



Kinopolis Group

Business Update Q1 2012

15th May 2012 - 6.30am

Regulatory release

First quarter 2012¹

- ★ Internationally Kinopolis Group received 4.7 million visitors, a decrease of 11% due to the film offer. This backlog was fully eliminated in April thanks to a better film offer and more favourable weather conditions.
- ★ In absolute figures, box office revenue and in-theatre sales² were lower in the first quarter as a result of the decrease in visitor numbers.
- ★ On the other hand, revenue per visitor rose thanks to the continued implementation of the Group's strategy and constant cost control.
- ★ Business-to-business revenue (B2B) and rental income increased.
- ★ Current³ EBITDA⁴ fell proportionally less than visitor numbers.
- ★ Net financial debt was similar to net financial debt on 31 December 2011, in spite of the continued share buyback.

Notes

From 1 January to 31 March Kinopolis Group welcomed 4.7 million visitors, 11% less than in the same period in 2011. The lack of strong films on show during the first quarter impacted the entire European film sector. The lack of local films, as well as the ongoing economic crisis was to blame in Spain. Box-office revenue fell to a lesser extent than visitor numbers. In April the negative trend in visitor numbers has been entirely offset. A better quality range of films and improved (cinema) weather could entirely compensate for the loss of visitors during the first quarter.

The top 5 films of the first quarter were comprised of 'Sherlock Holmes: A Game of Shadows', 'Intouchables', 'La Vérité si je Mens! 3', 'Alvin and the Chipmunks 3' and 'Journey to the Centre of the Earth 2' (3D). In the top 5, there are two French films, which have been actively and successfully released in several countries. In Flanders, 'Tot Altijd' performed particularly well.

	Belgium	France	Spain	Switzerland	Total
Q1 2012 (million)	2.2	1.5	0.9	0.03	4.7
Q1 2011 (million)	2.4	1.7	1.1	0.04	5.3
2012 compared to 2011	-8.7%	-11.0%	-15.7%	-23.3%	-11.0%

In-theatre sales (ITS) per visitor increased compared to the first quarter of last year thanks to the further optimization of the product range. The continued roll-out and success of the Mega Candy self-service shops resulted in a higher expenditure per visitor to a degree where it could largely compensate for the effect of lower ticket sales.

Business-to-business (B2B) revenue increased during the first quarter thanks to, among others, the sale of movie vouchers and corporate events.

Real estate revenue increased as a result of higher revenue from existing rental agreements.

Revenue from Kinopolis Film Distribution (KFD) decreased compared to the first quarter of 2011 as a result of fewer movie releases and the major success of 'Rundskop' in the first quarter of last year.

The previous quarter saw major KFD releases such as 'Tot Altijd' (25/01/2012), 'Plop wordt Kabouterkoning' (28/03/2012), 'The Grey' (29/02/2012) and 'The Woman in Black' (14/03/2012).

The current EBITDA fell slightly due to the lower number of visitors. This decrease was limited thanks to results of ITS, the business-to-business and real estate activities and the continued focus on improving efficiency, on margin-improving measures and fixed cost control.

The net financial debt remained at the same level in comparison with the net financial debt as at 31 December 2011, in spite of the continuation of the share buyback program for over € 10 million during the first quarter.

Significant events since 1 January 2012

New website and apps

Kinopolis launched its new website and a number of new applications in early 2012. With the introduction of the personalised iPhone, iPad and Android apps and the My Kinopolis newsletter, the group will be able to reach out to film and event enthusiasts in 2012. The next step is for Kinopolis to customise its website. The corporate and investor relations website is currently undergoing a full revamp.

Refinancing

In connection with the refinancing of its existing syndicated credit facility and in order to finance further development of the group, Kinopolis Group agreed a new loan for € 90 million with ING Belgium, KBC Bank and BNP Paribas Fortis on 15 February 2012.

On 20 February 2012, Kinopolis Group announced an offering for subscription to bonds in Belgium with a maturity of 7 years and a fixed annual gross rate of 4.75%. Due to its great success, the subscription period was closed early, reaching a total issue amount of € 75 million. The bonds were issued on 6 March 2012 and admitted to trading on NYSE Euronext Brussels.

Share buyback

On 29 February 2012, Kinopolis Group announced the start of the next phase of the share buyback programme. A financial intermediary has been appointed to acquire a maximum of 300,000 shares on or off the market from 1 March 2012 to 31 May 2012. Since 1 September 2011 Kinopolis has already purchased 761.399 of its own shares. Taking into account the own shares the group already possessed and the cancellation of 349.423 own shares end of 2011, Kinopolis Group owns 689.207 treasury shares as at 14 May 2012. Through the share buyback and the 2011 capital decrease, Kinopolis Group aims to optimize its capital structure in order to create value for its shareholders.

CFO

On 12 March 2012, Nicolas De Clercq was appointed as Chief Financial Officer of Kinopolis Group. Nicolas De Clercq succeeds Henk Rogiers. Nicolas De Clercq, 40 years of age, has many years of international and financial experience in various sectors. Previously, he was Vice President Finance at USG People, where he was financially responsible for both the Dutch and German markets of USG People.

Line-up

'The Hunger Games' and 'Avengers' provided a strong opening to the second quarter. Film enthusiasts are also gearing up for 'Men in Black 3', 'Prometheus', 'Snow White and the Huntsman',

'Ice Age 4' and 'Madagascar 3'. Other promising films which are to be shown over the second half of the year are 'Twilight 4 part 2', 'Spiderman 4', the latest James Bond movie 'Skyfall', 'The Hobbit' and 'Django Unchained'. The billboard also includes a range of local films, including the new film from Felix van Groeningen 'The Broken Circle Breakdown', as well as 'Brasserie Romantique', 'Asterix et Obelix: God Save Britannia', 'Tengo Ganas de Ti' and 'Grupo 7'. Furthermore, Kinopolis will also continue to complement the usual film offering with more specialized programming, such as Ladies@theMovies and Cinémanie, as well as live highlights, such as opera, ballet, theatre, musicals and sports, which are attracting a new cinema audience.

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¹ From 1 January until 31 March. The first quarter of 2012 is compared with the first quarter of 2011.

² Revenue from the sale of drinks, snacks and merchandising

³ After elimination of non-current transactions

⁴ EBITDA is not recognized under IFRS. Kinopolis Group defines this concept by adding depreciation, amortization and provisions, and the reversal or use of the same items, to operating income.