



Press release

Warsaw, 15th May 2008

Cinema City's financial results for 1Q 2008

- In the 1st quarter of 2008, Cinema City International N.V. ("Cinema City") generated revenues of EUR 44.9 million (up 17.5% from 1Q 2007), EBITDA of EUR 9.4 million (up 14.6%) and net profit of EUR 4 million (up 5.3%).
- In the first three months of this year, Cinema City sold 5.7 million movie tickets (up 9.2%).
- In the 1st quarter the company opened 2 cinemas, in Hungary and the Czech Republic, and signed 4 leases for space on the Romanian market. The company also worked on opening more projects, including one multiplex that has already opened, in April in Bydgoszcz, Poland and 9 more that are scheduled to be open in the second half of 2008.
- The first full quarter of operations of two Cinema City theaters in Romania (24 more projects are underway) show first positive indicators in secondary cities in the country.

"The past quarter continues the growth of Cinema City," said **Moshe J. Greidinger, CEO of Cinema City, the largest multiplex cinema operator in Central & Eastern Europe and in Israel.** "We achieved growth in revenues and profit. It should be emphasized that sales were higher thanks to growth of our chain. In 2007 we opened 9 multiplexes, including 2 in the 4th quarter in Romania, which became our sixth country of operations. In terms of the actual repertoire of films, the past quarter was successful, particularly in the case of local productions, especially in Poland. They attracted many viewers, which was also visible in April," *the CEO added.* While the number of cinema admissions from January through March rose by 9.2% year-on-year, from January through April the increase was 12.8%.

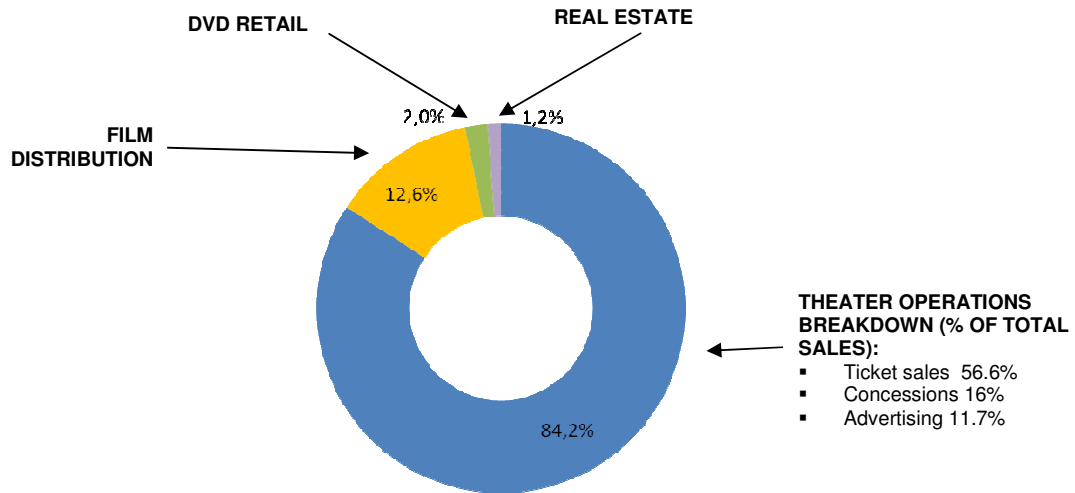
Cinema City's revenues

Revenues of Cinema City in the 1st quarter of 2008 were EUR 44.9 million (an increase of 17.5%).

Most of the revenues (over 84.0%) were generated by Theatre operations (including ticket sales, concessions, and cinema advertising and sponsoring). The increase in revenues from ticket sales was driven both by an increase in the number of admissions and by increased ticket prices (by 12.0% year-on-year, to EUR 4.48).

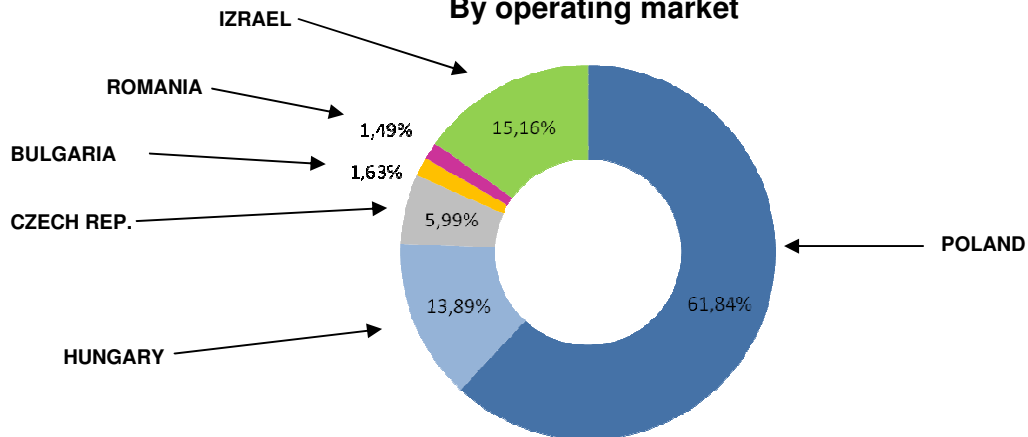


**Cinema City revenues in 1Q 2008
By line of business**



Poland remains the largest operating market for Cinema City, with revenues from operations there representing about 62% of total revenue. The first two multiplexes in Romania, which opened in late 2007, generated 1.5% of revenues.

**Cinema City revenues in 1Q 2008
By operating market**



“Although the first two projects in Rumania were opened in secondary cities (and not in Bucharest) we clearly see positive indicators for entertainment demand in the country.” The CEO continues and added “In all aspects of the business such as Visit per screen , Average tickets price and Concession spending the numbers are in line with the CEE Markets “



Cinema City's financial results

Growing revenues translated into growth in financial results. In the 1st quarter of this year, Cinema city earned a net profit of EUR 4 million (growth of 5.3% year-on-year).

Cinema City's financial results are set forth in the following table:

EUR mln	1Q 2008	1Q 2007	change
INCOME	44,9	38,2	17,5%
EBITDA	9.4	8.2	+14.6%
Net profit	4.0	3.8	+5.3%

Cinema city's investments and plans

In 1Q 2008, Cinema City opened two new multiplexes, in Budapest (the largest cinema in Central Europe, with 23 screens and an IMAX[®] cinema) and in Pilsen, Czech Republic (a 10-screen multiplex). The company also signed 4 more leases for multiplex locations in Romania (where there are 24 new projects currently under development).

Work also continued in the first quarter to prepare the opening of new cinemas. One cinema has already opened in Bydgoszcz, Poland (13 screens). The overall network of Cinema City in 6 operating markets (Poland, Hungary, the Czech Republic, Bulgaria, Romania and Israel) comprises 63 multiplexes with 549 screens.

Nine more multiplexes are planned to be open by the end of the year (2 in Israel, 1 in Poland (in Zielona Góra), 1 in the Czech Republic and 5 in Romania), with a total of 90 screens.

This year Cinema City is also continuing its activity as a real estate developer mainly in Bulgaria. On top of Plovdiv mall currently under construction and Russe mall which will start to be construct in the summer time ,the company is analyzing additional opportunities in the region .

"Our growth continues as planned," **said Moshe J. Greidinger**. ""The plans of opening additional 90 screens are in line and on schedule , We look optimistically on the upcoming line of Movies until the end of the year like , Narnia , Indiana Jones, Wall-E(Pixar),Sex and the city, Harry Potter and James Bond"



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