



Press release

Warsaw, 18th November 2009

Cinema City financial results after 3 quarters of 2009

Good year of cinemas continues

**Full financial statement available at www.cinemacity.nl*

- In the first three quarters of 2009, Cinema City International N.V. ("Cinema City") earned revenues of € 156.0 million (growth of 13.2% over the same period in 2008), EBITDA of € 34,1 million (growth of 11.1%) and net profit of € 18.9 million (growth of 28,6%).
- In the 3rd quarter alone, revenues were € 50.7 million (an increase of 6.7% over the same period in 2008), EBITDA was € 9.6 million (up 7.9%), and net profit was € 4.9 million (up 27.1%).
- Local currencies in Poland, Romania, Hungary and the Czech Republic continued to be weak in the 3rd quarter 2009, what was reflected in the level of revenues reported in euro in this period.
- Revenues from theatre operations were up by 6.0% y/y to € 119.4 million in the 3 quarters of 2009 and by 10% y/y to € 46.3 million in 3Q 2009 alone.
- Throughout the chain, fuelled by a strong supply of movies and new openings, the company sold 19,4 million tickets in the 3 quarters 2009 (an increase of 21.7% y/y) and 7.1 million tickets in Q3 2009 (an increase of 20.3% y/y). In the first nine months of 2009 like-for-like admissions went up by 12.4% y/y to 17.5 million and in Q3 alone they increased by 14.5% y/y to 6.6 million. Average ticket price in Q1-3 2009 amounted to € 4.0 (- 13.5% y/y) and in Q3 2009 it was € 4.3 (-8.9% y/y).
- In Q1-3 2009 the Company opened 51 screens including the multiplex in Pitesti, Romania (6 screens) opened in Q3 2009, as well as in Czestochowa in Poland (8 screens). As of the end of Q3 2009, the company operated 67 multiplexes with 617 screens (including 106 digital screens), in 6 countries: Poland, the Czech Republic, Hungary, Romania, Bulgaria and Israel.
- Following the opening of CC Allee in Budapest (13 screens) and CC Cotroceni in Bucharest (21 screens) in November, Cinema City now has leases in place for 41 additional multiplexes with 423 screens. In the coming week the Company is planning to open Cinema City Bonarka in Cracow (20 screens).
- Cinema City is continuing to digitalize its cinemas. By the end of the year the Company is planning to have around 150 digital screens. The Company has installed its first digital IMAX projector in Łódź in Poland, which is currently being tested.
- The construction of the Mall of Rouse is continuing on schedule. The company is planning to open the centre in H2 2010.



“2009 proves to be an excellent year for cinemas selling very high number of tickets, especially in Poland and Israel. In addition to this Cinema City notes this year a record number of new openings with 104 new screens and 1 IMAX theatre in five different countries” **said Moshe J. Greidinger, CEO of Cinema City, the largest multiplex cinema operator in Central & Eastern Europe and in Israel.** “All our projects, are showing clearly that people love to go to the cinema especially if given the high standard of Cinema City in every respect, while CC team is committed to service them in a way that will make them come back again and again to Cinema City.”

Financial results

In first three quarters of 2009 Cinema City earned revenues of € 156.0 million (+13.2% y/y), from which € 119.4 million (77%) was revenue from the core theatre operations and they increased by 6.0% y/y. Revenues from box office increased by 4.4% to € 78,0 million, from cinema bar by 9.2% to € 24.8 million and from cinema advertising by 9.0% to € 16.6 million.

The number of cinema admissions increased in the first nine months of 2009 by 21.7%, to 19.4 million. Average ticket price in € was down by 13.5% y/y to € 4.0.

In Q3 2009 alone the theatre revenues increased by 10.0% y/y to € 46.3 million with the ticket revenue going up by 10.9% y/y to € 30.5 million, cinema bar revenue rising to € 9.8 million y/y (6.7% y/y) and advertising revenue going up by 10.9% y/y to € 6.0 million. The number of admissions increased by 20.3%, to 7.1 million and the average ticket price went down by 8.9% to € 4.3.

Strong increase in admissions generating high box office was due to a strong film line up , both international and local, and new cinemas that were opened in 2009 (51 new screens) and 2008 (94 new screens).

Decrease in the average ticket price in EUR base in first three quarters of 2009 compared to the same period 2008 was mostly due to weak CEE currencies. In local currencies the average ticket price in all the countries of operation shows an increase mainly due to the mix of movie line-up including 3D movies and, in addition, the ticket price increase in some of the territories.

In the nine months 2009 theatre operations generated EBITDA of EUR 25.3 (+7.4%) and EBIT of EUR 14 million (+40.2%).

In the nine months 2009 Cinema City earned revenues from real estate of EUR 24.9 million (+194% y/y), which were including sale of the company’s interests in Mall of Plovdiv, Bulgaria fully recognized in the first half of 2009 bringing revenues of EUR 23 million and EBITDA of EUR 10 million.

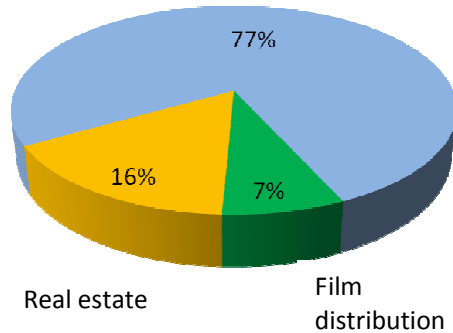
Film distribution operations passed through a weaker period, mainly due to distribution in Israel and DVD distribution in Hungary. In the nine months of 2009 revenues from film distribution totalled EUR 11.7 million (-29.9%). EBITDA in this segment was of EUR - 1.2 million and EBIT of EUR - 1.49 million. The Company considers ceasing the DVD distribution in Hungary and Czech mid 2010.

Cinema City revenues by segments

9M 2009

Theatre operations
breakdown (% of total sales):

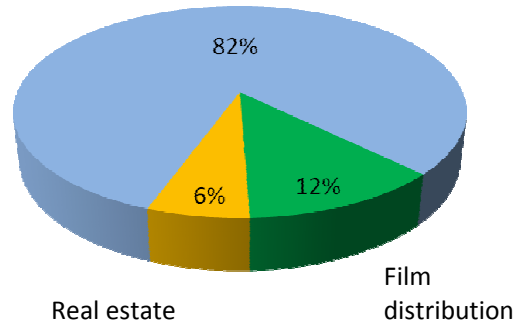
Ticket sales	50.0%
Concessions	16.0%
Advertising	11.0%



9M 2008

Theatre operations
breakdown (% of total sales):

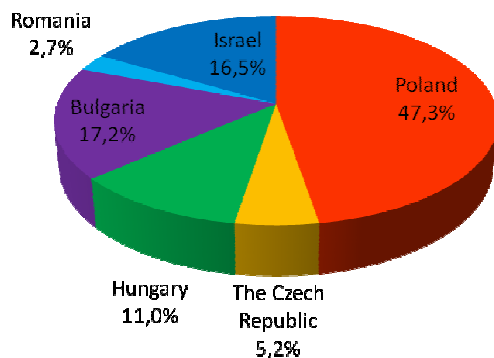
Ticket sales	54.0%
Concessions	17.0%
Advertising	11.0%



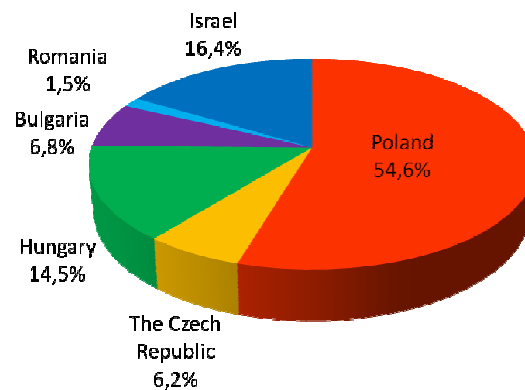
Revenues from Poland, Cinema City's largest operating market, accounted for 47.3% of total revenues of the nine months of 2009. The newest market for the company, Romania (where the first theatre opened in 4Q2007), most than doubled its revenues during the last 9 months, to € 1.6 million. Currently there are five Cinema City multiplexes operating in Romania (the fifth one opened in September 2009) and 30 projects scheduled to be open in the coming years. Over 33% of growth in revenues was reached by Cinema City in Bulgaria. In March 2009 the company opened its second multiplex in Bulgaria, in the city of Plovdiv.

Cinema City revenues by country

9M 2009



9M 2008



Through the first three quarters of 2009, the company reported EBITDA of € 34.1 million (+11.1%) and net profit of € 18.5 million (+30.3%).



In 3rd quarter itself EBITDA was € 9.6 million (+7.9%) and net profit was € 4.9 million (+27.1%).

Cinema City financial results:

(€ millions)	1-3Q 2009	1-3Q 2008	Δ	3Q 2009	3Q 2008	Δ
Revenues	156.0	137.8	+13.2%	50.7	47.5	+6.7%
EBITDA	34.1	30.7	+11.1%	9.6	8.9	+7.9%
Net profit	18.9	14.7	+28.6%	5.1	4.0	+27.5%

Plans

“Next week we are about to open our largest cinema in Poland – CC Bonarka in Cracow with 20 screens. This will be our 9th opening this year bringing the number of screens opened in 2009 to 104 plus 1 IMAX ” **said Cinema City CEO Moshe J. Greidinger**. “In 2010 we have on our pipeline over 100 screens in four countries. We negotiate additional projects in all our territories and at the same time we continue the process of digitalizing our cinemas. We plan to have around 200 digital projectors at the end of the next year. 2010 will see a strong line-up of films including strong dominance of 3D movies, international blockbusters and promising domestic production”.

Along with the development of theatres, Cinema City continues activity associated with real estate projects in Bulgaria.

“In the second half of 2010 we plan to open Mall of Ruse in Ruse, Bulgaria. This project, currently leased in approx 50% is developing according to the plans. Demanding conditions in the Bulgarian real estate market are slowing the commercialization process however we are convinced that we will be able to maximize its potential. We believe that along with the progress of works we will be steadily increasing the number of tenants the mall”- added **Moshe J. Greidinger**.

*Cinema City International is the largest multiplex cinema operator in Central & Eastern Europe and in Israel. The Company operates **69 multiplexes with 650 screens**, in 6 countries (Poland, the Czech Republic, Hungary, Romania, Bulgaria and Israel). There are 41 more multiplexes under development, which will offer additional 423 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 or contact:

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