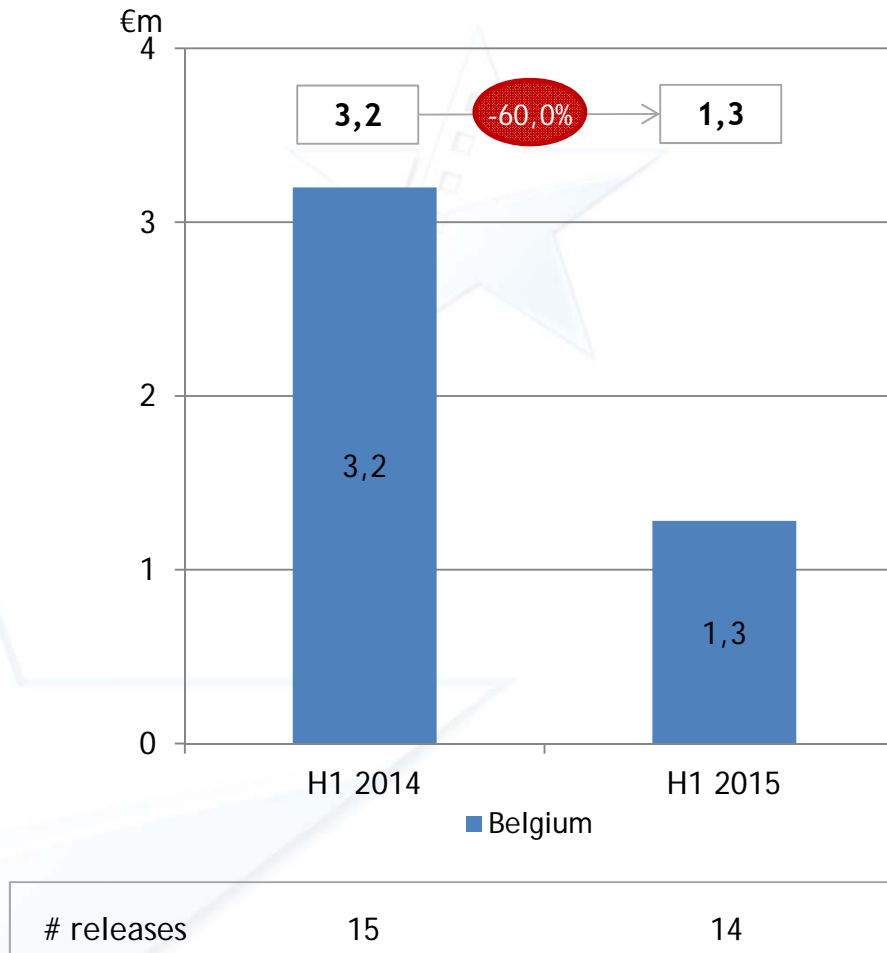
Real Estate at flat FX



Brightfish



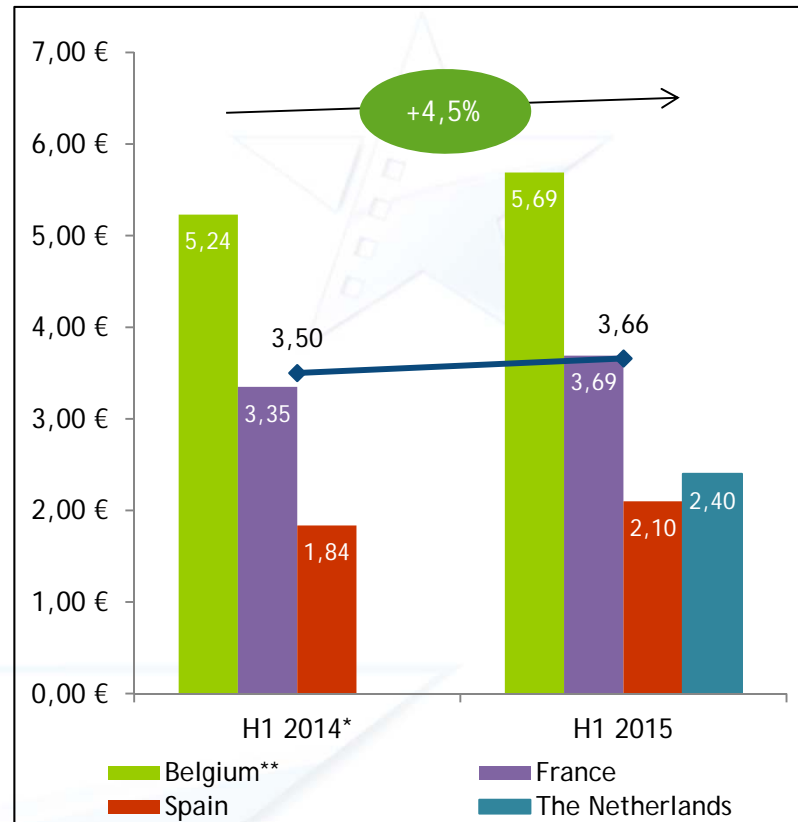
Film Distribution



Operating Costs

€m	H1 2015	H1 2014	% Better / (Worse)
Marketing & Selling Expenses	(6,6)	(6,3)	(5,2)%
Administrative Expenses	(9,0)	(7,7)	(17,1)%
Other Operating Income/(Costs)	0,4	0,1	161,8%
Total Operating Costs	(15,2)	(13,8)	(10,3)%
Non-Current	(0,7)	(0,4)	
Current Operating Costs	(14,5)	(13,4)	(8,2)%

Evolution REBITDA per Visitor



* H1 and H2 2014 restated due to the application of IFRIC 21 as from 1 January 2015

** Excluding corporate entities, KFD, Brightfish revenue

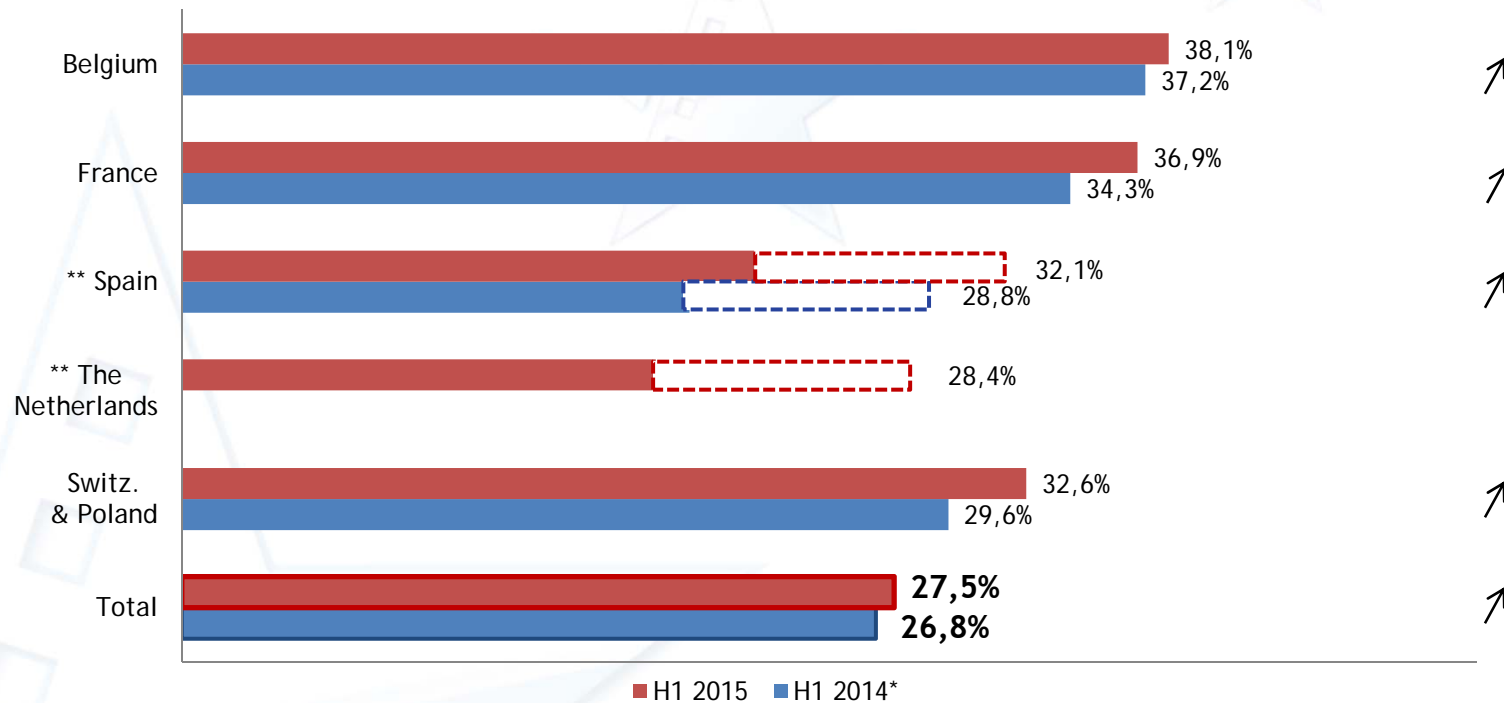
REBITDA by Country

€m	H1 2015	% of Total	H1 2014*	% of Total	% Better/(Worse)
Belgium	18,1	50,5%	17,2	55,8%	5,0%
France	11,1	31,0%	10,3	33,2%	8,3%
Spain	4,1	11,4%	2,8	9,1%	44,3%
The Netherlands	1,8	4,9%	0,0	0,0%	-
Switzerland & Poland	0,7	2,2%	0,6	1,9%	34,9%
TOTAL	35,8	100,0%	30,9	100,0%	16,0%

* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015

REBITDA margin

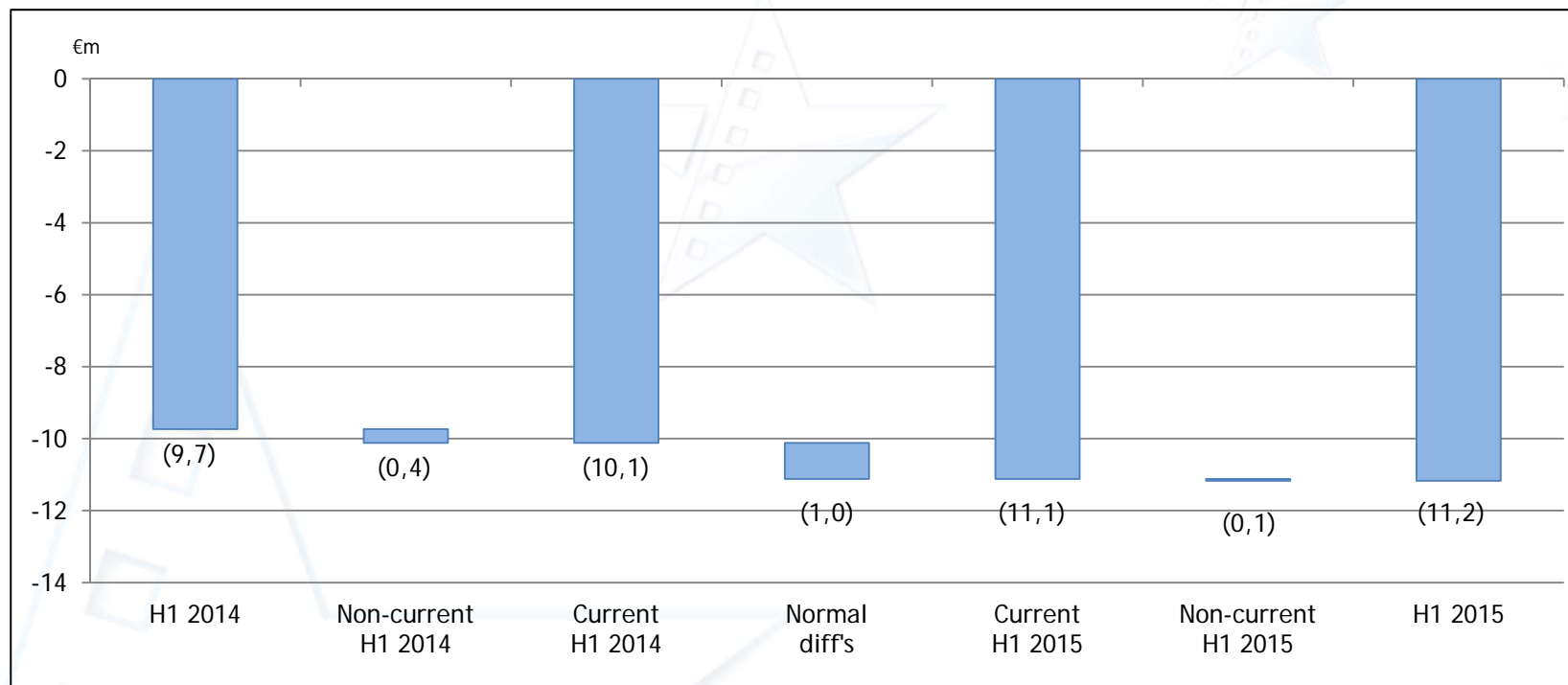
excl. Corporate entities, KFD, Brightfish



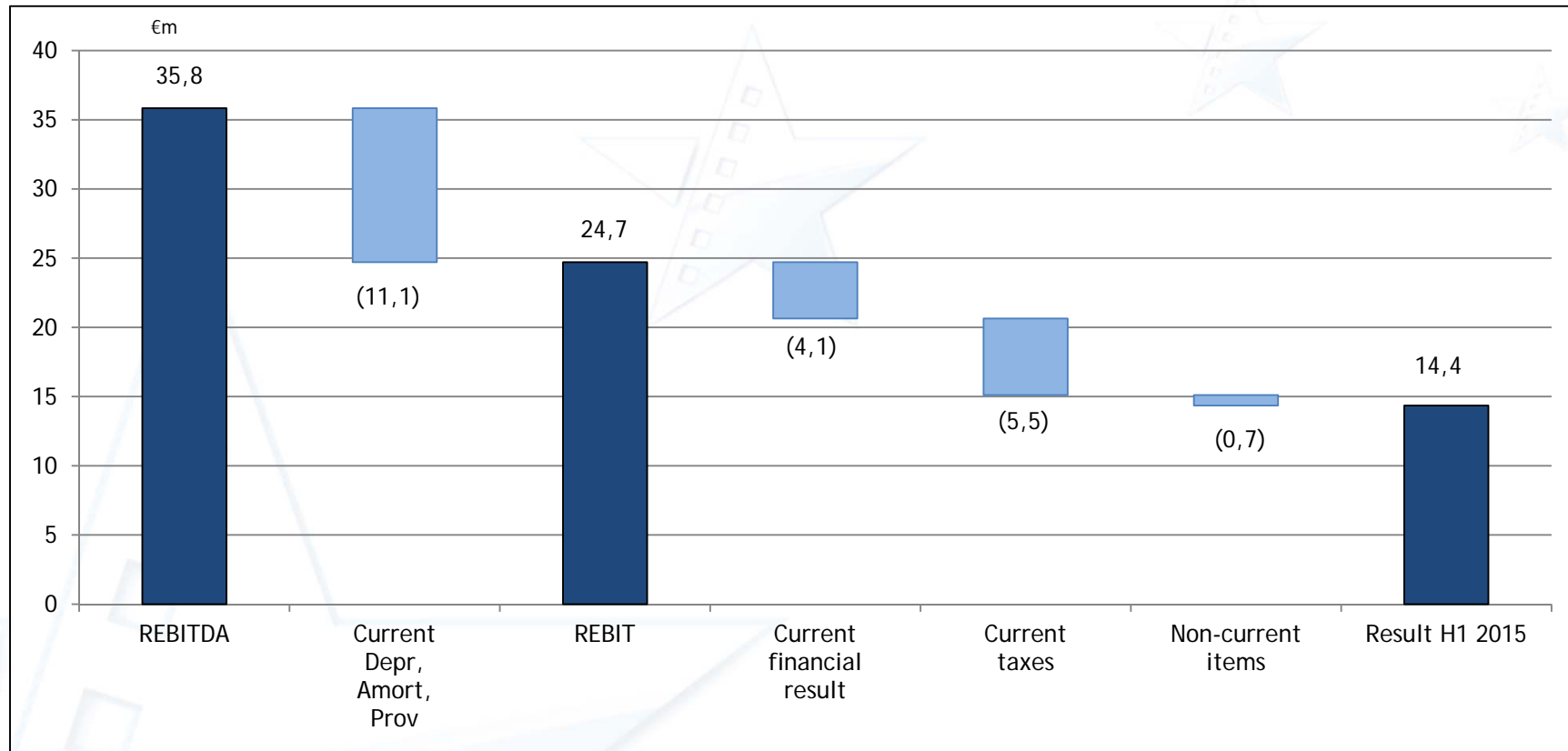
* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015

** REBITDAR (i.e. REBITDA excluding rent for Valencia, Plaza Mar 2 and Alcobendas in Spain and for Dutch complexes)
Impact rent added back indicated with dotted lines

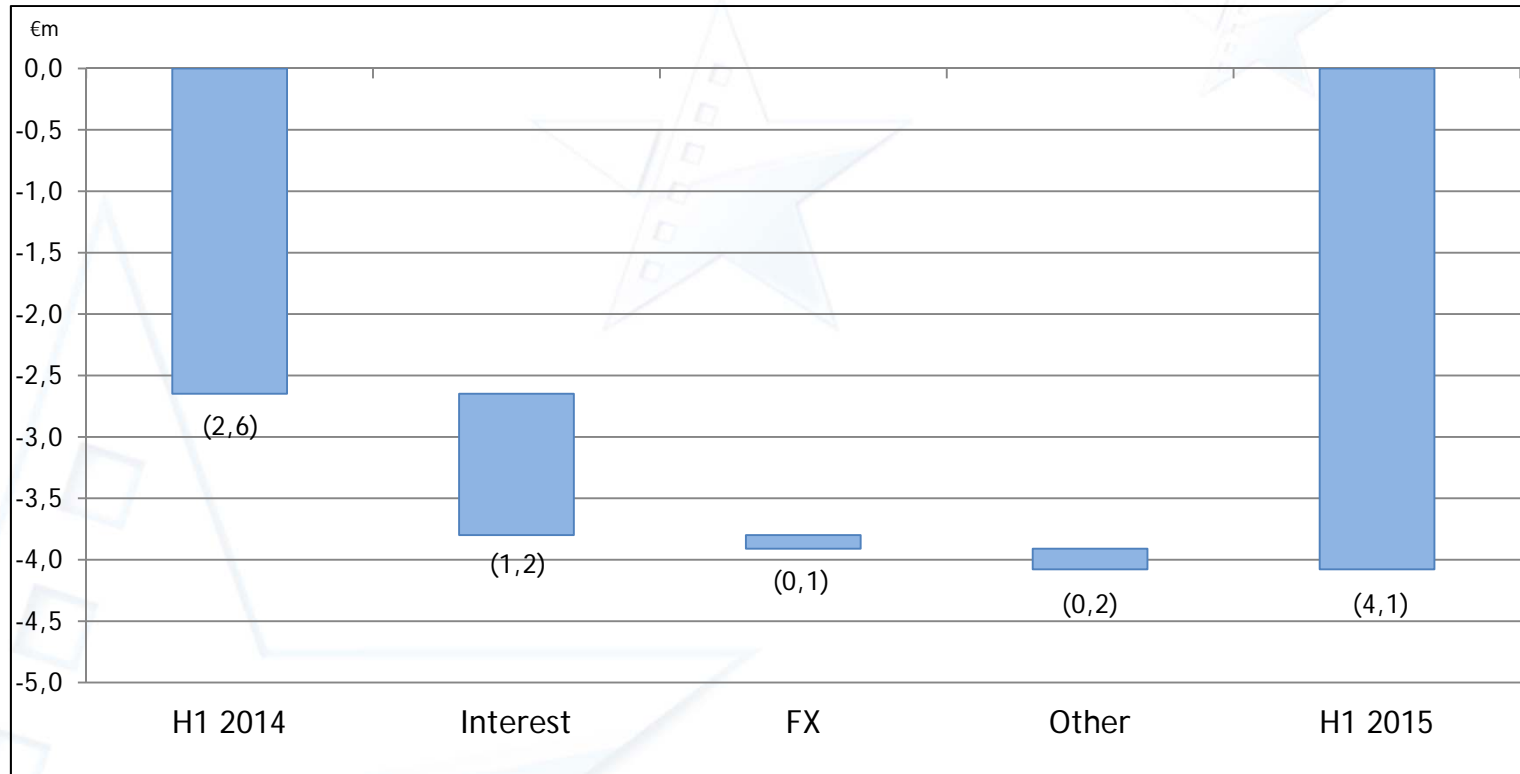
Depreciation, Amortization, Provisions



REBITDA to Net Result

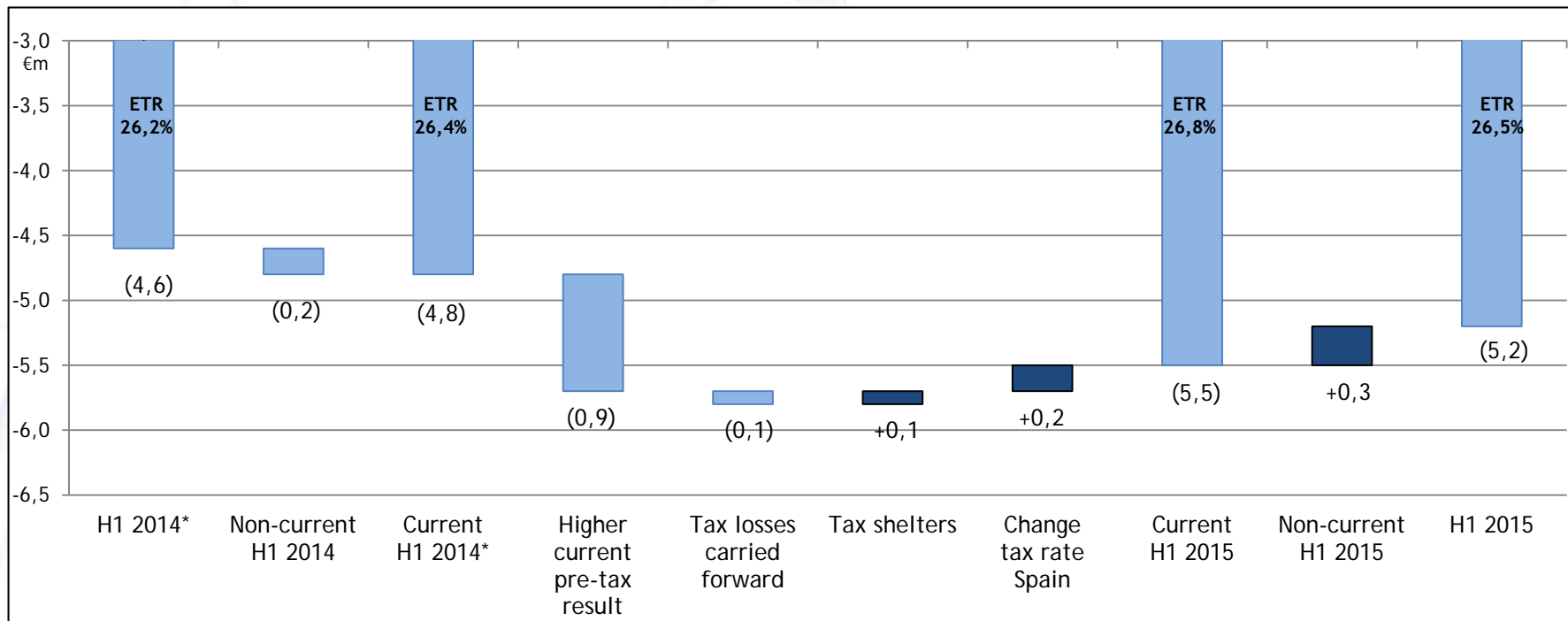


Financial Result



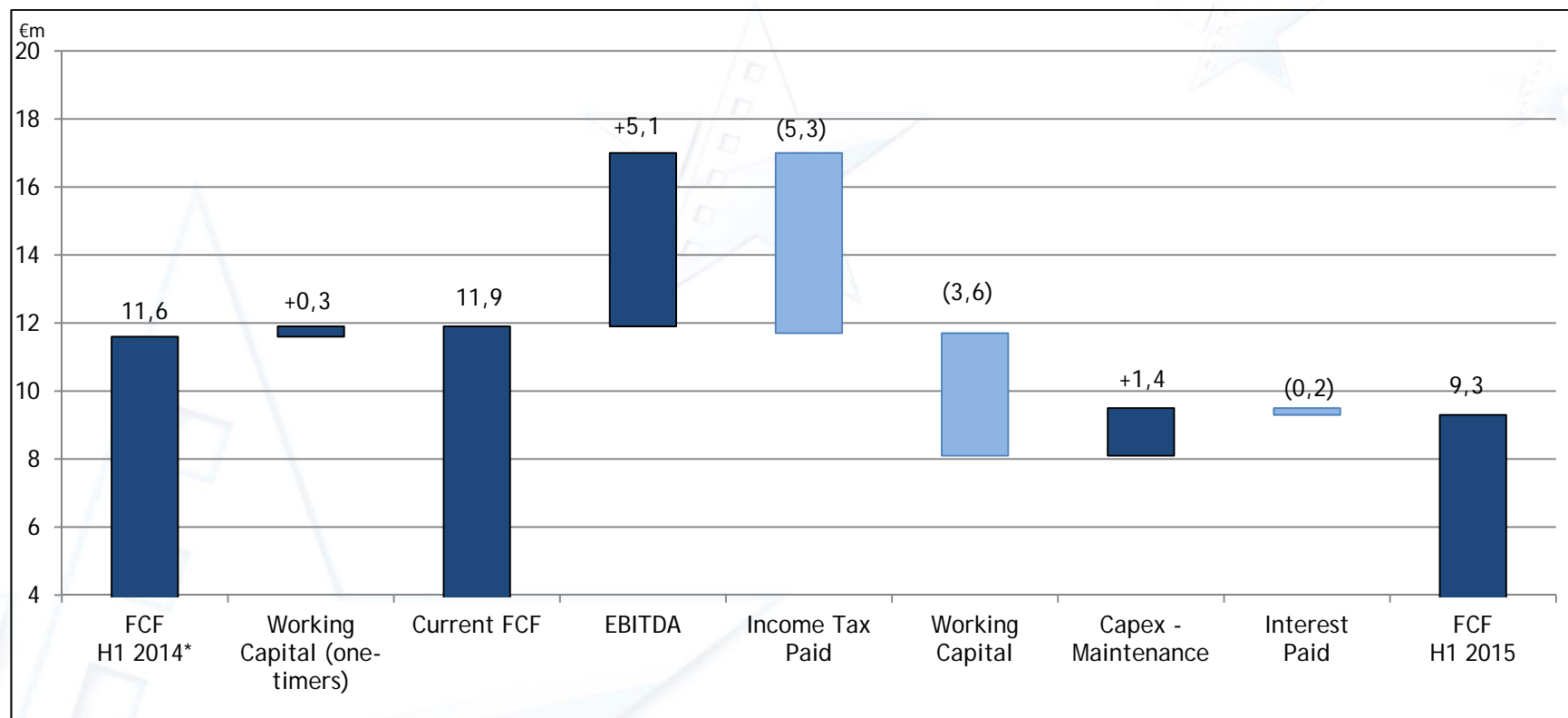
Taxes

€m	H1 2015	H1 2014*	% Better /(Worse)
Profit before taxes	19,5	17,6	11,2%
Taxes	(5,2)	(4,6)	(12,5)%
Profit	14,4	13,0	10,7%
<i>Effective Tax Rate ('ETR')</i>	<i>26,5%</i>	<i>26,2%</i>	



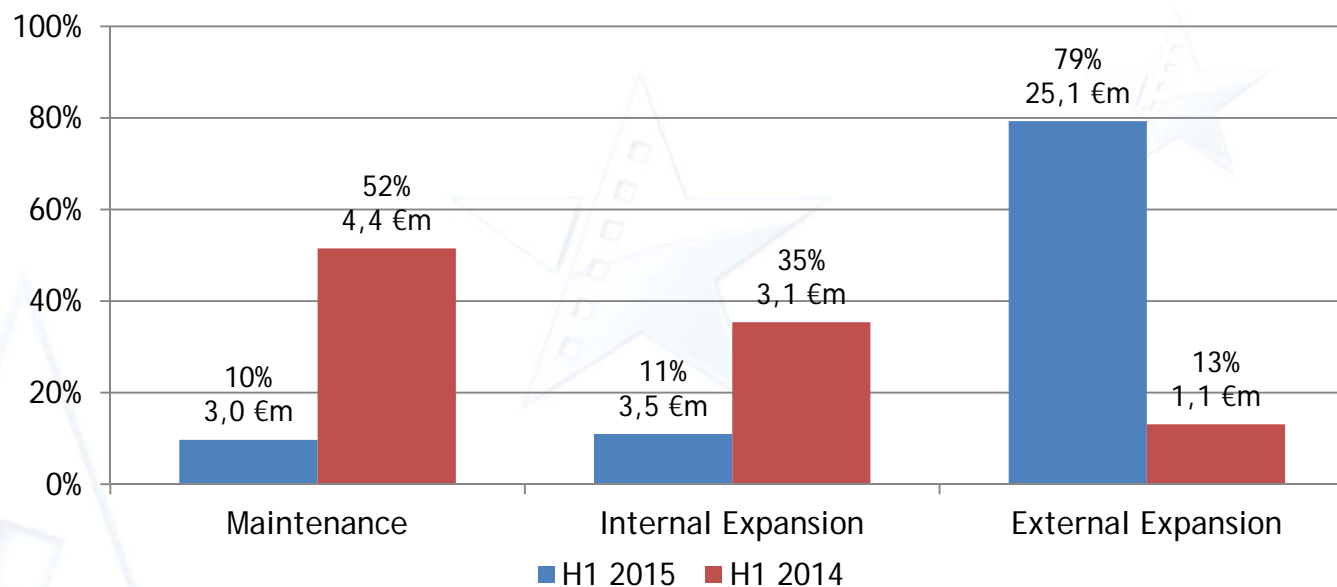
* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015

Free Cash Flow H1: 2015 vs 2014



* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015

Investments

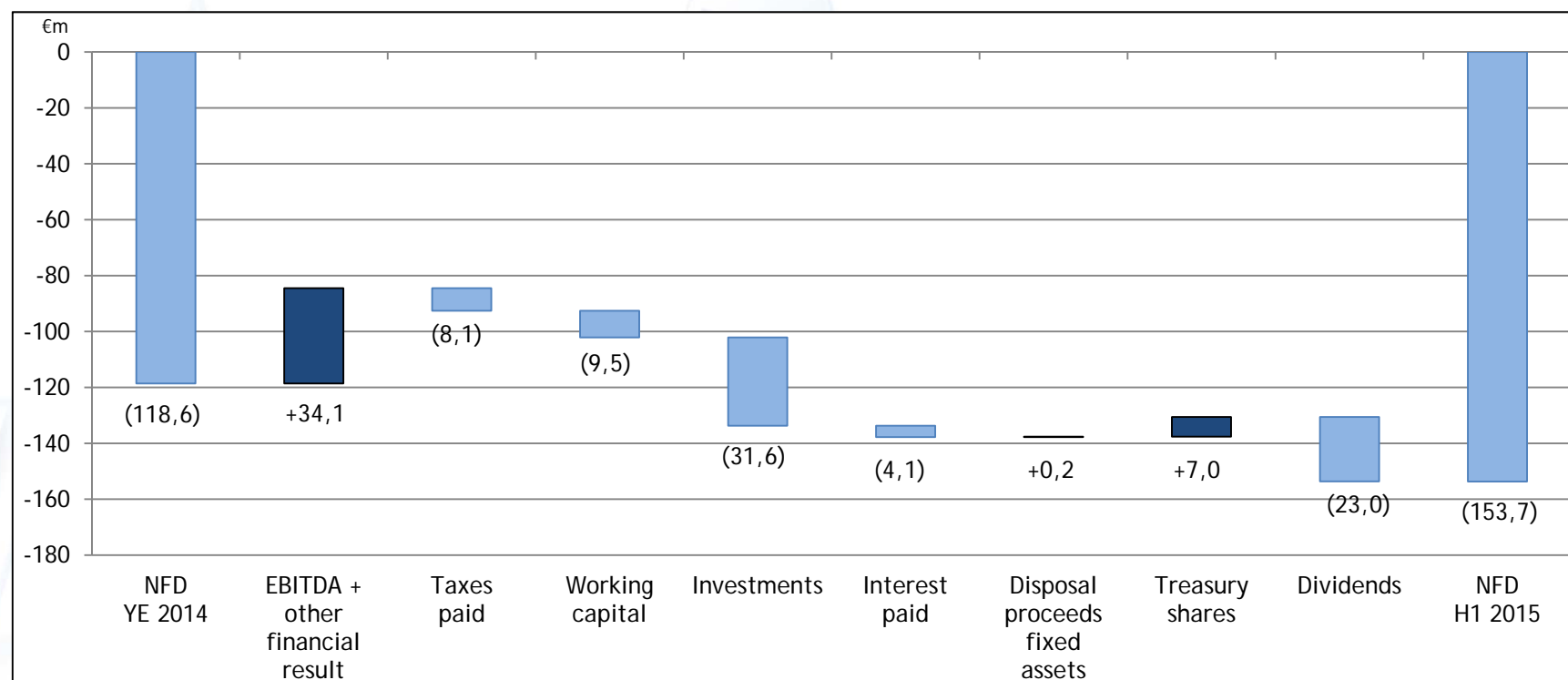


€m	H1 2015	H1 2014
Belgium	3,6	4,2
France	1,2	1,4
Spain	1,5	1,8
The Netherlands	0,2	0,0
Other	0,0	0,1
Maintenance & Internal Expansion	6,5	7,5
External Expansion	25,1	1,1
TOTAL	31,6	8,6

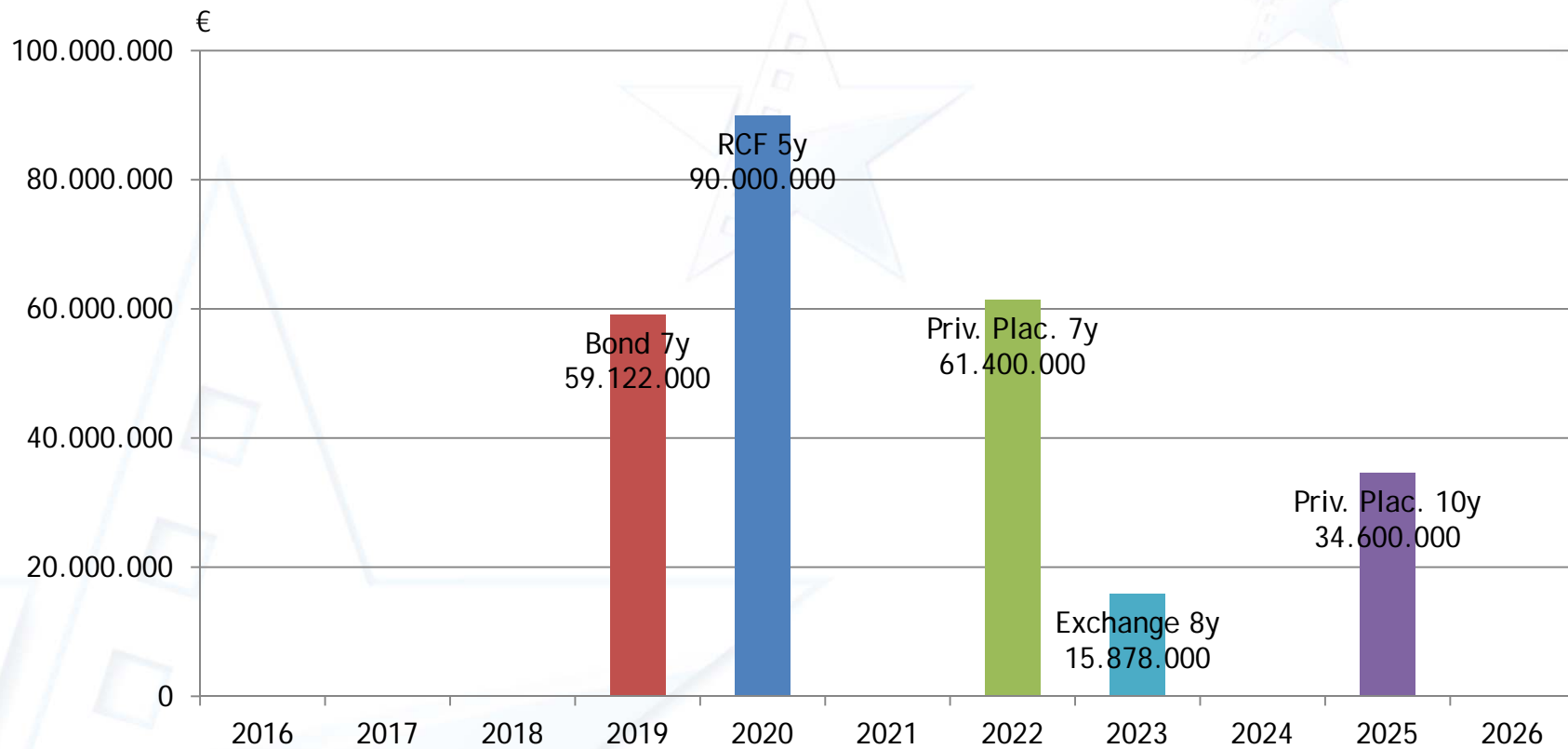
Net Financial Debt Evolution

€m	30 Jun 2015	31 Dec 2014	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	153,7	118,6	(35,1)	(29,6)%
Leverage ratio*: NFD / EBITDA	2,0	1,7		

* Not clubdeal definition



Maturity profile financial debt



Balance sheet

€m	30 Jun 2015	% of Total	31 Dec 2014	% of Total	€m	30 Jun 2015	% of Total	31 Dec 2014	% of Total
Intangible assets	4,5	1%	4,0	1%	Equity	104,7	28%	104,7	30%
Goodwill	35,9	10%	36,1	10%	LT financial debt	179,9	48%	91,5	26%
Land & buildings	218,0	58%	197,1	57%	Provisions ⁽¹⁾	2,6	1%	2,5	1%
Other fixed assets	51,2	14%	50,9	15%	Deferred taxes	15,4	4%	15,9	5%
Deferred taxes	1,2	0%	1,3	0%	Other payables	8,0	2%	7,3	2%
Other receivables	12,9	3%	12,7	4%	Derivatives	0,0	0%	0,0	0%
Non-current assets	323,7	86%	302,1	87%	Non-current liabilities	205,9	55%	117,2	34%
Assets held for sale	0,0	0%	0,0	0%	ST financial debt	3,6	1%	44,6	13%
Working capital	23,0	6%	27,5	8%	Provisions	0,6	0%	0,6	0%
Current taxes	0,3	0%	0,1	0%	Working capital	56,8	15%	72,3	21%
Financial assets	0,5	0%	0,4	0%	Current taxes	5,3	1%	7,7	2%
Cash & cash equivalents	29,4	8%	17,0	5%	Derivatives	0,0	0%	0,0	0%
Current assets	53,2	14%	45,0	13%	Current liabilities	66,3	17%	125,2	36%
Assets	376,9	100%	347,1	100%	Equity & Liabilities	376,9	100%	347,1	100%

	30 Jun 2015	31 Dec 2014
Gearing ratio*	1,47	1,13
Current ratio**	0,80	0,36
Solvency ratio***	27,8%	30,2%
ROCE****	20,7%	20,9%

(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

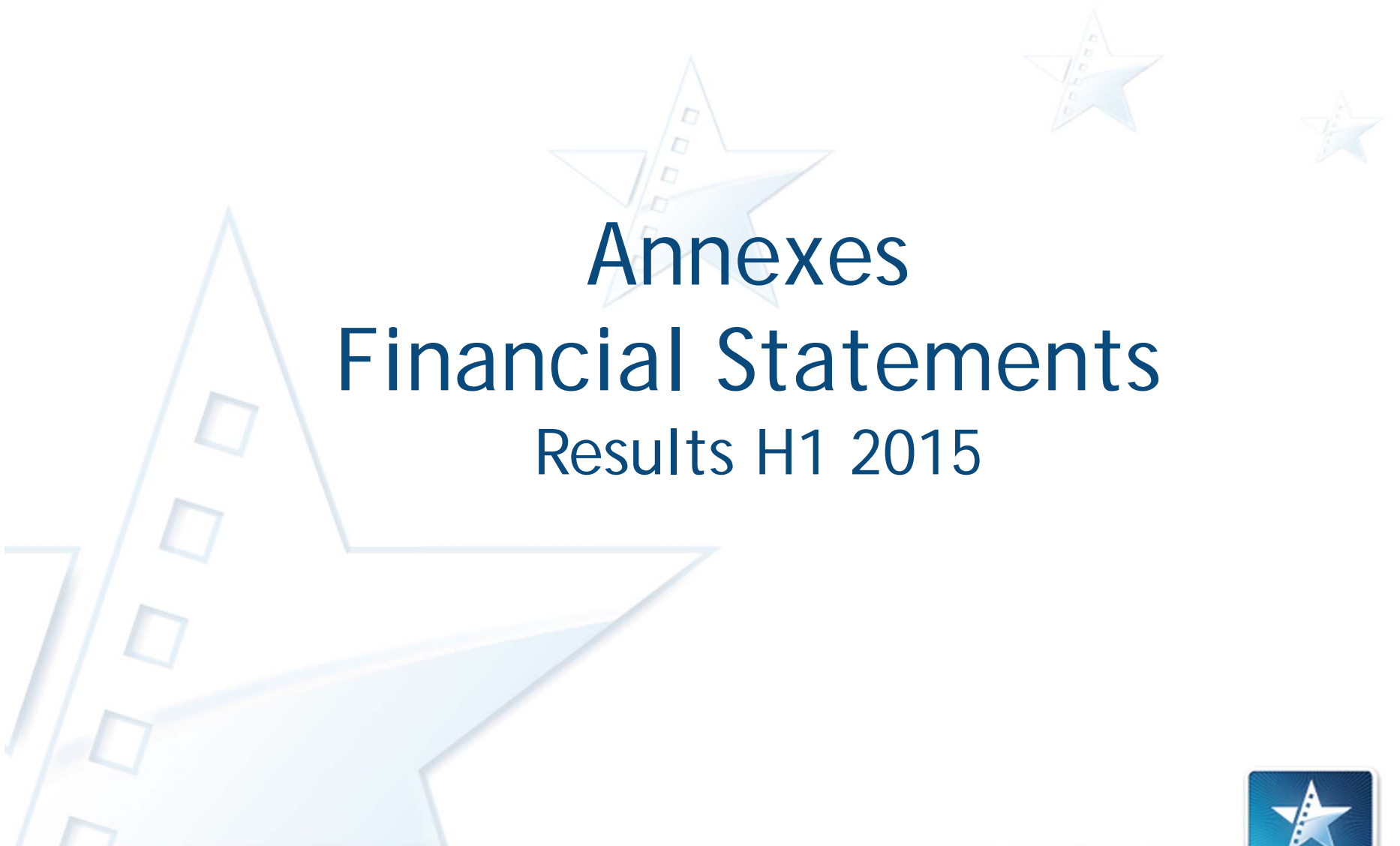
Shareholders

	26/08/2015		23/02/2015		
	# Shares	%	# Shares	%	
Total shares outstanding	27.365.197	100 %	27.365.197	100 %	
Refence Shareholders & Free Float	# Shares	%	# Shares	%	
Kinohold Bis and Mr. Joost Bert	13.254.590	48,44%	12.908.050	47,17%	↗
Treasury shares (Own shares)	269.221	0,98%	1.553.591	5,68%	↘
Free Float	13.841.386	50,58%	12.903.556	47,15%	↗
Other*	# Shares	%	# Shares	%	
Axa SA	1.523.555	5,57%	1.523.555	5,57%	
BNP Paribas Investment Partners SA	1.406.080	5,14%	1.406.080	5,14%	

* Resulting from transparency notices received

Financial Calendar

Tuesday	17/11/2015	Business update Q3 2015
Thursday	18/02/2016	Analyst and Press Meeting FY 2015
Wednesday	11/05/2016	Business update Q1 2016
Wednesday	11/05/2016	Annual Shareholders' Meeting



Annexes

Financial Statements

Results H1 2015

Consolidated Income Statement

€m	H1 2015	H1 2014*	% Better / (Worse)
Revenue	130,2	115,1	13,1%
Cost of sales	(91,4)	(81,1)	(12,6)%
Gross profit	<u>38,8</u>	<u>34,0</u>	<u>14,2%</u>
<i>Gross profit %</i>	<i>29,8%</i>	<i>29,6%</i>	
Marketing & selling expenses	(6,6)	(6,3)	(5,2)%
Administrative expenses	(9,0)	(7,7)	(17,1)%
Other operating income and expenses	0,4	0,1	161,8%
EBIT	<u>23,6</u>	<u>20,2</u>	<u>16,8%</u>
<i>EBIT %</i>	<i>18,1%</i>	<i>17,6%</i>	
Financial result	(4,1)	(2,6)	(54,0)%
Profit before tax	<u>19,5</u>	<u>17,6</u>	<u>11,2%</u>
Income tax expense	(5,1)	(4,6)	(12,5)%
Profit	<u>14,4</u>	<u>13,0</u>	<u>10,7%</u>
<i>Profit %</i>	<i>11,0%</i>	<i>11,3%</i>	
EBITDA	<u>34,8</u>	<u>30,0</u>	<u>16,1%</u>
<i>EBITDA %</i>	<i>26,7%</i>	<i>26,0%</i>	

* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015

Consolidated Balance Sheet (1)

€m	30/06/2015	31/12/2014	% Better / (Worse)
Intangible assets	4,5	4,0	11,1%
Goodwill	35,9	36,1	(0,6)%
Property, plant & equipment	236,7	215,4	9,9%
Investment property	32,5	32,6	(0,5)%
Deferred tax assets	1,2	1,3	(5,2)%
Other receivables	12,9	12,7	2,2%
Other financial assets	0,0	0,0	0,0%
<u>Total non-current assets</u>	<u>323,7</u>	<u>302,1</u>	<u>7,2%</u>
Inventories	3,6	3,6	(2,3)%
Trade & other receivables	19,8	24,3	(18,4)%
Current income taxes	0,3	0,1	587,5%
Cash & cash equivalents	29,4	17,0	73,0%
Derivatives	0,1	0,0	144,4%
Assets held for sale	0,0	0,0	0,0%
<u>Total current assets</u>	<u>53,2</u>	<u>45,0</u>	<u>18,1%</u>
<u>TOTAL ASSETS</u>	<u>376,9</u>	<u>347,1</u>	<u>8,6%</u>

Consolidated Balance Sheet (2)

€m	30/06/2015	31/12/2014	% Better / (Worse)
Capital & share premium	20,1	20,1	0,0%
Consolidated reserves	84,9	86,3	(1,7)%
Translation differences	(0,3)	(1,7)	83,8%
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	179,9	91,5	96,7%
Provisions & employee benefits	2,6	2,5	3,8%
Deferred tax liabilities	15,4	15,9	(2,6)%
Other payables	8,0	7,3	7,9%
<u>Total non-current liabilities</u>	<u>205,9</u>	<u>117,2</u>	<u>75,7%</u>
Interest bearing loans & borrowings & bank overdrafts	3,6	44,6	(92,0)%
Trade & other payables	56,8	72,3	(22,1)%
Provisions & employee benefits	0,6	0,6	(7,9)%
Derivatives	0,0	0,0	0,0%
Current income tax liabilities	5,3	7,7	(31,1)%
<u>Total current liabilities</u>	<u>66,3</u>	<u>125,2</u>	<u>(47,0)%</u>
<u>TOTAL EQUITY & LIABILITIES</u>	<u>376,9</u>	<u>347,1</u>	<u>8,6%</u>

Cash Flow Statement

€m	H1 2015	H1 2014*	Better / (Worse)
<u>Cash flows from operating activities</u>			
Profit before tax	19,5	17,6	1,9
<u>Adjustments for:</u>			
Depreciation, amortization & provisions	11,2	9,7	1,5
Government grants	(0,3)	(0,3)	0,0
Gains / losses on sale of PPE & financial assets	0,1	0,0	0,1
Financial result & Share based payments	3,6	2,0	1,6
Cash generated from operations	34,1	29,0	5,1
Working capital movements	(9,5)	(6,2)	(3,3)
Income taxes (paid)/ received	(8,1)	(2,8)	(5,3)
Net cash from operating activities	16,5	20,0	(3,5)
<u>Cash from investing activities</u>			
Acquisition of (in)tangible assets	(31,8)	(7,5)	(24,3)
Acquisition of subsidiary, net of cash acquired	0,2	(1,1)	1,3
Proceeds from sales of PPE	0,2	0,0	0,2
Net cash used in investing activities	(31,4)	(8,6)	(22,8)
<u>Cash flows from financing activities</u>			
Interests (paid)/ received	(4,1)	(3,9)	(0,2)
Capital reduction paid	(0,0)	(0,0)	0,0
Treasury shares	7,0	(0,4)	7,4
Dividends paid	(23,0)	(16,8)	(6,2)
New loans / repayment of loans	47,2	3,9	43,3
Net cash used in financing activities	27,1	(17,2)	44,3
Net cash flow	12,2	(5,8)	18,0



Free Cash Flow

€m	H1 2015	H1 2014*	Better / (Worse)
Cash Flow before WC movements & tax paid	34,1	29,0	5,1
Income taxes paid	(8,1)	(2,8)	(5,3)
Working capital	(9,5)	(6,2)	(3,3)
Capital exp - maintenance	(3,1)	(4,5)	1,4
Interest paid	(4,1)	(3,9)	(0,2)
Free cash flow	9,3	11,6	(2,3)
Capital exp - digitalization, expansion, remodeling	(28,7)	(3,0)	(25,7)
Proceeds from of PPE	0,2	0,0	0,2
Capital reduction paid	(0,0)	(0,0)	0,0
Acquisition of subsidiary, net of cash acquired	0,2	(1,1)	1,3
Treasury shares	7,0	(0,4)	7,4
Dividend payments	(23,0)	(16,8)	(6,2)
CF after expansion exp, dividends & treasury shares	(35,0)	(9,7)	(25,3)

* H1 2014 restated due to the application of IFRIC 21 as from 1 January 2015