



Press release

Warsaw, 3rd March 2008

Cinema City's financial results through 4Q2007

Continued growth of revenues and net profit

- Through 4 quarters of 2007, Cinema City International N.V. ("Cinema City") achieved revenues of EUR 161.3 million, representing a more than 12% increase over 2006. EBITDA grew by 10.9% over 2006 to EUR 34.6 million. Net profit rose by nearly 42% over 2006 to EUR 16.6 million.
- In 4Q2007 alone, Cinema City's revenues were nearly EUR 40 million, EBITDA was EUR 8 million, and net profit was EUR 3.6 million.
- Last year the Company sold 19.8 million tickets, a 15.1% increase over the prior year.
- Cinema City's investments in 2007 were EUR 35.1 million (31.5% growth over 2006). The Company opened 7 cinemas, 5 of which were in Poland and 2 in Romania (in 4Q2007), which became the sixth country of operations for Cinema City.
- Cinema City currently plans to open a total of 133 screens in 2008 in Romania, Poland, the Czech Republic, Hungary (Already opened 23 screens) and Israel.

"We are very pleased with the results of 2007," said **Moshe J. Greidinger, CEO of Cinema City, the largest multiplex cinema operator in Central & Eastern Europe and in Israel.** "Sales continue to grow, and net profit grew even faster. This resulted mainly from the growth of our network and the opening of new multiplexes in the countries where we operate. The rich repertoire of international and local films like *Harry Potter*, *Shrek the Third*, *Ratatouille* and *Katyn* also had a positive impact on the results. A special significant move last year was the opening of our first two multiplexes in Romania and signing additional 17 sites for new projects in that country."

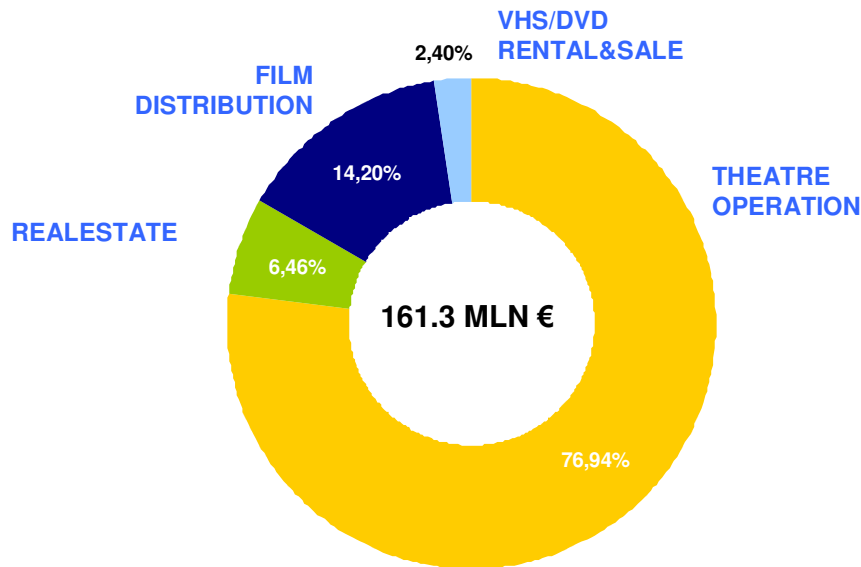
Cinema City revenues

Cinema City's revenues through the 4th quarters of 2007 were EUR 161.3 million (an increase of more than 12.0% over 2006). In the 4th quarter alone revenues were EUR 39.6 million, which represents growth of more than 15.0% compared to 4Q2006.

The majority of revenues (nearly 77%) came from cinema operations (including ticket sales, beverage and snack concessions at the cinemas, and activities related to cinema advertising and sponsoring). Film distribution accounted for about 14.2% of revenues.



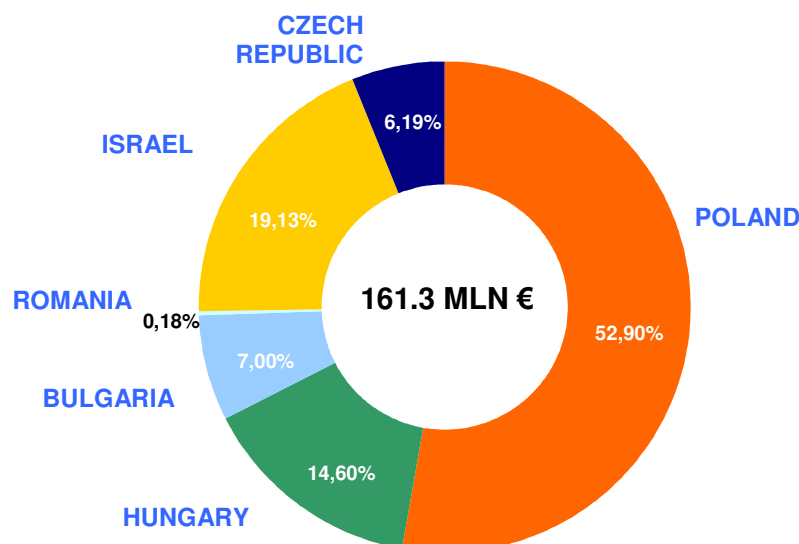
Operational breakdown 2007



In 2007 Cinema City sold 19.8 million tickets, which was over 15% more than in 2006. In the 4th quarter of last year alone, 4.6 million tickets were sold (+3%). The greatest growth in sales was noted in Poland, thanks in part to opening of 5 new cinemas in 2007 (ticket sales grew over 22% year-on-year, and were 16.3% higher in 4Q2007 than in 4Q2006).

The Company's largest operating market is Poland, where Cinema City generated nearly 53% of its revenues in 2007. The other operating markets are Israel, Hungary, the Czech Republic, Bulgaria and Romania (where Cinema City opened its first two cinemas in the second half of the 4th quarter of last year).

Geographical breakdown 2007





Cinema City profits

Cinema City's 2007 EBITDA was EUR 34.6 million, which represents growth of nearly 11% over the previous year. In the 4th quarter, EBITDA was EUR 8 million, which is EUR 400,000 less than the year before. The decrease in comparative EBITDA was partly the result of costs incurred in connection with commencement of operations in Romania in the 4th quarter last year

Positive tax result, driven by the company's continued good results, has helped net profit to grow ever more... Net profit through 4 quarters of 2007 grew by almost 42%, over 2006, to EUR 16.6 million, while net profit in the 4th quarter was 3.6 million.

Cinema City's financial results are presented below:

(EUR mln)	4Q 2007	4Q 2006	% change	1-4Q 2007	1-4Q 2006	% change
Revenues	39.6	34.4	15.12	161.3	143.8	12.17
EBITDA	8.0	8.4	-4.76	34.6	31.2	10.9
Net profit	3.6	1.5	140	16.6	11.7	41.88

Cinema City's investments and plans

Last year Cinema City invested a total of EUR 35.1 million or 31.5% more than the year before. The Company opened 7 cinemas, including 2 in 4Q2007 in Romania. In addition, the Company purchased a plot in the city of Ruse in Bulgaria (45% share) and is planning to build a shopping center, which will include a multiplex on that site. The Company also signed 25 leases for additional multiplexes (mainly in Romania). Nine of the leases were signed in the 4th quarter of 2007.

In the last three months of 2007, Cinema City began its operational activities in Romania. The Company opened 2 cinemas, in the cities of Iași and Timișoara. There are 20 multiplexes under development in Romania, which will offer a total of 226 screens. Upon completion of these multiplexes, Romania will become Cinema City's second-largest operating market, after Poland.

Cinema City's activity is also growing on the Hungarian market. After the opening in mid-January 2008 of a new megaplex in Budapest (the largest cinema in Central Europe, with 23 screens and an IMAX[®] theater), the Cinema City chain in Hungary now comprises 13 cinemas with 109 screens.

The overall network of Cinema City in its 6 countries of operations (Poland, Hungary, the Czech Republic, Bulgaria, Romania and Israel) now includes 62 multiplexes with 534 screens.

"We are planning further rapid growth," said **Cinema City CEO Moshe J. Greidinger**. "This year we intend to open new multiplexes with over 130 screens. In March we plan to open another cinema in Pilsen, Czech Republic, and one



month later in Bydgoszcz, Poland. In the second quarter of the year we are planning to open 2 new cinemas in Israel and in the second half of the year 5 more in Romania. We are also thinking about expansion into additional countries in the region. This is the right moment to thank everyone of our employees, each of them in his capacity has contributed to CCI success this year and last but not least, to the great group of cinema lovers – our customers.

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