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Contact: Myriam Dassonville, Corporate Communication

Tel: +32 2 474 26 91 - E-mail: mdassonville@kinepolis.com

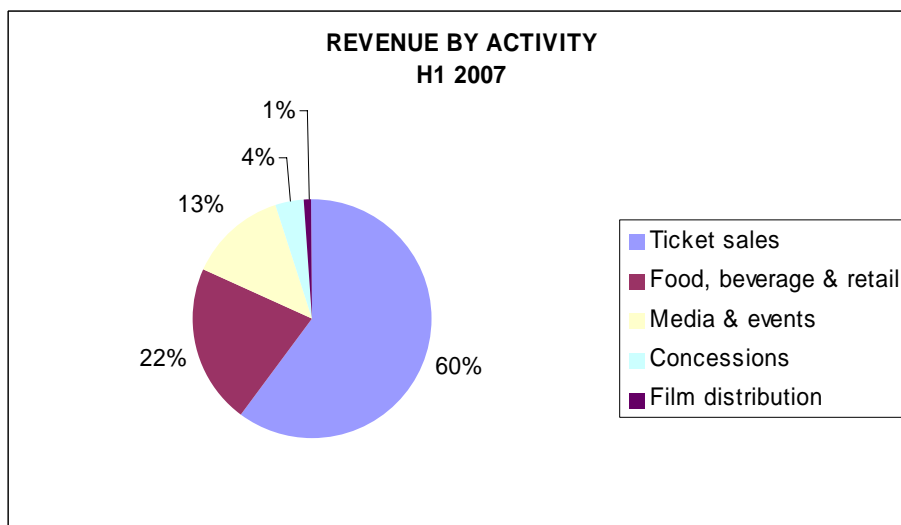
Kinepolis Group posts € 8.2 m first half net profit

Kinepolis Group ended the first half of 2007 with a net profit of € 8.2 million, an operating profit of € 11.5 million, and an EBITDA¹ of € 23.8 million on revenues of € 100.1 million. Net profit was 9% up on the first half of 2006 (€ 7.5 million).

Despite lower admission figures during the first half (-9%), the fall in revenue stayed limited (-2%), thanks to the other operating activities in food and beverages, retail, business-to-business and real estate.

KEY FIGURES IN € '000	30/06/2007	30/06/2006	%Δ
Revenue	100 063	102 195	-2.1%
EBITDA	23 841	24 513	-2.7%
Operating profit	11 499	13 602	-15.5%
Net financing costs	-2 836	-3 212	11.7%
Profit before tax	8 664	10 390	-16.6%
Income tax expense	-488	-2 885	-83.1%
Profit for the period	8 175	7 505	8.9%
Earnings per share – basic	1.20	1.10	9.5%
Earnings per share – diluted	1.20	1.08	11.7%
Net financial debt (NFD)	143 424	144 439	-0.7%
EBITDA/revenue	23.8%	24.0%	-0.1%

Revenue

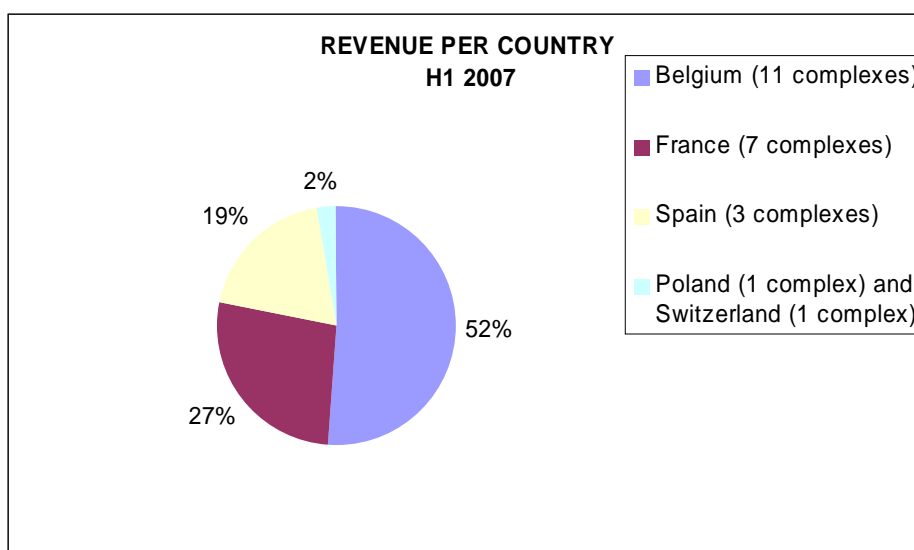


¹ EBITDA is not a recognized IFRS term. Kinepolis defines it as operating profit plus depreciation, amortization, impairment losses, write-downs and provisions, less any reversals or uses of the same.

Kinepolis Group Press Release

During the first half of 2007 the group generated revenues of € 100.1 million, 2.1 % less than the year before (H1 2006: € 102 million).

- Gross box office (income from ticket sales) fell by 6%. This reduced income reflects lower admissions figures, partly offset by higher sales prices.
At 60% of total revenues, ticket sales are down on the comparable period in 2006 in favour of food, beverage and retail, and income from concessions.
- Food, beverage and retail grew by 4% compared with 2006, with rising consumption per visitor and increased sales prices.
- Business-to-business activities in the cinema environment remain a source of growth. Income from events, screen advertising, etc. rose by 3%.
- The top 3 films in Kinepolis's film department (KFD) in the first half of 2007 (*Fracture*, *Next* and *Bridge to Terabithia*) were unfortunately unable to beat the strong KFD line-up of H1 2006 (*Hel van Tanger*, *The New World* and *Final Destination 3*).
- Real estate income rose by a significant 15%. The main factor here is the leasing of Cinema City Kinepolis complex in Poland to the ITIT cinema group since 19 January 2007.



Admissions

ADMISSIONS ('000)	30/06/2007	30/06/2006	%Δ
Belgium	4 759	5 088	-6%
France	3 354	3 567	-6%
Spain	2 477	2 466	0%
Poland and Switzerland	152	702	-78%
Total	10 742	11 823	-9%
Excl. Cinema City Kinepolis (*)	10 680	11 220	-5%

(*) transfer and leasing of the Polish Cinema City Kinepolis facility to the ITIT cinema group effective 19 January 2007

From January to June this year Kinepolis Group welcomed 10.7 million visitors to its cinema complexes. The absolute visitor count for the first half was down 9% on last year.

An unexciting film line-up until mid-May and the warm weather, in particular in April, both took their toll, which neither a successful first quarter at Kinepolis France (*Taxi 4*, *La Môme*) nor the international final spurt in admission figures (mid-May to June) with *Spiderman 3*, *Ocean's 13*, *Pirates of the Caribbean 3* and *Shrek 3* could fully compensate.

The Kinepolis top 5 in the first half were *Pirates of the Caribbean 3*, *Spiderman 3*, *Night at the Museum*, *Shrek the Third* and *300*.

Contrary to the other complexes, visitor numbers rose significantly at Kinepolis' recently opened Kinepolis Bruges (2006), Kinepolis Nancy (2005) and Kinepolis Granada (2004).

EBITDA

EBITDA is not a recognized IFRS term. Kinepolis defines it as operating profit plus depreciation, amortization, impairment losses, write-downs and provisions, less any reversals or uses of the same.

In the first half of 2007, EBITDA fell by 2.7 % to € 23.8 million (H1 2006: € 24.5 million).

Compared with the first half of 2006, sales and marketing costs rose by € 0.7 million (primarily advertising costs). Various financial and administrative projects also pushed up administrative costs by € 0.9 million. Offsetting this increase in costs was the capital gain on the sale of fixed assets during the first half (+ 0.8 million) and the transfer of the Polish cinema activities (+ 1.7 million), recorded under other operating income and charges (+ 1.5 million).

The non-recurrent items contributed positively in the first half to the profit for the period in an amount of € 3.0 million (H1 2006: € 0.6 million). Without these items, profit for the period amounts to € 5.2 million (H1 2006: € 6.8 million).

Already in its first year Kinepolis Bruges has produced a positive EBITDA. This ultramodern complex, opened in July 2006, has performed remarkably well, bearing in mind that the average cinema complex turns profitable only three years after opening.

Operating profit (EBIT)

The operating profit for the first 6 months of 2007 evolved in line with EBITDA, amounting to € 11.5 million compared with € 13.6 million in H1 2006 (- € 2.1 million).

Net financing costs and debt position

The net financing costs for the first half of 2007 were € - 2.8 million (H1 2006: € - 3.2 million).

This amount consists essentially of interest on financial debts and the results on financial instruments (hedging against interest rate fluctuations).

The net debt position (NDP) at 30/06/2007 was € 143.3 million as against € 136.6 million at 31/12/2006 and € 144.4 million at 30/06/06.

Profit before tax

Profit before tax in the first half was € 8.7 million, down 16.6% on H1 2006 (€ 10.4 million).

Net profit for the period

The net profit exhibits a contrary trend, rising to € 8.2 million for the six months to 30 June 2007, up 9% on the six months to 30 June 2006 (€ 7.5 million). A lower tax rate in Spain and the recognition of deferred tax benefits on the liquidation of a subsidiary significantly reduced taxes to just € 0.5 million in the first half of 2007 from € 2.9 million in H1 2006.

Balance sheet and cash flow analysis

Fixed assets (including those held for sale) of € 317 million at 30/06/2007 represented over 89% of the balance sheet total. This includes land and buildings (including those available for sale) carried at € 237 million.

At 30/06/2007 shareholders' equity accounted for € 107.7 million or 30.5% of the balance sheet total.

Net cash flow from operating activities amounted to € 15.5 million in the first half (H1 2006: € 14.9 million). In the first half of 2007, € 17.1 million was invested in new assets, much of it in the new complex at Ostend (Belgium) that opened its doors on 8 July this year. The group has also invested heavily in the renovation of complexes, digital projectors, seat reservation systems, etc.

The majority of these investments were paid out of own free cash flow, along with additional borrowings of € 6.6 million.

Opening of Kinepolis Ostend

The Kinepolis Group's latest cinema complex, Kinepolis Ostend, opened its doors on 8 July 2007. Like Kinepolis Bruges, which opened in July 2006, the new complex is a showcase of leading edge technology, combining a number of features that can serve as a model for future Kinepolis cinemas.

Kinepolis Ostend has 8 theatres and 1755 seats in a unique seaside location. It is the Kinepolis Group's 11th complex in Belgium and the group's 23rd in Europe.

The complex is meeting expectations in terms of admissions, with the innovative concept and technology much appreciated by both the local and tourist populations.

On 5 September the first Ostend Film Festival will be launched jointly by Kinepolis Group and the city of Ostend.

Reopening of Kinepolis Kortrijk

The concept of both Kinepolis Bruges and Kinepolis Ostend is based on a number of trend-setting innovations like open foyers, seat reservation facilities, the ticket control system and the extensive digitalization of film, information and communication channels. This concept, developed largely in-house, will be introduced in due course internationally in existing Kinepolis complexes.

Kinepolis Kortrijk (originally opened in 1997) is the first existing complex to be converted to the new Kinepolis model. The restyled Kinepolis Kortrijk will be inaugurated at the end of this year.

Médiacité Liège

Following a detailed study of the Liège (Belgium) cinema market, Kinepolis has decided to invest in the Médiacité media and leisure project being developed there by project developer Wilhelm & Co. Kinepolis has decided to purchase land and build an 8 theatre complex.

The cinema concept will be based on the innovations applied at Kinepolis Bruges and Kinepolis Ostend and shortly also at Kinepolis Kortrijk. Kinepolis will be applying for a building permit in the coming weeks. Providing the permit procedure proceeds favourably, the new Kinepolis complex and Mediacité will open in 2009.

Kinepolis Group and digital cinema

Kinepolis is continuing the international digitalization process so that the constantly growing digital film offering can be presented in the Kinepolis theatres. Digitalization provides better sound and image quality, and enables a broader programme to be offered with a whole range of entertainment possibilities and business-to-business applications.

Kinepolis Group and 3D Digital Cinema

The very latest application of digital cinema is 3D Digital Cinema (Kinepolis, Dolby Laboratories, Barco). Kinepolis will be showing the first 3D film, *Beowulf*, in November 2007. By then almost all Kinepolis complexes will have a 3D theatre. At the end of 2007 the 3D film *Fly me to the Moon* will be world-premiered at Kinepolis.

Seat reservations at Kinepolis Belgium

In October this year, all seats in Belgian facilities will be numbered, a system that has been applied in Spain from the beginning. In this way visitors pick the seats they want when buying their tickets. The cinema seat is guaranteed, to the benefit and comfort of film lovers, who no longer need to brave stress, uncertainty and waiting lines to see their chosen films.

Kinepolis Imagibraine (Braine l'Alleud) set the ball rolling at the end of February, followed by Kinepolis Hasselt and Kinepolis Leuven in March, Kinepolis Ghent and Kinepolis Liège in April and Metropolis Antwerp and Kinepolis Brussels in May. Kinepolis Kortrijk will follow in September. Kinepolis Group at the same time took the opportunity to smarten up all its Belgian theaters with new carpets, seats and technical facilities.

Outlook

July and August were good ticket sales months, with box office hits like *Ratatouille*, *Die Hard 4.0*, *The Simpsons Movie* and *Harry Potter*, heralding an upturn compared with the first half.

The line-up for the coming months is promising too, including the action movie 'Bourne Ultimatum', *Beowulf* – the 3D movie, adventure film 'Golden Compass' (Nicole Kidman), animation film 'Bee Movie' and action film 'I Am Legend' (Will Smith).

Top Flemish films due to be screened in the second half are 'Ben X', 'Vermist', 'Plop en de Pinguin' and 'K3 en de Kattenprins'.

Given the favourable line-up in the second half, Kinepolis expects results for 2007 as a whole to equal those of 2006.

Statutory auditors' report

Extract from the report of the statutory auditor on the limited review of the half year consolidated figures of Kinepolis Group NV as per June 30, 2007

In the context of our auditor's mandate, we have performed a limited review of the half year consolidated financial statements of the Kinepolis Group NV as per June 30, 2007. Our review consisted principally in applying analytical review procedures, comparisons and inquiries on financial data and was performed in accordance with the International Standard on Review Engagements 2410. Its scope is therefore substantially less than a full audit of the consolidated annual accounts. Our review did not reveal any elements requiring significant corrections of the figures quoted in this

press release. We refer explicitly to our entire review opinion which is published together with the supplementary financial information on the website of Kinepolis.

Antwerp, 23 August 2007

Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren – Réviseurs d'Entreprises

Represented by Ludo Ruysen, Partner

Financial Diary

Friday 12 October 2007:	Publication of admissions figures by country – third quarter 2007
Friday 16 November 2007:	Interim announcement by the Board of Directors
Thursday 10 January 2008:	Publication of admissions figures by country 2007
Friday 29 February 2008:	Publication of 2007 annual results
Friday 11 April 2008:	Publication of admissions figures by country – first quarter 2008
Friday 16 May 2008:	Annual General Meeting of Shareholders, Kinepolis Group Interim announcement by the Board of Directors