



**REPORT REGARDING THE NON-COMPLIANCE OF THE COMPANY WITH THE
BEST PRACTICES PROVIDED FOR IN
THE “CODE OF BEST PRACTICES FOR WSE LISTED COMPANIES”**

Current report No. 56 /2008 of 30 October 2008

Cinema City International N.V. with its registered office in Amsterdam, The Netherlands, (the “**Company**”) gives notice that in 2008 the Company did not comply to the fullest extent with the following best practices set forth in the “*Code of Best Practices for WSE-listed companies*”:

Best Practice II pt 1 item 6

In 2008 the Company did not comply in full with this best practice. The annual report of the Supervisory Board on its activities in 2007 that was prepared prior to the Annual General Meeting of the Company and constituted a part of the Company’s 2007 Annual Report, did not contain newly introduced components provided for the supervisory board’s reports which came into force as of 1 January 2008, i.e., the assessment of internal control systems and risk management systems important for the Company.

The Supervisory Board’s reports on its activities to be drafted in future will include all the required parts, which will ensure full compliance with this best practice.

Best Practice II pt 1 item 12

In 2006 the Company introduced the 2006 Long-Term Incentive Plan (“Stock Option Plan”) based on its shares which entitles the eligible employees, directors and managers of the Company and its subsidiaries to options for the Company’s shares. Because of the legal nature of the Stock Option Plan that is based on options for the Company’s shares, option validity (maximum of 10 years from the option grant), discretion given to each eligible optionee with respect to the option exercise and the option exercise date, and the right of the Company to meet its obligations arising from the Stock Option Plan by a new share issue or transfer by the Company of its treasury shares to the eligible optionees as well as of the fluctuations in the level of fees charged by financial institutions in connection with the implementation and realisation of the Stock Option Plan, the Company does not provide information on the projected costs to be incurred by it in connection with the implementation of the Stock Option Plan. These costs are mainly generated at the moment the option is exercised by the eligible optionees.

Information on the costs incurred in a given year in connection with the Stock Option Plan is provided in the Company’s financial statements.

The Company will not comply with this best practice on a permanent basis.

Legal basis: § 29 section 3 of the Warsaw Stock Exchange By-laws

Signature of the Company’s representative:
Nissim Nisan Cohen – proxy