SEMESTRIAL FINANCIAL REPORT

2013

Kinepolis Group
Semestrial financial report 30 June 2013
Press release – Regulatory information
28 August 2013

Kinepolis generates € 109.7 million revenue and € 14.3 million profit despite fewer visitors

The past six months at a glance [1] [2]

Kinepolis Group welcomed 8.4 million visitors in the first half, a decrease of 11.1%, influenced by the severe winter weather, a weak (local) film offer and the economic crisis combined with the rise in VAT in Spain.

- ★ **Ticket and in-theatre sales revenue per visitor rose further.**
- ★ **The current[3] EBITDA[4] per visitor increased thanks to higher revenue per visitor and improved operating efficiency, as a result of which total current EBITDA decreased by only 4.5% and current profit by only € 1.1 million.**
- ★ **The total revenue from screen advertising (Brightfish) increased further.**
- ★ **Business-to-business and real estate revenue remained in line with expectations.**
- ★ **Kinepolis sold part of an undeveloped site in Poland for € 2.0 million and realised a capital gain of € 0.9 million.**
- ★ **The earnings per share increased by 5.3% to € 2.59 per share, also due to the continued execution of the share buy-back programme.**
- ★ **The free cash flow[5] decreased from € 15.6 million to € 7.6 million, due in part to the payment of interest on the bond and a number of one-off and timing effects.**
- ★ **The net financial debt rose from € 90.2 million at 31 December 2012 to € 107.5 million at 30 June 2013, as a consequence of the share buy-back for € 11.8 million and dividend payments of € 13.1 million.**

Despite the fall in the number of visitors by 11.1% or 1.0 million, the fall in revenue was limited to 6.5%, thanks to the continued rise in revenue per visitor and the favourable development of screen advertising. Together with the further improvement in operating efficiency, this led to a fall in current EBITDA by just 4.5% to € 30.7 million, compared to a rise in the current EBITDA margin to 27.9% and a further rise in the current EBITDA per visitor of 7.3%.

The fall in current profit by just € 1.1 million together with the continued rollout of the share buy-back programme resulted in the creation of greater value for shareholders. Earnings per share rose by 5.3% to € 2.59.

Key figures

In million €	H1 2013	H1 2012	% difference
Visitors ('000)	8,369	9,414	(11.1)%
Revenue	**109.7**	**117.3**	**(6.5)%**
EBITDA[4]	**30.9**	**31.7**	**(2.4)%**
Current[3] EBITDA[4] (REBITDA[6])	**30.7**	**32.1**	**(4.5)%**
REBITDA margin	*27.9%*	*27.4%*	
EBIT	**21.6**	**22.1**	**(2.5)%**
Current[3] EBIT (REBIT)	**21.0**	**22.2**	**(5.5)%**
REBIT margin	*19.1%*	*18.9%*	
Profit	**14.3**	**14.9**	**(4.1)%**

Current[3] profit	**13.9**	**15.0**	**(7.6)%**
Earnings per share (in €)	2.59	2.46	5.3%
Free cash flow[5]	**7.6**	**15.6**	**(51.1)%**

In million €	**30 Jun 2013**	**31 Dec 2012**	**% difference**
Total assets	307.6	327.6	(6.1)%
Equity	97.3	108.7	(10.5)%
Net financial debt (NFD)	**107.5**	**90.2**	**19.2%**

Comment

CEO Eddy Duquenne on the past half year: "The last six months were characterised by a weak (local) film offer. The harsh winter weather in Belgium and France and the financial crisis and the rise in VAT in Spain did not help visitor numbers either. Nevertheless, we have been able to further increase earnings per share by consistently implementing our three strategic pillars – marketing, cinema operations and real estate – together with the continuation of the share buy-back programme."

Notes

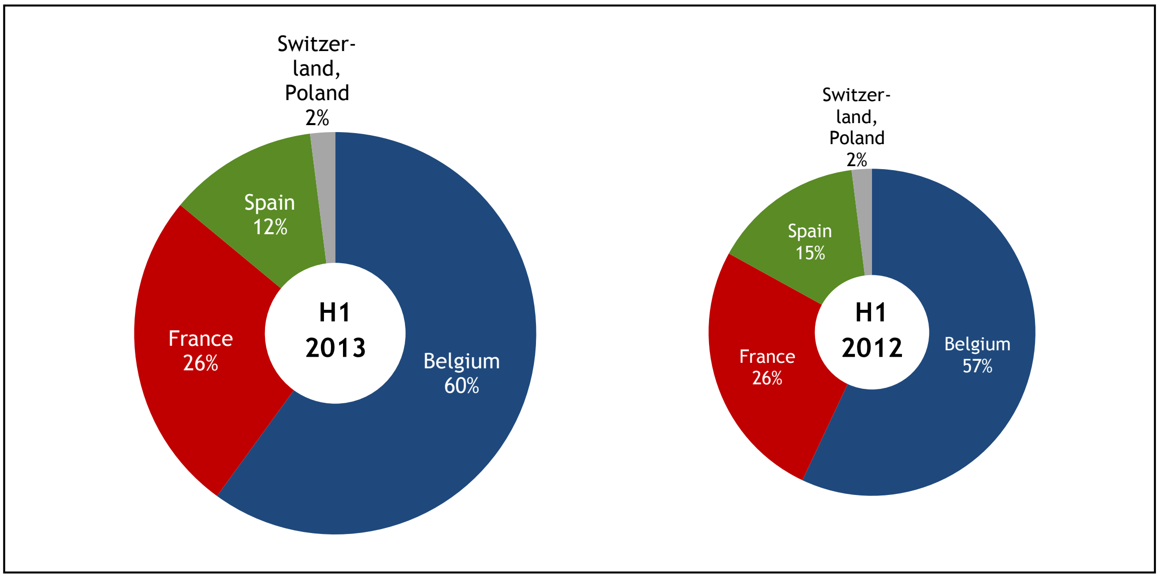
Revenue

Revenue was € 109.7 million, a fall of 6.5% compared to 2012. Revenue fell less than visitor numbers (-11.1%), thanks to higher consumption per visitor (+7.4%), higher revenue from screen advertising (+15.7%) and higher revenue from advertising agency Brightfish (+7.6%).

Total revenue from ticket sales (box office; -9.2%) and food, beverages and retail (in-theatre sales; -4.5%) decreased, but both box office and in-theatre sales increased on a per visitor basis.

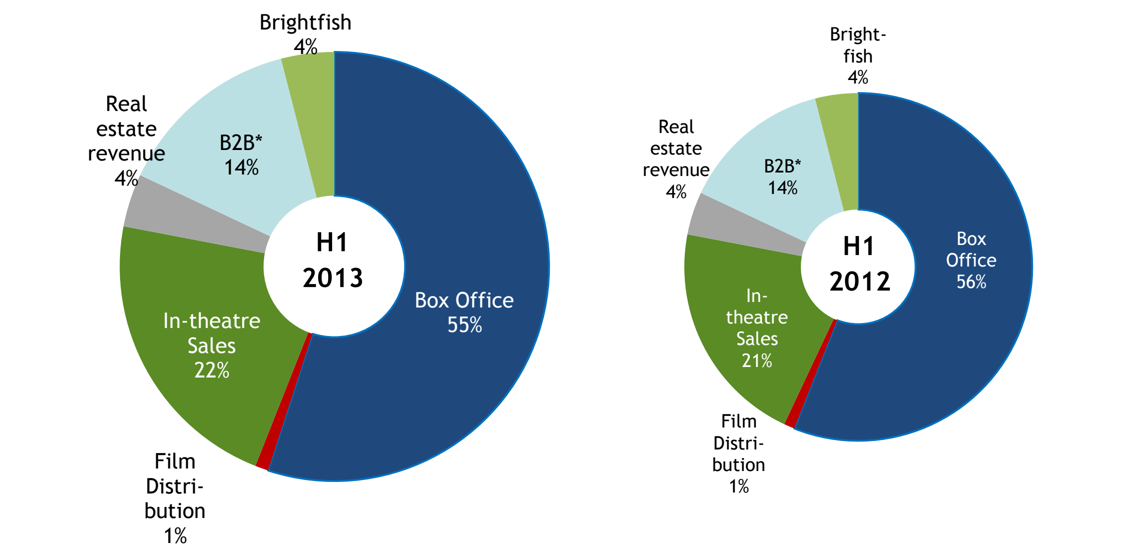
Revenue can be broken down as follows:

Revenue by country



The share of Belgium increased in 2013 due to the evolution of its visitor numbers compared to France and Spain and its increased screen advertising activities.

Revenue by activity



* Including screen advertising

Box office revenue was € 60.2 million, 9.2% lower compared to 2012. This revenue fell less sharply than visitor numbers, due among other things to Belgium's increased share, the higher share of alternative content and price adjustments to compensate for inflation.

Kinepolis welcomed 8.4 million visitors in the first half of 2013, a fall of 11.1% compared to 2012.

The high number of snow days in the first quarter, almost three times more than average, and the lack of successful local, especially French, content, led to a fall in visitor numbers in the first six months. The lack of positive effects of such films as 'Intouchables', 'La vérité si je mens' and 'Sur la Piste du Marsupilami' (first semester 2012) was clearly felt. At that time, half of the films in Kinepolis France's top ten were French films, whereas just one French film ('Les Profs') made the top ten this time around.

In Flanders too, the local film offer ('Bingo', 'Crimi Clowns') lagged behind that of the first half of 2012 ('Tot Altijd', 'Plop wordt Kabouterkoning').

Spain continued to labour under the severe financial crisis and its consequences, such as the government measure to increase VAT in September 2012 and the lack of promising Spanish film productions. Nonetheless, consumption per visitor remained good in Spain.

The international top five for the first half of 2013 existed of 'Iron Man 3', 'Fast and Furious 6', 'Django Unchained', 'The Croods' and 'The Hobbit: An Unexpected Journey'. Unlike the previous year, when there were two French films in the top five, the highest ranking films were all Hollywood productions. 'K3 Bengeltjes' was the best visited Flemish film.

Visitors (millions)	Belgium	France	Spain	Switzerland	Total
Number of cinemas	11	7	3	1	**22**
H1 2013	**4.1**	**2.8**	**1.4**	**0.1**	**8.4**
H1 2012	4.4	3.1	1.8	0.1	**9.4**
2013 vs 2012	**-7.9%**	**-8.3%**	**-24.1%**	**+7.5%**	**-11.1%**

In-theatre sales (ITS) per visitor rose by 7.4%, which meant that the decrease in total in-theatre sales was limited to -4.5%, despite the fall in the number of tickets sold by 11.1%. Continued intensive range management generated not only higher consumption per visitor in the first half of the year, but also a relative rise in the number of customers visiting the shops.

Business-to-business (B2B) revenue fell by 2.6%. This decrease was the consequence of the postponement of a number of deals to the second half of the year. Screen advertising revenue increased thanks to the efforts of the sales teams and the effectiveness of cinema advertising as a marketing channel.

Real estate revenue fell by 2.5% due to a number of one-off effects. At constant exchange rates the fall was 2.7%. The premises of Kinepolis Lomme, the largest cinema in France, have been enlarged to accommodate an impressive climbing wall, which was opened in early July.

Kinepolis Film Distribution (KFD) generated revenue of € 0.9 million, a decrease of 22.9% compared to 2012. Only three Flemish films were released in the first six months ('Bingo', 'Crimi Clowns' and 'Nico 2') compared to four bigger Flemish productions in the same period of 2012 ('Tot Altijd', 'Mixed Kebab', 'Plop wordt Kabouterkoning' and 'Allez, Eddy!'). KFD's biggest releases in the first six months were 'Broken City', 'Bingo' and 'Olympus Has Fallen'.

Brightfish generated higher screen advertising revenue, due, in part, to the increased success and effectiveness of digital cinema advertising and the strong performance of the sales teams.

REBITDA

Current EBITDA (REBITDA) fell by 4.5% to € 30.7 million as a consequence of the lower visitor numbers. However, current EBITDA per visitor increased due to the higher revenue per visitor, further cost control and improved operational efficiency. As a result, total current EBITDA fell less sharply than the visitor numbers in percentage terms. The continued focus on improving efficiency and measures to increase margins meant that the REBITDA margin also increased to 27.9%, compared to 27.4% in the first half of 2012.

Profit for the period

Current profit for the period was € 13.9 million, a fall of 7.6% compared to 2012 (€ 15.0 million). This decrease was the consequence of lower operating profit and higher interest charges, partly compensated by lower taxes.

Total profit for the period was € 14.3 million, compared to € 14.9 million in 2012, a fall of 4.1%.

The most important non-current items in 2013 were the capital gain on the sale of an undeveloped site in Poland to Porsche Inter Auto Polska (€ 0.9 million), the reversal of a provision for the settlement of leases (€ 0.5 million), transformation costs (€ -0.5 million) and the write-down on a number of assets under construction with regard to a project that has been cancelled (€ -0.4 million).

The most important non-current items in 2012 were transformation costs for € -0.4 million and the net use of transformation provisions for € 0.3 million.

Net financial costs were € 0.6 million higher than in 2012, due to the increase in interest charges in 2013. The rise in interest charges is mainly the consequence of the capital optimisation in 2011, 2012 and the first half of 2013 for € 109.9 million in total. The Group also pays a higher interest rate on the bonds issued in March 2012 for € 75.0 million within the framework of its refinancing.

The effective tax rate was 22.4%, compared to 23.8% in 2012. The fall in tax was primarily due to the lower pre-tax profit and more investments in tax sheltering to support Belgian film.

Profit per share was € 2.59, an increase of 5.3%. This was the consequence of share buy-backs in 2013 as part of the optimisation of the capital structure.

Free cash flow and net financial debt

The free cash flow was € 7.6 million compared to € 15.6 million in 2012.

The lower free cash flow is due to the lower EBITDA (adjusted for a number of non-cash elements) (€ -1.7 million), some non-current elements in 2012 (€ -3.1 million), the working capital evolution (€ -2.7 million), higher interest paid (€ -3.2 million) and higher maintenance investments (€ -0.9 million), partly offset by lower taxes paid (€ 3.6 million).

In the first half of 2013, total capital expenditure amounted to € 5.5 million, € 0.2 million less than the previous year, because the higher maintenance investments were compensated by the end of the investments in digitisation and lower remodelling investments.

The net financial debt of Kinepolis was € 107.5 million at 30 June 2013, an increase of € 17.3 million compared to the end of 2012 (€ 90.2 million) after share buy-backs for € 11.8 million (as of 30 June 2013 € 12.2 million purchased and € 11.8 million paid) and the dividend pay-out of € 13.1 million. The NFS/EBITDA ratio was 1.5 at 30 June 2013.

The total gross financial debt increased by € 6.9 million to € 126.3 million at 30 June 2013 compared to 31 December 2012 (€ 119.4 million).

Balance sheet

Fixed assets (including those classified as held for sale) at € 228.2 million represented 74.2% of the balance sheet total as at 30 June 2013.

This includes land and buildings (including those classified as held for sale and investment property) with a carrying amount of € 188.6 million.

During the first half of 2013 part of the undeveloped site in Poland, part of the assets classified as held for sale at year-end 2012, was sold to Porsche Inter Auto Polska for € 2.0 million, generating a capital gain of € 0.9 million.

As at 30 June 2013 equity was € 97.3 million. Solvency was 31.6%, after further share buy-backs in 2013 totalling € 12.2 million.

Important events since 1 January 2013

Kinepolis wins court case against Tentoonstellingspark van Brussel (TPB)

In May 2013 the court ruled that TPB's demand to end the operating agreement with Kinepolis Brussels was unfounded. The court agreed with the position of Kinepolis that its activities complied fully with the agreement. This means that Kinepolis can continue its operations in Brussels.

Sale land Poland

In the spring Kinepolis Group signed a sales agreement with Porsche Inter Auto Polska for an undeveloped site adjacent to the cinema in Poznan. Porsche plans to build an Audi branch on the site with showroom and workshop.

The sold land is part of the zone in front of the cinema building, which covers a total area of 5.2 ha. Kinepolis was responsible for having the site reclassified as a trade and retail zone rather than a leisure zone.

The transaction is part of the implementation of Kinepolis' third strategic pillar, the optimal (re)development of its land and buildings. The sale of the land to Porsche for € 2.0 million generated a capital gain of € 0.9 million.

Share buy-back

A new share buy-back programme was launched in 2013 (under the existing authorisation to buy back up to 1,171,301 shares for cancellation). As of 23 August 2013, 146,884 shares have already been bought back for € 15.2 million. There are currently 5,856,508 shares in circulation, 451,569 of which are held by Kinepolis Group. Of that number, 304,685 shares are held to cover share options to be issued under the share option plan and 146,884 are earmarked for cancellation. The share buy-back programme is part of the optimisation of the capital structure of Kinepolis Group and creation of greater value for the shareholders.

Merger between Kinepolis Group NV and Decatron NV

On 7 May 2013 the Board of Directors of Kinepolis Group NV and the extraordinary general meeting of Decatron NV, a wholly owned subsidiary of Kinepolis Group NV, approved the merger of Kinepolis Group NV (acquiring company) and Decatron NV (target company). The merger is part of the simplification of the corporate structure.

Kinepolis Group publishes Green Star brochure

In addition to its annual report and corporate brochure, Kinepolis recently presented its Green Star sustainability project, which functions as a benchmark for all aspects of Kinepolis' corporate sustainability policy. Green Star is the result of the future-oriented sustainability efforts Kinepolis has made over many years. Green Star is incorporated into the daily decision process and operations of Kinepolis.

Mobile ticketing

After the website revamp, the introduction of a series of personalised iPhone, iPad and Android apps and a personalised newsletter, as well as ticket delivery through Passbook, Kinepolis is now also rolling out mobile ticket payment. Mobile payment will facilitate and stimulate online ticket sales. In marketing terms, Kinepolis continues to develop the relationship with its customers and an increasingly valuable marketing intelligence system. Currently, 52% of film tickets are purchased online (at home, mobile or at an ATM).

Line-up for the second half of 2013

'The Conjuring', 'The Smurfs 2', 'Elysium' and 'Now You See Me' are topping the film charts at the moment. Future chart toppers in the second half of 2013 include 'The Hobbit 2: The Desolation of Smaug', 'Frozen' and 'Turbo'.
Various local films, such as the Flemish films 'Het Vonnis', 'De Behandeling', 'FC De Kampioenen', 'Los Flamencos' and 'Marina', French films 'Eyjafjallajökull' and 'L'extravagant Voyage du Jeune et Prodigieux Spivet' and the Spanish films 'La Gran Familia Española' and 'Las Brujas de Zugarramurdi', enrich the programme. Live opera and ballet are supplemented with an ever richer offering of concerts and concert documentaries featuring famous names like One Direction, Robbie Williams and Bruce Springsteen.

Financial calendar

Thursday 14 November 2013	Business update third quarter 2013
Thursday 20 February 2014	Annual results 2013
Thursday 15 May 2014	Business update first quarter 2014
Friday 16 May 2014	Annual general meeting

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[1] All comparisons are with the figures for the first six months of 2012
[2] based on unaudited figures
[3] After eliminating of non-current transactions

[4] EBITDA is not a recognised IFRS term. Kinepolis Group NV has defined this concept by adding depreciations, amortisations and provisions to the operating profit and subtracting any reversals or uses of the same items.

[5] Kinepolis Group defines the free cash flow as the cash flow generated from operating profits less the maintenance investments in intangible assets and property, plant and equipment and investment property, and paid interest charges.

[6] REBITDA is not a recognised IFRS term. Kinepolis Group NV 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 2013

CONSOLIDATED INCOME STATEMENT IN '000 €	30/06/2013	30/06/2012
Revenue	109.700	117.344
Cost of sales	-77.007	-82.463
Gross profit	**32.693**	**34.881**
Gross profit / Revenue	*29,8%*	*29,7%*
Marketing and selling expenses	-5.658	-5.980
Administrative expenses	-7.059	-7.608
Other operating income and expenses	1.579	805
Operating profit	**21.555**	**22.098**
Operating profit / Revenue	*19,6%*	*18,8%*
Finance income	569	756
Finance expenses	-3.684	-3.263
Profit before tax	**18.440**	**19.591**
Income tax expense	-4.125	-4.663
Profit for the period	**14.315**	**14.928**
Profit for the period / Revenue	*13,0%*	*12,7%*
Attributable to:		
Owners of the Company	14.315	14.815
Non-controlling interests	0	113
Profit for the period	**14.315**	**14.928**
Basic earnings per share (€)	2,59	2,46
Diluted earnings per share (€)	2,50	2,41

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME in '000 €	30/06/2013	30/06/2012
Profit for the period	**14.315**	**14.928**
Will be taken into result in the future if certain conditions are met:		
Translation differences	-849	425
Net change in the fair value of cash flow hedges	370	382
Taxes on other comprehensive income	-129	0
Other comprehensive income for the period, net of tax	**-608**	**807**
Total comprehensive income for the period	**13.707**	**15.735**
Attributable to:		
Owners of the Company	13.707	15.622
Non-controlling interests	0	113
Total comprehensive income for the period	**13.707**	**15.735**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS in '000 €	30/06/2013	31/12/2012
Other intangible assets	3.347	3.315
Goodwill	18.761	18.761
Property, plant and equipment	209.783	214.426
Investment property	10.665	11.449
Deferred tax assets	924	746
Other receivables	13.628	13.144
Other financial assets	27	27
Non-current assets	**257.135**	**261.868**
Assets classified as held for sale	7.801	8.673
Inventories	3.140	3.249
Trade and other receivables	20.499	23.298
Current tax assets	710	1.656
Cash and cash equivalents	18.359	28.827
Current assets	**50.509**	**65.703**
TOTAL ASSETS	**307.644**	**327.571**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES in '000 €	30/06/2013	31/12/2012
Issued capital	18.952	18.952
Share premium	1.154	1.154
Consolidated reserves	79.199	89.750
Translation reserve	-2.037	-1.188
Total equity attributable to owners of the Company	**97.268**	**108.668**
Non-controlling interests	**0**	**0**
Equity	**97.268**	**108.668**
Loans and borrowings	86.212	81.709
Provisions	2.959	3.776
Deferred tax liabilities	17.801	17.415
Derivative financial instruments	0	144
Other payables	8.381	8.624
Non-current liabilities	**115.353**	**111.668**
Bank overdrafts	1.078	42
Loans and borrowings	39.038	37.689
Trade and other payables	48.361	64.325
Provisions	310	275
Derivative financial instruments	254	490
Current tax liabilities	5.982	4.414
Current liabilities	**95.023**	**107.235**
TOTAL EQUITY AND LIABILITIES	**307.644**	**327.571**

CONSOLIDATED STATEMENT OF CASH FLOWS IN '000 €	30/06/2013	30/06/2012
Cash flows from operating activities		
Profit before tax	18.440	19.591
Adjustments for:		
Depreciations and amortization	10.019	9.932
Provisions and impairments	-646	-356
Government grants	-332	-377
(Gains) Losses on sale of fixed assets	-902	0
Change in fair value of derivative financial instruments and unrealised foreign exchange results	-30	-28
Discount of non-current receivables	-365	-383
Share-based payments	53	232
Write-down on tax shelter investments	316	0
Amortization transaction costs refinancing	104	70
Interest expense and income	2.479	2.192
Change in inventory	69	-332
Change in trade and other receivables	2.234	8.227
Change in trade and other payables	-14.333	-14.120
Cash from operating activities	**17.106**	**24.648**
Income taxes paid	-1.525	-5.119
Net cash from operating activities	**15.581**	**19.529**
Cash flows from investing activities		
Acquisition of other intangible assets	-586	-585
Acquisition property, plant and equipment and investment property	-4.884	-5.167
Proceeds from sale of property, plant and equipment	1.854	0
Net cash used in investing activities	**-3.616**	**-5.752**
Cash flows from financing activities		
Capital reduction	-8	-87
New loans	50.832	145.576
Repayment of borrowings	-45.084	-118.962
Payment transaction costs refinancing	0	-1.130
Interest paid	-4.293	-1.147
Interest received	18	15
Repurchase of own shares	-11.731	-30.268
Dividends paid	-13.093	-10.558
Net cash used in financing activities	**-23.359**	**-16.561**
Net cash flow	**-11.394**	**-2.784**
Cash and cash equivalents		
Cash and cash equivalents at beginning of the period	28.785	17.544
Cash and cash equivalents at end of the period	17.281	14.791
Effect of exchange rate fluctuations on cash held	-110	31
Net cash flow	**-11.394**	**-2.784**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OP THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ISSUED CAPTIAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES	SHARE-BASED PAYMENTS RESERVE	RETAINED EARNINGS		
At 31 December 2012	**20.106**	**-1.188**	**-409**	**-8.876**	**2.493**	**96.541**	**0**	**108.667**
Profit for the period	**0**	**0**	**0**	**0**	**0**	**14.315**	**0**	**14.315**
Will be taken into result in the future if certain conditions are met:								
Translation differences		-849						-849
Net change in the fair value of cash flow hedges			370					370
Taxes on other comprehensive income			-129					-129
Other comprehensive income for the period, net of tax	**0**	**-849**	**241**	**0**	**0**	**0**	**0**	**-608**
Total comprehensive income for the period	**0**	**-849**	**241**	**0**	**0**	**14.315**	**0**	**13.707**
Dividends						-13.085		-13.085
Own shares acquired				-11.970		-104		-12.074
Share-based payment transactions					35	18		53
Total transactions with owners, recorded directly in equity	**0**	**0**	**0**	**-11.970**	**35**	**-13.171**	**0**	**-25.106**
At 31 June 2013	**20.106**	**-2.037**	**-168**	**-20.846**	**2.528**	**97.685**	**0**	**97.268**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OP THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ISSUED CAPTIAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES	SHARE-BASED PAYMENTS RESERVE	RETAINED EARNINGS		
At 31 December 2011	**20.106**	**-2.019**	**-1.319**	**-9.489**	**2.018**	**122.830**	**1.815**	**133.942**
Profit for the period	**0**	**0**	**0**	**0**	**0**	**14.815**	**113**	**14.928**
Will be taken into result in the future if certain conditions are met:								
Translation differences		425						425
Net change in the fair value of cash flow hedges			382					382
Other comprehensive income for the period, net of tax	**0**	**425**	**382**	**0**	**0**	**0**	**0**	**807**
Total comprehensive income for the period	**0**	**425**	**382**	**0**	**0**	**14.815**	**113**	**15.735**
Dividends						-10.576		-10.576
Own shares acquired				-30.722				-30.722
Cancellation of treasury shares					232			232
Total transactions with owners, recorded directly in equity	**0**	**0**	**0**	**-30.722**	**232**	**-10.576**	**0**	**-41.066**
At 31 June 2012	**20.106**	**-1.594**	**-937**	**-40.211**	**2.250**	**127.069**	**1.928**	**108.611**

SEGMENT INFORMATION IN '000€	30/06/2013					
	BELGIUM	FRANCE	SPAIN	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL
Segment revenue	72.400	28.732	14.059	2.248	0	117.439
Inter-segment revenue	-6.967	-461	-281	-30	0	-7.739
Revenue	**65.433**	**28.271**	**13.778**	**2.218**	**0**	**109.700**
Segment profit	**11.083**	**7.273**	**1.712**	**1.487**	**0**	**21.555**
Finance income					569	569
Finance expenses					-3.684	-3.684
Profit before tax						**18.440**
Income tax expense					-4.125	-4.125
Profit for the period						**14.315**
Investments	**2.853**	**1.548**	**1.047**	**22**	**0**	**5.470**

SEGMENT INFORMATION IN '000€	30/06/2013					
	BELGIUM	FRANCE	SPAIN	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL
Total assets	**116.927**	**86.634**	**51.410**	**23.934**	**28.739**	**307.644**
Total equity and liabilities	**30.565**	**20.447**	**3.665**	**807**	**252.160**	**307.644**

SEGMENT INFORMATION IN '000€	30/06/2012					
	BELGIUM	FRANCE	SPAIN	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL
Segment revenue	74.863	29.922	17.840	2.187	0	124.812
Inter-segment revenue	-7.468	0	0	0	0	-7.468
Revenue	**67.395**	**29.922**	**17.840**	**2.187**	**0**	**117.344**
Segment profit	**10.004**	**7.811**	**3.755**	**528**	**0**	**22.098**
Finance income					756	756
Finance expenses					-3.263	-3.263
Profit before tax						**19.591**
Income tax expense					-4.663	-4.663
Profit for the period						**14.928**
Investments	**3.468**	**716**	**1.512**	**56**	**0**	**5.752**

SEGMENT INFORMATION IN '000€	31/12/2012					
	BELGIUM	FRANCE	SPAIN	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL
Total assets	**123.275**	**87.387**	**51.270**	**24.817**	**40.822**	**327.571**
Total equity and liabilities	**43.379**	**24.154**	**5.196**	**688**	**254.154**	**327.571**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2013

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 1.300 people and welcomed 8.4 million visitors in the first six months of 2013.
The unaudited condensed consolidated interim financial statements of the company for the half year ending 30 June 2013 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 27 August 2013.

2. Statement of compliance

The condensed consolidated interim financial statements for the six months ending on 30 June 2013 have been prepared in accordance with the International Financial Reporting Standard (IFRS) IAS 34 "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 2012.
The consolidated annual financial statements of the Group for the financial year 2012 can be consulted on the website 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 the ones applied in the Group's consolidated annual accounts for financial year 2012, except as described below. The following change in accounting policies is also expected to be reflected in the Group's consolidated financial statements as at and for the year ended 31 December 2013.

3.1. Fair value measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. This new standard had no impact on the measurements of the Group's assets and liabilities. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs:

The Group's investment property is measured at amortised cost. At year-end the fair value of the Group's investment property is determined by an independent expert and disclosed in the Group's Annual Report. This estimate is a level 3 fair value measurement which is based on unobservable inputs for the asset. To the extent possible this fair value is compared to the available market prices.

4. Segment information: *see separate table*

5. Non-current items included in the results

The Group realized a gain of € 0.9 million on the sale of part of its land in Poland to Porsche Inter Auto Polska. The 2012 provision for the termination of lease agreements has been reversed for € 0.5 million. The transformation expenses amounted to € -0.5 million. Transformation provisions were used for € 0.1 million. A number of assets under construction, related to a cancelled project, have been depreciated for € -0.4 million. The remaining net book value of leasehold improvements of a former office space has been depreciated for € -0.1 million. The taxes on these non-current items amounted to € -0.1 million.

6. Risks and uncertainties

There are no fundamental changes in the risks and uncertainties for the Group as set out in the 2012 Management Report included in the 2012 Annual Report (Section 03 – Management Report).

7. Related party transactions

There are no additional related party transactions apart from those transactions disclosed in the 2012 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
Non-derivative financial liabilities				
Commercial paper	36.799			36.799
Bond	3.562	14.250	78.563	96.375
Finance lease liabilities	2.535	6.834	81	9.450
Loans and borrowings with credit institutions	17	5.500		5.517
Bank overdrafts	1.078			1.078
Trade payables	35.269			35.269
Third party current account payables	35			35
Financial derivatives				
Interest rate swaps	427			427
TOTAL	79.722	26.584	78.644	184.950

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 Kinepolis Group, and Nicolas De Clercq, CFO of Kinepolis 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 Kinepolis 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

Nicolas De Clercq
CFO