Kinepolis Group
Results 2016

Press & Analyst Meeting

17 February 2017

KINEPOLIS GROUP

Business review 2016

CEO, Mr. Eddy Duquenne

KINEPOLIS GROUP

KEY FINANCIALS

€m	2016		2015		Better / - Worse
Visitors ('000)		***23.818***		***22.149***	***7,5%***
Revenue		***324,9***		301,6	7,7%
EBITDA		***91,7***		**88,7**	**3,3%**
REBITDA		**94,6**		**91,0**	**4,0%**
REBITDA Margin	€ 3,97 /Vis	*29,1%*	€ 4,11 /Vis	*30,2%*	*-109 bps*
EBIT		**63,2**		**65,2**	**-3,1%**
REBIT		**66,7**		**67,6**	**-1,4%**
REBIT Margin		*20,5%*		*22,4%*	*-190 bps*
Profit		**47,6**		**32,3**	**47,7%**
Current Profit		**40,4**		**43,2**	**-6,5%**
EPS (in €)		*1,75*		*1,20*	*47,1%*
Free Cash Flow		**53,6**		**66,0**	**-18,8%**

€m	2016	2015	Better / -Worse
Net Financial Debt (NFD)	**169,8**	**162,0**	**-4,8%**

- Revenue up by 7,7%
  - Visitors (+7,5%)
  - Increase Box Office (+7,3%)
  - Increase In-theatre Sales (+9,6%)
  - Increase B2B (+9,5%)
    - Increase Sales and Events (+9,5%)
    - Increase Screen Advertising (+9,2%)
  - Decrease Brightfish (-12,8%)
  - Increase Film Distribution (+38%)
  - Increase Real Estate (+11,3%)

- REBITDA 4,0%
  - Increased visitor numbers
  - Impact expansion
  - Decrease relative share Belgium

- ❑Revenue +7,7% with 7,5% more visitors and REBITDA +4,0%
- ❑REBITDA margin at 29,1% (30,2% 2015)
- ❑Current depreciation, amortization and provisions: € 27,8 m (€ 23,3 m 2015)
- ❑Current profit at € 40,4 m (€ 43,2 m 2015)
- ❑Free cash flow of € 53,6 m (€ 12,4 m lower)
- ❑NFD at € 169,8 m (€ 7,7 m higher)

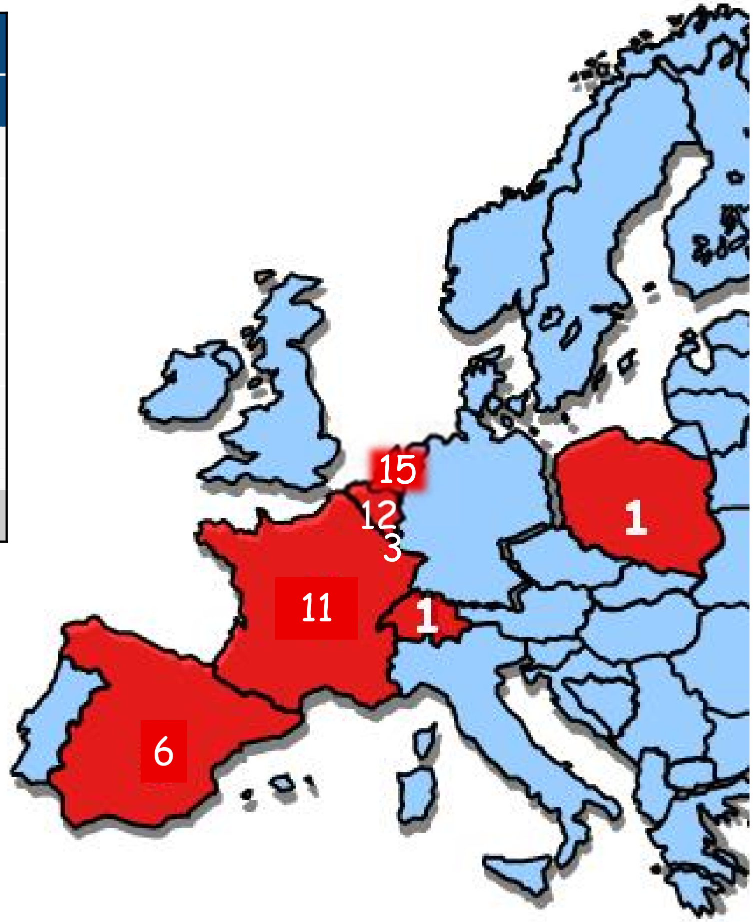
MAJOR EVENTS

- YTD 2016 results reflect Strategic Pillars set out in 2008
  - Best Marketer
  - Best Cinema Operator
  - Best Property Manager
- Further development and implementation of strategy in 2016
- Further steps in expansion strategy
  - January 2016: Acquisition of Rouen (France) (€ 0,4 m)
  - February 2016: Opening Dordrecht (The Netherlands)
  - March 2016: The decision of the anti trust authorities re Takeover Utopia Belgium
  - April 2016: Acquisition of Utopia Belgium
  - June 2016: Start of the construction of Brétigny complex (France), Kinepolis Fenouillet (France) and Kinepolis Nevada, Granada (Spain)
  - August 2016: Opening Breda (The Netherlands), being the first full laser complex in Europe
  - September 2016: Sale of Utopolis Belgium
  - November 2016: Opening Nevada, Granada (First full laser complex in Spain)
  - December 2016: Opening new IMAX theatre in Kinepolis Brussel (Belgium)
  - December 2016: Partial opening, Kinepolis Jaarbeurs, Utrecht (Biggest full laser complex in the Netherlands)
  - December 2016: Opening Kinepolis Fenouillet (First full laser complex in France)
  - Continued contribution to revenue and REBITDA of companies acquired in 2014/2015 and in existing businesses

KINEPOLIS COMPLEXES TODAY

Countries	Complexes		Screens		Complexes in Ownership	
					#	% Visitors
Belgium *	12		149	+1	11	98%
France	11	+2	128	+22	9	96%
Spain	6	+1	99	+8	2	48%
The Netherlands	15	+3-1	104	+24 -4	7	67%
Poland *	1		18		1	n/a
Switzerland	1		8		1	100%
Luxembourg	3		22		1	65%
Total	**49**	**+5**	**528**	**+51**	**32**	**82%**

- Market Share: Belgium: to be announced **
  France: 3,5%
  Spain: 4,9%
  The Netherlands: 8,1%
  Luxembourg: 93,9%
- 500 digital screens ***
- Of which 181 screens with 3D***



* 1 complex in Belgium (Brussels) operated by UGC and in Poland operated by Cineworld
** New platform Cinedata operational, but not all operators are participating yet
*** Excluding Cineworld in Poland and UGC Brussels in Belgium
****Complex and screen additions are compared to 31 December 2015

REALIZED ACQUISITIONS AND GREENFIELDS (2014 – 2016)

Country	City	# Complexes	# Screens	Est. Visitors / Year	Realized
Spain	Alicante	1	16	1,0 mio	Q2 2014
	Alcobendas - Madrid	1	12		
	Nevada – Granada	1	8	0,4 mio	Q4 2016
The Netherlands	Wolff Bioscopen	9	46	1,6 mio	Q3 2014
	Acq. Building Enschede (Wolff)				Q2 2015
	Dordrecht (greenfield)	1	6	0,3 mio	Q1 2016
	Breda (greenfield)	1	10	0,5 mio	Q3 2016
	Utrecht (greenfield)*	1	14	1,2 mio	Q4 2016
NL, LUX, FR	Utopolis Group	9	63	2,4 mio	Q4 2015
France	Bourgoin	1	12	0,6 mio	Q3 2015
	Rouen	1	14	0,4 mio	Q1 2016
	Fenouillet (greenfield)	1	8	0,4 mio	Q4 2016
Total		**27**	**209**	**8,8 mio**	

* Partially opened with 6 screens in December 2016

PLANNED GREENFIELDS*

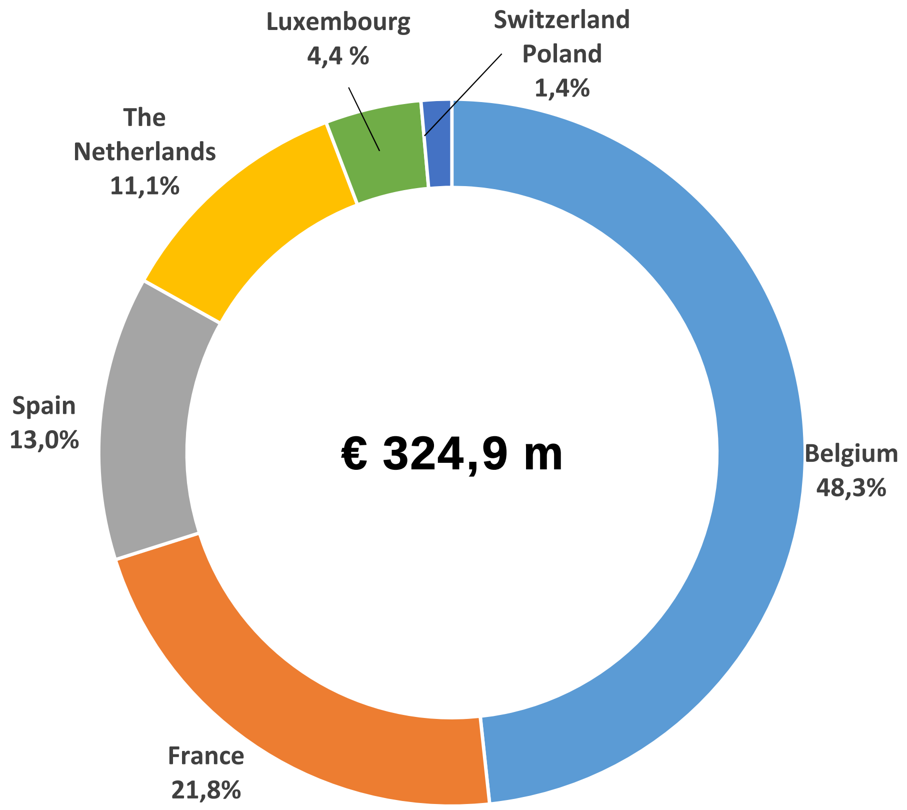
Country	City	# Screens	Est. Visitors / Year	Estimated opening
The Netherlands	Utrecht **	14	1,2 mio	Q1 2017
	Den Bosch	7	0,4 mio	Q1 2018
France	Brétigny-sur-Orge	10	0,5 mio	Q3 2018
Total		**31**	**2,1 mio**	

* The listed planned greenfields are greenfields for which an irrevocable license was obtained

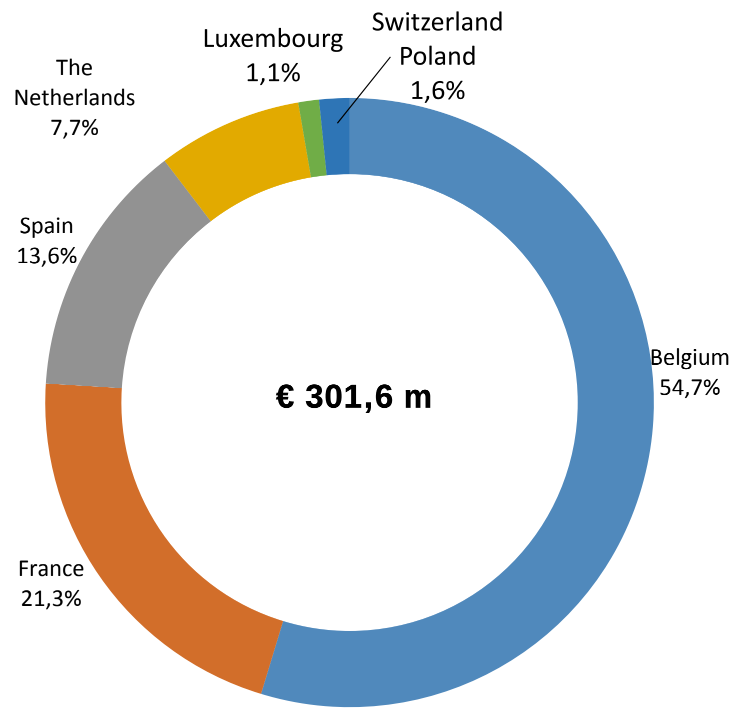
* * Remaining 8 screens will be opened in Q1 2017. Following the opening of the new multiplex in Utrecht, Wolff Catharijne was closed.

Kinepolis Jaarbeurs, Utrecht, NL

REVENUE BY COUNTRY

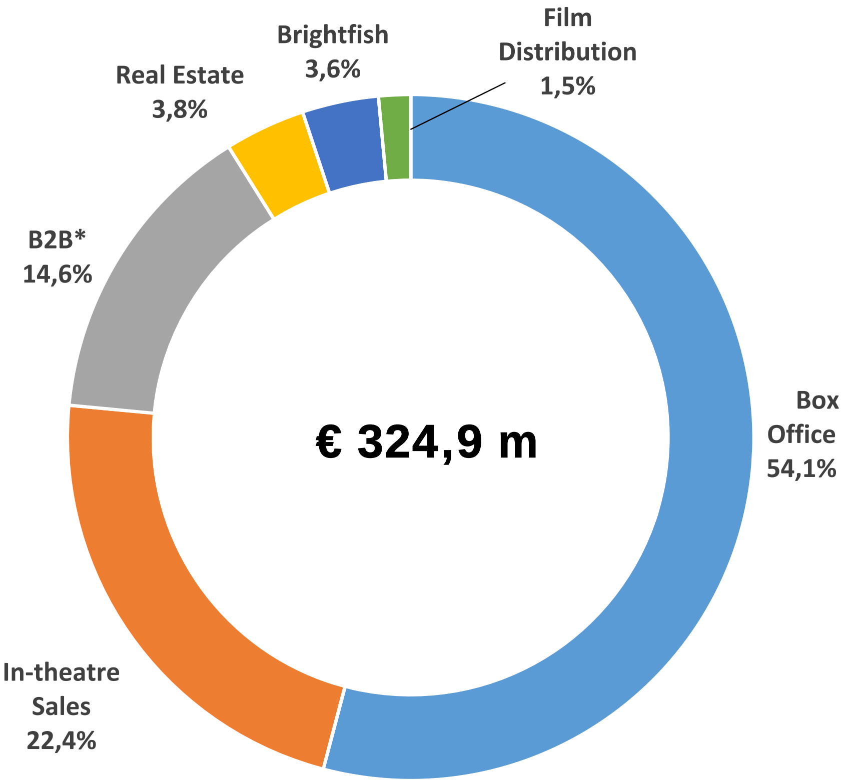


2016

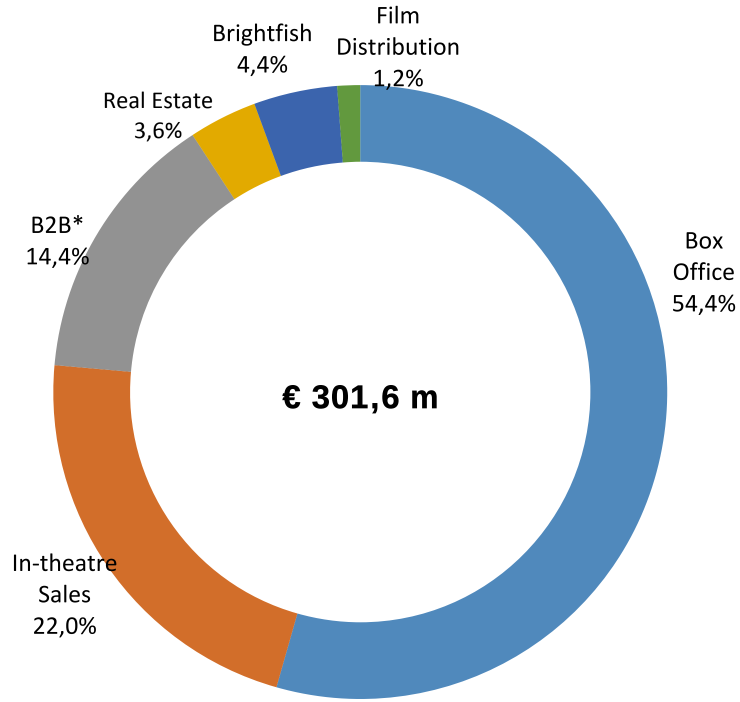


2015

REVENUE BY ACTIVITY



2016



2015

* Including Cinema Screen Advertising

VISITORS

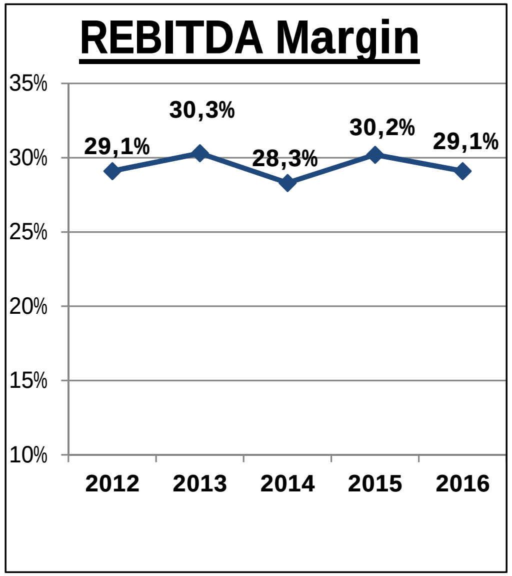
Visitors (000's)	2016	% of Tot	2015	% of Tot	% Δ YoY
Belgium	8.432	35,4%	9.184	41,4%	-8,2%
France	7.036	29,5%	6.438	29,1%	9,3%
Spain	4.420	18,6%	4.376	19,8%	1,0%
The Netherlands	2.752	11,6%	1.754	7,9%	56,9%
Luxembourg	1.052	4,4%	257	1,2%	309,3%
Switzerland	126	0,5%	140	0,6%	-10,0%
Total	**23.818**	**100%**	**22.149**	**100%**	**7,5%**

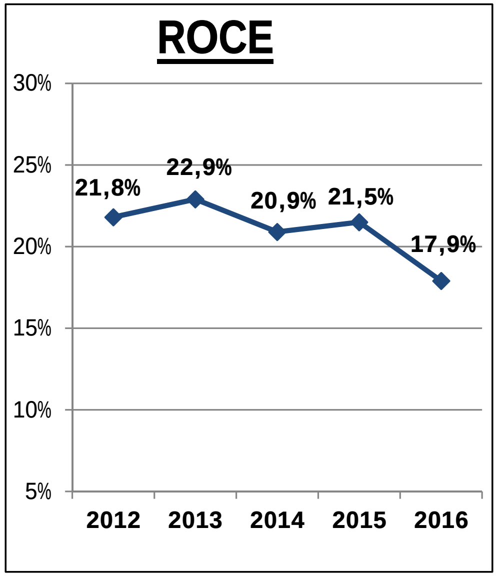
KINEPOLIS

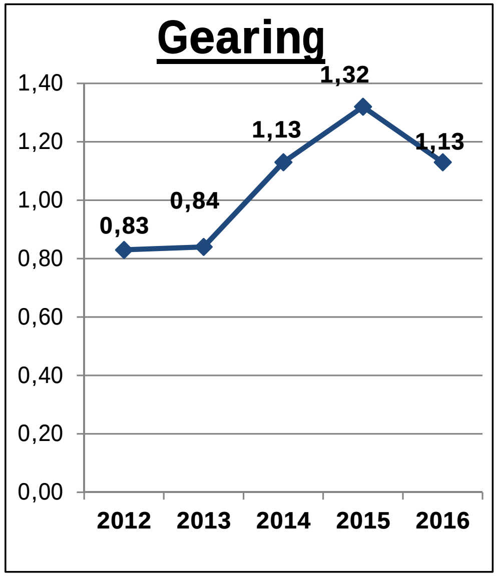
Top 5 Movies 2016	3D	Visitors (000's)
1. Finding Dory	✓	622
2. Fantastic Beasts And Where To Find Them	✓	621
3. The Jungle Book	✓	612
4. The Revenant		595
5. Rogue One – A Star Wars Story	✓	556
Top 5		**3 005**
Weight Top 5		**12,60%**

Top 5 Movies 2015	3D	Visitors (000's)
1. Star Wars: Episode VII - The Force Awakens	✓	1.071
2. Minions	✓	925
3. Jurassic World	✓	907
4. Spectre		825
5 .Fast & Furious 7		702
Top 5		**4.431**
Weight Top 5		**20,00%**

RATIOS

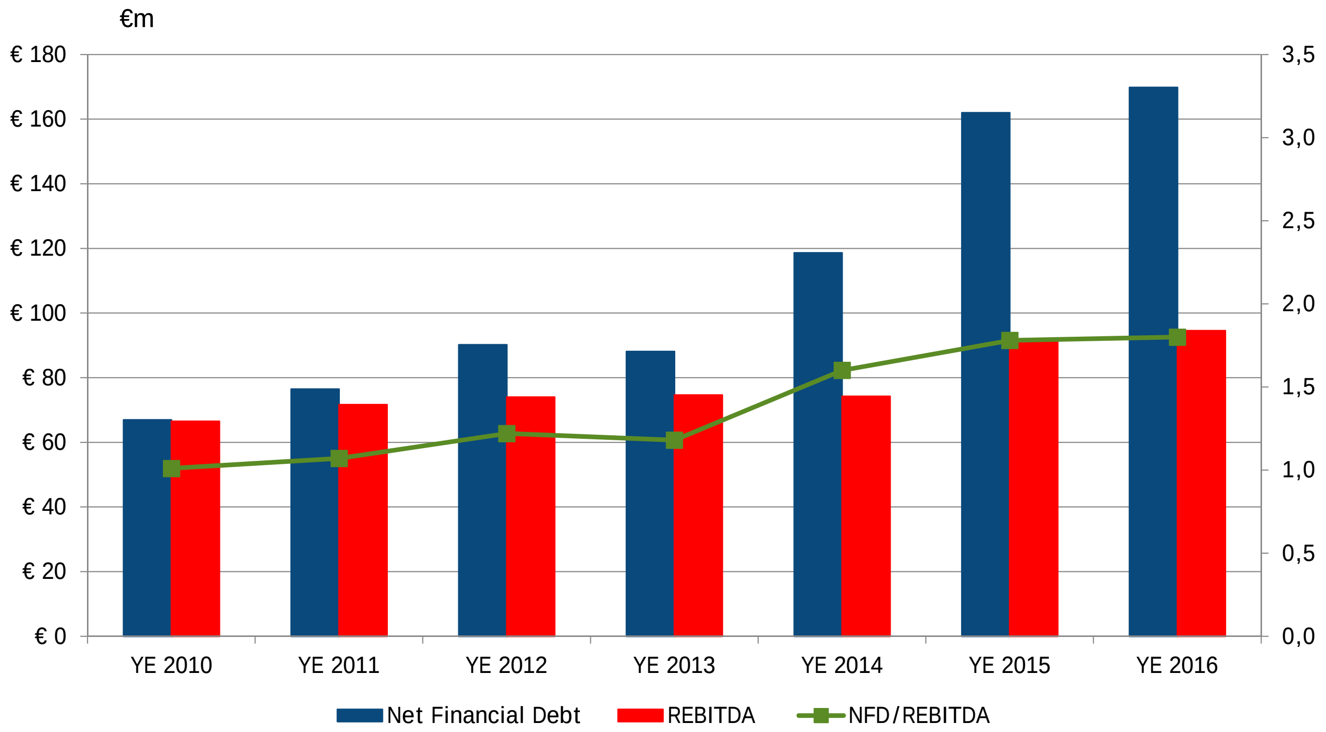

REBITDA Margin
35%
30%
25%
20%
15%
10%
29,1%
30,3%
28,3%
30,2%
29,1%
2012
2013
2014
2015
2016


ROCE
30%
25%
20%
15%
10%
5%
21,8%
22,9%
20,9%
21,5%
17,9%
2012
2013
2014
2015
2016


Gearing
1,40
1,20
1,00
0,80
0,60
0,40
0,20
0,00
0,83
0,84
1,13
1,32
1,13
2012
2013
2014
2015
2016

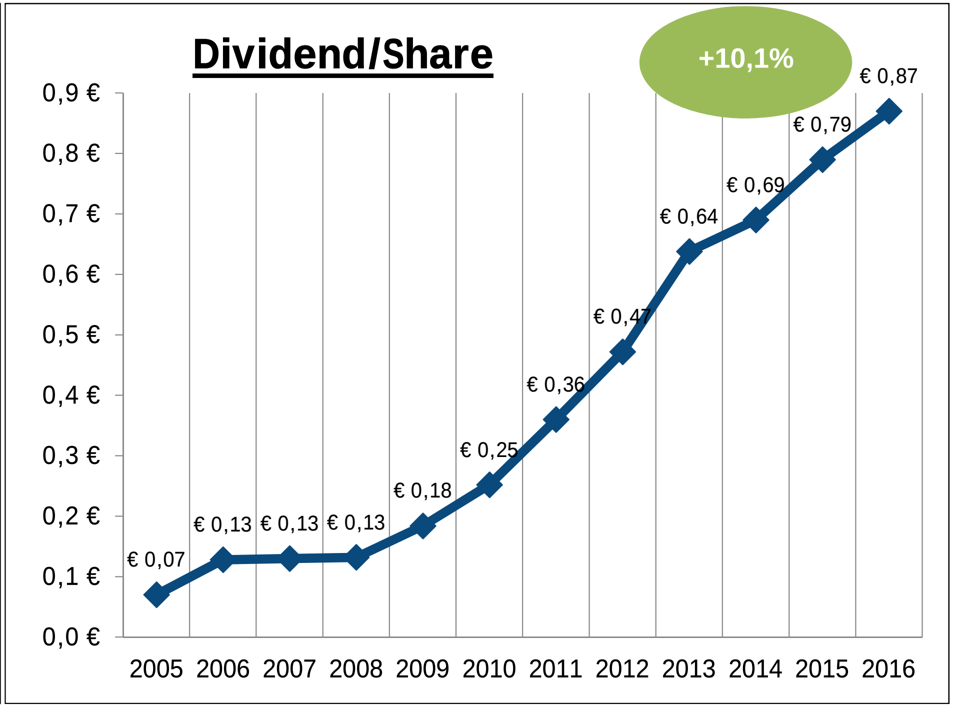
NET FINANCIAL DEBT EVOLUTION

€m	2016	2015	Better/-Worse	% Better/-Worse
Net Financial Debt (NFD)	**169,8**	**162,0**	**-7,8**	-4,8%
Leverage ratio*: NFD / REBITDA	1,8	1,8		



* Not Bank definition

- Based on Net Income: € 47,6 m
- Payout ratio: 50 %
- To be paid out: € 23.692.580
- # Dividend eligible shares: 27.232.851*
- € 0,87* per share
- 13th year increase consecutively



* Calculation based on number of treasury shares as at 17/02/2017.

LINE-UP 2017

	2D	3D
Major sequels	• Fifty Shades Darker (Q1) • Logan (Q1) • Smurfs: The Lost Village (Q2) • The Fate of the Furious (Q2) • Alien: Covenant (Q2) • Pirates of the Caribbean: Dead Men Tell No Tales (Q2) • Kingsman: The Golden Circle (Q2) • Thor: Ragnarok (Q4)	• Guardians of the Galaxy Vol. 2 (Q2) • Cars 3 (Q3) • Despicable Me 3 (Q3) • Spider-Man: Homecoming (Q3) • War for the Planet of the Apes (Q3) • Star Wars: Episode VIII (Q4)
New titles	• Kong: Skull Island (Q1) • Beauty and the Beast (Q2) • The Mummy (Q2) • Dunkirk (Q3) • Blade Runner (Q4) • Coco (Q4)	• King Arthur: Legend of the Sword (Q1) • The Boss Baby (Q2) • The Lego Ninjago Movie (Q3)
Local	• Onze Jongens (BE- Q1) • Contratiempo (SP-Q1) • Dode hoek (BE-Q1) • Raid Dingue (FR/BE-Q1) • Rock'n Roll (FR/BE-Q1) • Boule & Bill 2 (FR/BE-Q2) • Plan de Fuga (SP-Q2) • Valerian and the City of a Thousand Planets (FR-Q4) • Het Tweede Gelaat (BE-Q4) • F.C. De Kampioenen 3 (BE-Q4) • Untitled Studio 100 Project (K3) (BE-Q4)	• Tad Jones: The Hero Returns (Tad Jones 2) (SP-Q3)
Alternative content	• Opera, Ballet, Theatre • Art: Exhibition on Screen (BE, FR, ES)	

Financial Review 2016

CFO, Mr. Nicolas De Clercq

KINEPOLIS GROUP

UTOPOLIS BELGIUM ACQUISITION (1/2)

DISCLOSURE IN THE FINANCIAL STATEMENTS OF 31 DECEMBER 2016

Sale of the Belgian Utopolis cinemas

Kinepolis Group NV completed the acquisition of Utopolis (Utopia SA), excluding the Belgian complexes, on 9 November 2015. The acquisition of the four Belgian complexes was subject to the approval of the Belgian Competition Authority. On 24 March 2016, the Belgian Competition Authority approved the acquisition of the Belgian Utopolis cinemas by Kinepolis Group, on the condition that the complexes in Mechelen and Aarschot were to be sold with a view to their continued operation. After this decision Kinepolis acquired the Belgian Utopolis cinemas in Lommel, Turnhout, Mechelen and Aarschot on 14 April 2016, in pursuance of the agreement signed on 9 November 2015 with the shareholders of Utopia SA. Since then, these cinemas continued to operate under the conditions imposed by the BCA. All four complexes were included in the legal entity Utopolis Belgium NV. This entity was classified as held for sale, on acquisition.

On 30 September 2016, Kinepolis Group NV sold 100% of the shares of Utopolis Belgium NV, including the four Belgian Utopolis complexes to UGC. The profit for the period from discontinued operations amounts to € 8,7 m.

Profit from discontinued operations

in K €	
ENTERPRISE VALUE	**36.229**
EQUITY VALUE	**33.000**
AHFS after repayment loan	**26.362**
Result of the Sale of Utopolis Belgium	**6.638**
Additional corrections *(result April-July profit Utopolis, Taxes on statutory surplus value', Repayment receivable Utopia)*	2.042
Profit from Discontinued Operations	**8.680**

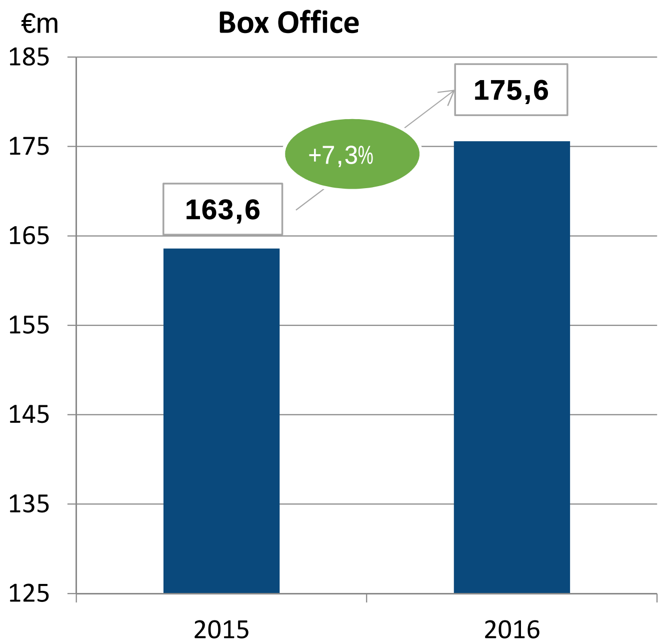
REVENUE BY COUNTRY

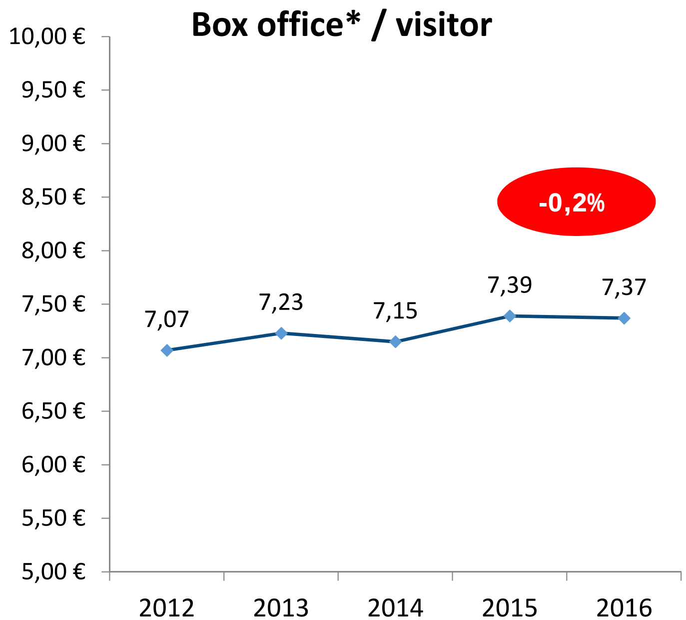
€m	2016	% of Tot	2015	% of Tot	% Δ YoY	% Δ Y Vis
Belgium	156,8	48,3%	164,8	54,7%	-4,8%	-8,2%
France	70,9	21,8%	64,3	21,3%	10,1%	9,3%
Spain	42,3	13,0%	41,0	13,6%	3,2%	1,0%
The Netherlands	35,9	11,1%	23,1	7,7%	55,5%	56,9%
Luxembourg	14,3	4,4%	3,4	1,1%	324,4%	309,3%
Other	4,7	1,4%	4,9	1,6%	-4,4%	-10,0%
Total	**324,9**	**100%**	**301,6**	**100%**	**7,7%**	**7,5%**

Kinepolis Breda, NL

Kinepolis Bourgoin, FR

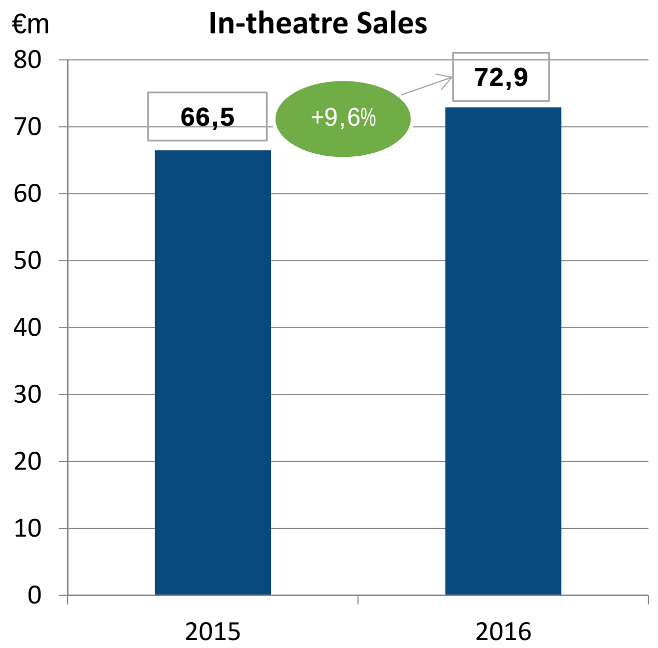
EVOLUTION BOX OFFICE

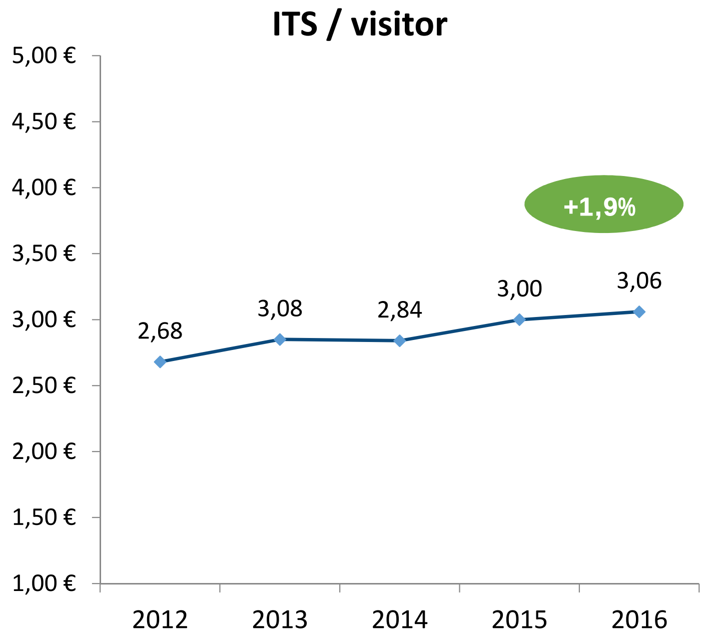




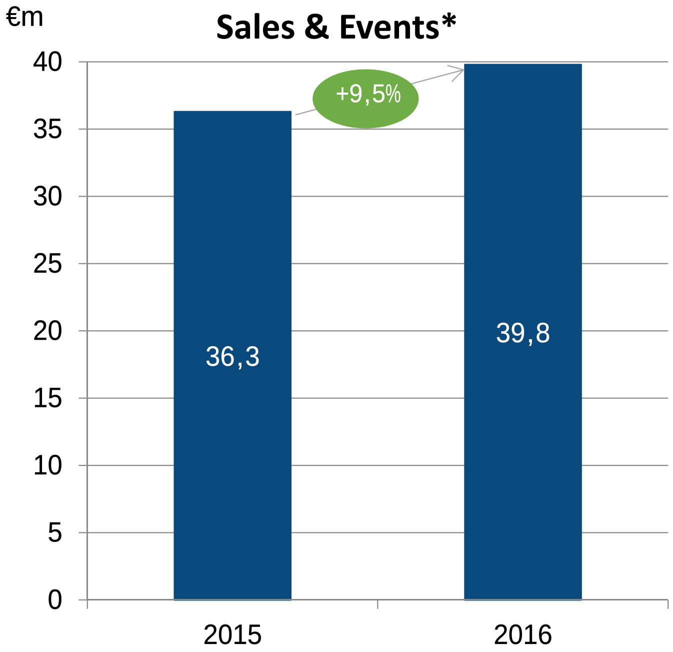
* Box Office revenue after deduction of indirect taxes, including VPF revenue

EVOLUTION ITS

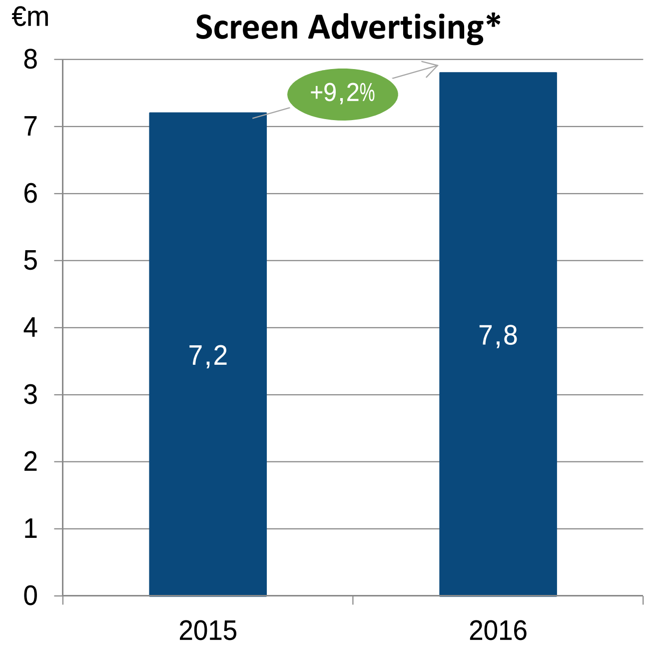




B2B REVENUE

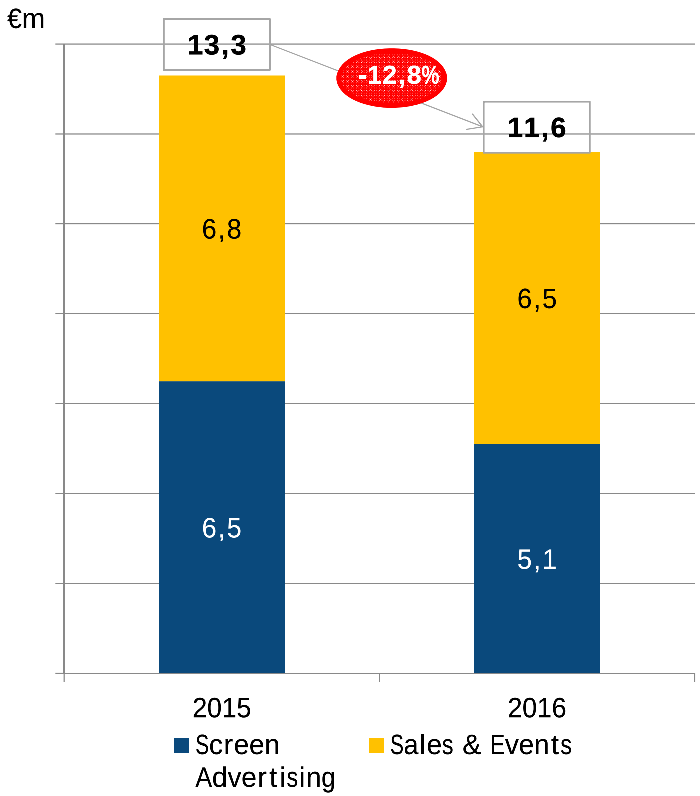


* Excluding Brightfish



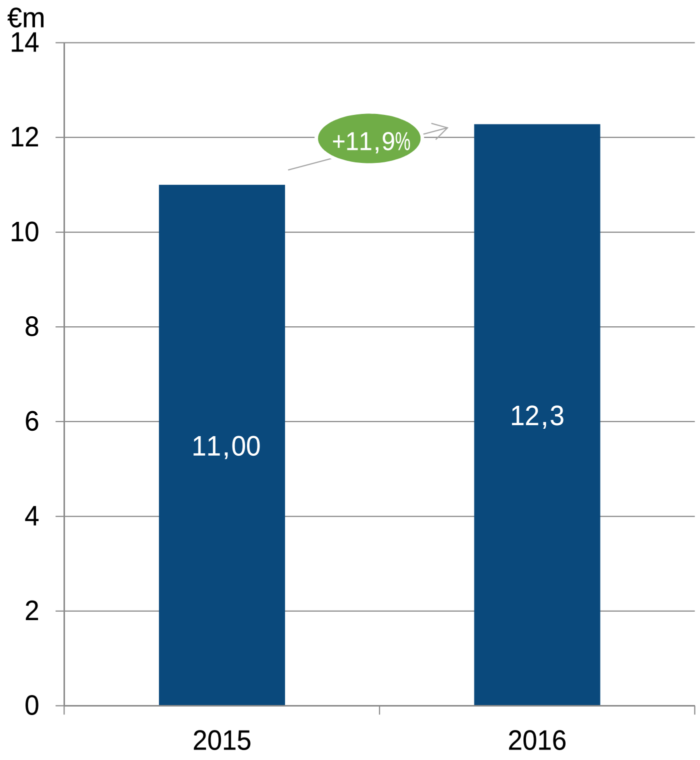
* Excluding Brightfish

BRIGHTFISH



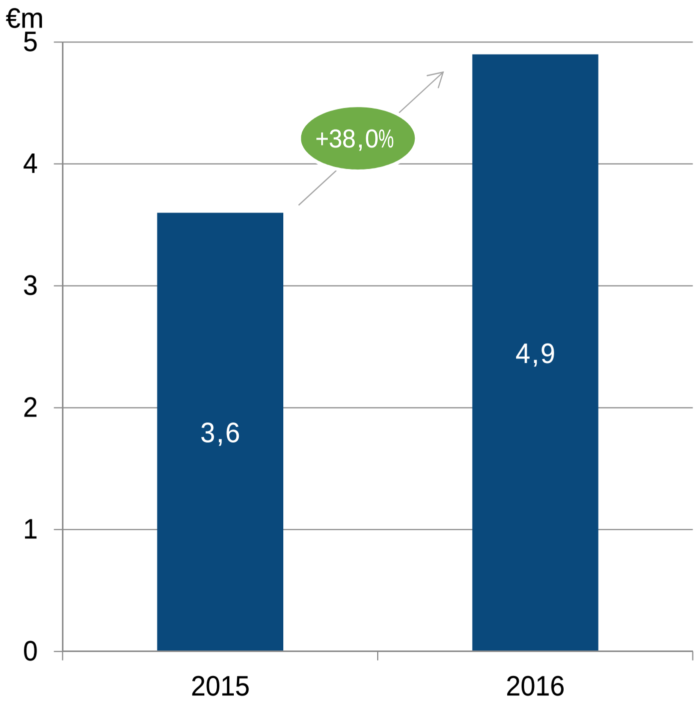
€m
13,3
-12,8%
11,6
6,8
6,5
6,5
5,1
2015
2016
Screen Advertising
Sales & Events

REAL ESTATE AT FLAT FX

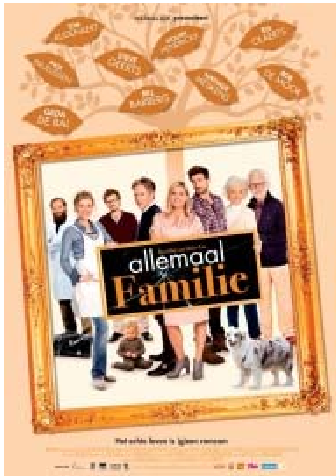


Kinepolis Breda, NL

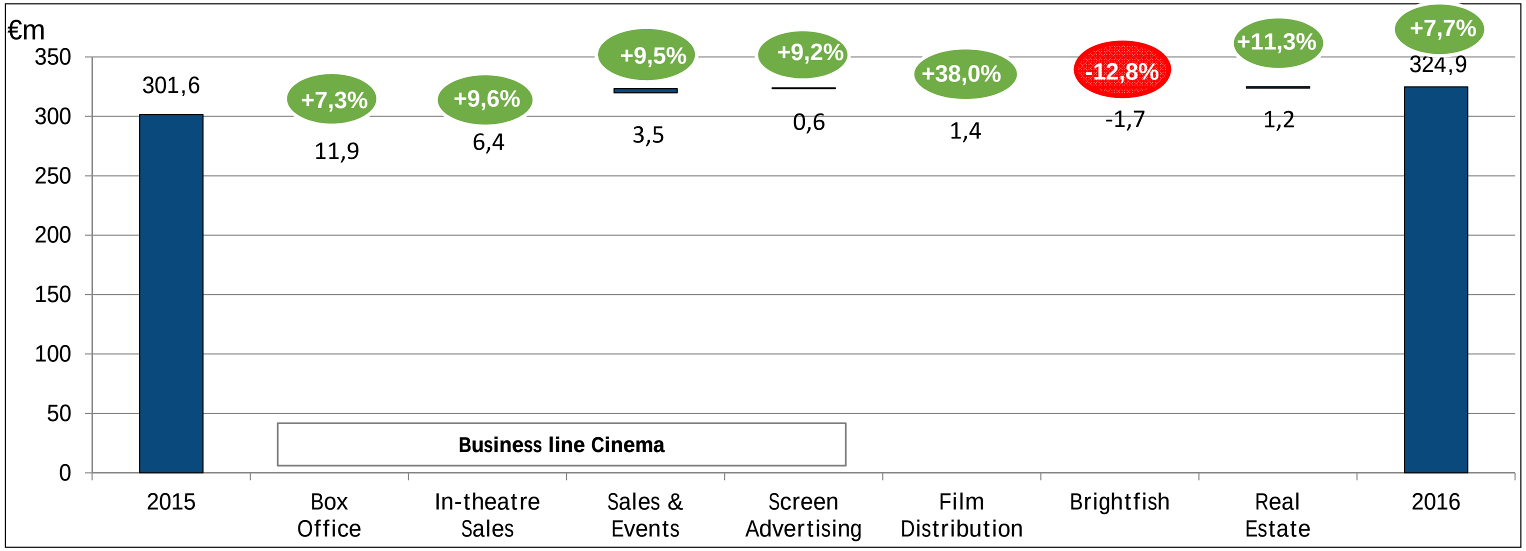
FILM DISTRIBUTION



# releases	29	34



REVENUE BY ACTIVITY



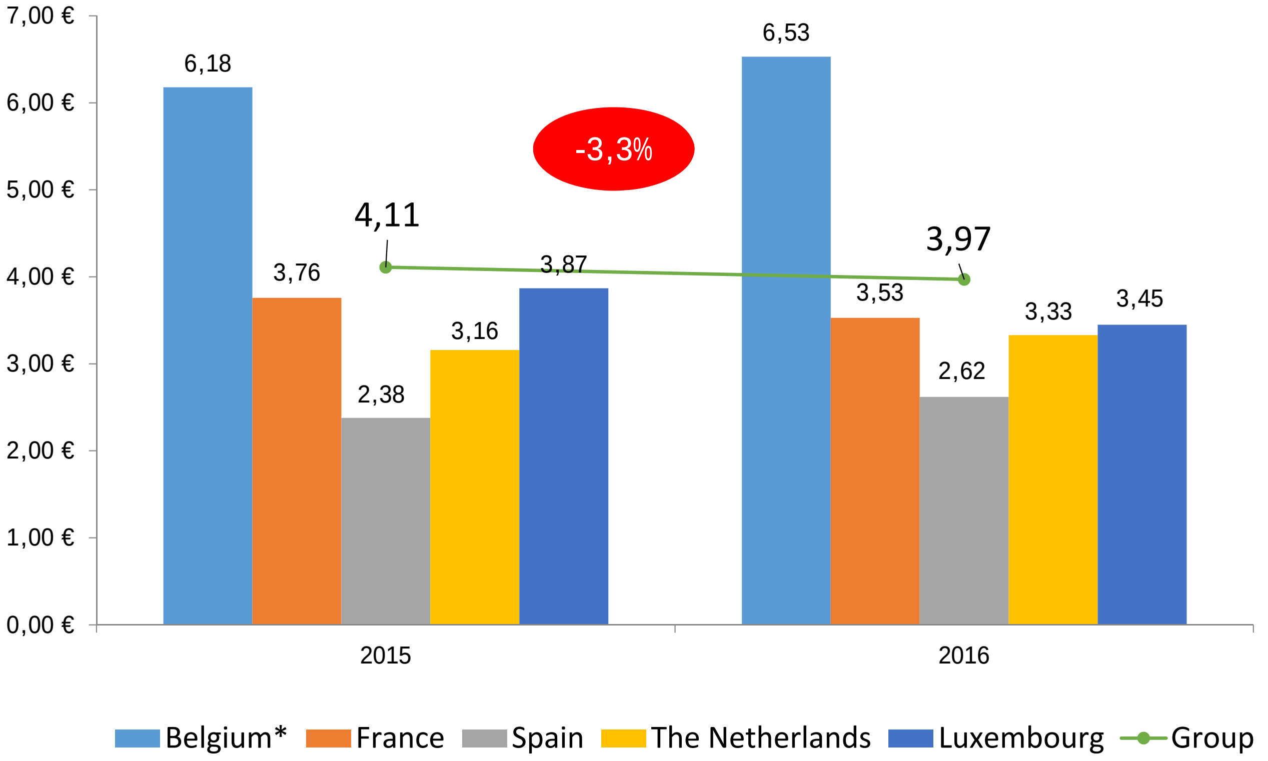
CURRENT OPERATING COSTS

€m	2016	2015	% Better / -Worse
Current Marketing & Selling Expenses	-18,0	-17,5	-2,6%
Current Administrative Expenses	-17,1	-16,2	-5,2%
Other Currrent Operating Income/(Costs)	0,8	0,9	-16,4%
Current Operating Costs	**-34,3**	**-32,8**	-4,5%
Non-Current Operating Costs	-2,7	-1,5	-78,3%
Total Operating Costs	**-37,0**	**-34,3**	-7,8%

NON-CURRENT ITEMS

€m	2016	2015
Dismissal fees	-0,7	-0,9
Legal fees	-0,4	-0,4
Expansion costs	-1,3	-0,9
Reversal accrual Poland: penalty and zoning change fee	0,1	-
Gain/-Loss on disposal PPE	-0,1	-0,2
Launch costs new theatres	-0,4	-
Other	-0,1	0,1
EBITDA	**-2,9**	**-2,2**
Accelerated depr Camera/Mob Ticketing/Sound	-	-0,1
Depreciation	**-**	**-0,1**
Provision dismissal fees	-0,6	-0,1
Provisions	**-0,6**	**-0,1**
Income tax expense	2,1	0,8
EPR	-	-9,4
Net impact of non-current items	**-1,4**	**-11,0**
Result from discontinued operations	8,7	-
Net impact of non current items	**7,2**	**-11,0**

EVOLUTION REBITDA PER VISITOR

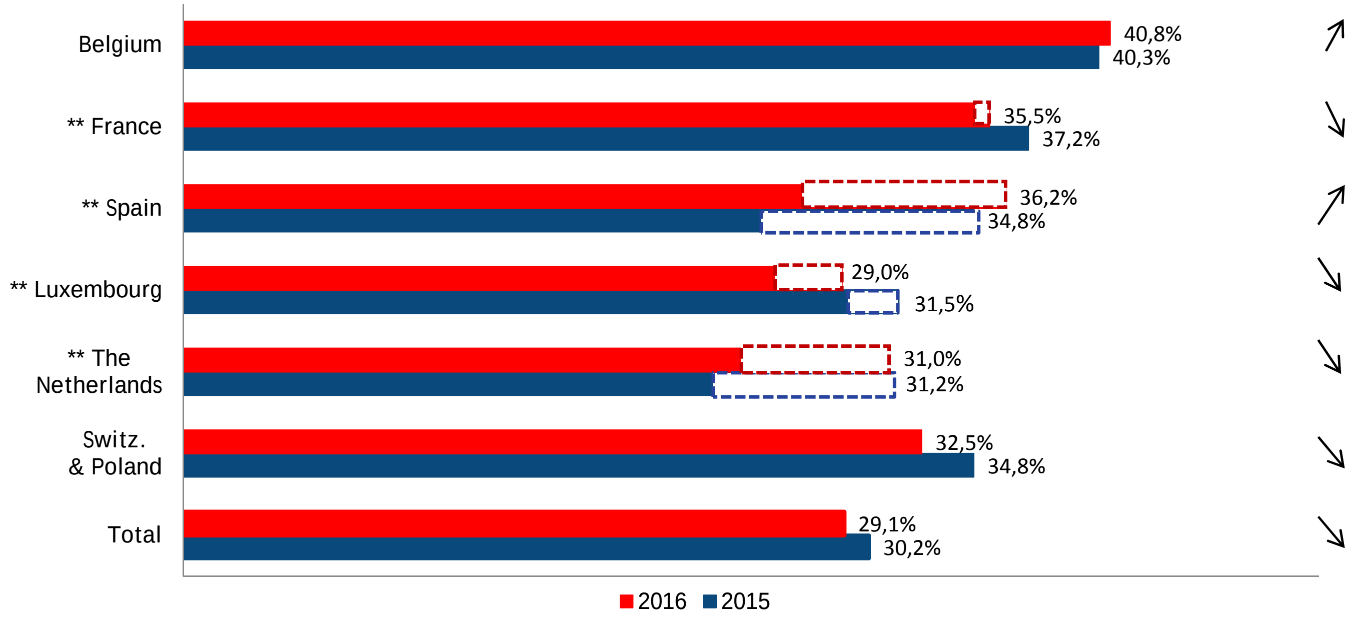


* Excluding corporate entities, KFD, Brightfish revenue

REBITDA BY COUNTRY

REBITDA €m	2016	% of Total	2015	% of Total	% Better/-Worse
Belgium	43,8	46,4%	48,0	52,8%	-8,7%
France	24,8	26,3%	24,2	26,6%	2,6%
Spain	11,6	12,2%	10,4	11,5%	10,8%
The Netherlands	9,2	9,7%	5,6	6,1%	64,9%
Luxembourg	3,6	3,8%	1,0	1,1%	265,1%
Switzerland & Poland	1,5	1,6%	1,7	1,9%	-10,8%
TOTAL	**94,6**	**100%**	**91,0**	**100%**	**4,0%**

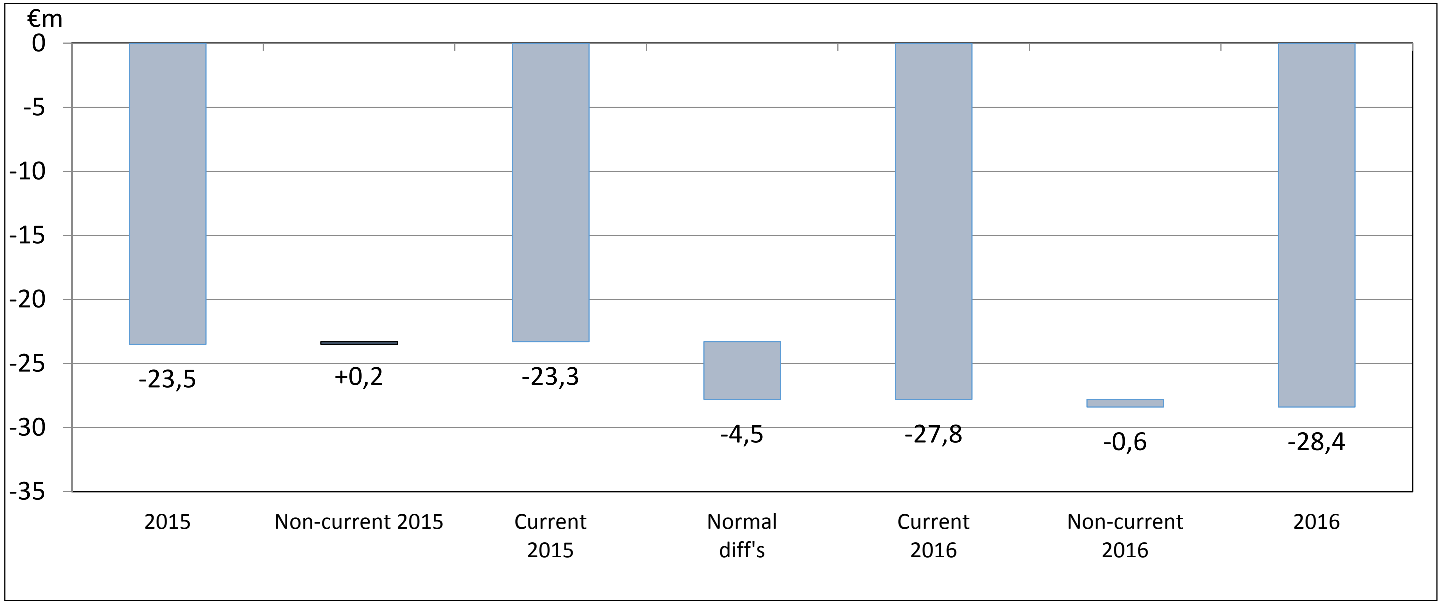
REBITDA MARGIN EXCL CORPORATE ENTITIES, KFD, BRIGHTFISH



** REBITDAR (i.e. REBITDA excluding rent for Valencia, Plaza Mar 2 (Alicante) and Alcobendas in Spain, Rouen in France and complexes in The Netherlands and Luxembourg)

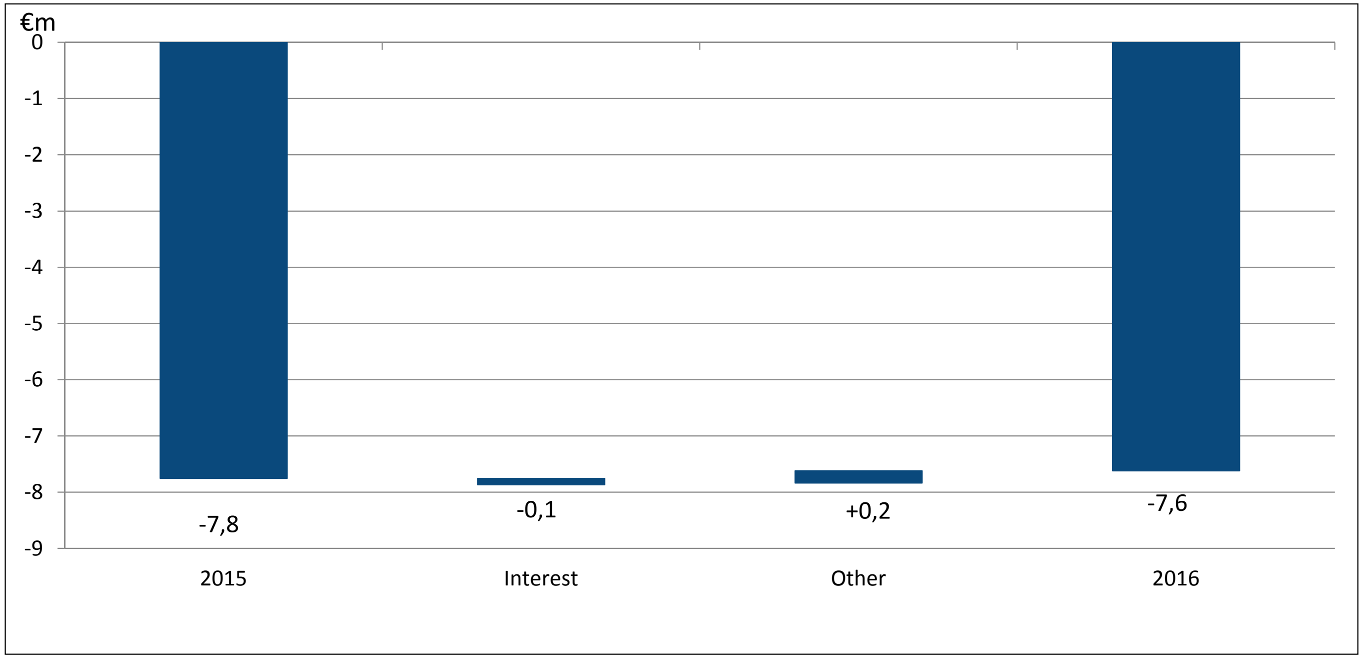
Impact rent added back indicated with dotted lines

DEPRECIATION, AMORTIZATION, PROVISIONS



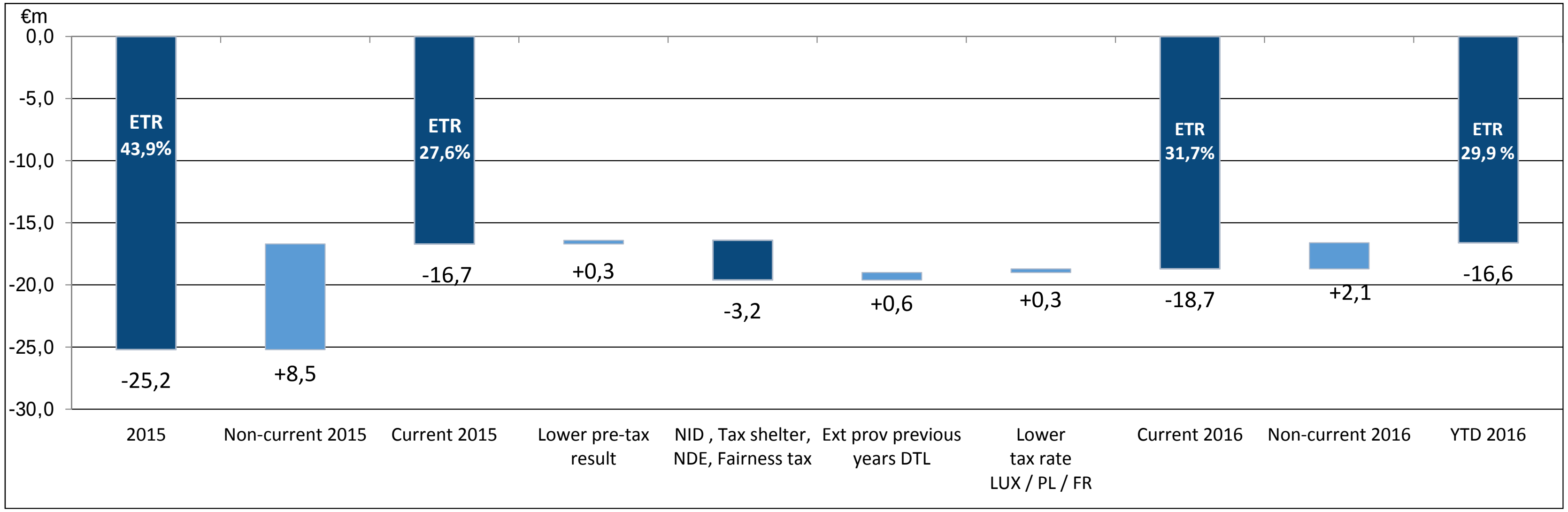
FINANCIAL RESULT

€m	2016	2015	% Better/-Worse
Interest Expense	-6,8	-6,7	-1,7%
Other (CNC, Derivatives, FX)	-0,8	-1,1	23,3%
Financial (Cost) / Income	**-7,6**	**-7,8**	**1,7%**



TAXES

€m	2016	2015	% Better/-Worse
Profit before taxes	55,6	57,5	-3,3%
Taxes	**-16,6**	**-25,2**	34,1%
Profit from discontinuing operations	8,7		
Profit	47,6	32,3	47,7%
Effective Tax Rate ('ETR')	***29,9%***	***27,6%***	**-2,3%**



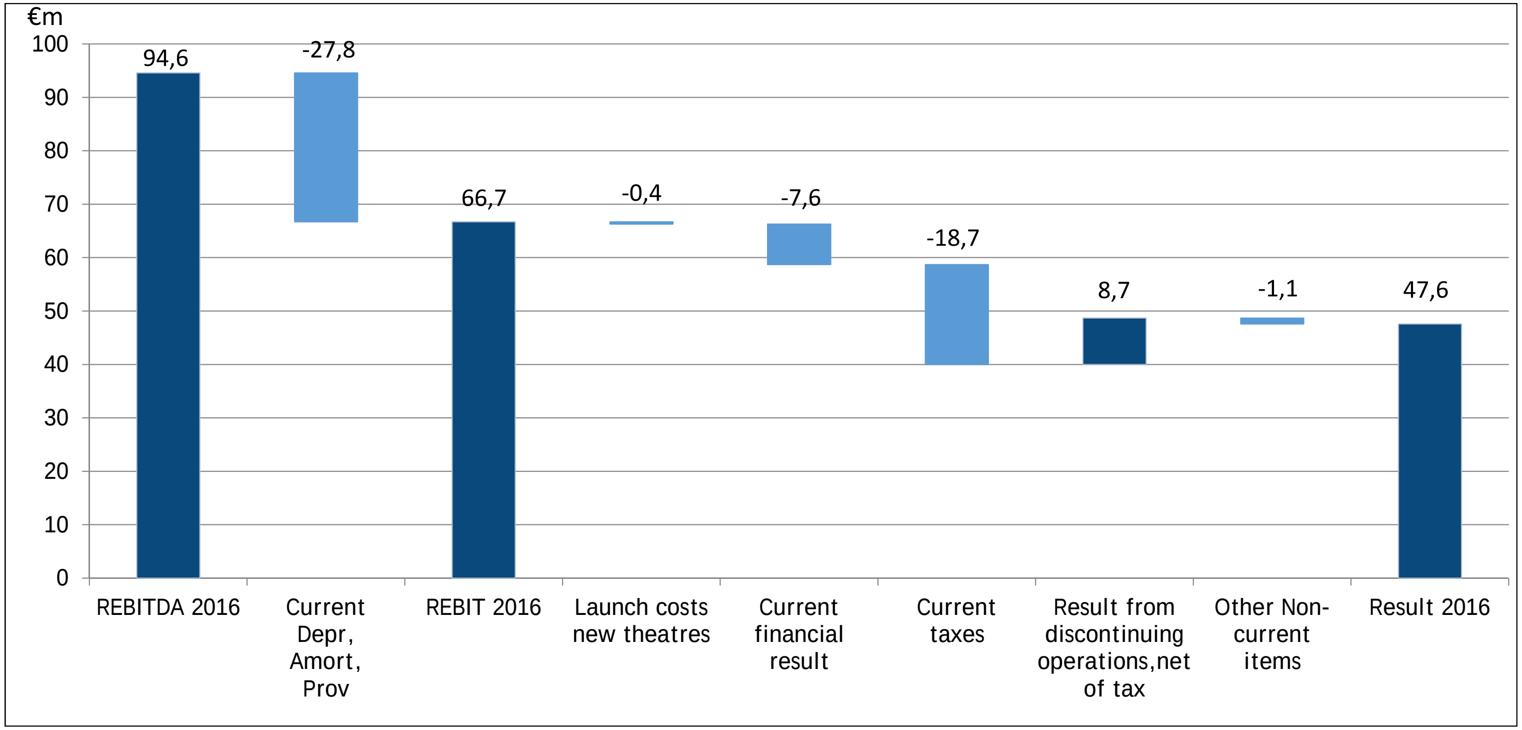
- On 11 January 2016, The European Commission published a decision that a purported regime of Belgian tax rulings with regard to ‘Excess Profit’ (EPR) should be considered as illegal state aid. The European Commission’s decision requires the Belgian government to asses back taxes from companies that received a tax ruling as if such a ruling did not exist. On 22 March 2016, the Belgian State appealed against the European Commission’s decision before the European General Court. The appeal has no suspensive effects.

- The Belgian tax authority has granted such a tax ruling to Kinepolis Group in 2012. As a result of the European Commission’s decision, Kinepolis has recorded a provision of € 9.4 m per 31 December 2015, in compliance with IAS 12, to cover the potential mandatory assessment of taxes by the Belgian State. The amount fully covers the potential liability, including interest charges.

- On 1 July 2016, Kinepolis Group, together with other companies affected by the EU Decision, appealed the decision of the European Commission. If or when one of the appeals are successful, all ring fenced amounts will be refunded. The final judgement of the European Court of Justice is not to be expected before several years.

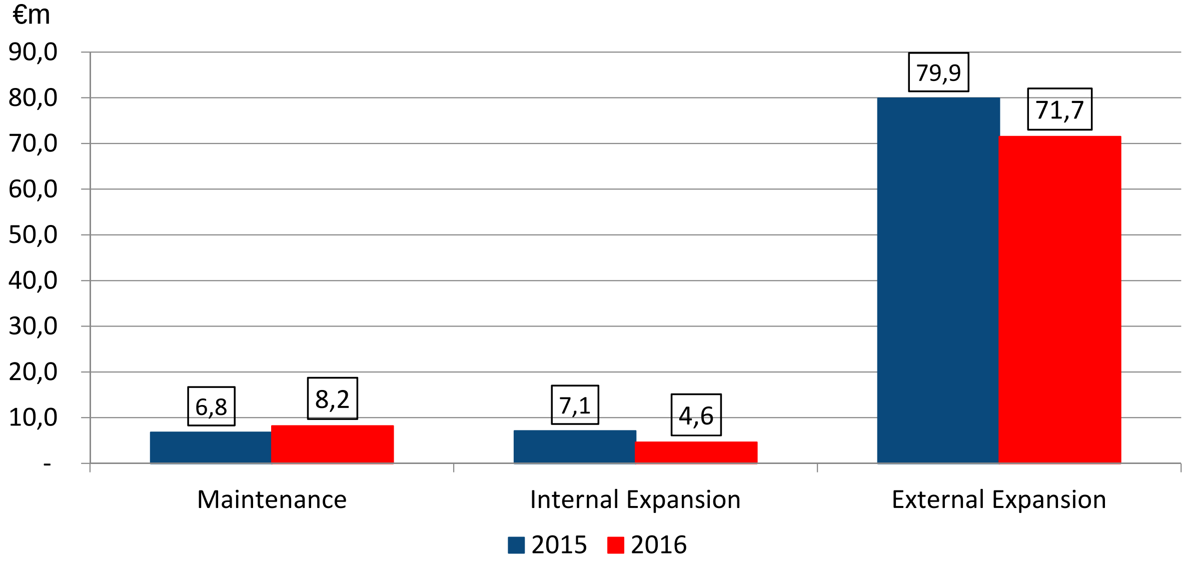
- In January 2017, Kinepolis Group has received tax assessments which were recorded by the Belgian government at the end of 2016 in order to neutralize the effects of the tax ruling. The assessments received by the Company relate to the years 2012-2013-2014. The amounts at issue were prepaid by the Company in 2016 as part of a “ring fencing” arrangement, which avoided further accrual of interest charges.

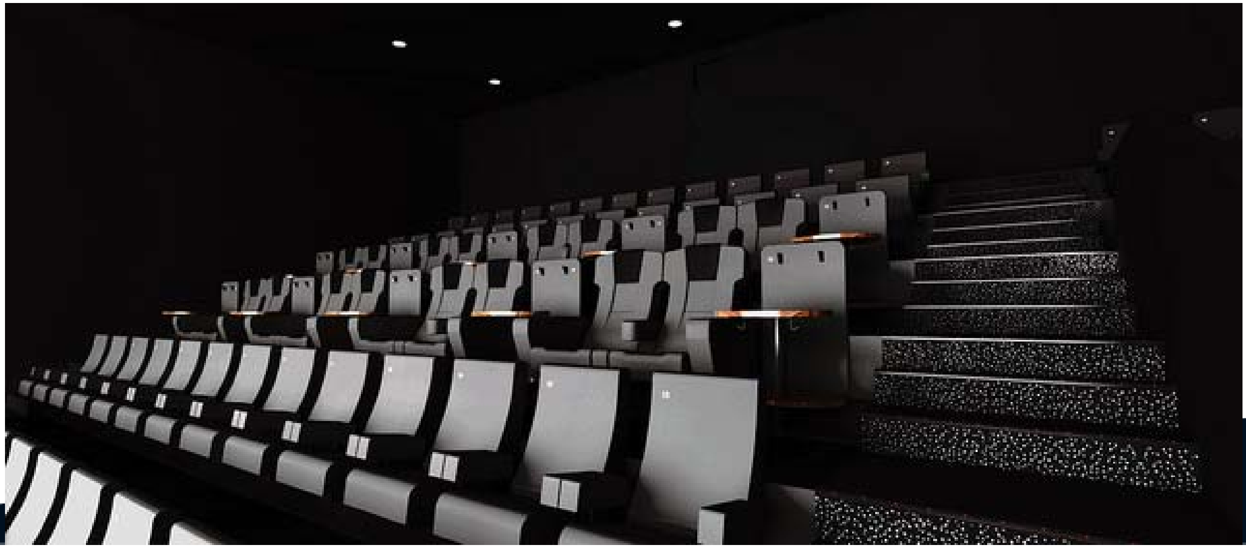
REBITDA TO NET RESULT



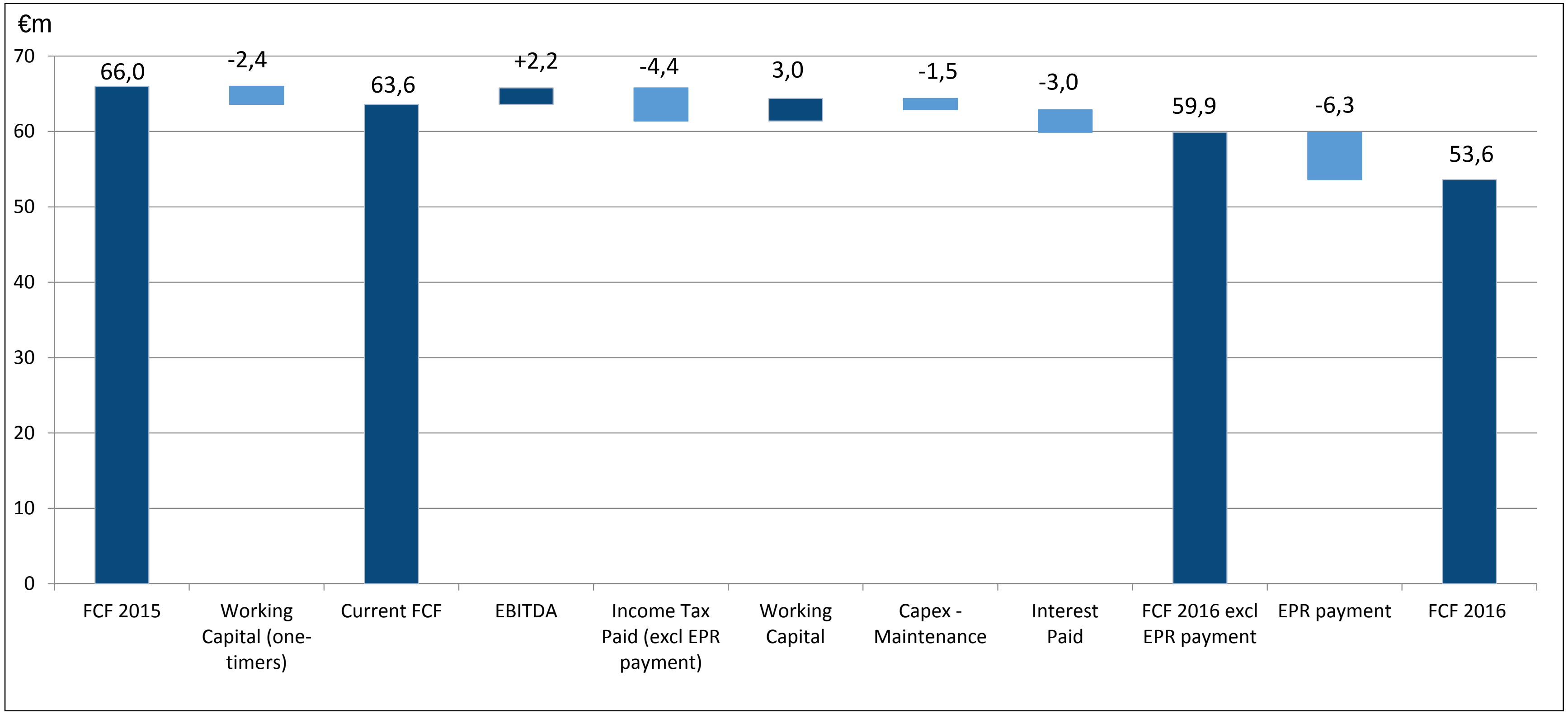
INVESTMENTS

€m	2016	2015
Belgium	6,5	7,2
France	3,3	1,9
Spain	1,3	2,9
The Netherlands	1,5	1,9
Luxembourg	0,1	0
Other	0,1	0
Maintenance & Internal Expansion	**12,8**	**13,9**
External Expansion	**71,7**	**79,9**
TOTAL	**84,5**	**93,8**



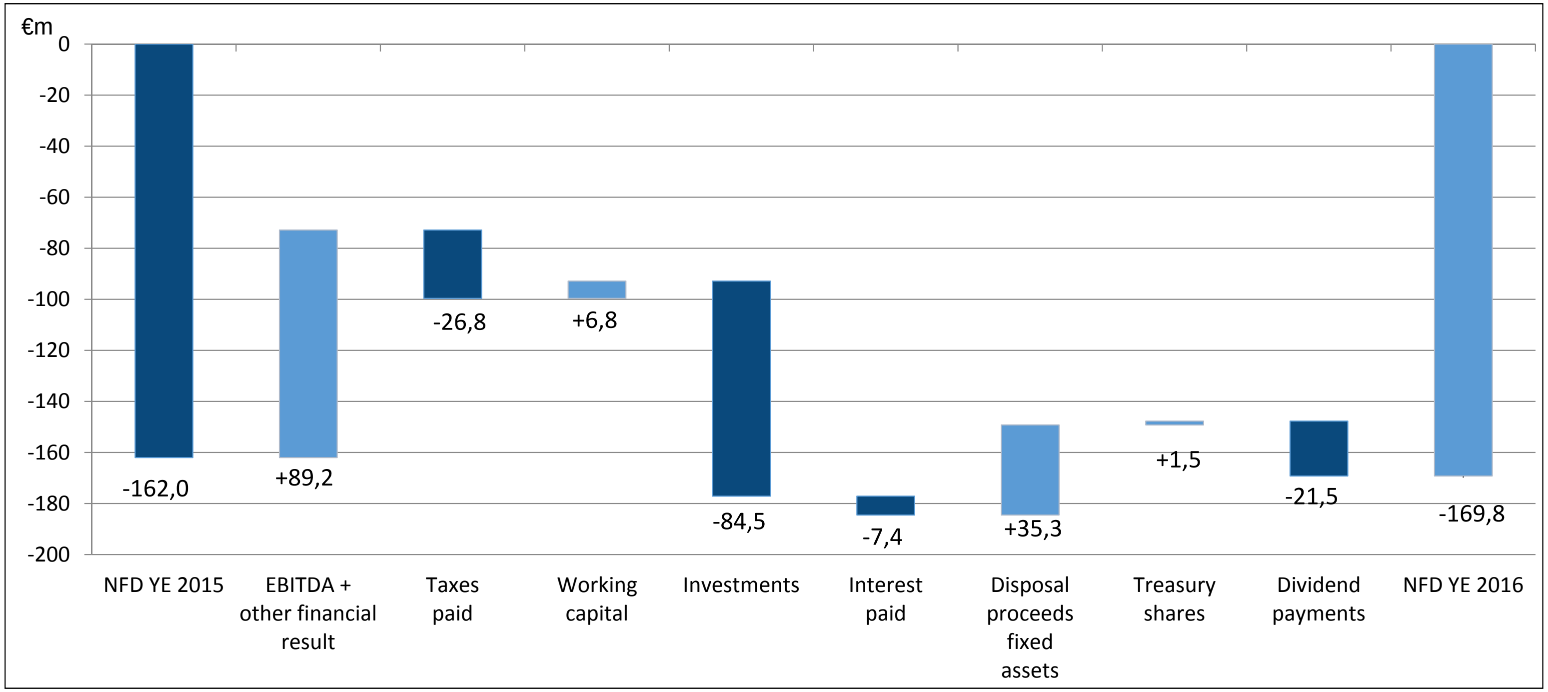


FREE CASH FLOW: 2016 VS 2015



NET FINANCIAL DEBT EVOLUTION

€m	2016	2015	Better/-Worse	% Better/-Worse
Net Financial Debt (NFD)	**169,8**	**162,0**	**-7,8**	-4,8%
Leverage ratio*: NFD / REBITDA	1,8	1,8		



* Not clubdeal definition

MATURITY PROFILE FINANCIAL DEBT

* Revolving credit facility not drawn at year end 2016

BALANCE SHEET

€m	2016	% of Total	2015	% of Total
Intangible assets	5,9	1,2%	5,1	1,0%
Goodwill	53,3	10,6%	53,3	10,9%
Property, plant & equipment	321,5	63,9%	289,2	58,9%
Investment property	31,0	6,2%	32,0	6,5%
Deferred taxes	0,9	0,2%	0,7	0,1%
Other receivables	11,6	2,3%	11,8	2,4%
Other financial assets	0,0	0,0%	0,0	0,0%
Non-current assets	**424,1**	**84,2%**	**392,1**	**79,9%**
Inventories	5,3	1,1%	4,7	1,0%
Trade & other receivables	29,4	5,8%	33,0	6,7%
Current taxes	0,4	0,1%	0,4	0,1%
Cash & cash equivalents	44,2	8,8%	60,4	12,3%
Derivate financial instruments	0,0	0,0%	0,1	0,0%
Current assets	**79,3**	**15,8%**	**98,6**	**20,1%**
Assets	**503,4**	**100,0%**	**490,7**	**100,0%**

€m	2016	% of Total	2015	% of Total
Capital & share premium	**20,1**	**4,0%**	**20,1**	**4,1%**
Consolidated reserves	130,9	26,0%	103,7	21,1%
Translation differences	-1,1	-0,2%	-0,8	-0,2%
Equity attributable to equity holders of the parents	**149,9**	**29,8%**	**123,0**	**25,1%**
Equity	**149,9**	**29,8%**	**123,0**	**25,1%**
Loans and borrowings	207,3	41,2%	214,0	43,6%
Provisions & employee benefits	7,2	1,4%	7,2	1,5%
Deferred tax liabilities	18,3	3,6%	19,9	4,0%
Other payables	9,5	1,9%	10,1	2,1%
Non-current liabilities	**242,3**	**48,1%**	**251,2**	**51,2%**
ST financial debt	7,0	1,4%	8,8	1,8%
Provisions	4,5	0,9%	0,8	0,2%
Working capital	90,7	18,0%	87,0	17,7%
Current taxes	9,1	1,8%	20,0	4,1%
Current liabilities	**111,2**	**22,1%**	**116,5**	**23,7%**
Equity & Liabilities	**503,4**	**100,0%**	**490,7**	**100,0%**

	2016	2015
Gearing ratio*	1,13	1,32
Current ratio**	0,71	0,85
Solvency ratio***	29,8%	25,1%
ROCE****	17,9%	21,5%

*: 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

	17/02/2017		24/08/2016	
	# Shares	%	# Shares	%
Total shares outstanding	27.365.197	100%	27.365.197	100%

Refence Shareholders & Free Float	**# Shares**	**%**	**# Shares**	**%**
Kinohold Bis, Pentascoop and Mr. Joost Bert	13.254.590	48,44%	13.254.590	48,44%
Treasury shares (Own shares)	132.346	0,48%	132.346	0,48%
Free Float	13.978.261	51,08%	13.978.261	51,08%

Other*	**# Shares**	**%**	**# Shares**	**%**
Axa SA	1.523.555	5,57%	1.523.555	5,57%
BNP Paribas Investment Partners SA	1.365.695	4,99%	1.365.695	4,99%
BlackRock Investment Mgt Ltd	1.113.195	4,07%	-	-

** Resulting from transparency notices received*

FINANCIAL CALENDAR

Friday	07/04/2017	Annual Report 2016 available
Wednesday	10/05/2017	General Meeting Kinepolis Group Business Update Q1 2017
Thursday	24/08/2017	Semestrial results 2017 press & analyst meeting
Thursday	16/11/2017	Business update Q3 2017

Q&A

Thank you

KINEPOLIS GROUP