



## Press release

Warsaw, 14<sup>th</sup> November 2008

### **Cinema City financial results after 3 quarters of 2008**

#### **Growth of the Company coupled with growth in financial results**

- In the first three quarters of 2008, Cinema City International N.V. ("Cinema City") reported revenues of EUR 140 million (growth of 15.0% over the same period in 2007), EBITDA of EUR 31.5 million (growth of 18.5%) and net profit of EUR 14.7 million (growth of 12.7%).
- In the 3rd quarter alone, revenues were EUR 48.1 million (an increase of 15.8% over the same period in 2007), EBITDA was EUR 9.6 million (up 12.5%), and net profit was EUR 4.0 million (up 13.0%).
- Revenue from cinema operations grew by 21.7%, to EUR 112.7 million in the 3 quarters of 2008, and in the 3rd quarter alone, revenues grew by 21.1%, to EUR 42.1 million. During the first nine months of the year, Cinema City sold 16.0 million cinema tickets (+ 4.9% over the same period in 2007), of which 5.9 million tickets were sold in the 3<sup>rd</sup> quarter alone (down by 1.2%).
- Cinema City has opened 94 new screens in the first ten months of 2008 and 11 additional lease agreements have been signed for multiplexes in Romania and in Poland.
- The "digitalization" process continues to move rapidly ahead. 30 state-of-the-art digital projectors have already been installed in 2008. In total 100 digital projectors are to be installed by the end of 2009.
- The Company has signed an exclusive agreement with Digiscreen to provide Royal Opera House in London webcast shows in Cinema City multiplexes. The first shows should commence in the coming months.
- The Company has consolidated its position in the real estate market in Bulgaria by purchasing additional stakes in the Mall of Plovdiv and Mall of Ruse projects. The past quarters showed good progress in the development of both shopping centers. The Mall of Stara Zagora design process has already commenced.

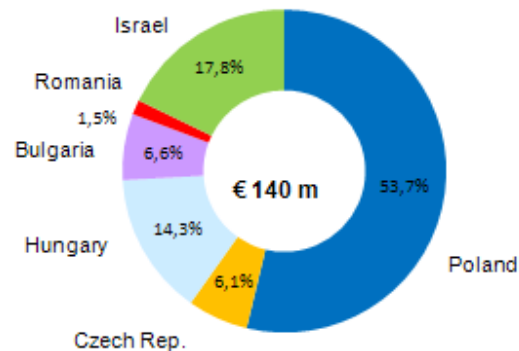
"We continue to aggressively expand our cinema chain. In the last ten months, we have opened close to 100 screens in 5 countries," **said Moshe J. Greidinger, CEO of Cinema City, the largest multiplex cinema operator in Central & Eastern Europe and in Israel.** "We are happy with the results of both our existing and new screens."

Cinema City's revenues were EUR 140 million, of which EUR 112.7 million was generated by cinema operations (ticket sales, beverages and snacks at cinema bars,

and cinema advertising and sponsoring). Sales of tickets on the level of 16.0 million admissions (+4.9% y/y) were positively affected by the newly opened screens. In the 3<sup>rd</sup> quarter alone the Company sold 5,9 million tickets (-1,2% y/y) what was mainly a result of the lower number of international blockbusters and local Polish film production compared to the year 2007. In Poland, Cinema City sold 9.1 million tickets in the first nine months of 2008 (an increase of 0.8%). 12% of revenues were generated by film distribution activity (an increase of 0.6% through the nine months, to EUR 16.6 million).

Revenues from Poland, Cinema City's largest operating market, accounted for 53.7% of total revenues of the nine months of 2008. Israel, after opening in July the biggest multiplex in the county in Haifa (23 screens) remains the second largest market of the Company with almost 18% share in the total revenues. The Hungarian market increased its share in the Company's revenues to 14.3%, thanks to the opening in January 2008 of a 23-screen megaplex in Budapest, which is currently the largest cinema in Central Europe. The first two Cinema City multiplexes in Romania, which opened at the end of 2007, generated 1.5% of the Company's overall revenues in the nine months of 2008.

Cinema City revenues in 3 quarters 2008  
By market of operation



### Cinema City financial results:

EUR '000	3Q2008	3Q2007	Δ	1-3Q2008	1-3Q2007	Δ
<b>Revenues</b>	48 067	41 496	15,8%	140 053	121 772	15,0%
<b>EBITDA</b>	9 639	8 571	12,5%	31 549	26 623	18,5%
<b>net profit</b>	4 017	3 555	13,0%	14 661	13 013	12,7%

In the first nine months of 2008 Cinema City opened 5 multiplexes including two megaprojects: in Budapest, Hungary and Haifa, Israel each one of 23 screens. The Company has also opened the multiplexes: in Pilzen, the Czech Republic (10 screens), Bydgoszcz, Poland (13 screens), Modi'in, Israel (6 screens) and in October CC Zielona Góra, Poland (9 screens) and CC Cluj, Romania (10 screens).



In the 3rd quarter of 2008 Cinema City also strengthened its position in the Bulgarian real estate market. In July, the Company increased its capital engagement in the projects in Plovdiv (30%) and Ruse (90%) as well as it accomplished the purchase of interest in the project of Stara Zagora. The shopping center in Plovdiv, with 99% of space already leased, is scheduled to open in the spring of 2009 and its construction is progressing in line with the plans. The construction works of the center in Ruse commenced in August with 45% of space already leased to anchor tenants. The design works of the shopping mall in Stara Zagora have commenced in the 3<sup>rd</sup> quarter and the start of construction works is planned for 2009.

“We have a busy period ahead of us with our calendar filled with scheduled cinema openings and what we believe will be a strong line-up of international and domestic films including digital production and alternative content shows. In 2009 we plan to open about 150 screens, and to continue to digitalize some our existing screens,” **said Mr. Greidinger.** “We have great hopes for Cinema City performance in the coming quarters. We believe that macroeconomic turbulences will not significantly impact our business performance – the last few months and longstanding history have taught us that people love to go to the movies in both good times and bad times,” **the CEO added.**

*Cinema City International N.V.*

*Cinema City is the largest multiplex cinema operator in Central & Eastern Europe and in Israel (it operates a total of 62 multiplexes with 571 screens). There are 44 more multiplexes under construction, which will offer over 460 screens.*

*Cinema City has operations in 6 countries: Poland (which accounted for more than half of revenues last year), the Czech Republic, Bulgaria, Romania, Hungary and Israel.*

*In 2007 Cinema City earned revenues of EUR 161.3 million and net profit of EUR 16.6 million.*

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