



SEMESTRIAL FINANCIAL REPORT 2016





Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

Kinopolis welcomed 14.6% more visitors and generated 13.9% more turnover and 10.4% more REBITDA in the first half of 2016

The number of visitors increased in the first half of 2016, mainly due to the addition of acquired and new cinemas in the Netherlands, France and Luxembourg. Leaving aside the impact of the expansion, the number of visitors was virtually stable.

The continued implementation of the strategic pillars and product innovation resulted in a further increase in sales per visitor and improved operational efficiency.

The results of the first half of the year were also impacted by the recent acquisition of Utopolis (November 2015) and the cinema in Rouen (January 2016), whose integration is currently in the start-up phase, and the new cinema in Dordrecht, which opened in February.

Key figures H1 2016^{1 2}:

- ★ The number of visitors increased by 14.6% to 11.2 million, mainly due to the expansion and, in Spain, to the recovering economy.
- ★ Revenue from the sale of tickets, beverages and snacks increased by 15.9%, outpacing the rise in visitor numbers. Total revenue increased by 13.9% to € 148.3 million.
- ★ Current³ EBITDA⁴ (REBITDA) increased by 10.4% to € 39.6 million.
- ★ Net current profit decreased by 7.3% to € 14.0 million, due to higher depreciation and a strong increase in the tax rate after the European Commission's decision regarding the Belgian excess profit rulings (EPR).
- ★ Free cash flow⁵ rose by 4.2% to € 9.8 million.
- ★ The net financial debt increased by € 51.6 million to € 213.6 million, mainly due to the expansion.

¹ All comparisons are with the figures in the first six months of 2015.

² Press release based on unaudited figures.

³ After eliminating non-current transactions.

⁴ EBITDA is not a recognized IFRS term. Kinopolis Group NV 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 cash flow generated from operating profits less the investments in intangible assets and property, plant and equipment and investment property, and paid interest charges.



Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

A strong first quarter, including ‘Star Wars Episode VII: The Force Awakens’, ‘Deadpool’ and ‘The Revenant’, was followed by a rather weak second quarter, characterized by a less successful local and international film program, especially compared to the big hits ‘The Fast and Furious 7’ and ‘Jurassic World’ in the same period the previous year. The European football championship was another factor in the weaker results of the second quarter. France with ‘Les Tuche 2’, Belgium with ‘Safety First’ and Spain with ‘Palmeras en la Nieve’ reaped the rewards of a successful local program in the first quarter. In Spain recovering consumer confidence also contributed to the increased number of visitors over the first half of 2016.

Visitor-related revenue (from the sale of tickets, beverages and snacks) increased by 15.9% compared to the same period the previous year. Box Office (BO) revenue per visitor increased due to more 3D films and price adjustments at renovated complexes, among other things. Revenue from the sale of beverages and snacks (In-theatre sales, ITS) also increased, except for the Netherlands, where the acquisition of Utopolis impacted the average ITS turnover.

B2B and real estate income increased, but at a slower pace than average turnover growth. Only Brightfish saw its income decrease, as a consequence of fewer events with partners and the continued fall in income from national screen advertising.

The film distribution business (Kinopolis Film Distribution, KFD) experienced a very strong first half of the year, due to the successful local films ‘Safety First’ and ‘Achter de Wolken’, and fewer film releases in the first half of 2015.

Eddy Duquenne, CEO Kinopolis Group, about the first half of 2016: “We have performed solidly in the first six months, also due to successful product innovation and further improved operational efficiency. Over the coming period, management will focus on a successful integration of the acquired Utopolis cinemas and the divestment of the Belgian Utopolis complexes. The launch of the new cinemas is on track.”



Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

Key figures

In million €	H1 2016	H1 2015	% difference
Visitors ('000)	11,231	9,799	14.6%
Revenue	148.3	130.2	13.9%
EBITDA	38.3	34.8	10.0%
Current EBITDA (REBITDA)	39.6	35.8	10.4%
<i>REBITDA margin</i>	<i>26.7%</i>	<i>27.5%</i>	<i>-84bps</i>
EBIT	23.8	23.6	0.9%
Current EBIT (REBIT)	25.1	24.7	1.6%
<i>REBIT margin</i>	<i>16.9%</i>	<i>19.0%</i>	<i>-206bps</i>
Profit	13.2	14.4	-8.2%
Current profit	14.0	15.1	-7.3%
Earnings per share (in €)	0.48	0.54	-11.1%
Free cash flow	9.8	9.4	4.2%

In million €	30 Jun 2016	31 Dec 2015	% difference
Total assets	480.0	490.7	-2.2%
Equity	115.6	123.0	-6.1%
Net financial debt (NFD)	213.6	162.0	-31.8%

Notes

Revenue

Total revenue in the first half of 2016 was € 148.3 million, an increase of 13.9% compared to the same period the previous year. Visitor-related turnover (from the sale of tickets, beverages and snacks) increased by 15.9%, outpacing the rise in the number of visitors (+14.6%). B2B and real estate income increased by 12.7% and 10.4% respectively⁶. Only Brightfish saw its revenue decrease in the first half of the year (-29.4%).

Revenue from ticket sales (box office, BO) increased by 15.7%, while revenue from beverages and snacks (in-theatre sales; ITS) increased by 16.4%. BO revenue per visitor rose by 1.0% and ITS revenue by 1.6%. Sales per visitor increased in all countries, with the exception of the ITS revenue per visitor in the Netherlands, where the acquisition of Utopolis impacted the average ITS turnover.

⁶ At constant exchange rates.

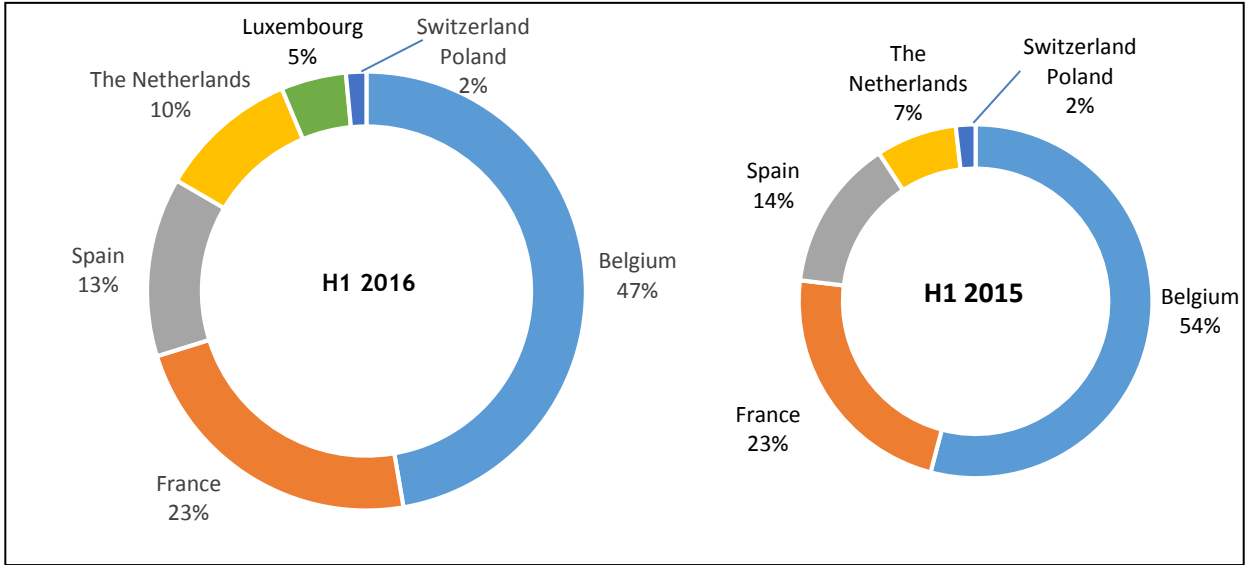


Kinopolis Group

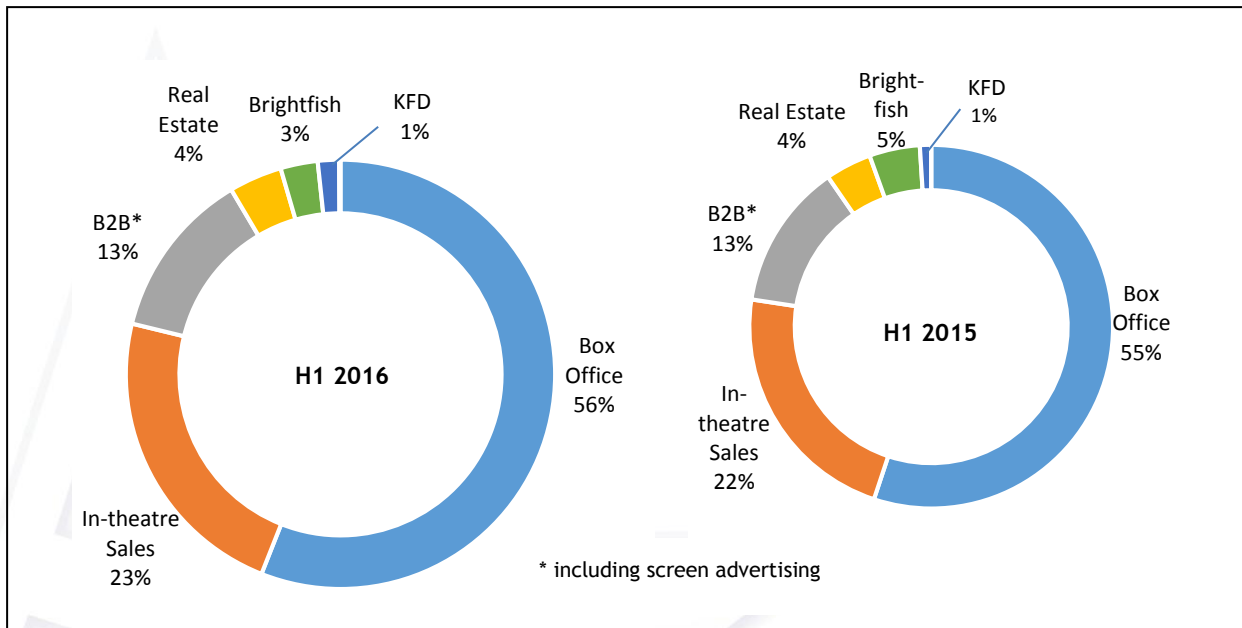
Interim financial report 30 June 2016

Regulatory release - 25 August 2016

Revenue by country



Revenue by activity





Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

Box Office revenue increased by 15.7% to € 83.0 million, thanks to the higher visitor numbers and increased sales per visitor in all countries, resulting from, among other things, more 3D and long films, and price adjustments in renovated complexes.

The increase in visitor numbers (+14.6%) was almost exclusively due to the addition of acquired and new cinemas.

The top 5 in the first half of 2016 were 'The Revenant', 'The Jungle Book', 'Zootopia', 'Deadpool' and 'Star Wars Episode VII: The Force Awakens'. The most successful local films were 'Safety First' and 'Achter de Wolken' in Belgium, 'Les Tuche 2' and 'Pattaya' in France, 'Rokjesdag' and 'Bon Bini Holland' in the Netherlands, and 'Palmeras en la Nieve' and 'Cien años de perdon' in Spain.

Visitors (in millions)	Belgium	France	Spain	Nether- lands	Luxem- bourg	Switzer- land	Total
Number of cine- mas*	11	10	5	15**	3	1	45
H1 2016	4.0	3.5	2.0	1.1	0.5	0.1	11.2
H1 2015	4.1	3.0	1.9	0.7	0.0	0.1	9.8
H1 2016 vs. H1 2015	-2.0%	+15.9%	+3.4%	+59.0%	+100.0%	-5.8%	+14.6%

(*) Operated by Kinopolis. Another two cinemas (in Belgium and Poland) are leased to third parties.

(**) Including Kinopolis Breda, which opened on 1 August 2016 and is not yet included in these figures.

The **in-theatre sales** increased by 16.4% due to a higher consumption per visitor in all countries except for the Netherlands, and in spite of the new country mix. The lower share of Belgium, which has a higher than average consumption per visitor, was offset by a general rise in the number of products purchased per visitor and the fact that more people visited the shops in Spain and the Netherlands.

B2B revenue rose by 12.7% due to more events, increased sales of cinema vouchers to companies and a rise in the revenue from screen advertising in all countries except for Belgium.

Real estate income rose by 10.4%⁷ due to the expansion, higher income from existing concessions - in part because of a higher occupancy rate - and higher parking income.

The revenue of **Kinopolis Film Distribution (KFD)** increased by 81.8% due to the success of the local films 'Safety First' and 'Achter de Wolken' and fewer film releases in the first half of 2015.

The revenue of Brightfish decreased by 29.4%, mainly due to fewer events with partners and a further drop in income from national screen advertising.

⁷ At constant exchange rates.



Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

REBITDA

Current EBITDA (REBITDA) increased by 10.4% to € 39.6 million. This rise is almost exclusively due to the expansion of the past few years. The REBITDA margin was 26.7% and the REBITDA per visitor fell by 3.6% from € 3.66 to € 3.52. The slight decrease in the REBITDA margin and REBITDA per visitor is due to the recent acquisition of Utopolis, whose integration is in the start-up phase, as well as the new country mix and higher overhead costs resulting from the expansion.

Profit for the period

Although REBITDA increased, current profit decreased in the first half of the year by 7.3% to € 14.0 million compared to the same period the previous year (€ 15.1 million), due to higher depreciation and a strong rise in the tax rate.

Total profit was € 13.2 million, compared to € 14.4 million in the first six months of 2015, a decrease of 8.2%.

The most important non-current items in the first half of 2016 were transformation and expansion costs (€ -1.1 million), profit from discontinued operations (€ +0.1 million) and a number of other costs (€ -0.2 million). The positive tax effect on these non-current items was € 0.4 million.

The most important non-current items in the first half of 2015 were transformation and expansion costs (€ -0.6 million) and a number of other costs (€ -0.4 million). The positive tax effect on these non-current items was € 0.4 million.

The net financial costs remained stable at € 4.1 million.

The effective tax rate was 33.4%, compared to 26.5% in the same period the previous year. The higher tax rate reflected the decision on the Belgian excess profit rulings (EPR).

The profit per share was € 0.48, which is 11.1% lower than in the first half of 2015.

Free cash flow and net financial debt

The free cash flow was € 9.8 million, compared to € 9.4 million in the first half of 2015.

The higher free cash flow was the consequence of higher EBITDA adjusted for non-cash elements (€ +3.0 million) and lower taxes (€ +1.8 million), partly offset by higher interest rates (€ -2.3 million), higher maintenance capital expenditures (€ -1.2 million) and development of the working capital (€ -0.8 million).

The free cash flow after expansion investments, dividends and share buybacks was € -51.4 million, € 16.4 million lower than the year before, due to an increase of € 12.8 million in internal expansion investments and acquisitions and € 5.5 million less share buybacks, partly offset by a decrease of € 1.5 million in dividend payments because of an exceptional dividend payment in 2015.

In the first half of 2016 capital expenditure was € 45.7 million, € 14.1 million higher than in the previous year. This is the consequence of the acquisition of Utopolis Belgium and the ongoing investments with regard to the construction of new complexes in Dordrecht, Breda and Utrecht (the



Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

Netherlands), the installation of Cosy Seating at nine cinemas and the refurbishment of Kinopolis Groningen, Enschede (the Netherlands) and Bourgoin (France).

Net financial debt was € 213.6 million at 30 June 2015, an increase of € 51.6 million compared to 31 December 2015 (€ 162.0 million). The NFS/EBITDA ratio increased from 1.8 at 31 December 2015 to 2.3 at 30 June 2016.

The total gross financial debt increased by € 13.8 million to € 236.6 million at 30 June 2016 compared to 31 December 2015 (€ 222.8 million).

Balance sheet

Fixed assets (€ 398.9 million) represented 83.1% of the balance sheet total (€ 480.0 million) on 30 June 2016. This includes land and buildings (including investment property) with a carrying amount of € 259.5 million.

At 30 June 2016 equity was € 115.6 million. Solvency was 24.1%, compared to 25.1% in 2015.

Important events since 1 January 2016

Takeover of the operation of the cinema in the Rouen Saint-Sever shopping centre

On 13 January 2016 Kinopolis took over the operation of the cinema located in the Saint-Sever shopping centre in the heart of Rouen (Normandy, France). The cinema, previously operated by UGC, has 14 screens and 2,500 seats and welcomed more than 400,000 visitors in 2015. It is the first Kinopolis cinema in Normandy.

Refurbishment of the former Wolff cinemas in Enschede and Groningen

After a thorough renovation, the former Wolff cinemas in Enschede and Groningen (the Netherlands) were reopened as 'Kinopolis' cinemas. Both were equipped with the characteristic self-service shop, automatic ticketing machines and the interior was thoroughly renewed. Kinopolis Enschede (re)opened its doors on 29 January 2016 as the first Dutch cinema under the Kinopolis name. Kinopolis Groningen followed on 18 March 2016. Together with the opening of the first Dutch Kinopolis cinema, the kinopolis.nl website also went live.

Opening of Kinopolis Dordrecht

The first new-build Kinopolis cinema in the Netherlands was officially opened on 17 February 2016. It was the first new-build cinema in nine years for Kinopolis Group. Accommodating six screens and almost 1,200 seats, Kinopolis Dordrecht stands out by its unusual architectural style and location alongside the water.

Acquisition of the Belgian Utopolis cinemas

On 24 March 2016, the Belgian Competition Authority (BCA) approved the acquisition of the Belgian Utopolis cinemas by Kinopolis Group, on the condition that the complexes in Mechelen and Aarschot are sold with a view to their continued operation. After this decision Kinopolis 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. Ahead of the sale of at least the complexes in Mechelen and Aarschot, operations at these cinemas will be continued under the conditions imposed by the BCA. All four complexes are included in the legal entity Utopolis Belgium NV. This entity has been classified as held for sale.



Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

Construction started on first Kinopolis cinema in Île-de-France region

The first stone of the 'Les Promenades de Brétigny' retail park in Brétigny-sur-Orge, 35 kilometres south of Paris, was laid on 3 June 2016. This new leisure and restaurant complex will also house the first Kinopolis cinema in the Île-de-France region. The cinema will have ten screens and 1,530 seats. Some 500,000 visitors per year are expected. Kinopolis will lease a wind-tight building with a gross leasable area of 6500 m² from Immochan. Kinopolis will take care of all cinema interiors and finishing. The cinema is scheduled to open in the summer of 2017.

Kinopolis announces new project in Fenouillet, in the north of Toulouse

At the end of June 2016 Kinopolis was granted a building permit for an eight-screen, 1100-seat cinema in Fenouillet, ten minutes away from Toulouse city centre (France). Construction began immediately. The cinema will be part of the new 'La Galerie Espaces Fenouillet' shopping and recreation centre in the north of Toulouse, initiated by property developer Mercialys. The cinema will ultimately be incorporated in a 87,000 m² retail centre with no fewer than 130 shops, a dedicated area housing 20 restaurants, and 2,600 parking spaces. Kinopolis has targeted 400,000 visitors per year.

Kinopolis will open a new cinema in Granada

Kinopolis has been granted all necessary permits to construct and operate a new cinema complex in Armilla, southwest Granada (Spain). The cinema will be part of the 'Nevada' shopping centre, which will be one of Andalusia's biggest when it opens in November this year. The cinema will have eight screens and 1,693 seats. Kinopolis expects to welcome almost 400,000 visitors per year to its Nevada complex.

Kinopolis will lease a wind-tight building with a gross leasable area of 6,000 m² from General de Galerías Comerciales (GGC), the owner of the Nevada shopping centre. Kinopolis will invest in all cinema interiors and finishing over the next few months. This brand-new second complex in Granada will enable Kinopolis to strengthen its position in the region and offer the unique Kinopolis cinema experience to even more people.

Opening of Kinopolis Breda, Europe's first all-laser cinema

Kinopolis Breda (the Netherlands) opened to the general public on 1 August 2016. The cinema has 10 screens and 1,727 seats and is part of the Breepark event area. Kinopolis has targeted 450,000 visitors per year in Breda. Kinopolis Breda is the first cinema in Europe to be exclusively equipped with laser projectors. One Barco Flagship laser projector and nine Barco laser phosphor projectors ensure superior quality in every theatre. In the Laser Ultra theatre, Barco's flagship laser projector is combined with the immersive Dolby Atmos sound system.

Further rollout of Cosy Seating

The Cosy Seating concept is well received by customers and in the first half of 2016, Kinopolis equipped even more cinemas in Belgium (Rocourt, Bruges, Brussels, Braine-l'Alleud) and France (Lomme, Thionville, Metz, Nancy, Nîmes) with "Cosy Seats". These seats offer even greater comfort and convenience, with extra wide armrests, a handy table for drinks and snacks and a coat hanger. Visitors who prefer "Cosy Seats" pay a supplement on the normal ticket price.

Launch of the 'Meet me at Kinopolis' app

In February 2016 Kinopolis launched the 'Meet me at Kinopolis' app in Belgium. This mobile app enables like-minded people, based on their personal film preferences, to find each other to go to the movies together. Going to the cinema is a social experience: research shows that the lack of company is the main reason for not going to the cinema more often. With this app Kinopolis helps users, in three simple steps, to find someone to go to the movies at a Kinopolis cinema. After a successful Belgian introduction the app has also been launched in Spain in June.



Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

EPR

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

The Belgian tax authority has granted such a tax ruling to Kinopolis Group in 2012. As a result of the European Commission's decision, Kinopolis has recorded a provision of € 9.4 million, in compliance with IAS 12, to cover the potential assessment of taxes on the excess profits that, following the ruling, were not taken into account in the taxable base. The amount fully covers the potential liability, including interest charges. In June 2016, the Belgian government issued several communications, which provide information on the methodology that should be used to determine the amount of the taxes to be recovered. The € 9.4 million EPR provision complies with the methodology communicated.

In June 2016, the Belgian government presented the possibility of ring fencing the amounts to be recovered. Kinopolis Group considers ring fencing in order to suspend any further interest expenses. The payment is expected to take place in the second half of 2016.

On 1 July 2016, Kinopolis Group, together with other affected companies, appealed the decision of the European Commission before the European General Court. If the appeal is 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.

Line-up for the second half of 2016

The big hits at the moment include 'The Secret Life of Pets', 'Suicide Squad', 'Jason Bourne', 'Star Trek Beyond' and 'Ghostbusters'. The following hits in the making are programmed for the second half of the year: 'Bridget Jones's Baby', 'Ben-Hur', 'The Magnificent 7', 'Moana' and 'Rogue One - a Star Wars Story'. The local program also looks very promising, with 'De Premier' in Belgium, 'Camping 3', 'Débarquement immédiat' and 'Radin!' in France, 'El hombre de las mil caras' and 'Zipi y Zape y la Isla del Capitan' in Spain, and 'Soof 2' and 'Prooi' in the Netherlands. Live opera and ballet are complemented with art ('Exhibition on Screen') and concerts.

Financial calendar

Thursday 17 November 2016
Thursday 16 February 2017
Wednesday 10 May 2017

Business update third quarter 2016
Annual results 2016
Shareholders' meeting



Kinopolis Group

Interim financial report 30 June 2016

Regulatory release - 25 August 2016

Contact

Kinopolis Press Office
+32 (0)9 241 00 16
pressoffice@kinopolis.com

Kinopolis Investor Relations
+32 (0)9 241 00 22
investor-relations@kinopolis.com

About Kinopolis

Kinopolis Group NV was formed in 1997 as a result of the merger of two family cinema groups and was listed on the stock exchange in 1998. Kinopolis offers an innovative cinema concept which serves as a pioneering model within the industry. Kinopolis Group NV has 47 cinemas spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. In addition to its cinema business, the Group is also active in film distribution, event organization, screen publicity and property management. 2,300 employees are committed each day to providing millions of cinema visitors an unforgettable movie experience.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2016

- 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 €

30/06/2016

30/06/2015

Revenue	148.310	130.171
Cost of sales	-106.343	-91.341
Gross profit	41.967	38.830
<i>Gross profit / Revenue</i>	28,3%	29,8%
Marketing and selling expenses	-7.711	-6.596
Administrative expenses	-10.791	-8.979
Other operating income	452	440
Other operating expenses	-110	-97
Operating profit	23.807	23.598
<i>Operating profit / Revenue</i>	16,1%	18,1%
Finance income	428	639
Finance expenses	-4.536	-4.717
Profit before tax	19.699	19.520
Income tax expense	-6.578	-5.168
Profit for the period from continuing operations	13.121	14.352
Profit from discontinued operations, net of tax	51	0
Profit for the period	13.172	14.352
<i>Profit for the period / Revenue</i>	8,9%	11,0%
Attributable to:		
Owners of the Company	13.172	14.352
Profit for the period	13.172	14.352
Basic earnings per share from continued operations (€)	0,48	
Basic earnings per share from discontinued operations (€)	0,00	
Basic earnings per share (€)	0,48	0,54
Diluted earnings per share from continued operations (€)	0,48	
Diluted earnings per share from discontinued operations (€)	0,00	
Diluted earnings per share (€)	0,48	0,54

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

30/06/2016 30/06/2015

Profit for the period	13.172	14.352
Items that are or may be reclassified to profit or loss:		
Translation differences	-384	1.406
Cash flow hedges - effective portion of changes in fair value	-453	50
Cash flow hedges - net change in the fair value reclassified to profit or loss	-32	-11
Taxes on other comprehensive income	165	-13
Other comprehensive income for the period, net of tax	-704	1.432
Total comprehensive income for the period	12.468	15.784
Attributable to:		
Owners of the Company	12.468	15.784
Total comprehensive income for the period	12.468	15.784

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS in '000 €	30/06/2016	31/12/2015
Other intangible assets	5.367	5.111
Goodwill	53.256	53.256
Property, plant and equipment	295.561	289.201
Investment property	31.324	31.965
Deferred tax assets	1.022	670
Other receivables	12.335	11.845
Other financial assets	27	27
Non-current assets	398.892	392.075
Inventories	4.442	4.694
Trade and other receivables	22.985	32.992
Current tax assets	284	442
Cash and cash equivalents	22.694	60.432
Derivative financial instruments	20	64
Assets classified as held for sale	30.635	0
Current assets	81.060	98.624
TOTAL ASSETS	479.952	490.699
CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES in '000 €	30/06/2016	31/12/2015
Share capital	18.952	18.952
Share premium	1.154	1.154
Consolidated reserves	96.640	103.721
Translation reserve	-1.178	-794
Total equity attributable to owners of the Company	115.568	123.033
Equity	115.568	123.033
Loans and borrowings	213.552	214.000
Provisions	6.825	7.161
Deferred tax liabilities	19.449	19.868
Derivative financial instruments	440	0
Other payables	9.505	10.124
Non-current liabilities	249.771	251.153
Bank overdrafts	195	44
Loans and borrowings	22.830	8.714
Trade and other payables	67.076	86.966
Provisions	10.118	753
Current tax liabilities	12.115	20.036
Liabilities classified as held for sale	2.279	0
Current liabilities	114.613	116.513
TOTAL EQUITY AND LIABILITIES	479.952	490.699

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2016	30/06/2015
IN '000 €		
Profit before tax	19.699	19.520
Adjustments for:		
Profit from discontinued operations	51	0
Depreciations and amortization	14.444	11.108
Provisions and impairments	-263	64
Government grants	-516	-312
(Gains) Losses on sale of fixed assets	121	68
Change in fair value of derivative financial instruments and unrealised foreign exchange results	-5	237
Unwinding of non-current receivables	-292	-302
Share-based payments	36	154
Impairment on tax shelter investments	0	225
Amortization of transaction costs refinancing	163	139
Interest expense and income	3.651	3.204
Change in inventory	251	78
Change in trade and other receivables	9.734	4.513
Change in trade and other payables	-20.267	-14.043
Cash from operating activities	26.807	24.653
Income taxes paid	-6.379	-8.141
Net cash from operating activities	20.428	16.512
Acquisition of other intangible assets	-572	-958
Acquisition of property, plant and equipment, investment property and businesses net of cash acquired	-45.109	-30.842
Acquisition of subsidiaries, net of cash acquired	0	200
Proceeds from sale of intangible assets	4	5
Proceeds from sale of property, plant and equipment	239	151
Net cash used in investing activities	-45.438	-31.444
Capital reduction	0	-2
New loans	15.000	101.000
Repayment of borrowings	-1.450	-52.468
Payment transaction costs refinancing	-45	-1.281
Interest paid	-6.436	-4.109
Interest received	30	47
Repurchase and sale of own shares	1.516	7.000
Dividends paid	-21.481	-23.016
Net cash used in financing activities	-12.866	27.171
Net cash flow	-37.876	12.239
Cash and cash equivalents at beginning of the period	60.388	16.530
Cash and cash equivalents at end of the period	22.499	28.854
Effect of exchange rate fluctuations on cash held	-13	85
Net cash flow	-37.876	12.239

2016								
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 2015	20.106	-794	40	-4.439	247	107.873	0	123.033
Profit for the period	0	0	0	0	0	13.172	0	13.172
Items that are or may be reclassified to profit or loss:								
Translation differences		-385						-385
Cash flow hedges - effective portion of changes in fair value			-453					-453
loss			-32					-32
Taxes on other comprehensive income			165					165
Other comprehensive income for the period, net of tax	0	-385	-320	0	0	0	0	-705
Total comprehensive income for the period	0	-385	-320	0	0	13.172	0	12.467
Dividends						-21.484		-21.484
Own shares acquired / sold				712		804		1.516
Share-based payment transactions					-295	331		36
Total transactions with owners, recorded directly in equity	0	0	0	712	-295	-20.349	0	-19.932
At 30 June 2016	20.106	-1.179	-280	-3.727	-48	100.696	0	115.568

2015								
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 2014	20.106	-1.678	17	-10.572	2.911	93.948	0	104.732
Profit for the period	0	0	0	0	0	14.352	0	14.352
Items that are or may be reclassified to profit or loss:								
Translation differences		1.406						1.406
Cash flow hedges - effective portion of changes in fair value			50					50
Cash flow hedges - net change in the fair value reclassified to profit or loss			-11					-11
Taxes on other comprehensive income			-13					-13
Other comprehensive income for the period, net of tax	0	1.406	26	0	0	0	0	1.432
Total comprehensive income for the period	0	1.406	26	0	0	14.352	0	15.784
Dividends						-23.102		-23.102
Own shares acquired / sold				5.749		1.352		7.101
Share-based payment transactions					-2.620	2.774		154
Total transactions with owners, recorded directly in equity	0	0	0	5.749	-2.620	-18.976	0	-15.847
At 30 June 2015	20.106	-272	43	-4.823	291	89.324	0	104.669

								30/06/2016	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SWI)	NOT ALLOCATED	TOTAL	
Segment revenue	81.582	34.268	19.886	15.251	7.156	2.225	0	160.368	
Inter-segment revenue	-11.414	-325	-281	-4	-21	-13	0	-12.058	
Revenue	70.168	33.943	19.605	15.247	7.135	2.212	0	148.310	
Segment profit	10.193	8.492	3.991	839	-247	539	0	23.807	
Finance income							428	428	
Finance expenses							-4.536	-4.536	
Profit before tax								19.699	
Income tax expense							-6.578	-6.578	
Profit for the period from continuing operations								13.121	
Profit from discontinued operations, net of tax	51							51	
Profit for the period								13.172	
Capital expenditure	27.382	2.854	1.059	14.319	15	53	0	45.682	

								30/06/2016	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SWI)	NOT ALLOCATED	TOTAL	
Total assets	148.341	100.702	59.358	102.981	19.898	24.625	24.047	479.952	
Total equity and liabilities	50.368	26.088	4.297	11.884	2.499	667	384.149	479.952	

								30/06/2015	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SWI)	NOT ALLOCATED	TOTAL	
Segment revenue	80.094	30.094	18.384	9.622	0	2.410	0	140.604	
Inter-segment revenue	-9.711	-405	-276	0	0	-41	0	-10.433	
Revenue	70.383	29.689	18.108	9.622	0	2.369	0	130.171	
Segment profit	10.606	8.732	2.642	1.098	0	520	0	23.598	
Finance income							639	639	
Finance expenses							-4.717	-4.717	
Profit before tax								19.520	
Income tax expense							-5.168	-5.168	
Profit for the period								14.352	
Capital expenditure	3.666	1.205	1.490	25.408	0	31	0	31.800	

								31/12/2015	
SEGMENT INFORMATION IN '000€	BELGIUM	FRANCE	SPAIN	NETHERLANDS	LUXEMBOURG	OTHERS* (PL + SWI)	NOT ALLOCATED	TOTAL	
Total assets	129.525	101.010	59.876	90.617	22.877	25.159	61.635	490.699	
Total equity and liabilities	54.087	28.143	7.065	12.211	2.645	853	385.695	490.699	

* The other operating segment includes Poland and Switzerland. None of these segments met the quantitative thresholds for reportable segments in 2015 and 2016.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2016

1. Information about the Company

Kinepolis Group NV (the 'Company') is a company registered in Belgium. The unaudited condensed consolidated interim financial statements of Kinepolis Group NV for the half year ending 30 June 2016 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 23 August 2016.

2. Statement of compliance

The condensed consolidated interim financial statements for the six months ended 30 June 2016 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 2015.

The consolidated annual financial statements of the Group for the financial year 2015 can be consulted on the website investors.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 2015. The standards that are applicable as from 1 January 2016 do not have a material impact on the condensed consolidated interim financial statements for the six months ending on 30 June 2016.

4. Segment information

Refer to separate table

5. Risks and uncertainties

There are no fundamental changes in the risks and uncertainties for the Group as set out in the 2015 Management Report included in the 2015 Annual Report (Section 03 - Management Report).

6. Related party transactions

There are no additional related party transactions apart from those transactions disclosed in the 2015 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				
Bond	6.187	78.253	119.149	203.589
Finance lease liabilities	2.207	3.582	7.161	12.950
Bank overdrafts	195			195
Trade payables	48.885			48.885
Third party current account payables	43			43
Financial derivatives				
Foreign exchange forward contracts				
- Outflow	1.463			1.463
- Inflow	-1.486			-1.486
TOTAL	57.494	81.835	126.310	265.639

8. Important events after 30 June 2016

Except for the opening of Kinopolis Breda, on the 1st of August 2016, no other important events have taken place after 30 June 2016.

9. Other notes

Additional information concerning the Group's financing, treasury shares, options granted to certain members of personnel and directors, dividends and important events after 30 June 2016 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.