



## Press release

Warsaw, 18<sup>th</sup> May 2009

### Cinema City financial results through 1<sup>st</sup> quarter of 2009\*

Cinema going resists to crisis.

\*Full financial statement is available on the Company's website [www.cinemacity.nl](http://www.cinemacity.nl)

- In the 1<sup>st</sup> quarter of 2009, Cinema City International N.V. ("Cinema City") earned revenues of EUR 66.7 million (51.5% growth over 1Q2008), EBITDA of EUR 15.0 million (up 60.6%) and net profit of EUR 9.7 million (up 140.6%).
- Theatre operations noted 6.1% increase in revenue coupled with 4.4% increase in EBITDA and despite strong devaluation of the CEE currencies vs euro. Cinema City sold 6.9 million tickets (+22.0 y/y) in the entire chain and 6.1 million tickets in the like-for-like terms (+10.4% y/y). Average ticket price went down to EUR 3.9 (-13.8%) and the average number of screens went up by 9.5% to 579.
- During Q1 2009 Cinema City opened 3 multiplexes with 27 screens: Pardubice (8), the Czech Republic, Bacau (8), Romania and Plovdiv (11), Bulgaria. At the end of the quarter the Company was operating 593 screens (including 61 digital) in 64 multiplexes.
- Investments in the cinema circuit development totaled EUR 4.0 million. The company also signed 3 leases for multiplex space in Romania. One project of 6 screens was cancelled in Romania. As at the end of Q1 2009 Cinema City had signed binding agreements for additional 476 screens in 45 multiplexes.
- The Company succeeded to accomplish settlement of sale of its remaining 30% interest in the Mall of Plovdiv project to GE Real Estate and Quinlan Private (Ireland). Revenue from this transaction equaled EUR 23 million with EBITDA of EUR 6 million accounted in the Q1 2009 financial statement. Final accounting of the transaction is expected in q2 2009.
- Progress in the Mall of Ruse construction. In Q1 2009 the Company started the main stage of construction of the project, which is expected to be open in second half of 2010.
- In March Cinema City signed a credit agreement with BZ WBK Bank granting the Company a credit of PLN 60 million to finance its theatre chain expansion in Romania and Poland.

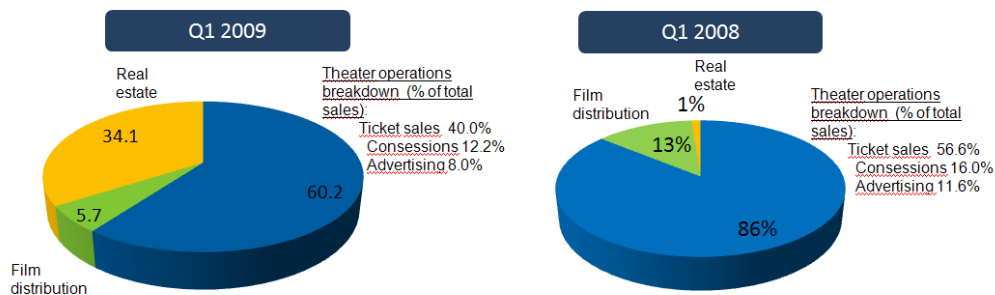
*"The first quarter was very successful for Cinema City. So far we have not experienced negative effects of economic downturn on our business. Well received film production and newly opened screens translated into very good results of our theatre operations" said Moshe J. Greidinger, CEO of Cinema City, the largest multiplex cinema operator in Central & Eastern Europe and in Israel. "We are also very pleased with the successful settlement of the Mall of Plovdiv transaction, which has been accomplished in a very demanding market environment. Sale of our remaining holding in the project contributed positively to our results and proved our leading position in Bulgaria in this business segment."*

## Financial results

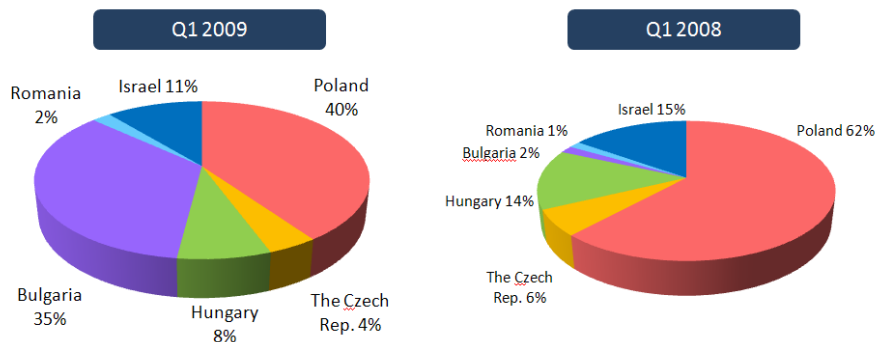
In the 1<sup>st</sup> quarter of this year, Cinema City had revenues of EUR 66.7 million (+51.5% y/y), of which EUR 40.1 (+6.1) million was generated by theatre operations (ticket sales, beverages and snacks at cinema bars, and cinema advertising). This growth in revenue was achieved despite a strong pressure of currencies devaluation vs euro in the CEE countries. Good supply of films coupled with newly opened screens in 2008 and in Q1 2009 as well as good cinema advertising performance fostered into high number of admissions. In Q1 2009 the Company sold 6.9 million tickets (+22.0% y/y), with 4.4 million tickets sold in Poland (+18.6% y/y). In the like-for-like terms the Company sold 6.1 million tickets (+10.4%) in all countries of operations. Average ticket price equaled EUR 3.9 (-13.8%), which was mainly due to the weakness of CEE currencies vs euro.

Real estate segment contributed positively to the Company's result this quarter with settlement of the Mall of Plovdiv transaction. Disposal of the company's remaining 30% interest brought EUR 23 million and EUR 6 million in EBITDA recognized in Q1 2009 financial statements. Final accounting of the transaction is expected to be book in q209.

### Cinema City revenues by segments Q1 2009



### Cinema City revenues by countries Q1 2009



Poland continues to be the largest country of operation with 40% share in total revenues. Bulgaria, following settlement of the Mall of Plovdiv transaction, increased in this quarter its share in total revenues to 35%.



## Cinema City financial results:

EUR '000	1Q2008	1Q2009	Δ
revenue	44,013	66,680	+51.5%
EBITDA	9,364	15,038	+60.5%
EBIT,	4739	11,281	+138%
net profit	4,036	9,709	+140.6%

The Company's EBIT increased to EUR 11.3 million. The increase in EBIT includes also a non-recurring higher depreciation following the closing of Arena multiplex in Israel occurred in Q1 2008. The Company's EBITDA increased to EUR 15.0 million and the net profit increased to EUR 9.7 million.

## Plans for 2009

"We continue expanding our cinema chain and we plan to open 117 screens in 10 multiplexes this year. Ahead of us very good titles on the screens including international blockbusters in 3D. Installation of additional 50 digital projectors before the end of 2009 will allow us to show them to a larger audience in all countries of operations"- **says Moshe Greidinger**. "Our next development project in Bulgaria – Mall of Ruse – is progressing according to schedule and the plans are to open this mall together with Cinema City in the second half of 2010.

In April the Company together with Orange in Poland rolled out a new promotional offer *Orange Wednesdays*. This joint promotion continues the strong relationship between Cinema City and Orange and it's also a big step in promoting the habit of cinema going in Poland. Details of the program can be found on a special website [www.orangefilm.pl](http://www.orangefilm.pl).

*Cinema City International is the largest multiplex cinema operator in Central & Eastern Europe and in Israel. The Company operates 64 multiplexes with 592 screens, in 6 countries (Poland, the Czech Republic, Hungary, Romania, Bulgaria and Israel). The Company has binding contracts for additional 45 multiplexes, which will offer additional 476 screens. In addition, Cinema City is actively involved in cinema related advertising and film distribution.*

*The Cinema City group employs over 3,000 people in 6 countries.*

For more information, please visit [www.cinemacity.nl](http://www.cinemacity.nl) or contact:

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