

SEMESTRIAL FINANCIAL REPORT



2014





Kinopolis Group

Interim financial report 30 June 2014

Press release - Regulatory information

28 August 2014

With 5.5% more visitors, Kinopolis generates € 115.1 million revenue and € 13.3 million profit

The past six months at a glance ^{1 2}

- ★ Visitor numbers increased by 5.5% to 8.8 million.
- ★ Total revenue increased by 4.9% thanks to the higher number of visitors and the strong increase in revenue from film distribution. The first six months were characterised by a higher share of 'non-popcorn movies' (local films, niche films). Due, among other things, to the World Cup football, revenue from screen advertising and business-to-business revenue were put under pressure.
- ★ Current³ EBITDA⁴ was 2.6% higher due to the higher number of visitors, further efficiency measures and the results from film distribution.
- ★ Visitors from the recently acquired complexes contributed to a lesser degree to EBITDA, which was also negatively impacted by the expansion costs incurred in Spain and the Netherlands at € 0.6 million.
- ★ Excluding expansion costs, current profit increased.
- ★ Free cash flow⁵ increased from € 7.6 million to € 11.6 million, especially thanks to the positive impact of working capital movements, higher EBITDA adjusted for a number of non-cash items, lower interest paid and a number of one-off and timing effects.

The number of visitors increased by 5.5%, thanks to a good international and local film offer and the mild winter weather in the first quarter. The second quarter was adversely impacted by the World Cup football and the fine June weather in Belgium and France. The recently acquired Spanish multiplexes made a limited contribution to the positive evolution of the number of visitors in the second quarter. The success of Spanish and French films also played its part. The higher number of visitors led to an increase in total revenue of 4.9%. The increase in revenue was lower than that of the visitors due to a slightly lower revenue per visitor, the larger share of France and Spain in the total number of visitors and the decrease in revenue from screen advertising and advertising agency Brightfish, partly offset by the strong increase in revenue from film distribution.

Current EBITDA increased by 2.6% as a consequence of the higher visitor numbers, partly offset by the higher overhead, mainly due to consultancy costs related to expansion projects. Current profit was 1.1% lower due to higher income tax expenses, partly offset by lower interest charges. Excluding the expansion-related expenses current profit increased. Profit per share was € 2.52. This is 2.7% down on the previous year.

Key figures

In million €	H1 2014	H1 2013	% difference
Visitors ('000)	8,827	8,369	5.5%
Revenue	115.1	109.7	4.9%
EBITDA ⁴	30.5	30.9	(1.5)%
Current ³ EBITDA ⁴ (REBITDA ⁶)	31.4	30.7	2.6%
REBITDA margin	27.3%	27.9%	
EBIT	20.7	21.6	(3.8)%
Current ³ EBIT (REBIT)	21.3	21.0	1.5%
REBIT margin	18.5%	19.1%	

In million €	H1 2014	H1 2013	% difference
Profit	13.3	14.3	(7.0)%
Current³ profit	13.7	13.9	(1.1)%
Earnings per share (in €)	2.52	2.59	(2.7)%
Free cash flow⁵	11.6	7.6	52.3%

In million €	30 Jun 2014	31 Dec 2013	% difference
Total assets	296.5	310.3	(4.5)%
Equity	100.9	104.7	(3.6)%
Net financial debt (NFD)	97.9	88.1	(11.1)%

Comment

CEO Eddy Duquenne on the first six months: “Over the past six months we have continued to consistently implement our three strategic pillars - marketing, cinema operations and real estate - together with our expansion in the Netherlands and Spain. The focal points in the coming period are the integration of the new cinemas and the introduction of the Kinopolis concepts for film-lovers. In the Netherlands, the three new cinema projects will be given our full attention.”

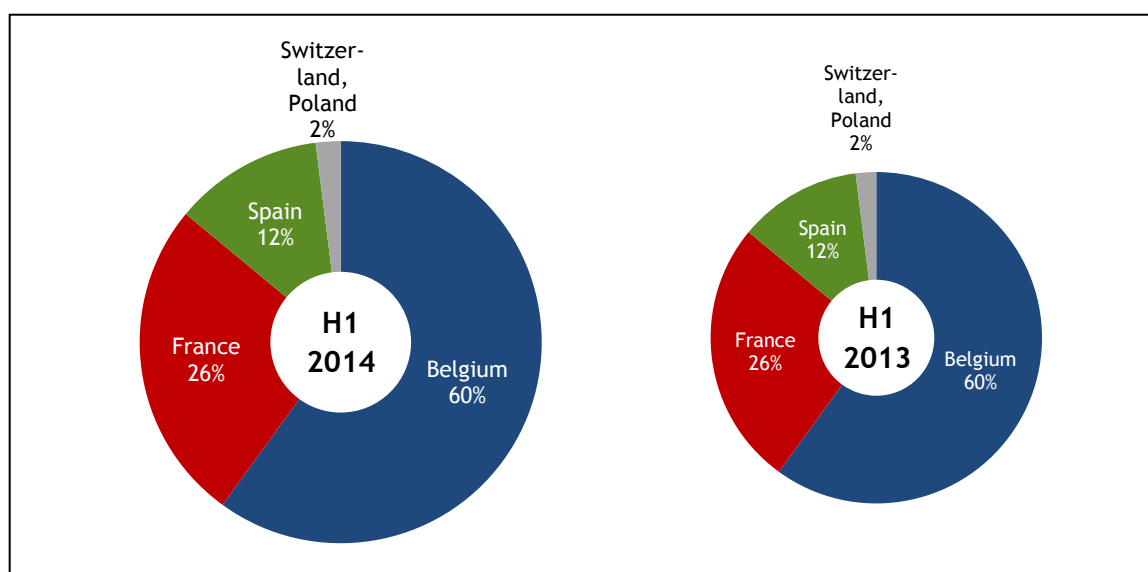
Notes

Revenue

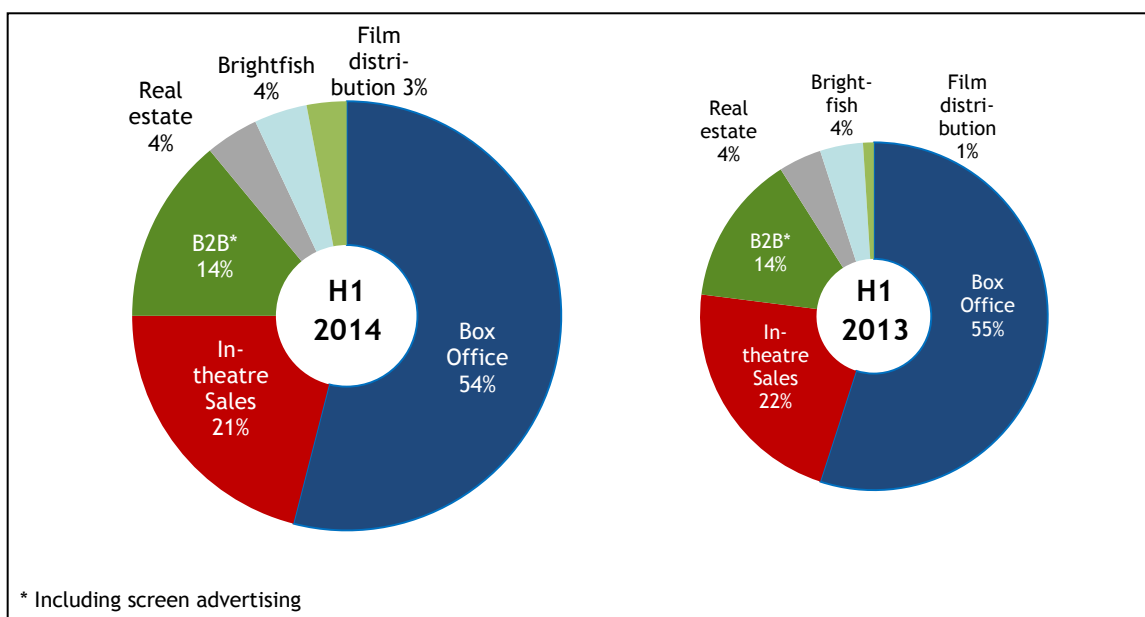
Revenue was € 115.1 million, an increase of 4.9%. Revenue increased less than the number of visitors (+5.5%) as a consequence of the somewhat lower revenue per visitor (-1.3%), the decrease in screen advertising revenue (-9.8%) and the lower revenue from advertising agency Brightfish (-8.8%), partly offset by the strong increase in revenue from film distribution (+241.5%).

Revenue from ticket sales (box office; +4.3%) and food, beverages and retail (in-theatre sales; +3.6%) increased. Per visitor box office (-1.1%) and in-theatre sales (-1.7%) decreased due to the larger share of France and Spain in the total number of visitors.

Revenue by country



Revenue by activity



Box office revenue increased by 4.3% to € 62.7 million. This revenue increased less than the number of visitors due to the decrease in the box office revenue per visitor, which was the result of the higher share of France and Spain in the number of visitors. The Spanish campaigns ‘Cine Miercoles’, with ticket price reductions on Wednesdays, and ‘Fiesta del Cine’, which was only held in October last year, also played their part. Another factor was the ‘Actions Jeunes’ in France, a campaign offering discounts on movie tickets to the under 14s. Finally, the lower share of 3D films and alternative content (operas, concerts and others) put some downward pressure on box office revenue per visitor.

Kinepolis welcomed 8.8 million visitors in the first half of 2014, an increase of 5.5%.

The increase in the number of visitors was mainly due to the mild winter weather and the good international and local film offer in the first quarter of 2014. Local films continued to be successful in France and Spain in the second quarter. Spanish visitor numbers were also positively influenced by the acquisition of two cinemas in Alicante and Madrid. However, the fine summer weather in Belgium and France had a negative impact on the number of visitors, as did the World Cup football in June, which prompted many distributors to delay their biggest films, tempering the total increase in ticket sales.

The top 5 films in the first half of 2014 were ‘Qu’est-ce qu’on a fait au Bon Dieu’, ‘The Wolf of Wall Street’, ‘Supercondriaque’, ‘Ocho Apellidos Vascos’ and ‘Rio 2’. The most successful local films were ‘Qu’est-ce qu’on a fait au Bon Dieu’ and ‘Supercondriaque’ in France and ‘Ocho Apellidos Vascos’ in Spain, which all made the international top 5. The most successful Flemish films were ‘FC De Kampioenen’ and ‘K3 Dierenhotel’.

Visitors (in millions)	Belgium	France	Spain	Switzerland	Total
Number of cinemas	11	7	5	1	24
H1 2014	4.2	3.0	1.5	0.1	8.8
H1 2013	4.1	2.8	1.4	0.1	8.4
2014 vs 2013	+2.8%	+7.6%	+9.9%	-15.3%	+5.5%

In-theatre sales (ITS) increased by 3.6%. ITS per visitor decreased by 1.7%, also as a consequence of the higher share of France and Spain in the number of visitors, the ‘Cine Miercoles’ campaign in Spain and the ‘Action Jeunes’ campaign in France, as well as the success of local films. These attract a different audience that usually consumes less.

Business-to-business (B2B) revenue fell by 0.7%. This decrease was mainly the consequence of lower revenue from screen advertising and fewer corporate events during the World Cup football. This was partly offset by the increased sale of cinema vouchers to companies.

Real estate revenue was in line with the previous year (+0.1%), also at constant exchange rates. The lower Polish rental income, which is partly linked to ticket sales, was offset by higher revenue from the lease of business spaces in the other countries. The Polish site is the Group's only multiplex that is not under Kinopolis management.

Revenue of Kinopolis Film Distribution (KFD) was € 3.2 million, an increase of 241.5% compared to 2013. This rise is due to the larger number of successful film releases in the first half of the year, particularly 'The Wolf of Wall Street', 'K3 Dierenhotel', 'De Behandeling', 'Marina', 'Homefront' and 'Halfweg'.

Brightfish generated lower screen advertising revenue as a consequence of lower national advertising revenue.

REBITDA

Current EBITDA (REBITDA) increased by 2.6% to € 31.4 million as a consequence of the higher number of visitors and the further increase in operational efficiency in our cinemas. Current EBITDA per visitor decreased to € 3.56 compared with € 3.66 in 2013. This is due to the higher overhead as a consequence of consultancy costs incurred with regard to acquisition projects. As a result, the REBITDA margin also decreased to 27.3%, compared to 27.9% in the first half of 2013.

Profit for the period

Current profit for the period was € 13.7 million, 1.1% less than in 2013 (€ 13.9 million). This decrease was the consequence of higher income tax expenses, largely offset by higher operating profit and lower interest charges. Current profit increased after adjustment for expansion-related expenses.

Total profit for the first six months was € 13.3 million, compared to € 14.3 million in 2013, a fall of 7.0%.

The main non-current items in 2014 were transformation costs (€ -0.8 million), the use of transformation provisions (€ 0.4 million) and other provisions (€ 0.1 million), the accelerated depreciation of the operating software, which will be replaced by new front office software in the future (€ -0.2 million) and a number of other costs (€ -0.1 million). The income tax expenses on these non-current items were € 0.1 million.

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 was cancelled (€ -0.4 million). The income tax expenses on these non-current items were € -0.1 million.

Net financial expenses were € 0.5 million lower than in 2013, due to the decrease in interest charges in 2014. This was thanks to the lower outstanding debt during the first half of 2014 and the end of the last interest rate swap.

The effective tax rate was 26.4%, compared to 22.4% in 2013. The higher income tax expenses were primarily a consequence of the higher profit before tax, the reduced use of tax losses carried forward, lower tax shelter investments and the impact of the fairness tax.

Earnings per share were € 2.52. This is 2.7% down on 2013. The impact of the share buyback in the second half of 2013 and the first half of 2014, as part of the optimisation of the capital structure, was partly offset by the lower profit in the first six months.

Free cash flow and net financial debt

The free cash flow was € 11.6 million compared to € 7.6 million in 2013.

The higher free cash flow was the consequence of the higher EBITDA (adjusted for a number of non-cash elements) (€ +0.4 million), a number of one-off elements in 2013 and 2014 (€ +1.9 million), the evolution of the working capital (€ +3.4 million), lower interest paid (€ +0.4 million), partly offset by higher tax paid (€ -1.3 million) and higher maintenance capital expenditures (€ -0.8 million).

In the first half of 2014 capital expenditure was € 7.5 million, € 2.0 million more than in the previous year. This is primarily due to the ongoing investments in new front office software, the digitisation of the two new Spanish complexes, the renovations of the Leuven site (Belgium) and the completion of the children's playground in Madrid.

Net financial debt amounted to € 97.9 million at 30 June 2014, an increase of € 9.8 million compared to the end of 2013 (€ 88.1 million) after the dividend pay-out of € 16.8 million, the acquisition of two cinemas in Spain for € 1.1 million and the share buyback for € 0.4 million. The NFD/EBITDA ratio was 1.3 at 30 June 2014.

Gross financial debt increased by € 3.5 million to € 111.3 million at 30 June 2014 compared to 31 December 2013 (€ 107.8 million).

Balance sheet

Fixed assets (including those classified as held for sale) represented 75.3% of the balance sheet total as at 30 June 2014 (€ 223.3 million). This includes land and buildings (including investment property) with a carrying amount of € 184.3 million.

As at 30 June 2014 equity was € 100.9 million. Solvency increased to 34.0 %, after the further share buyback in 2014 for € 0.4 million.

Important events since 1 January 2014

Eddy Duquenne receives CinemaCon 2014 Global Achievement in Exhibition Award

Eddy Duquenne, CEO of Kinopolis Group, was presented with the award for the best cinema operator worldwide at CinemaCon, the globe's biggest cinema industry event. The award is a global recognition for the experience Kinopolis offers to its customers. Kinopolis wants its visitors to enjoy 'the ultimate movie experience' and endeavours to be the best cinema operator, marketer and real estate manager, the three pillars of its strategic model.

Kinopolis and Barco: strategic partners

Kinopolis and Barco have concluded a strategic partnership. Under the agreement Kinopolis will equip some of its theatres with laser projectors, interactive technology to entertain audiences and immersive visualisation, among other things. The two parties will also co-develop concepts to take the movie experience to an even higher level. To kick off the partnership, Kinopolis is installing four 60,000-lumen laser projectors at its flagship cinemas in Antwerp, Brussels, Madrid and Lomme.

New future for Kinopolis Brussels on Heysel plateau

The City of Brussels and the Brussels Capital Region selected the Unibail-CFE-Besix consortium as project developer for the 'Europea' project (formerly 'Neo') at the foot of the Atomium. As such, a new future for Kinopolis Brussels after 2025 has been secured. Kinopolis will build a new cutting-edge, innovative cinema. The existing megaplex will not close until the new cinema is ready to open.

Expansion

Kinepolis recently acquired control of two Spanish multiplexes and the Dutch group Wolff Bioscopen. The acquisitions fit in the expansion strategy of the Group, which wishes to offer its film experience concepts to a wider public and in doing so create value for its shareholders.

1. Acquisition of multiplexes in Alicante and Madrid from the bankruptcy of Spanish group Abaco Cinebox

In April and June 2014, the Group has acquired control of Abaco Cinebox (Alicante) and Abaco Alcobendas (Madrid), the two largest complexes of the former Spanish cinema group Abaco Cinebox. Agreement was reached with the liquidators on the sale of the two multiplexes for € 1.1 million. The acquisitions were ratified by the competent judicial authorities. The Group also signed new leases with the owners of these sites, with conditions tied to the number of visitors. In 2013 the two multiplexes welcomed a combined total of 926,000 visitors. Kinepolis has targeted a future EBITDA contribution of between 1 euro and 1.5 euros per visitor. Kinepolis also aims at regaining its historic visitor numbers in Spain leading to a better coverage of its general operating expenses.

2. Acquisition of the Dutch group Wolff Bioscopen

Kinepolis acquired 100% of the shares of the Group Wolff Bioscopen Holding BV on 22 July 2014. Wolff Bioscopen Holding BV runs 9 multiplexes in the Netherlands, located in Huizen, Groningen, Enschede (two sites), Rotterdam, Nieuwegein and Utrecht (3 sites). Kinepolis has also acquired two new-build projects for the construction of a megaplex in Utrecht and a multiplex in Dordrecht. Wolff Bioscopen is also active as a film programmer and purchasing centre for third-party cinemas, activities that Kinepolis has also acquired.

With the acquisition of Wolff Bioscopen Holding BV Kinepolis adds a new country to its portfolio of complexes in Belgium, France, Spain, Switzerland and Poland.

The Wolff multiplexes that are currently in operation welcomed almost 1.6 million visitors in 2013. The multiplexes are leased from third parties. In 2013 the combined Wolff multiplexes generated a normalised EBITDA of € 2.1 million.

The existing Wolff multiplexes, film programming and purchasing centre activities together with the Utrecht and Dordrecht new-build projects were acquired for € 16.8 million in total (this amount is subject to the fulfilment of a number of criteria). Kinepolis will take on the investments in the new-build projects and assume ownership of the real estate.

Kinepolis wishes to expand its position in the Netherlands and is currently evaluating additional greenfield projects to this end. An application is under submission for one of these projects in view of obtaining a building permit in the second half of this year.

The existing multiplexes together with the three ongoing new-build projects are expected to enable Kinepolis to attract more than 3.5 million visitors in three years' time, largely in multiplexes housed in property controlled by the Group.

Kinepolis Madrid opens 'The Magic Forest'

In July Kinepolis opened 'The Magic Forest' at Kinepolis Madrid (Spain). 'The Magic Forest' is an indoor playground covering no less than 1,000 m². Up to 350 children can enjoy a magical play experience, with or without a film. In the meantime, parents and child minders can go to the film or relax with something to eat or drink in the 'Magic Forest Lounge', which seats 300. 'The Magic Forest' is also the ideal venue for birthday parties with activities.

Kinepolis acquires property at Toison d'Or (Brussels)

Immobilière de la Toison d'Or has sold the building housing ten auditoria of the UGC Toison d'Or multiplex to Kinepolis. The premises, which are located in Galerie Toison d'Or (Avenue de la Toison d'Or 8) in Brussels, are leased to UGC. The purchase is in line with the Group's real estate strategy. Kinepolis' real estate portfolio includes both multiplexes operated by Kinepolis and multiplexes leased to third parties, such as the 20-screen Cinema City Kinepolis Poznan in Poland, which is leased to the Cinema City group. Kinepolis also owns sites and business spaces for retail, cafés and restaurants, and leisure activities (fitness, climbing wall, bowling and others). Kinepolis either runs these sites itself or signs leases with third parties. The composition of its real estate portfolio is increasingly diversified.

Kinepolis took over as lessor of the Toison d'Or property from Immobilière de la Toison d'Or without taking control of running the multiplex. UGC will continue to run UGC Toison d'Or completely independently.

Share split

As a consequence of the adoption of the share split resolution by the Extraordinary Shareholders' Meeting on 16 May 2014, each ordinary share was split into five new shares on 1 July 2014. The split shares are traded on the regulated Euronext market as from this date. With the split Kinepolis aims to improve the tradability of its shares without diluting the shareholders' position. This transaction also improves the liquidity and accessibility of the shares for private investors. The capital of Kinepolis Group NV is currently represented by 27,913,270 shares.

Share buyback

As part of the new share buyback programme launched in 2013 (under the authorisation to buy back up to 1,171,301 shares - before the share split - for cancellation), 3,080 shares were bought back for € 0.4 million in the first half of 2014.

Taking into account the share split on 1 July 2014 the Group is authorised to buy back 5,856,505 shares for cancellation. On 1 July 2014 the Group held 1,518,015 treasury shares and is permitted to buy back a further 4,458,645 shares under the current authorisation.

Line-up for the second half of 2014

'Dawn of the Planet of the Apes', 'How to Train Your Dragon 2', 'Transformers: 'Age of Extinction'', 'Lucy' and 'Step Up: All In' currently top the film charts.

Hits in the making include 'Teenage Mutant Ninja Turtles', 'The Maze Runner', 'Gone Girl', 'The Loft', 'Interstellar', 'Fury', 'The Hunger Games: Mockingjay - Part 1', 'Horrible Bosses 2', 'The Penguins of Madagascar', 'The Hobbit: The Battle of the Five Armies' and 'Paddington'.

The programme is enriched with various local productions, such as the Flemish films 'Brabançonne', 'Welp' and 'Bowling Balls', the French films 'Samba', 'Tu veux ou tu veux pas' and 'La French' and the Spanish films 'Torrente V : Misión Eurovegas', '[REC] 4 : Apocalipsis' and 'Mortadelo y Filémon'. Live opera and ballet are complemented by, among others, the concert of 'One Direction', the 'Monty Python Live' show, the musicals 'Robin des Bois' and '1789, Les amants de la Bastille' (3D) and the 'Exhibition on Screen' show.

Financial calendar

Friday 14 November 2014
Thursday 19 February 2015
Wednesday 13 May 2015
Wednesday 13 May 2015

Business update third quarter 2014
Annual results 2014
Business update first quarter 2015
Shareholders' meeting

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¹ All comparisons are with the figures for the first six months of 2013.

² Press release based on unaudited figures

³ After eliminating non-current transactions.

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

⁵ Kinopolis Group defines the free cash flow as the net cash from operating activities less the maintenance investments in intangible assets, property, plant and equipment and investment property and paid interest expenses.

⁶ REBITDA is not a recognized IFRS term. Kinopolis Group NV defines this term as the current operating profit plus the current depreciations, amortizations, impairments and provisions (including any reversals or uses of these items).

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2014

- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Notes

CONSOLIDATED INCOME STATEMENT
IN '000 €**30/06/2014****30/06/2013**

Revenue	115.101	109.700
Cost of sales	-80.550	-77.007
Gross profit	34.551	32.693
<i>Gross profit / Revenue</i>	<i>30,0%</i>	<i>29,8%</i>
Marketing and selling expenses	-6.269	-5.658
Administrative expenses	-7.671	-7.059
Other operating income	378	2.055
Other operating expenses	-247	-476
Operating profit	20.742	21.555
<i>Operating profit / Revenue</i>	<i>18,0%</i>	<i>19,6%</i>
Finance income	484	569
Finance expenses	-3.132	-3.684
Profit before tax	18.094	18.440
Income tax expense	-4.778	-4.125
Profit for the period	13.316	14.315
<i>Profit for the period / Revenue</i>	<i>11,6%</i>	<i>13,0%</i>
Attributable to:		
Owners of the Company	13.316	14.315
Non-controlling interests	0	0
Profit for the period	13.316	14.315
Basic earnings per share (€)	2,52	2,59
Diluted earnings per share (€)	2,43	2,50

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
in '000 €

30/06/2014

30/06/2013

Profit for the period	13.316	14.315
Items that are or may be reclassified to profit or loss:		
Translation differences	46	-849
Cash flow hedges - effective portion of changes in fair value	2	351
Cash flow hedges - net change in the fair value reclassified to profit or loss	57	19
Taxes on other comprehensive income	-20	-129
Other comprehensive income for the period, net of tax	85	-608
Total comprehensive income for the period	13.401	13.707
Attributable to:		
Owners of the Company	13.401	13.707
Non-controlling interests	0	0
Total comprehensive income for the period	13.401	13.707

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS in '000 €	30/06/2014	31/12/2013
Other intangible assets	3.285	3.016
Goodwill	19.245	18.761
Property, plant and equipment	204.746	206.871
Investment property	18.590	12.056
Deferred tax assets	1.114	1.113
Other receivables	14.029	13.395
Other financial assets	27	27
Non-current assets	261.036	255.239
Inventories	2.918	3.359
Trade and other receivables	19.169	25.176
Current tax assets	424	523
Cash and cash equivalents	12.954	19.293
Assets classified as held for sale	0	6.721
Current assets	35.465	55.072
TOTAL ASSETS	296.501	310.311

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES in '000 €	30/06/2014	31/12/2013
Issued capital	18.952	18.952
Share premium	1.154	1.154
Consolidated reserves	82.330	86.132
Translation reserve	-1.535	-1.581
Total equity attributable to owners of the Company	100.901	104.657
Non-controlling interests	0	0
Equity	100.901	104.657
Loans and borrowings	78.874	87.917
Provisions	2.719	3.016
Deferred tax liabilities	17.267	17.509
Other payables	7.780	8.104
Non-current liabilities	106.640	116.546
Bank overdrafts	58	581
Loans and borrowings	32.378	19.332
Trade and other payables	47.692	62.383
Provisions	666	715
Derivative financial instruments	1	60
Current tax liabilities	8.165	6.037
Current liabilities	88.960	89.108
TOTAL EQUITY AND LIABILITIES	296.501	310.311

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2014	30/06/2013
IN '000 €		

Profit before tax	18.094	18.440
Adjustments for:		
Depreciations and amortization	10.199	10.019
Provisions and impairments	-465	-646
Government grants	-325	-332
(Gains) Losses on sale of fixed assets	1	-902
Change in fair value of derivative financial instruments and unrealised foreign exchange results	9	-30
Unwinding of non-current receivables	-348	-365
Share-based payments	45	53
Impairment on tax shelter investments	153	316
Amortization transaction costs refinancing	104	104
Interest expenses and income	2.060	2.479
Change in inventory	414	69
Change in trade and other receivables	5.729	2.234
Change in trade and other payables	-12.906	-14.333
Cash from operating activities	22.764	17.106
Income taxes paid	-2.816	-1.525
Net cash from operating activities	19.948	15.581
Acquisition of other intangible assets	-787	-586
Acquisition of property, plant and equipment and investment property	-6.762	-4.884
Acquisition of subsidiary, net of cash acquired	-1.050	0
Proceeds from sale of property, plant and equipment	37	1.854
Net cash used in investing activities	-8.562	-3.616
Capital reduction	-4	-8
New loans	45.000	50.832
Repayment of borrowings	-41.154	-45.084
Payment transaction costs refinancing	0	0
Interest paid	-3.865	-4.293
Interest received	9	18
Repurchase and sale of own shares	-353	-11.731
Dividends paid	-16.838	-13.093
Net cash used in financing activities	-17.205	-23.359
Net cash flow	-5.819	-11.394
Cash and cash equivalents at beginning of the period	18.712	28.785
Cash and cash equivalents at end of the period	12.896	17.281
Effect of exchange rate fluctuations on cash held	3	-110
Net cash flow	-5.819	-11.394

								2014
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OF THE COMPANY						NON- CONTROLLING INTERESTS	EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	SHARE- BASED PAYMENTS RESERVE	RETAINED EARNINGS		
At 31 December 2013	20.106	-1.581	-40	-8.816	2.597	92.389	0	104.655
Profit for the period	0	0	0	0	0	13.316	0	13.316
Items that are or may be reclassified to profit or loss:								
Translation differences		46						46
Cash flow hedges - effective portion of changes in fair value			2					2
Cash flow hedges - net change in the fair value reclassified to profit or loss			57					57
Taxes on other comprehensive income			-20					-20
Other comprehensive income for the period, net of tax	0	46	39	0	0	0	0	85
Total comprehensive income for the period	0	46	39	0	0	13.316	0	13.401
Dividends						-16.847		-16.847
Own shares acquired / sold				-353				-353
Share-based payment transactions					45			45
Total transactions with owners, recorded directly in equity	0	0	0	-353	45	-16.847	0	-17.155
Acquisition of non-controlling interests, without changes in control								
At 31 June 2014	20.106	-1.535	-1	-9.169	2.642	88.858	0	100.901

								2013
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 €	ATTRIBUTABLE TO OWNERS OF THE COMPANY						NON- CONTROLLING INTERESTS	EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	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
Items that are or may be reclassified to profit or loss:								
Translation differences		-849						-849
Cash flow hedges - effective portion of changes in fair value			351					351
Cash flow hedges - net change in the fair value reclassified to profit or loss			19					19
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 / sold				-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
Acquisition of non-controlling interests, without change in control								
At 30 June 2013	20.106	-2.037	-168	-20.846	2.528	97.685	0	97.268

30/06/2014

SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL
Segment revenue	76.678	29.955	14.412	1.964	0	123.009
Inter-segment revenue	-7.203	-405	-262	-38	0	-7.908
Revenue	69.475	29.550	14.150	1.926	0	115.101
Segment profit	11.445	7.368	1.561	368	0	20.742
Finance income					484	484
Finance expenses					-3.132	-3.132
Profit before tax						18.094
Income tax expense					-4.778	-4.778
Profit for the period						13.316
Capital expenditure	4.631	1.382	1.455	81	0	7.549

30/06/2014

SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL
Total assets	112.050	85.234	59.413	25.286	14.518	296.501
Total equity and liabilities	32.082	22.401	3.711	663	237.644	296.501

30/06/2013

SEGMENT INFORMATION IN '000€	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
Capital expenditure	2.853	1.548	1.047	22	0	5.470

31/12/2013

SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	OTHERS (PL + SWI)	NOT ALLOCATED	TOTAL
Total assets	119.286	86.831	57.873	25.365	20.956	310.311
Total equity and liabilities	44.250	24.361	4.604	1.003	236.093	310.311

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2014

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. On 30 June 2014 Kinepolis ran 25 cinema complexes in Belgium, France, Spain, Switzerland and Poland. The Group employed approximately 1,600 people at that moment and welcomed 8.8 million visitors in the first half of 2014. At the time of this report the Group consists of 35 complexes in Belgium, France, Spain, The Netherlands, Switzerland and Poland en employs about 2,000 people.

The unaudited condensed consolidated interim financial statements of the Company for the half year ending 30 June 2014 include the Company and its subsidiaries (jointly referred to as the 'Group') and the Group's interests in equity accounted investees.

The unaudited condensed consolidated interim financial statements were approved for publication by the Board of Directors on 26 August 2014.

2. Statement of compliance

The condensed consolidated interim financial statements for the six months ending on 30 June 2014 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 2013.

The consolidated annual financial statements of the Group for the financial year 2013 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 2013. The standards that are applicable as from 1 January 2014 do not have a material impact on the condensed consolidated interim financial statements for the six months ending on 30 June 2014.

IFRIC 21 "Levies", initially expected to be applicable as from 1 January 2014, only applies for accounting periods starting on or after 17 June 2014. The consequences for the Group are currently under investigation.

4. Segment information: *see separate table*

5. Risks and uncertainties

There are no fundamental changes in the risks and uncertainties for the Group as set out in the 2013 Management Report included in the 2013 Annual Report (Section 03 – Management Report).

6. Related party transactions

There are no additional related party transactions apart from those transactions disclosed in the 2013 Annual Report (Section 05 – Financial Report – Note 28).

7. Financial liabilities – future cash flows

The following table provides an overview of the contractual maturities for the financial liabilities, including the estimated interest payments:

IN '000 €	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL
Non-derivative financial liabilities				
Commercial paper	30.000			30.000
Bond	3.563	89.250		92.813
Finance lease liabilities	2.591	4.562	72	7.225
Bank overdrafts	58			58
Trade payables	35.496			35.496
Tax shelter payables	300			300
Third party current account payables	43			43
Financial derivatives				
Foreign exchange forward contracts				
- Outflow	110			110
- Inflow	-111			-111
TOTAL	72.050	93.812	72	165.934

8. Business combinations

Acquisition cinemas in Alicante and Madrid

The incorporation of the Spanish complexes Abaco Cinebox (Alicante) and Abaco Alcobendas (Madrid) in the consolidation scope of the Group in April 2014 (Kinopolis Plaza Mar 2) and June 2014 (Kinopolis Alcobendas), the dates on which control was obtained, resulted in a goodwill of € 0,5 million. This goodwill finds its origin in the visitor numbers to be achieved by both cinema's after the implementation of Kinopolis' concepts.

Net identifiable assets on the date of acquisition:

In '000 €	Kinopolis Plaza Mar 2 Kinopolis Alcobendas
Property, plant and equipment	566
Total	566

The transaction costs linked to this acquisition amounted to € 0.2 million and were included in the administrative expenses.

Since the incorporation of both complexes in the consolidation scope they contributed to revenue for € 0.8 million and to the result of the Group for € -0.2 million. Should the acquisition have occurred on 1 January 2014, management estimates that the consolidated revenue for the first semester 2014 would have amounted to € 117.5 million and that the consolidated result for this period would have been € 13.5 million.

9. Important events after 30 June 2014

Acquisition of the Dutch group Wolff Bioscopen

De consequences of the incorporation of Wolff Bioscopen Holding BV and its subsidiaries in the consolidation scope of the Group as from 22 July 2014, the date on which control was obtained, could not be determined yet, as the purchase price allocation was not yet completed on the date of the establishment of these semi-annual financial statements.

10. Other notes

Additional information concerning the Group's financing, treasury shares, dividends, business combinations and important events after 30 June 2014 is included in the first part of the press release.

DECLARATION WITH REGARD TO MANAGEMENT RESPONSIBILITY

Joost Bert and Eddy Duquenne, CEOs of Kinopolis Group, and Nicolas De Clercq, CFO of Kinopolis 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 Kinopolis 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