



Kinepolis Group

Results Half 1 2013

Analyst & Press Meeting
August 29, 2013



Business Review Half 1 2013

CEO, Mr Eddy Duquenne



Key Financials

€m	H1 2013	H1 2012	Better / (Worse)
<i>Visitors ('000)</i>	8.369	9.414	(11,1)%
Revenue	109,7	117,3	(6,5)%
EBITDA	30,9	31,7	(2,4)%
REBITDA	€ 3,66/Vis 30,7	€ 3,41/Vis 32,1	(4,5)%
<i>REBITDA Margin</i>	27,9%	27,4%	
EBIT	21,6	22,1	(2,5)%
REBIT	21,0	22,2	(5,5)%
<i>REBIT Margin</i>	19,1%	18,9%	
Net Earnings	14,3	14,9	(4,1)%
Current Net Earnings	13,9	15,0	(7,6)%
<i>EPS (in €)</i>	2,59	2,46	5,3%
Free Cash Flow	7,6	15,6	(51,1)%
€m	30 th Jun 2013	31 st Dec 2012	Better / (Worse)
Net Financial Debt (NFD)	107,5	90,2	(17,3)

Highlights

- ❑ Revenue down by 6,5%
 - ❑ Visitors -11,1%, due to bad weather, poor local film content and economic crisis in Spain
 - ❑ Increase Box Office per visitor to € 7,19
 - ❑ Increase In-theatre Sales spend per visitor to € 2,82
 - ❑ Decrease in Sales and Events (-6,5%)
 - ❑ Growth of Screen Advertising revenue (+15,7%)
 - ❑ Concessions revenue stable
 - ❑ Higher revenue Brightfish (+7,6%)
- ❑ Improved efficiency of operations: REBITDA per visitor € 3,66 (+7,4%)
- ❑ REBITDA margin increases to 27,9% (27,4% in H1 2012)
- ❑ Current Net Earnings down by € 1,1 m or 7,6%
- ❑ FCF of € 7,6 m
- ❑ NFD at € 107,5 m (€ 17,3 m higher)

Major events

- ❑ H1 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
- ❑ Positive result in proceedings with TPB (Belgium)
- ❑ Sale of land in Poland (surplus value of € 0,9 m)
- ❑ Green Star report published
- ❑ Share Buy-Back
 - ❑ Acquisition of 117.268 shares for € 12,2 m in H1 2013
 - ❑ Sale of 7.200 shares (exercise stock options) for € 0,1 m (former employee)
 - ❑ Cumulative capital optimization 2011 - 2012 - H1 2013 of € 109,9 m

Kinepolis complexes today

KINEPOLIS GROUP	Complexes	Screens
Belgium	11	138
France	7	87
Spain	3	64
Poland *	1	20
Switzerland	1	8
Total	23	317

- ▣ Market Share:

Belgium:	to be announced**
France:	3,4%
Spain:	4,7%

▣ 297 digital screens (100% digitised***)

▣ Of which 93 screens with 3D

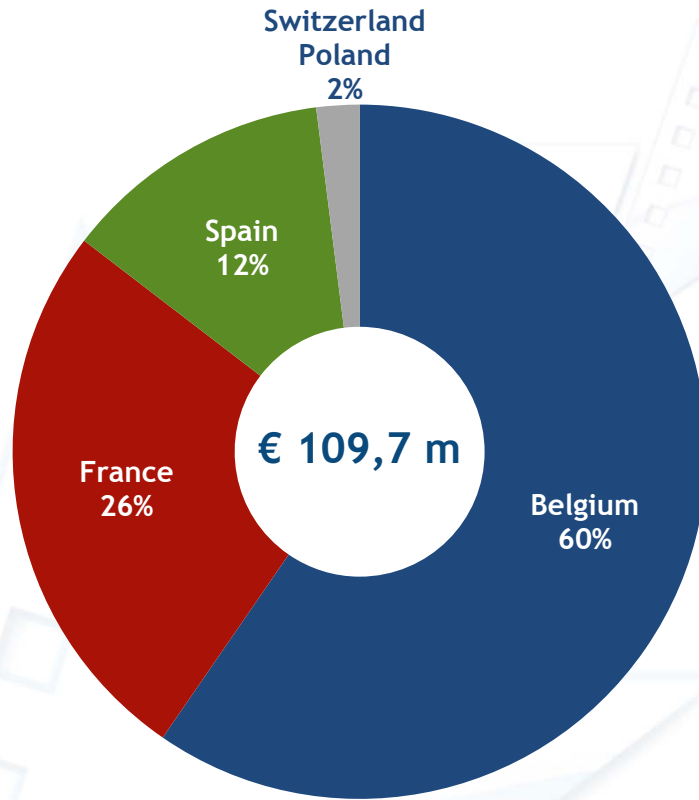


* Operated by ITIT

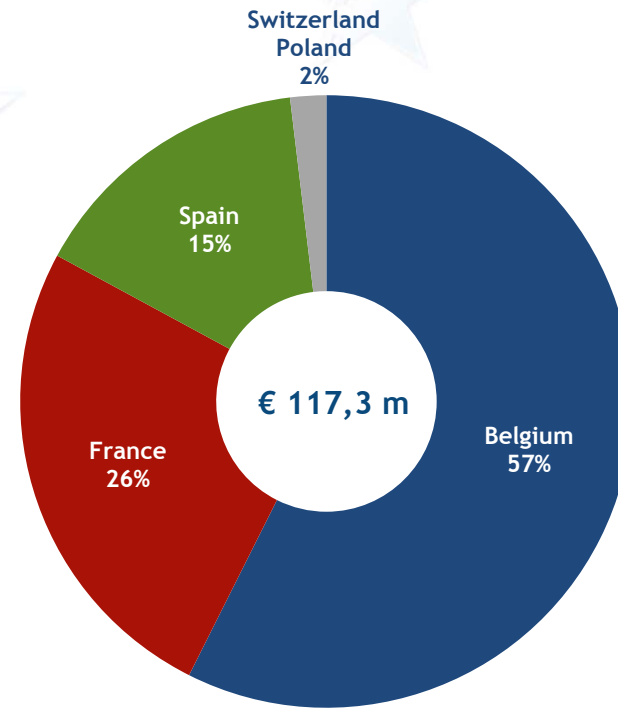
** New data platform expected to be available in H2 2013

*** Excluding ITIT

Revenue by country

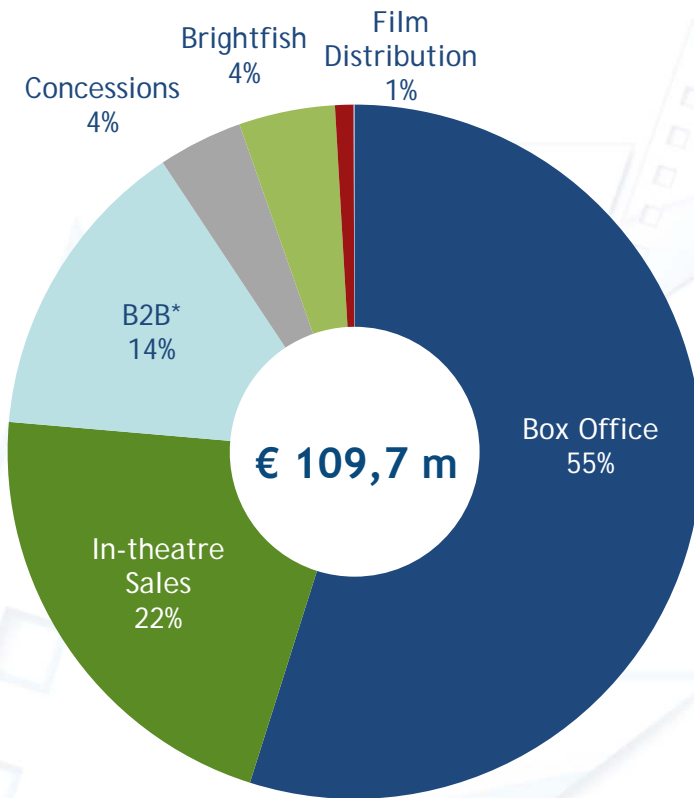


H1 2013

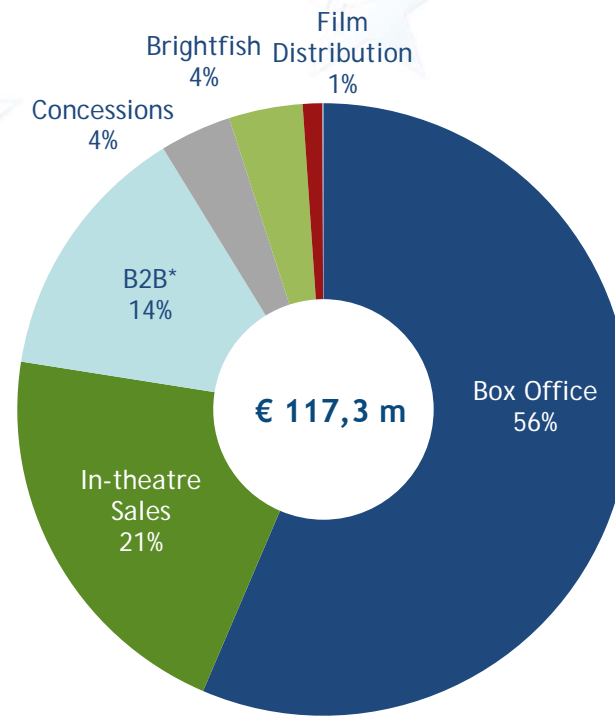


H1 2012

Revenue by activity



H1 2013



H1 2012

* Including Cinema Screen Advertising

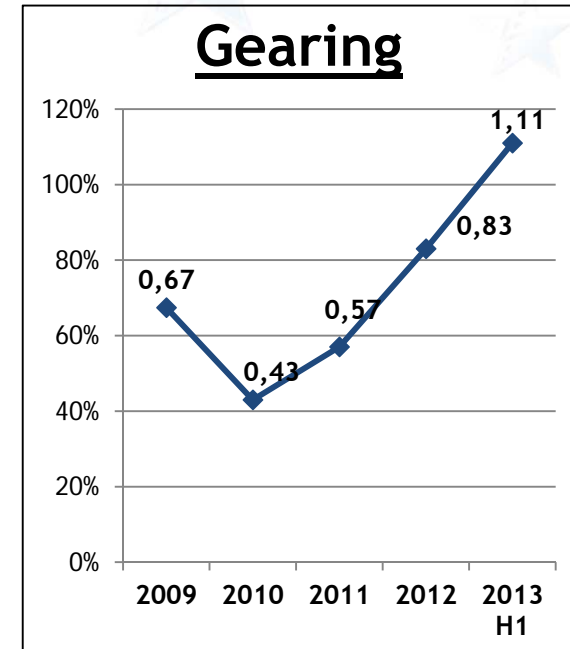
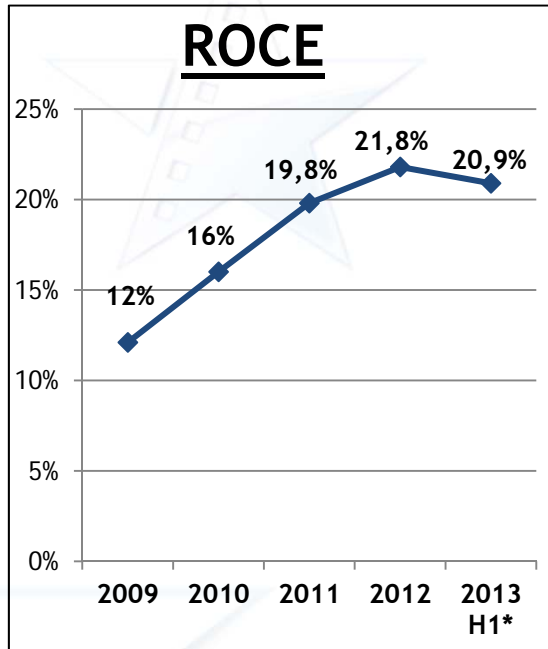
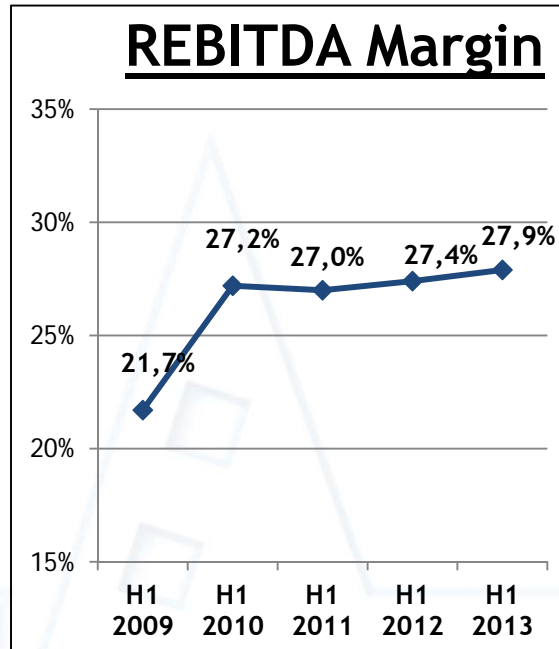
Visitors & Movies

Visitors (000's)	H1 2013	% of Tot	H1 2012	% of Tot	% Δ YoY
Belgium	4.051	48,4%	4.398	46,7%	(7,9)%
France	2.848	34,0%	3.106	33,0%	(8,3)%
Spain	1.398	16,7%	1.843	19,6%	(24,1)%
Switzerland	72	0,9%	67	0,7%	7,5%
Total	8.369	100%	9.414	100%	(11,1)%

Top 5 Movies H1 2013	3D	Visitors (000's)
1. Iron Man 3	✓	415
2. Fast and Furious 6		399
3. Django Unchained		364
4. The Croods	✓	359
5. The Hobbit: Un Unexpected Journey	✓	240
Top 5		1.777
Weight Top 5		21,2%

Top 5 Movies H1 2012	3D	Visitors (000's)
1. The Avengers	✓	517
2. The Hunger Games		394
3. Sherlock Holmes: A Game of Shadows		285
4. Intouchables		274
5. Sur la piste du Marsupilami		238
Top 5		1.708
Weight Top 5		18,1%

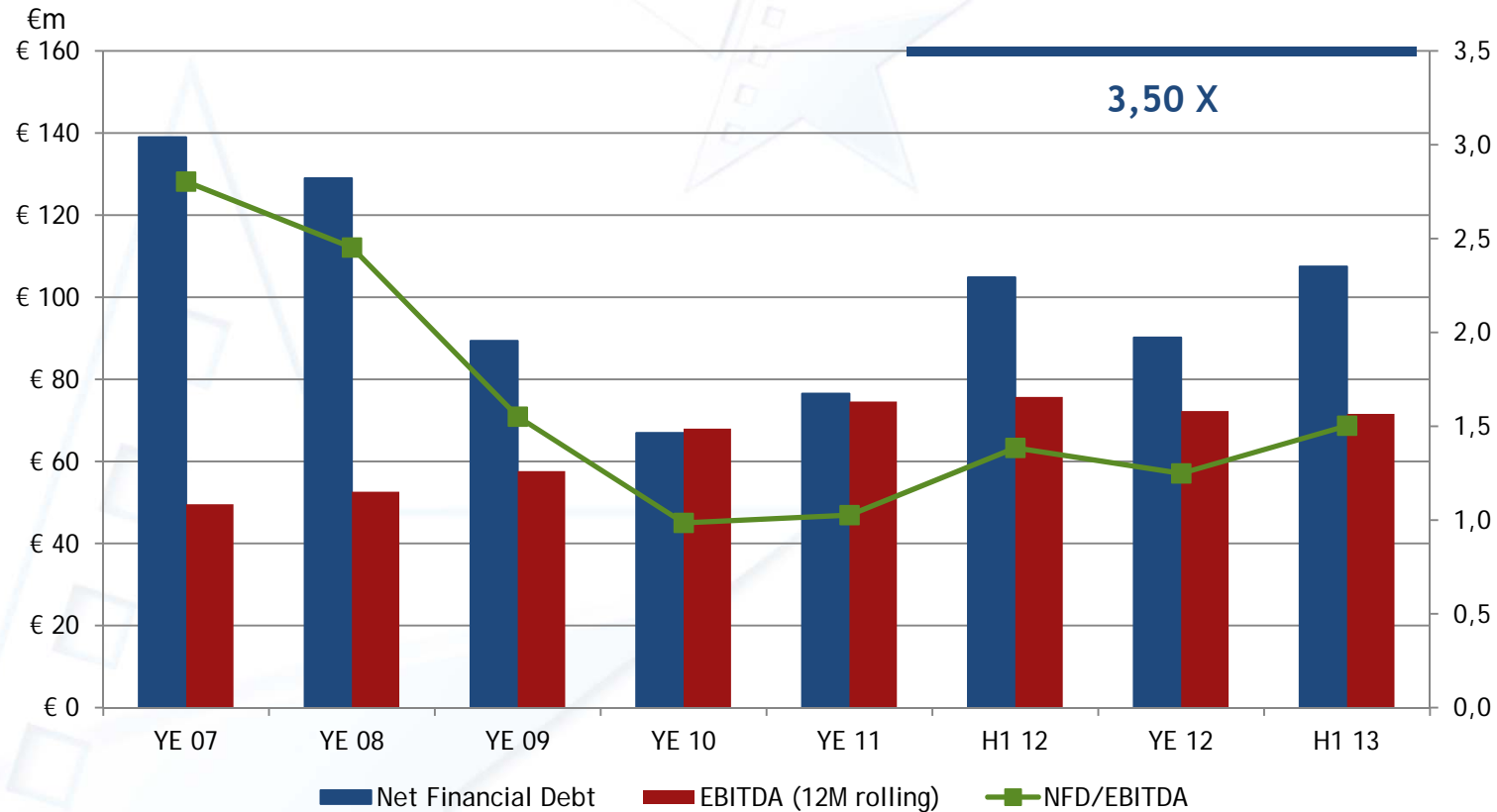
Ratios



*: 12 months rolling

Net Financial Debt Evolution

€m	30 Jun 2013	31 Dec 2012	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	107,5	90,2	(17,3)	(19,2)%
Leverage ratio*: NFD / EBITDA	1,5	1,2		



* Not Clubdeal definition

Line-up Half 2 2013

	2D	3D
Major sequels	<ul style="list-style-type: none"> • Hunger Games: Catching Fire (Q4) 	<ul style="list-style-type: none"> • The Smurfs II (Q3) • Despicable Me II (Q3) • Monster University (Q3) • The Hobbit II: The Desolation of Smaug (Q4)
New titles	<ul style="list-style-type: none"> • The Lone Ranger (Q3) • The Wolverine (Q3) • Elysium (Q3) • The Conjuring (Q3) 	<ul style="list-style-type: none"> • World War Z (Q3) • Now you see me (Q3) • Frozen (Q4) • Turbo (Q4)
Local	<ul style="list-style-type: none"> • Het Vonnis (BE) (Q4) • FC De Kampioenen (BE) (Q4) • Los Flamencos (BE) (Q3) • Marina (BE) (Q4) • Eyjafjallajökull (FR) (Q4) • L'extravagant voyage du jeune et prodigieux Spivet (FR) (Q4) • La Gran Familia Española (ES) (Q3) • Las Brujas de Zugarramurdi (ES) (Q3) 	<ul style="list-style-type: none"> • Justin y la Espada del Valor (ES) (Q3)
Alternative content	<ul style="list-style-type: none"> • Opera, Ballet • Concerts (One Direction, Robbie Williams, Bruce Springsteen, Matt Pokora, Christophe Maé, The Rolling Stones and Andrea Bocelli) 	

Financial Review Half 1 2013

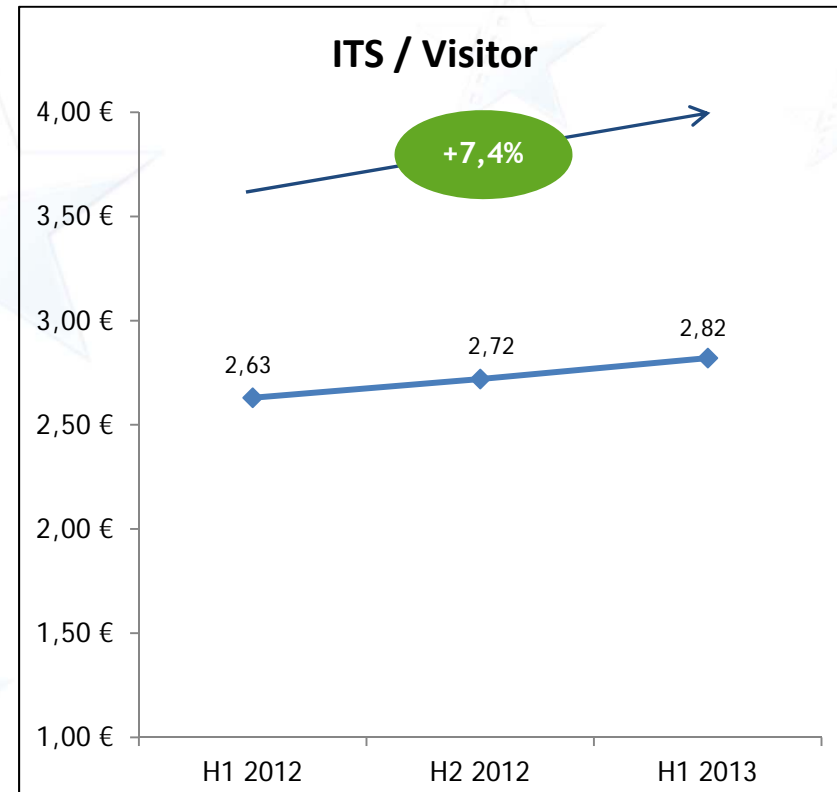
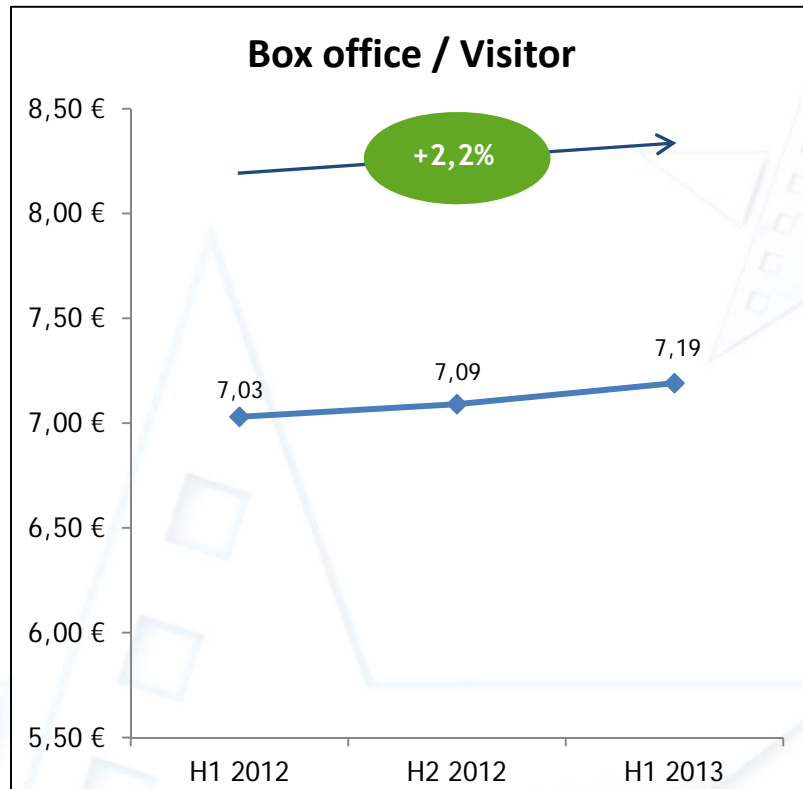
CFO, Mr Nicolas De Clercq



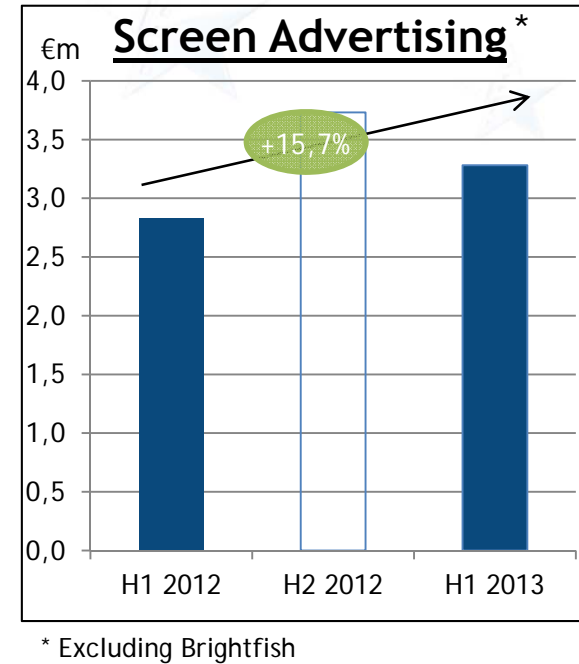
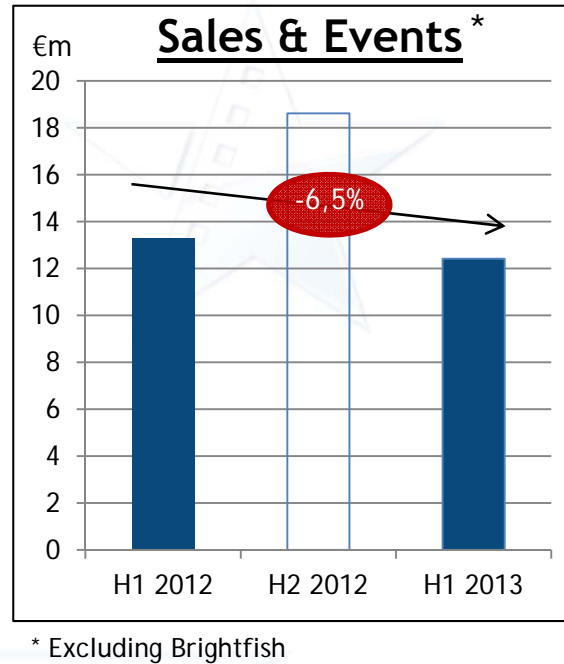
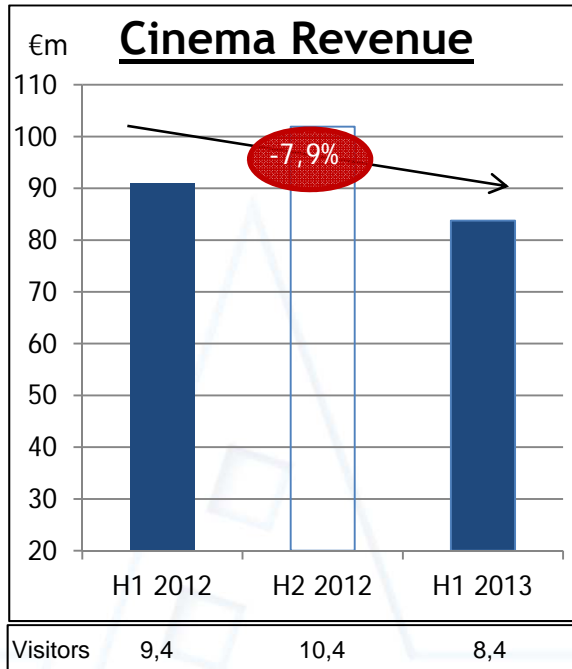
Revenue by country

€m	H1 2013	% of Tot	H1 2012	% of Tot	% Δ YoY
Belgium	65,4	59,6%	67,4	57,4%	(2,9)%
France	28,3	25,8%	29,9	25,5%	(5,5)%
Spain	13,8	12,6%	17,8	15,2%	(22,8)%
Switzerland & Poland	2,2	2,0%	2,2	1,9%	1,4%
Total	109,7	100%	117,3	100%	(6,5)%

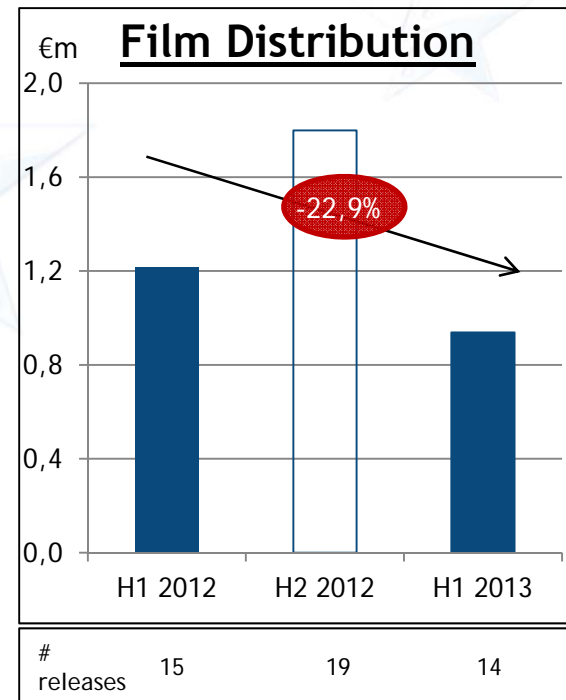
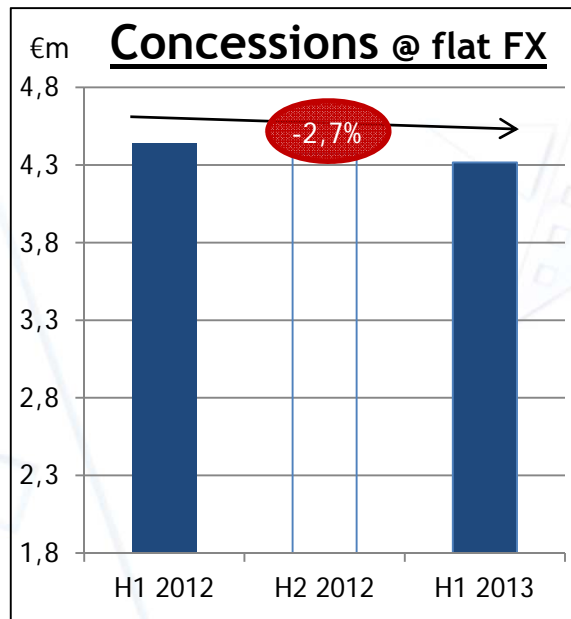
Evolution Box Office & ITS



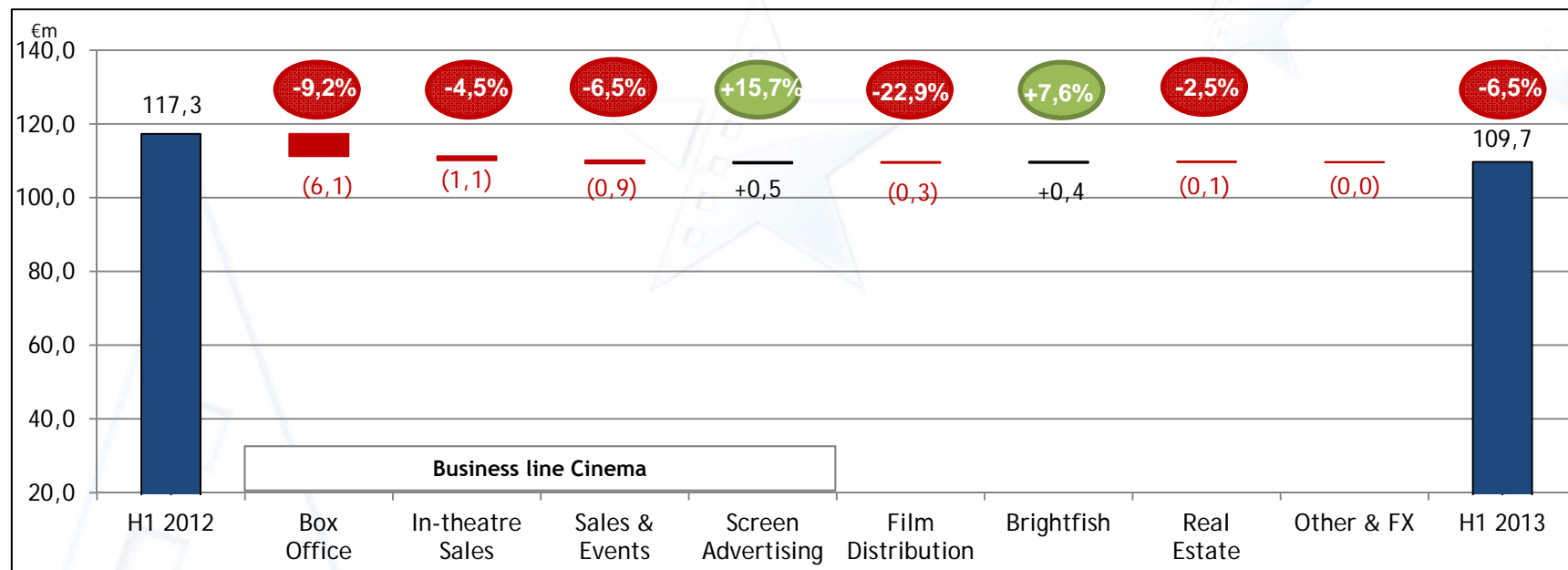
Revenue by Business



Revenue by Business (2)



Revenue by activity waterfall



Operating Costs

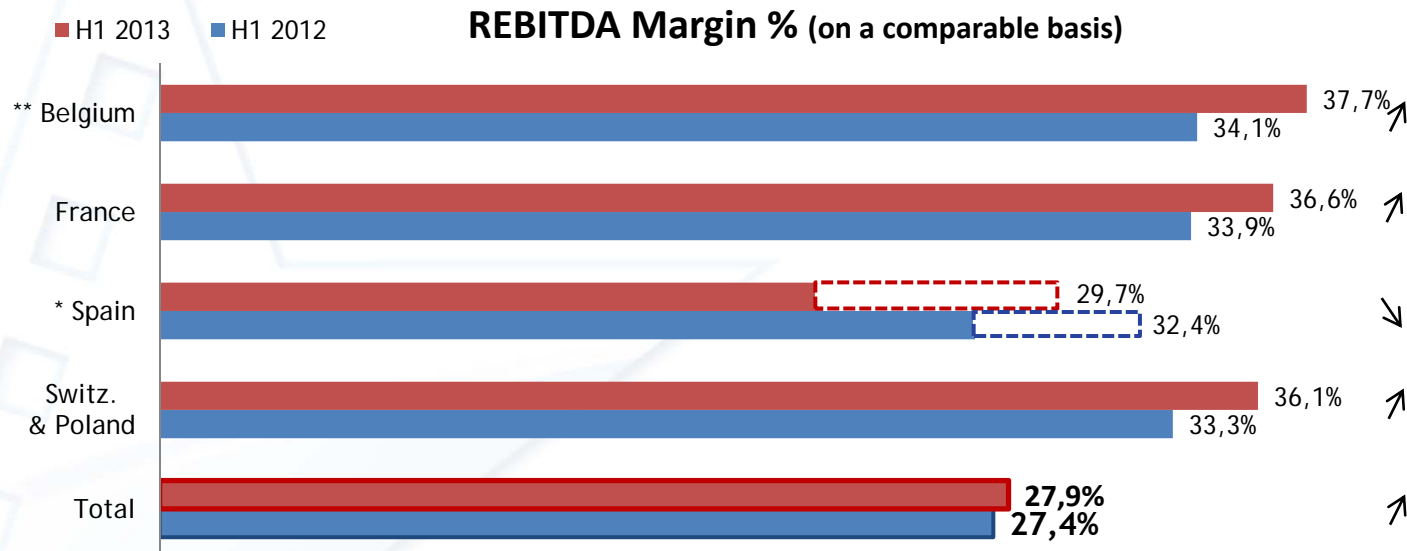
€m	H1 2013	H1 2012	% Better / (Worse)
Marketing & Selling Expenses	(5,7)	(6,0)	5,4%
Administrative Expenses	(7,1)	(7,6)	7,2%
Other Operating Income/(Costs)	1,6	0,8	96,1%
Total Operating Costs	(11,1)	(12,8)	12,9%
Non-Current	0,9	0,0	
Current Operating Costs	(12,0)	(12,8)	6,4%

Non-Current items

€m	H1 2013	H1 2012	Impacts
Gain on sale land Poland	0,9		EBITDA
Transformation expenses	(0,5)	(0,4)	
Loss on disposal leasehold improvements former Brightfish offices	(0,1)		
EBITDA	0,3	(0,4)	
Write-down assets under construction cancelled project	(0,4)		Depreciation
Depreciation	(0,4)		
Transformation provisions	0,1	0,3	Provisions
Reversal provision settlement leases	0,5		
Provisions	0,6	0,3	
Tax on above items	(0,1)		Taxes
Taxes	(0,1)		
Net impact of non-current items	0,4	(0,1)	Net Earnings

REBITDA by Country

REBITDA €m	H1 2013	% of Total	H1 2012	% of Total	% Better/(Worse)
Belgium	16,3	53,1%	16,2	50,6%	0,2%
France	10,5	34,3%	10,3	32,0%	2,2%
Spain	3,1	10,0%	4,9	15,1%	(37,0)%
Switzerland & Poland	0,8	2,6%	0,7	2,3%	10,3%
TOTAL	30,7	100%	32,1	100%	(4,5)%

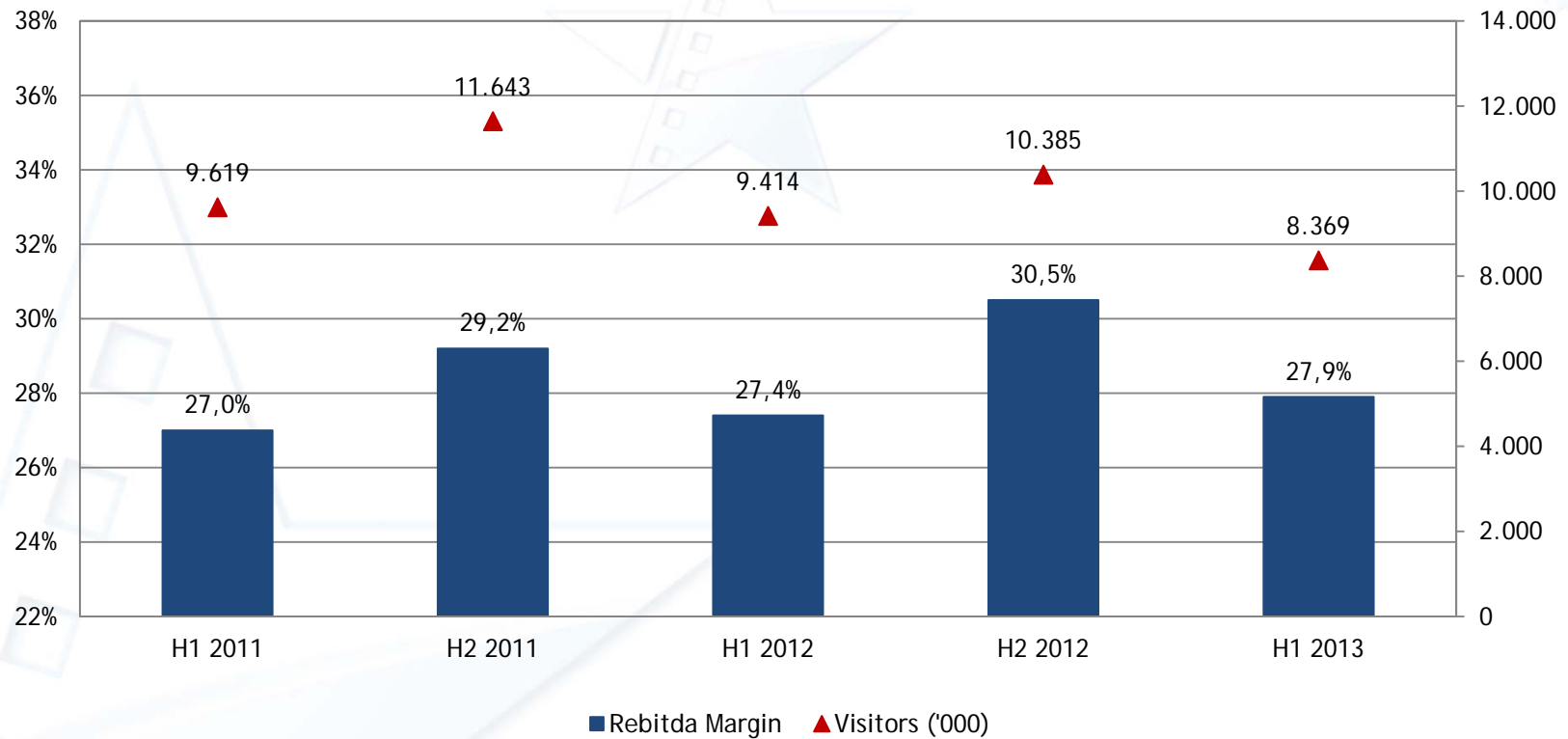


* REBITDAR (i.e. REBITDA excluding rent for Valencia complex)

** Excluding corporate entities, KFD, Brightfish

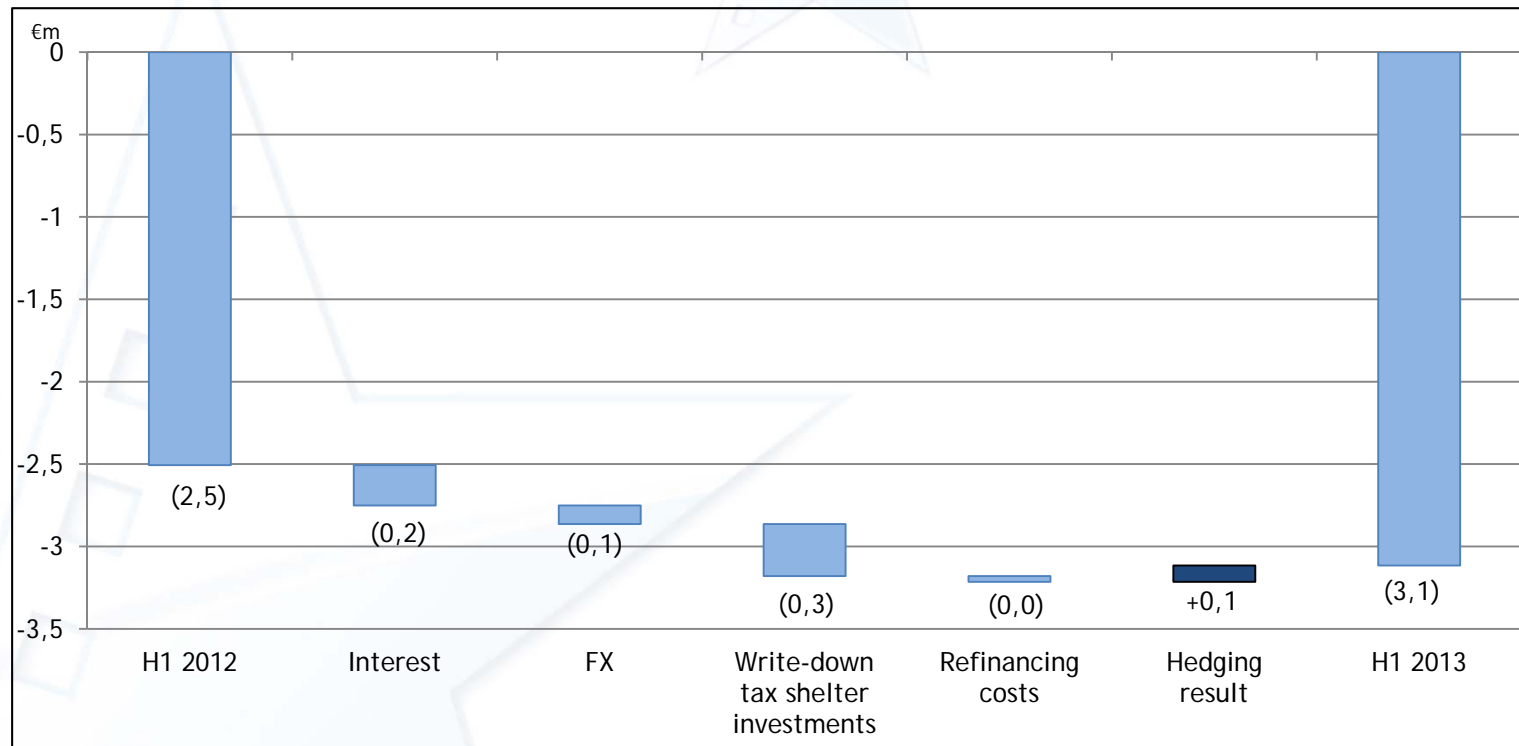
REBITDA Margin

REBITDA /Visitor	€ 3,13	€ 3,57	€ 3,41	€ 4,03	€ 3,66
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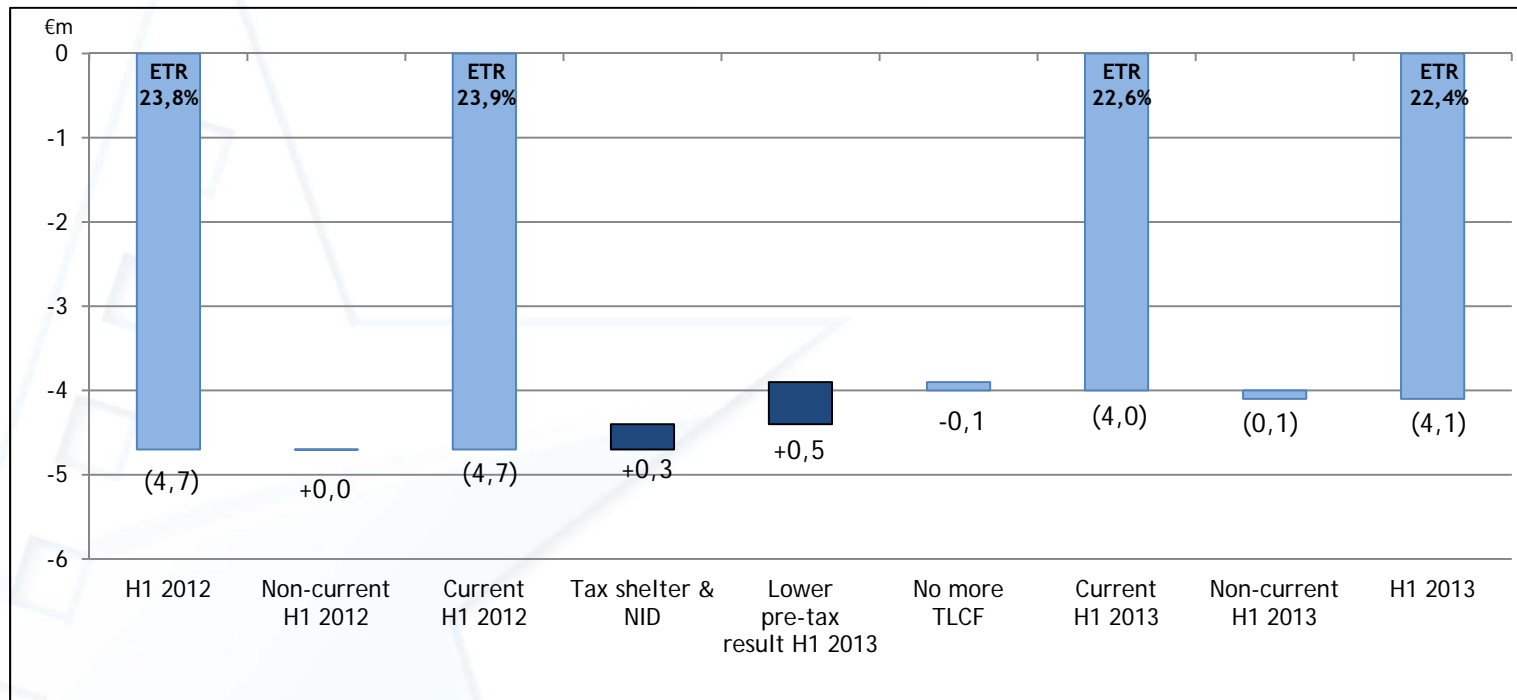
Financial Result

€m	H1 2013	H1 2012	% Better/(Worse)
Interest Expense	(2,4)	(2,2)	(13,1)%
Other (CNC, Tax Shelters, Derivatives, FX)	(0,6)	(0,3)	(102,1)%
Financial (Cost) / Income	(3,1)	(2,5)	(24,3)%

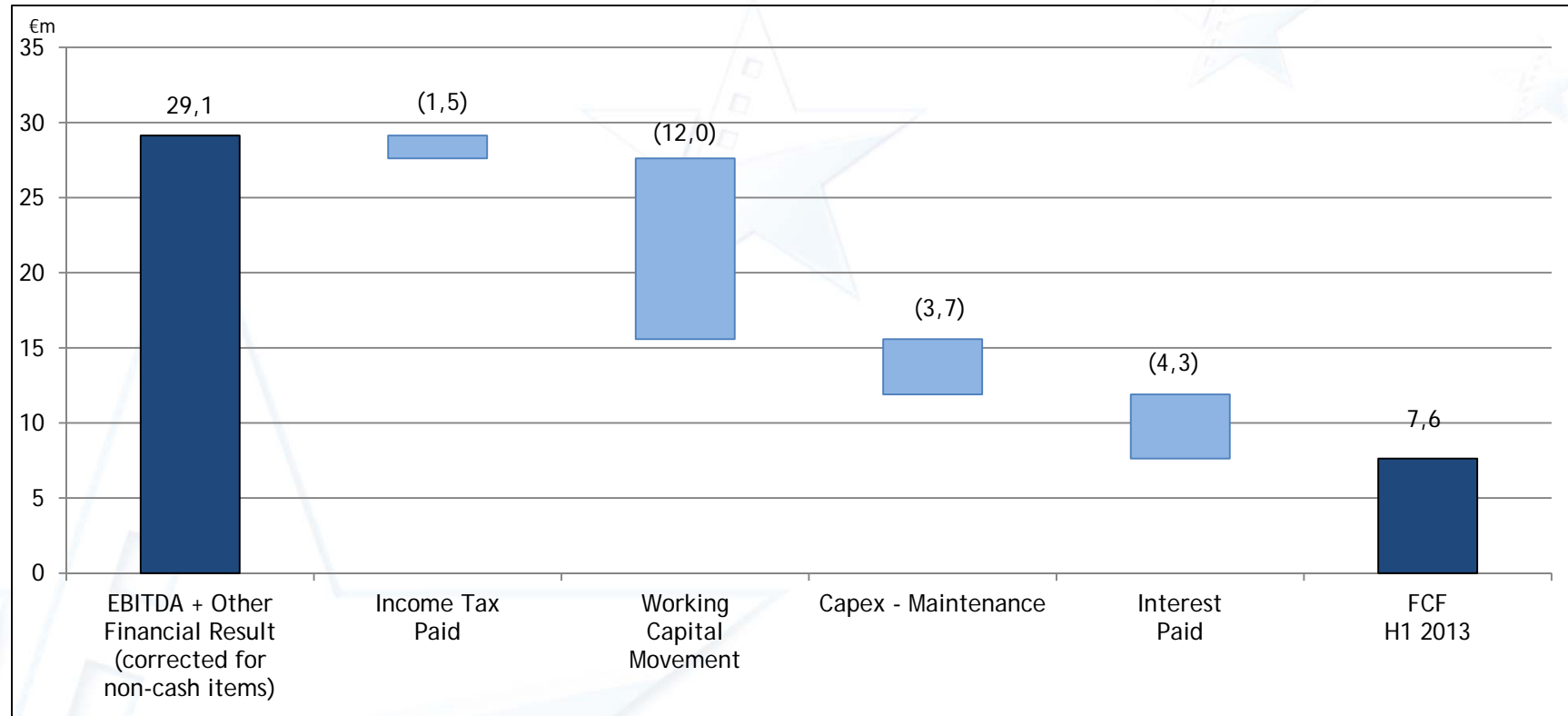


Taxes

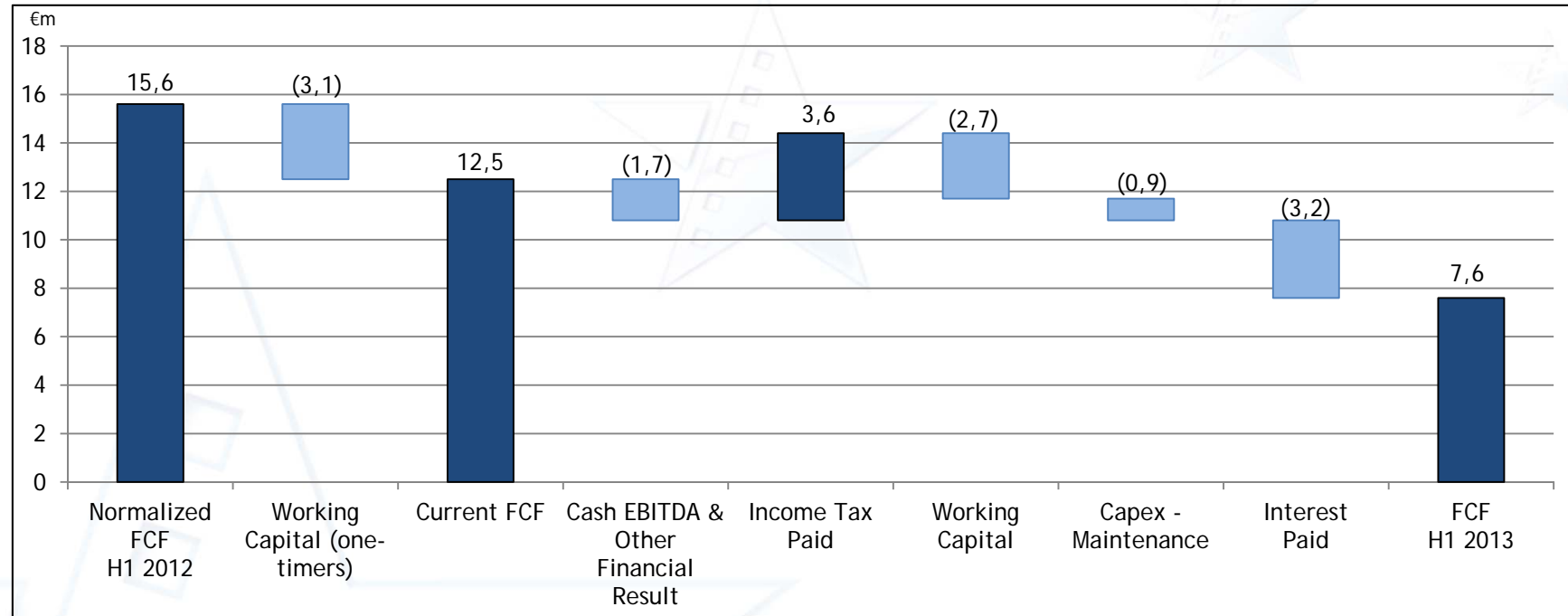
€m	H1 2013	H1 2012	% Better /(Worse)
Profit before Taxes	18,4	19,6	(5,9)%
Taxes	(4,1)	(4,7)	11,6%
Net Profit	14,3	14,9	(4,1)%
<i>Effective Tax Rate ('ETR')</i>	<i>22,4%</i>	<i>23,8%</i>	



Free Cash Flow Half 1 2013

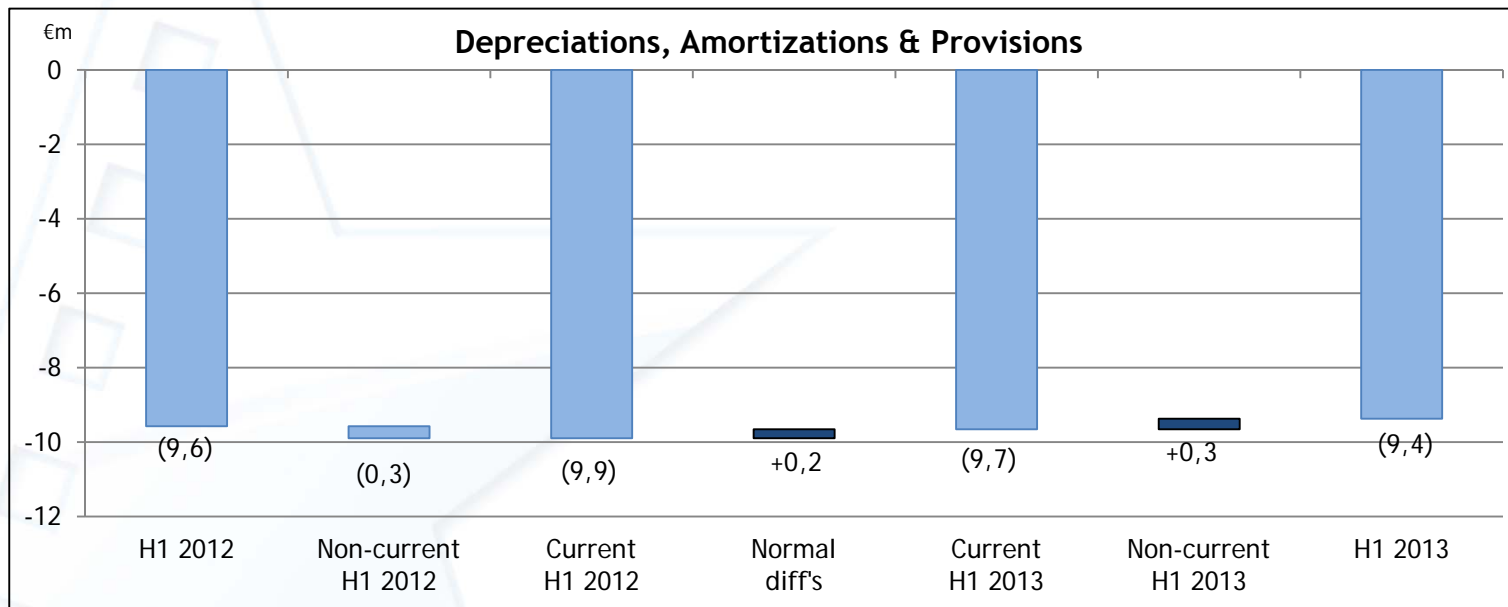
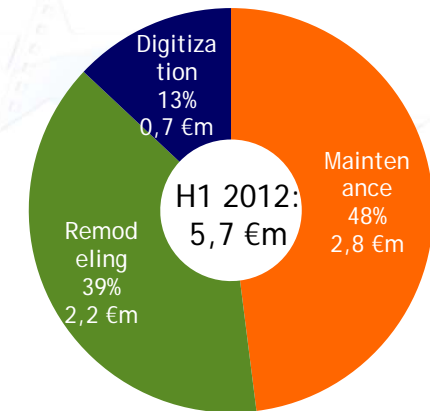
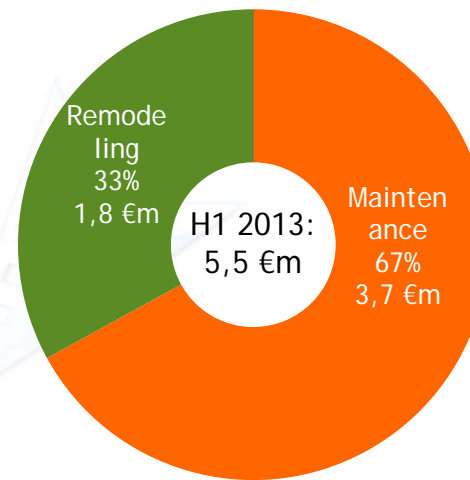


Free Cash Flow H1 2013 vs H1 2012



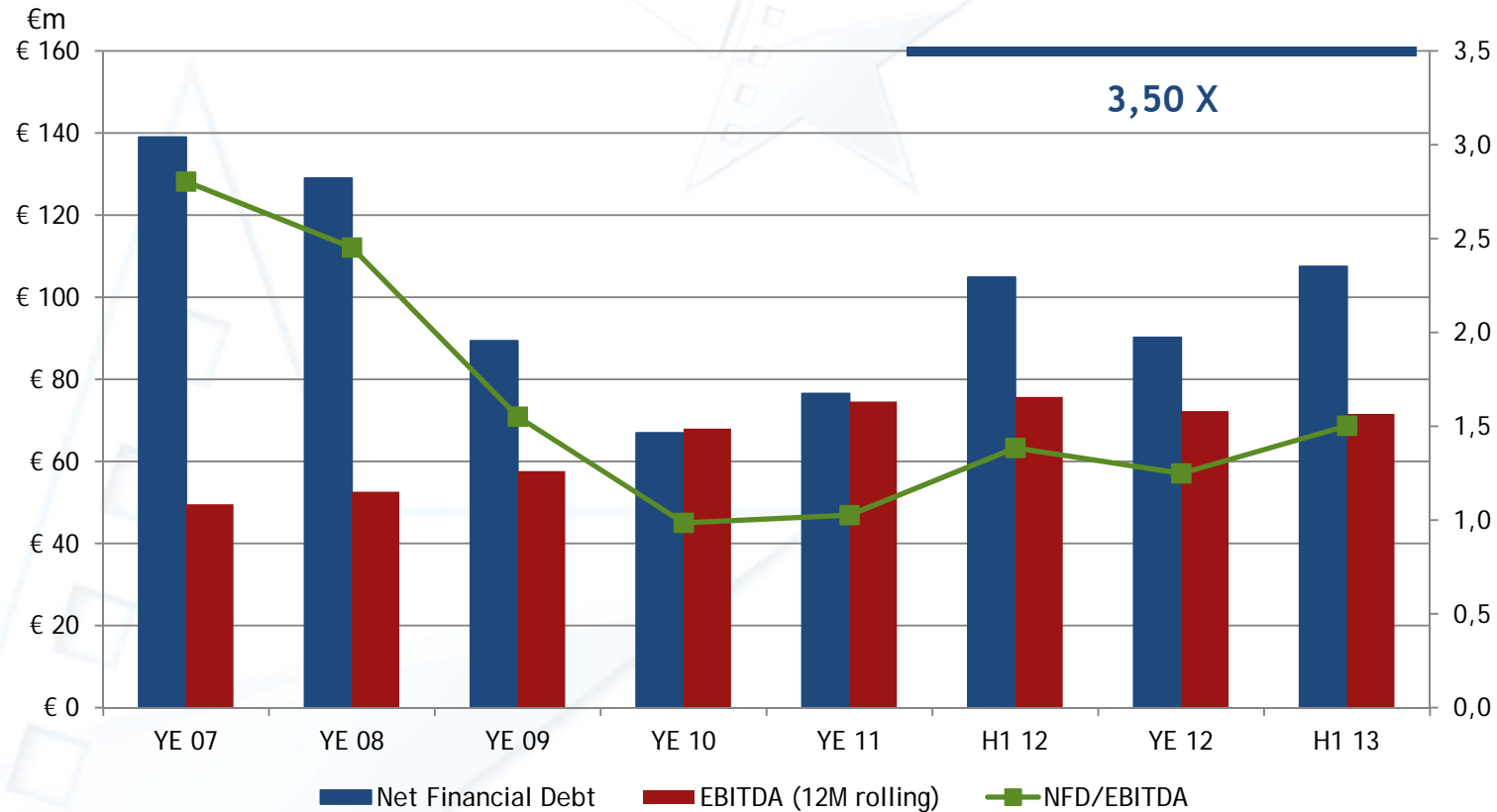
Capex - Depreciation

Capex €m	H1 2013	H1 2012
Belgium	2,9	3,4
France	1,6	0,7
Spain	1,0	1,5
Other	0,0	0,1
TOTAL	5,5	5,7



Net Financial Debt Evolution

€m	30 Jun 2013	31 Dec 2012	Better/(Worse)	% Better/(Worse)
Net Financial Debt (NFD)	107,5	90,2	(17,3)	(19,2)%
Leverage ratio*: NFD / EBITDA	1,5	1,2		



* Not Clubdeal definition

Balance sheet

€m	30 Jun 2013	% of Total	31 Dec 2012	% of Total	€m	30 Jun 2013	% of Total	31 Dec 2012	% of Total
Intangible assets	3,3	1%	3,3	1%	Equity	97,3	32%	108,7	33%
Goodwill	18,8	6%	18,8	6%	LT financial debt	86,2	28%	81,7	25%
Land & buildings	180,8	59%	184,6	56%	Provisions ⁽¹⁾	3,0	1%	3,8	1%
Other fixed assets	39,7	13%	41,3	13%	Deferred taxes	17,8	6%	17,4	5%
Deferred taxes	0,9	0%	0,7	0%	Other payables	8,4	3%	8,6	3%
Other receivables	13,6	4%	13,2	4%	Derivatives	0,0	0%	0,1	0%
Non-current assets	257,1	84%	261,9	80%	Non-current liabilities	115,4	37%	111,7	34%
Assets held for sale	7,8	3%	8,7	3%	ST financial debt	40,1	13%	37,7	12%
Working capital	23,6	8%	26,1	8%	Provisions	0,3	0%	0,3	0%
Current taxes	0,7	0%	1,7	1%	Working capital	48,3	16%	64,3	20%
Financial assets	0,0	0%	0,4	0%	Current taxes	5,9	2%	4,4	1%
Cash & cash equivalents	18,4	6%	28,8	9%	Derivatives	0,3	0%	0,5	0%
Current assets	50,5	16%	65,7	20%	Current liabilities	94,9	31%	107,2	33%
Assets	307,6	100%	327,6	100%	Equity & Liabilities	307,6	100%	327,6	100%

	30 Jun 2013	31 Dec 2012
Gearing ratio*	1,11	0,83
Current ratio**	0,53	0,61
Solvency ratio***	31,6%	33,2%
ROCE****	20,9%	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

Shareholders

	23/08/2013		19/01/2013	
	# Shares	%	# Shares	%
Total Shares outstanding	5.856.508	100 %	5.856.508	100 %
Refence Shareholders & Free Float				
	# Shares	%	# Shares	%
Kinohold Bis and Mr. Joost Bert	2.581.610	44,08%	2.581.610	44,08%
Treasury shares (Own shares)	451.569	7,71%	311.885	5,33%
Free Float	2.823.329	48,21%	2.963.013	50,59%
Other*				
	# Shares	%	# Shares	%
Axa SA	304.711	5,20%	278.885	4,76%
Ameriprise Financial Inc - Threadneedle AMH Ltd	266.256	4,55%	266.256	4,55%
BNP Paribas Investment Partners SA	194.659	3,32%	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 buy-back YTD 23/08/2013	146.884	15,2
Sale of shares (exercise stock options)	(7.200)	(0,1)
Loss on sale of shares		(0,1)
Treasury shares (own shares) as at 23/08/2013	451.569	23,9
Dividend eligible shares as at 23/08/2013*	5.404.939	
SBB mandate granted by Extraordinary Shareholders' Meeting of 19/10/2012	1.171.301	
Remaining shares to buy-back under SBB mandate as at 23/08/2013	1.024.417	

*: Excluding all treasury shares


Financial Calendar

Thursday	14/11/2013	Business update Q3 2013
Thursday	20/02/2014	Analysts and Press Meeting FY 2013
Thursday	15/05/2014	Business update Q1 2014
Friday	16/05/2014	Annual Shareholders' Meeting



Q & A

Thank You.



Annexes

Financial Statements

Results Half 1 2013



Consolidated Income Statement

€m	H1 2013	H1 2012	% Better / (Worse)
Revenue	109,7	117,3	(6,5)%
Cost of sales	(77,0)	(82,5)	6,6%
Gross profit	<u>32,7</u>	<u>34,9</u>	<u>(6,3)%</u>
<i>Gross profit %</i>	<i>29,8%</i>	<i>29,7%</i>	
Marketing & selling expenses	(5,7)	(6,0)	5,4%
Administrative expenses	(7,1)	(7,6)	7,2%
Other operating income and expenses	1,6	0,8	96,1%
EBIT	<u>21,5</u>	<u>22,1</u>	<u>(2,5)%</u>
<i>EBIT %</i>	<i>19,6%</i>	<i>18,8%</i>	
Financial result	(3,1)	(2,5)	(24,3)%
Profit before tax	<u>18,4</u>	<u>19,6</u>	<u>(5,9)%</u>
Income tax expense	(4,1)	(4,7)	11,6%
Profit	<u>14,3</u>	<u>14,9</u>	<u>(4,1)%</u>
<i>Profit %</i>	<i>13,0%</i>	<i>12,7%</i>	
EBITDA	<u>30,9</u>	<u>31,7</u>	<u>(2,4)%</u>
<i>EBITDA %</i>	<i>28,2%</i>	<i>27,0%</i>	

Current Income Statement

€m	H1 2013	H1 2012	% Better / (Worse)
Revenue	109,7	117,3	(6,5)%
Cost of sales	(76,7)	(82,3)	6,8%
<u>Gross profit</u>	<u>33,0</u>	<u>35,0</u>	<u>(5,8)%</u>
<i>Gross profit %</i>	<i>30,1%</i>	<i>29,9%</i>	
Marketing & selling expenses	(5,7)	(6,0)	5,1%
Administrative expenses	(6,9)	(7,1)	4,0%
Other operating income & expenses	0,6	0,3	70,1%
<u>REBIT</u>	<u>21,0</u>	<u>22,2</u>	<u>(5,5)%</u>
<i>REBIT %</i>	<i>19,1%</i>	<i>18,9%</i>	
Financial result	(3,1)	(2,5)	(24,3)%
<u>Profit before tax</u>	<u>17,9</u>	<u>19,7</u>	<u>(9,3)%</u>
Income tax expense	(4,0)	(4,7)	14,5%
<u>Current profit</u>	<u>13,9</u>	<u>15,0</u>	<u>(7,6)%</u>
<i>Current profit %</i>	<i>12,6%</i>	<i>12,8%</i>	
<u>REBITDA</u>	<u>30,7</u>	<u>32,1</u>	<u>(4,5)%</u>
<i>REBITDA %</i>	<i>27,9%</i>	<i>27,4%</i>	

Consolidated Balance Sheet (1)

€m	30/06/2013	31/12/2012	% Better / (Worse)
Intangible assets	3,3	3,3	1,0%
Goodwill	18,8	18,8	0,0%
Property, plant & equipment	209,8	214,4	(2,2)%
Investment property	10,7	11,5	(6,8)%
Deferred tax assets	0,9	0,7	23,9%
Other receivables	13,6	13,2	3,7%
Other financial assets	0,0	0,0	0,0%
<u>Total non-current assets</u>	<u>257,1</u>	<u>261,9</u>	<u>(1,8)%</u>
Assets held for sale	7,8	8,7	(10,1)%
Inventories	3,1	3,2	(3,4)%
Trade & other receivables	20,5	23,3	(12,0)%
Current income taxes	0,7	1,7	(57,1)%
Cash & cash equivalents	18,4	28,8	(36,3)%
<u>Total current assets</u>	<u>50,5</u>	<u>65,7</u>	<u>(23,1)%</u>
<u>TOTAL ASSETS</u>	<u>307,6</u>	<u>327,6</u>	<u>(6,1)%</u>

Consolidated Balance Sheet (2)

€m	30/06/2013	31/12/2012	% Better / (Worse)
Capital & Share premium	20,1	20,1	0,0%
Consolidated reserves	79,2	89,8	(11,8)%
Translation differences	(2,0)	(1,2)	(71,5)%
Equity attributable to equity holders of the parents	97,3	108,7	(10,5)%
Non-controlling interests	0,0	0,0	0,0%
<u>Total equity</u>	<u>97,3</u>	<u>108,7</u>	<u>(10,5)%</u>
Interest bearing loans & borrowings	86,2	81,7	5,5%
Provisions & employee benefits	3,0	3,8	(21,6)%
Deferred tax liabilities	17,8	17,4	2,2%
Derivatives	0,0	0,1	(100,0)%
Other payables	8,4	8,6	(2,8)%
<u>Total non-current liabilities</u>	<u>115,4</u>	<u>111,7</u>	<u>3,3%</u>
Interest bearing loans & borrowings & Bank overdrafts	40,1	37,7	6,3%
Trade & other payables	48,3	64,3	(24,8)%
Provisions	0,3	0,3	12,7%
Derivatives	0,3	0,5	(48,2)%
Current income tax liabilities	5,9	4,4	35,5%
<u>Total current liabilities</u>	<u>94,9</u>	<u>107,2</u>	<u>(11,4)%</u>
<u>TOTAL EQUITY & LIABILITIES</u>	<u>307,6</u>	<u>327,6</u>	<u>(6,1)%</u>

Cash Flow Statement

€m	H1 2013	H1 2012	Better / (Worse)
<u>Cash flows from operating activities</u>			
Profit before tax	18,4	19,6	(1,2)
<u>Adjustments for:</u>			
Depreciation, amortization & provisions	9,4	9,6	(0,2)
Government grants	(0,3)	(0,4)	0,1
Gains / losses on sale of PPE & financial assets	(0,9)	0,0	(0,9)
Financial result & Share based payments	2,5	2,1	0,4
Cash generated from operations	29,1	30,9	(1,8)
Working capital movements	(12,0)	(6,3)	(5,7)
Income taxes (paid)/ received	(1,5)	(5,1)	3,6
Net cash from operating activities	15,6	19,5	(3,9)
<u>Cash from investing activities</u>			
Acquisition of (in)tangible assets	(5,5)	(5,7)	0,2
Acquisition of subsidiary, net of cash acquired	0,0	0,0	0,0
Proceeds from sales of PPE	1,9	0,0	1,9
Net cash used in investing activities	(3,6)	(5,7)	2,1
<u>Cash flows from financing activities</u>			
Interests (paid)/ received	(4,3)	(1,1)	(3,2)
Capital reduction paid	(0,0)	(0,1)	0,1
Treasury shares	(11,7)	(30,3)	18,6
Dividends paid	(13,1)	(10,6)	(2,5)
New loans / repayment of loans	5,7	25,5	(19,8)
Net cash used in financing activities	(23,4)	(16,6)	(6,8)
Net cash flow	(11,4)	(2,8)	(8,6)



Free Cash Flow

€m	H1 2013	H1 2012	Better / (Worse)
Cash Flow before WC movements & tax paid	29,1	30,8	(1,7)
Income taxes paid	(1,5)	(5,1)	3,6
Working capital	(12,0)	(6,2)	(5,8)
Capital exp - maintenance	(3,7)	(2,8)	(0,9)
Interest paid	(4,3)	(1,1)	(3,2)
Free cash flow	7,6	15,6	(8,0)
Capital exp - digitalization, expansion, remodeling	(1,8)	(2,9)	1,1
Sale financial assets & PPE	1,9	0,0	1,9
Capital reduction paid	(0,0)	(0,1)	0,1
Treasury shares	(11,7)	(30,3)	18,6
Dividend payments	(13,1)	(10,6)	(2,5)
CF after expansion exp, dividends & treasury shares	(17,1)	(28,3)	11,2

