Cinema City International N.V.

Condensed Consolidated Financial Report

for the quarter ended

31 March 2009

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DIRECTORS' REPORT

General

Introduction

Cinema City International N.V. (the "Company"), incorporated in the Netherlands, is a subsidiary of I.T. International Theatres Ltd. ("ITIT" or "parent company"). The Company (and together with its subsidiaries, the "Group"), is principally engaged in the operation of entertainment activities in various countries including: Poland, Hungary, Czech Republic, Romania, Bulgaria and Israel. The Company, through related entities, has been a family operated theatre business since 1929. The Company shares are traded on the Warsaw Stock Exchange. As of 15 May 2009, the market share price was PLN 20.5 (EUR 4.6) giving the Company a market capitalization of EUR 234 million. The Company's office is located in Rotterdam, the Netherlands.

Highlights during the first quarter of 2009

The Company turned in a strong performance for the three months ended 31 March 2009, with revenues, EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation) and net income all having increased in comparison to the first quarter of prior year (which itself was also a strong quarter). Consolidated EBITDA increased from EUR 9.4 million for the first quarter of 2008 to EUR 15.0 million for the first quarter of 2009. Net income increased from EUR 4.0 million for the first quarter of 2008 to EUR 9.7 million for the first quarter of 2009.

The first quarter results were particularly impacted by a number of factors:

(1) The Company recorded strong performance of its theatre operations, with growth in ticket sales and same store tickets sales in most of the territories of operations;

(2) The Company sold its remaining interest in the Mall of Plovdiv. In previous years, the Company had executed its larger real estate transactions in the second quarter. Therefore, the fact that the sale of this real estate project was consummated in the quarter ended 31 March 2009 had a disproportionate positive impact on the first quarter results; and

(3) despite the actual growth in local currencies terms of the Company's theatre and distribution divisions, the significant reduction in the value of the local currencies in all the Company's territories in Central and Eastern Europe compared to the Euro – the Company's reporting currency – has reduced the Euro results of these divisions during the quarter ended 31 March 2009 compared to the quarter ended 31 March 2008. This negative currency impact was partly offset by positive results from the hedging contracts which the Company entered into during previous years in order to protect its rent related exposure to the Euro and US Dollar.

Directors' report

Theatre operations

The Company's strong theatre operations during the quarter ended 31 March 2009 were supported by a relatively well received supply of international movies. Ticket sales and same store tickets sales grew in most territories. In particular, as has been the case for the past several quarters, the Company's Polish operations performed particularly well, supported by a strong supply of Polish movies. The new screens which the Company opened during 2008 had their first full 3 months of operations during the quarter ended 31 March 2009, which together with the addition of 27 screens that opened during the quarter ended 31 March 2009, contributed to the increase in the positive results of the Company's theatre operations, both in terms of number of admissions and EBITDA. Since the beginning of 2009, the Company has opened the following theatres:

- an 8 screen multiplex in Pardubice, the Czech Republic,
- an 8 screen multiplex in Bacau, Romania and
- an 11 screen multiplex in Plovdiv, Bulgaria.

The Company's total screen count as at 31 March 2009, following the above openings, is 593 (including 8 IMAX® theatres).

Digital Projection

In a number of the Company's newest multiplexes opened during 2008 and the first quarter of 2009, including in Budapest, Hungary; Haifa, Israel; Pardubice, Czech Republic; Plovdiv, Bulgaria; Bacau, Romania, and in some of the Company's existing leading multiplexes, the Company has begun to install state-of-the-art digital projectors. Currently, the Company has installed 60 such projectors, and intends to install at least 50 more in its leading multiplexes throughout its cinema chain by the end of 2009. The digital projectors provide a higher quality, sharper resolution viewing experience, the ability to display a new generation of 3D movies and the possibility to show alternative content like operas, ballet, leading concerts and sport events from around the world. In this regard, during 2008 the Company signed a distribution agreement for such alternative content, with Digiscreen, which is distributing among other things the content from The Royal Opera House in London. The Company already started to show the alternative content in Israel and Poland. The reaction from the audience was very positive. By the end of 2009 the Company will start showing this content also in the other territories. The Company believes that in the long term, digital technology can help reduce cinema labor costs as digital projectors require less ongoing manpower than traditional reel to reel projectors.

Real estate operations

As noted above, during the quarter ended 31 March 2009, real estate activities contributed strongly to the Company's results. The Company realized EUR 22.7 million of revenues from real estate and other activities during the quarter ended 31 March 2009, compared to EUR 0.5 million during the quarter ended 31 March 2008. During the quarter ended 31 March 2009, the Company sold its remaining interest in the Mall of Plovdiv to GE Real Estate and Quinlan Private (Ireland), the same parties that purchased the first 50% of the project about 2 years earlier. The sale transaction for which the Company recorded a revenue of EUR 21.5 million, was completed at the time of the Mall's opening in March 2009. Under the terms of the sale, the Company continues to hold a long-term lease for the 11 screen multiplex located in the Mall of Plovdiv and which also opened in March 2009. In addition, the Company (and the other selling shareholders that participated in the sale) will continue to be responsible for the final completion of the project, which consists primarily of supervising the completion activities of the Mall's main contractors. The Company believes these activities will be substantially completed before mid 2009. As at 31 March 2009, the Company has accrued the estimated costs of these obligations.

Directors' report

In connection with selling its interest in the Mall of Plovdiv, the Company provided a secured financing to one of the buyers . As of the date of issuance of this report, the loan was repaid in full.

Film distribution activities/ DVD rental-sale activities

The Company's distribution division had a relatively slow quarter, compared to the quarter ended 31 March 2008. Revenue generated by the Company's film and video distribution division was down in most territories. This reduction has historically been seasonal in its nature, and relates to fewer and less attractive movies distributed during the quarter by those film studios which the Company represents in most of its territories.

In October 2008, the Company, together with its 50% joint venture partner, sold its Israeli video and DVD film rental and sale business, which had been conducted through Blockbuster Israel. NMC-United purchased the business for NIS 6.8 million (approximately EUR 1.4 million). Following the sale, the Company ceased this line of activity, which had become increasingly immaterial to the Company's overall operations in recent years. The (negative) results of this operation during the quarter ended 31 March 2009 and the quarter ended 31 March 2008 have therefore been reclassified to "Loss from discontinued operations".

Financial information

The Condensed unaudited Consolidated Financial Statements for the 3 months ended 31 March 2009 have been prepared by management under International Financial Reporting Standards ("IFRS") as adopted by the European Union, adopting the same accounting principles as used in the 2008 Annual Accounts.

Overview of results

The Company's net income for the first quarter of 2009 was EUR 9,709,000 and can be summarized as follows:

	For the 3 months ended 31 March	
	2009	**2008**
	EUR (thousands, except per share data)	
Revenues	**66,680**	44,013
Operating costs, excluding depreciation and amortisation	**48,731**	32,359
Gross result	**17,949**	11,654
General and administrative expenses	**2,911**	2,290
EBITDA *	**15,038**	9,364
Depreciation and amortisation	**3,757**	4,625
Operating profit	**11,281**	4,739
Financial income	**785**	965
Financial expenses	**(1,787)**	(1,486)
Gain and loss on disposals and write-off of other investments	**4**	3
Operating income before taxation	**10,283**	4,221
Income taxes	**606**	303
Net income from continuing operation	**9,677**	3,918
Loss from discontinued operation	**30**	230
Net income before minority interests	**9,647**	3,688
Minority interests	**62**	348
Net income attributable to equity holders of the parent company	**9,709**	4,036
Weighted average number of equivalent shares (basic)	**50,834,000**	50,834,000
Weighted average number of equivalent shares (diluted)	**50,834,000**	50,974,398
Net earnings per ordinary share (basic and diluted of EUR 0.01 each)	**0.19**	0.08

* Earnings Before Interest, Taxation, Depreciation and Amortisation. Under this definition, gains and losses on disposals and write-off of other assets as well as currency exchange results are also not included in EBITDA

Directors' report

Revenues

Total revenues increased by 51.6% from EUR 44.0 million during the quarter ended 31 March 2008 to EUR 66.7 million during the quarter ended 31 March 2009.

Theatre operating revenues increased by 6.1% from EUR 37.8 million during the quarter ended 31 March 2008 to EUR 40.1 million during the quarter ended 31 March 2009. The increase in theatre revenues mainly resulted from an increase in the number of admissions, driven primarily by the contribution of new cinemas opened in 2008 and in the first quarter of 2009 and a strong supply of movies in most territories. The reduction in the value of the local currencies in most countries of operation has offset the majority of this growth. In Poland, the Company's main country of operation, theatre operating revenue grew in local currency by 24.5%, while in Euro terms it was reduced slightly by 0.7%.

Distribution operating revenues decreased by 33.3% from EUR 5.7 million during the quarter ended 31 March 2008 to EUR 3.8 million during the quarter ended 31 March 2009. The decrease was mainly due to the reduction in distribution revenue primarily in Poland due to a relatively weak supply of movies distributed by Forum Film Poland compared to the first quarter of 2008, and the reduction of DVD distribution in Hungary and the Czech Republic, which was also due to a weak supply of movies compared to the first quarter of 2008. The reduction in the value of the local currencies in most countries of operation exacerbated the reduction in revenue. Distribution revenue in Poland, the Company's main country of operation, was reduced by 17.3% in local currency, while the reduction in Euro terms was 34%.

Other revenues, which include real estate activities, increased from EUR 0.5 million during the quarter ended 31 March 2008 to EUR 22.7 million during the quarter ended 31 March 2009. This increase was mainly attributed to the sale of the Company's interest in Mall of Plovdiv in the quarter ended 31 March 2009 as described above. This increase was not affected by changes in the value of currencies, as revenues and expenses are fixed in Euros.

Operating Costs

Operating costs, excluding depreciation and amortisation, increased by 50.3% from EUR 32.4 million during the quarter ended 31 March 2008 to EUR 48.7 million during the quarter ended 31 March 2009. This net increase resulted primarily from the total effects of:

- an increase in theatre operating expenses primarily explained by the increase in theatre revenues as described above. The theatre operating expenses, excluding depreciation and amortisation, as a percentage of total theatre revenue, for the quarters ended 31 March 2009 and 31 March 2008 remained on a similar level (70.3% and 70.5% respectively).
- a decrease in distribution operating expenses as a result of the decrease in revenues as described above. Distribution operating expenses, excluding depreciation and amortisation, as a percentage of total distribution revenue increased to 107.4% for the the quarter ended 31 March 2009, from 97.0% for the the quarter ended 31 March 2008. This change is mostly due to the fact that a large part of the distribution expense is fixed in its nature. A reduction in revenue will therefore cause the percentage of expenses to grow.
- An increase in other operating expenses primarily explained by an increase in other revenues as described above. Other operating expenses, excluding depreciation and amortisation, as a percentage of total other revenue increased to 72.2% for the quarter ended 31 March 2009, from 41% for the quarter

ended 31 March 2008. This is primarily due to the real estate sale in Plovdiv, Bulgaria. No similar transaction was recorded in the quarter ended 31 March 2008.

General and administrative expenses

General and administrative expenses increased by 26.1% from EUR 2.3 million for the quarter ended 31 March 2008 to EUR 2.9 million during the quarter ended 31 March 2009. The increase was mainly a result of the increase in the management bonus accrual due to the increase in pre-tax profits. General and administrative expenses as a percentage of total revenue decreased to 4.3% for the the quarter ended 31 March 2009, from 5.2% for the quarter ended 31 March 2008.

EBITDA

As a result of the factors described above, the earnings before interest tax depreciation and amortisation (EBITDA) increased by 59.6% from EUR 9.4 million for the quarter ended 31 March 2008 to EUR 15.0 million for the quarter ended 31 March 2009.

Depreciation and amortisation

Depreciation and amortisation expenses decreased by 17.4% from EUR 4.6 million for the quarter ended 31 March 2008 to EUR 3.8 million for the quarter ended 31 March 2009. This decrease is mainly due to the depreciation of the fixed assets related to the closing of the Arena Multiplex in Israel during the quarter ended 31 March 2008 (no such during the quarter ended 31 March 2009), and the devaluation of local currencies against the EUR in each of the Company's territories partly offset by an increase in depreciation due to newly opened theatres.

Operating profit

As a result of the factors described above, the operating profit increased by 140.4% from EUR 4.7 million during the quarter ended 31 March 2008 to EUR 11.3 million during the quarter ended 31 March 2009

Financial income/expenses

The balance of financial income and expenses resulted in a net expense of EUR 1.0 million during the quarter ended 31 March 2009 compared to a net expense of EUR 0.5 million during the quarter ended 31 March 2008. The increase is mainly due to exchange differences carried on short and long term payables denominated in currencies other than the functional currency.

Minority interest

Minority interests for the quarters ended 31 March 2009 and 31 March 2008 comprised the share of minority shareholders in losses from subsidiaries that are not 100% owned by the Company (EUR 0.1 million and EUR 0.3 million respectively).

Net income

As a result of the factors described above, the Company realized a net income of EUR 9.7 million during the quarter ended 31 March 2009 compared to net income of EUR 4.0 million during the quarter ended 31 March 2008.

Selected financial data

PLN/EUR	Average exchange rate	Minimum exchange rate	Maximum exchange rate	Quarter end exchange rate
	Exchange rate of Euro versus the Polish Zloty			
2009 (1st quarter)	**4.4925**	**3.9170**	**4.8999**	**4.7013**
2008 (1st quarter)	3.5760	3.5200	3.6580	3.5260

Source: National Bank of Poland ("NBP")

Selected financial data	EUR		PLN	
	(thousands, except per share data)			
	For the quarter ended 31 March			
	2009	**2008**	**2009**	**2008**
Revenues	**66,680**	44,013	**299,560**	157,390
Operating profit	**11,281**	4,739	**50,680**	16,947
Operating income before taxation	**10,283**	4,221	**46,196**	15,094
Net income attributable to equity holders of the parent company	**9,709**	4,036	**43,618**	14,433
Cash flows from operating activities	**12,438**	8,682	**55,878**	31,047
Cash flows provided by/ (used) in investment activities	**2,620**	(9,403)	**11,770**	(33,625)
Cash flows (used in)/ provided by financing activities	**(16,426)**	4,144	**(73,794)**	14,819
(Decrease)/increase in cash and cash equivalents	**(1,368)**	3,423	**(6,146)**	12,241
Total assets	**275,241**	254,016	**1,293,991**	895,660
Provisions	**5,692**	5,276	**26,760**	18,603
Long-term liabilities	**53,283**	44,430	**250,499**	155,660
Current liabilities	**68,568**	49,842	**322,359**	175,743
Shareholders' equity	**156,824**	162,003	**737,277**	571,223
Share capital	**508**	508	**2,388**	1,791
Average number of equivalent shares	**50,834,000**	50,834,000	**50,834,000**	50,834,000
Average number of equivalent shares (diluted)	**50,834,000**	50,974,398	**50,834,000**	50,974,398
Net earnings per ordinary share (basic and diluted)	**0.19**	0.08	**0.86**	0.28

Selected financial data were translated from EURO into PLN in the following way:

(i) Balance sheet data were translated using the average exchange rate published by the National Bank of Poland for the last day of the year / period.

(ii) Income Statement and cash flows data were translated using the arithmetical average of average exchange rates published by the National Bank of Poland for the last day of every month within year / period.

Outlook for the remainder of 2009*

In spite of the very challenging economic environment throughout the Company's countries of operation, 2009 has started well, with a strong supply of movies supporting solid results in the Company's territories. In January 2009, Cinema City opened two multiplexes, one, an 8 screen multiplex in Romania and one, an 8 screen multiplex in the Czech Republic. A third one was an 11 screen multiplex opened in Plovdiv, Bulgaria, in March.

While the current real estate and financial crisis in the various countries in which the Company operates is impacting the speed of the Company's development plans, the Company is still planning to open a total of 117 screens during 2009, including the 27 screens already opened.

The real-estate slowdown appears to be affecting the Company's plans mostly in Romania, in which the Company is currently expecting to open an additional 32 screens before the end of year, compared to 55 screens, which it had planned to open in 2009 only a few months ago. The openings in Romania as currently planned, however, include the opening of the Company's flagship project, Cotroceni, in Bucharest, which will include a 20 screen multiplex plus an IMAX® theatre and should have a very positive impact on the development of the Company's operations in Romania.

In addition to the Romanian's screens, in 2009, the Company is still currently planning to open 4 theatres in Poland (45 screens) and 1 theatre in Hungary (13 screens). In addition, the Company continues to progress in signing additional lease agreements for future multiplexes in Romania. The Company currently has binding commitments for an additional 30 sites (representing approximately 300 screens) throughout Romania, and is in advanced negotiations in respect of a further number of sites.

Upon completion of the projects currently in the pipeline, Romania will become the Company's second largest country in terms of number of screens in operation, exceeded only by Poland. All of the planned Romanian theatres are located in shopping centers and will be leased.

As previously noted, because the mall opening dates are dependent on the mall developers and there is a continuing tendency in the Romanian market to complete mall construction behind schedule, it remains difficult for the Company to accurately estimate the opening dates of its projects. This issue has been particularly exacerbated by the regional slowdown in real estate development brought on by the worldwide financial and real estate crisis. In addition to the risk of delayed openings as described above, there is now an increased risk that the construction of some of the malls for which lease agreements have already been signed will not commence or will not finish. However, the Company still believes that the planned opening of most the multiplexes for which it has signed lease contracts will take place. As the Company, in most cases, does not begin to expend capital for theatre constructions in its new theatres until very close to the scheduled opening date, the failure to complete any particular mall project or even a number of projects, will not have a material negative impact on the Company's ongoing operations and results, since such failure would not pose a significant financial risk to the Company. If the completion of mall projects is either delayed or cancelled, this would only impact the rate of the Company's future growth and not its ongoing operations.

While the Company's management currently believes that the existing trend of strong admissions will continue for the foreseeable future, there can be no assurance that the Company will not be materially adversely impacted if the financial crisis continues to deepen. A sustained economic downturn could result in a material drop in "mall" traffic, which has historically supported theatre admissions. In addition, if consumers have considerably less disposable income, discretionary entertainment choices, such as movie going, could be adversely impacted. Even if movie going itself is not materially adversely impacted, movie goers could determine to spend less money for food and drinks at the Company's high-margin concession stands. Moreover, advertisers could decrease their use of the Company's expanding theatre and screen advertising services.

Directors' report

Management has noted, however, through the years that during economic downturns, movie going often increases. Consumers desire to spend their smaller pools of discretionary funds on relatively inexpensive forms of "escapist" entertainment such as movie going. The Company has seen very strong admissions trends through the end of April 2009 and as of the date of this report continues to see no evidence of any downturn in theatre visits resulting from external economic factors.

*Certain statements contained in this quarterly report are not historical facts but rather statements of future. These forward-looking statements are based on our current plans, expectations and projections about future events. Any forward-looking statements speak only as of the date they are made and are subject to uncertainties, assumptions and risks that may cause the events to differ materially from those anticipated in any forward-looking statement. Such forward-looking statements include, without limitation, improvements in process and operations, new business opportunities, performance against Company's targets, new projects, future markets for the Company's products and other trend projections. For the avoidance of any doubts, this quarterly report does not contain any forecast about the Company's and its capital group's financial results.

Additional information to the report

Major shareholders

To the best of the Company's knowledge as of the date of publication of this report for the first quarter of 2009, the following shareholders are entitled to exercise over 5% of voting rights at the General Meeting of Shareholders in the Company:

	As of 18 May 2009 Number of shares/% of shares	**Increase/ (decrease) Number of shares**	**As of 31 March 2009 Number of shares/% of shares**	**Increase/ (decrease) Number of shares**	**As of 31 December 2008 Number of shares/% of shares**
I.T. International Theatres Ltd. (1)	32,709,996 / 64.35%	-	32,709,996 / 64.35%	-	32,709,996 / 64.35%
Commercial Union Powszechne Towarzystwo Emerytalne BPH CU WBK SA	6,187,089 /12.17%.	950,720	5,236,369 /10,30%.	-	5,236,369 /10,30%.
ING Nationale-Nederlanden Polska Otwarty Fundusz Emerytalny	2,700,000 / 5.31%	-	2,700,000 / 5.31%	-	2,700,000 / 5.31%
BZ WBK TFI SA(2)	2,661,049 /5.23%	-	2,661,049 /5.23%	-	2,661,049 /5.23%
BZ WBK AIB Asset Management SA(2)	2,542,345 / 5.00%	-	2,542,345 / 5.00%	-	2,542,345 / 5.00%

(1) In addition, Israel Theatres Ltd, the shareholder who holds 100% of I.T. International Theaters Ltd., holds 104,988 shares in Cinema City International N.V. (representing 0.2% of the shares).

(2) BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA, with its registered office in Poznań has engaged BZ WBK AIB Asset Management S.A. to manage the investment funds until now managed by the BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA ("Funds"). Consequently, should it transpire that the Funds hold shares in Cinema City International NV and BZ WBK AIB Asset Management S.A. undertakes to incorporate them in any notification

Additional information to the report (cont'd)

Changes in ownership of shares and rights to shares by Management Board members in the first quarter of 2009 and until the date of publication of the report

Changes in ownership of shares and rights to shares by Management Board members are specified below:

	As of 18 May 2009 Number of shares/% of shares	Increase/ (decrease) Number of shares	As of 31 March 2009 Number of shares/% of shares	Increase/ (decrease) Number of shares	As of 31 December 2008 Number of shares/% of shares
Moshe Greidinger*	11,603,379 / 22.83%	-	11,603,379 / 22.83%	-	11,603,379 / 22.83%
Amos Weltsch	None	-	none	-	none
Israel Greidinger*	11,603,379 / 22.83%	-	11,603,379 / 22.83%	-	11,603,379 / 22.83%

*The shares held by Messrs Moshe and Israel Greidinger are held indirectly through I.T. International Theaters Ltd.

Rights to shares

The members of the Management Board did not own or receive any rights to shares in the Company during the period 31 December 2008 until 18 May 2009.

Changes in ownership of shares and rights to shares by Supervisory Board members in the first quarter of 2009 and until the date of publication of the report

The members of the Supervisory Board did not own any shares and/or rights to shares in the Company during the period 31 December 2008 until 18 May 2009.

Changes in the composition of the Supervisory Board and Management Board

None.

Other

As of 31 March 2009, the Group has issued guarantees for loans that in total amount to EUR 12 million and Polish zloty 188.5 (EUR 40) million in connection with loans provided to subsidiaries.

As of 31 March 2009, the Group has no litigations for claims or liabilities that in total exceed 10% of the Group's equity.

The following net movements in the Group's main provisions took place during the first quarter of the financial year 2009:

- an increase in the provision for deferred tax liabilities of EUR 605,000
- a decrease in the provision for accrued employee retirement rights of EUR 146,000
- a decrease in the provision related to onerous lease contracts of EUR 402,000.

The Management Board

Moshe J. (Mooky) Greidinger	Amos Weltsch	Israel Greidinger
President of the board	Management board	Management board
General Director	Operational Director	Financial Director

Rotterdam, 18 May 2009

CONDENSED CONSOLIDATED BALANCE SHEET

	31 March 2009 (Unaudited)	31 December 2008 (Audited*)	31 March 2008 (Unaudited**)	31 December 2007 (Audited*)
	EUR (thousands)			
ASSETS				
FIXED ASSETS				
Intangible fixed assets	**1,120**	**1,285**	1,069	1,041
Property and equipment	**169,443**	**185,474**	190,616	183,239
Investment properties	**26,646**	**26,407**	12,194	12,017
Other non-current assets	**3,498**	**2,949**	783	1,210
Total fixed assets	**200,707**	**216,115**	204,662	197,507
CURRENT ASSETS				
Inventories	**4,603**	**4,859**	4,763	4,380
Trade and other receivables	**29,179**	**31,814**	30,290	30,651
Assets classified as held for sale	**26,006**	**33,564**	2,427	2,400
Other current financial assets	**4,090**	**2,537**	-	60
Cash and cash equivalents	**9,831**	**11,780**	11,523	8,012
Short term bank deposits	**494**	**591**	-	-
Short term bank deposits – collateralized	**331**	**345**	351	349
Total current assets	**74,534**	**85,490**	49,354	45,852
TOTAL ASSETS	**275,241**	**301,605**	254,016	243,359
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY	**156,824**	**160,026**	162,003	156,171
Minority interests	**(3,434)**	**(3,483)**	(2,259)	(1,908)
LONG-TERM LIABILITIES				
Long-term loans, net of current portion	**44,375**	**67,182**	36,725	34,802
Provisions	**5,692**	**5,635**	5,276	5,750
Other long-term liabilities	**3,216**	**3,226**	2,429	2,537
Total long-term liabilities	**53,283**	**76,043**	44,430	43,089
CURRENT LIABILITIES				
Short-term bank credit	**36,087**	**34,177**	23,002	18,575
Other current liabilities	**32,481**	**34,842**	26,840	27,432
Total current liabilities	**68,568**	**69,019**	49,842	46,007
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**275,241**	**301,605**	254,016	243,359

*) Extracted from the 2008 Annual Accounts.
**) Restated to reflect the reclassification of a jointly controlled entity as held for use

CONDENSED CONSOLIDATED INCOME STATEMENT

	For the 3 months ended 31 March 2009 (Unaudited)	For the 3 months ended 31 March 2008 (Unaudited*)
	EUR (thousands, except per share data and number of shares)	
Revenues	**66,680**	44,013
Operating costs	**52,488**	36,984
Gross margin	**14,192**	7,029
General and administrative expenses	**2,911**	2,290
Operating profit	**11,281**	4,739
Financial income	**785**	965
Financial expenses	**(1,787)**	(1,486)
Gain and loss on disposals and write-off of other investments	**4**	3
Operating income before taxation	**10,283**	4,221
Income tax expense	**(606)**	(303)
Net income from continuing operations	**9,677**	3,918
Discontinued operations		
Loss from discontinued operations	**(30)**	**(230)**
Net income before minority interests	**9,647**	3,688
Equity holders of the Company	**9,709**	4,036
Minority interests in loss of consolidated subsidiaries	**(62)**	(348)
Net income before minority interests	**9,647**	3,688
Weighted average number of equivalent shares (basic)	**50,834,000**	50,834,000
Weighted average number of equivalent shares (diluted)	**50,834,000**	50,974,398
Net earnings per ordinary share (basic and diluted) of EUR 0.01 each	**0.19**	0.08

(*) Reclassified to show the discontinued operation of DVD and Video rental business separately from the continuing operations (see Note 7)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	For the 3 months ended 31 March 2009 (Unaudited)	For the 3 months ended 31 March 2008 (Unaudited)
Balance as of the beginning of the period	**160,026**	156,171
Net income for the period	**9,709**	4,036
Share based payment	**23**	28
Foreign currency translation adjustment	**(14,651)**	2,633
Effective portion in fair value of cash flow hedges *)	**1,717**	(865)
Balance at the end of the period	**156,824**	162,003

*) Represents changes in fair value adjustment of cash flow hedges related to part of the Company future transactions denominated in currencies other than the functional currency (see note 6).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the 3 months ended 31 March 2009 (Unaudited)	For the 3 months ended 31 March 2008 (Unaudited*)
Cash flows from operating activities	**12,438**	8,682
Cash flows from/(used in) investing activities	**2,620**	(9,403)
Cash flows (used in)/from financing activities	**(16,426)**	4,144
Increase/(decrease) in cash and cash equivalents	**(1,368)**	3,423
Cash and cash equivalents at the beginning of the period	**11,780**	8,012
Foreign currency exchange differences on cash	**(581)**	88
Cash and cash equivalents at the end of the period	**9,831**	11,523

*) Restated to reflect the reclassification of a jointly controlled entity as held for use

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – General and principal activities

(a) The accompanying Condensed Consolidated Financial Statements present the financial position per 31 March 2009, results of operations, changes in shareholders' equity, and cash flows for the quarter ended 31 March 2009 of Cinema City International N.V. ("the Company") and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates. The 31 March 2009 Condensed Consolidated Financial Statements were authorised for issue by the management board members on 18 May 2009.

(b) Cinema City International N.V. is incorporated in the Netherlands. The shares in the Company are traded on the Warsaw Stock Exchange. 64.35% of the outstanding shares in the Company are held by I.T. International Theatres Ltd. (“ITIT”), incorporated in Israel. The Group is principally engaged in the operation of entertainment activities in various countries including: Poland, Hungary, Czech Republic, Bulgaria, Romania and Israel. The Company is also engaged in managing and establishing its own entertainment real estate projects for rental purposes, in which the Company operates motion picture theatres. In addition, the Company is involved in short-term and long-term real estate trading in Central Europe. The Company’s business is in large dependent both upon the availability of suitable motion pictures from third parties for exhibition in its theatres, and the performance of such films in the Company’s markets.

Note 2 – Summary of significant accounting policies

A. Basis of preparation

The Condensed Consolidated Balance Sheets as of 31 March 2009 and as of 31 March 2008, the Condensed Consolidated Income Statement, the Condensed Consolidated Statements of changes in Shareholders’ Equity and the Condensed Consolidated Statements of Cash Flows for the 3 months ended 31 March 2009 and for the 3 months ended 31 March 2008 have not been audited. The Condensed Consolidated Balance Sheet as of 31 December 2008 and as of 31 December 2007 is extracted from the 2008 Annual Accounts.

The Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. In the preparation of these financial statements, the Company has followed the same accounting policies used in the Company’s 2008 Annual Accounts. The Company’s 2008 Annual Accounts have been prepared in accordance with IFRS adopted by the EU to be used for preparation of consolidated financial reporting. The 31 March 2009 Condensed Consolidated Financial Statements should be read in conjunction with the audited 2008 Annual Accounts. In addition, the Company has adopted the standards and interpretations with an effective date before 31 March 2009.

Note 2 – Summary of significant accounting policies (cont'd)

B. Functional and presentational currency

The functional currencies of the operations in Central Europe are the relevant local currencies: the Bulgarian leva, the Czech crown, the Hungarian forint, Romanian New Lei and the Polish zloty. The functional currency of the operations in Israel is the New Israeli shekel (NIS).

The financial statements of the above mentioned foreign operations are translated from the functional currency into euros (presentation currency) for both 2008 and 2009 as follows:

Assets and liabilities, both monetary and non-monetary are translated at the closing exchange rate. Income statement items were translated at the average exchange rate for the year. Foreign exchange differences arising on translation have been recognised directly in equity.

C. Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions. These judgements, estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

D. Principles of consolidation

These Condensed unaudited Consolidated Financial Statements include the accounts of the Company, its subsidiaries, and jointly controlled entities. Subsidiaries are those enterprises which are controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases. Jointly controlled entities are those enterprises over whose activities the Company has joint control, established by contractual agreements.

All inter-company accounts and transactions are eliminated when preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A list of the companies whose financial statements are included in these Condensed Consolidated Financial Statements and the extent of ownership and control appear in Note 12.

Note 2 – Summary of significant accounting policies (cont'd)

E. Exchange rates

Information relating to the relevant Euro exchange rates (at end of period and averages for the period)*:

	Exchange rate of euro					
As of	**Czech crown (CZK)**	**Hungarian forint (HUF)**	**Polish zloty (PLN)**	**US dollar (USD)**	**Israeli shekel (NIS)**	**Romania New Lei (RON)**
31 March 2009	**27.53**	**309.03**	**4.72**	**1.32**	**5.57**	**4.26**
31 December 2008	26.64	267.59	4.15	1.41	5.30	4.04
31 March 2008	25.38	259.19	3.55	1.58	5.62	3.75
Change during the period	**%**	**%**	**%**	**%**	**%**	**%**
2009 (3 months)	**3.34**	**15.49**	**13.73**	**(6.38)**	**5.09**	**5.45**
2008 (12 months)	(0.11)	4.75	14.33	(4.08)	(6.36)	11.29
2008 (3 months)	(4.84)	1.46	(2.20)	7.48	(0.71)	3.31

	Exchange rate of euro					
Average for the period	**Czech crown (CZK)**	**Hungarian forint (HUF)**	**Polish zloty (PLN)**	**US dollar (USD)**	**Israeli shekel (NIS)**	**Romania New Lei (RON)**
2009 (3 months)	**27.63**	**294.09**	**4.50**	**1.31**	**5.29**	**4.28**
2008 (12 months)	24.99	252.43	3.52	1.47	5.26	3.70
2008 (3 months)	25.61	260.11	3.59	1.50	5.43	3.70
Change during the period	**%**	**%**	**%**	**%**	**%**	**%**
2009 (3 months)	**10.56**	**16.50**	**27.84**	**(10.88)**	**0.57**	**15.68**
2008 (12 months)	(10.04)	0.15	(7.12)	7.30	(6.57)	10.45
2008 (3 months)	(7.81)	3.20	(5.28)	9.49	(3.55)	10.44

	Exchange rate of euro					
Average for the quarter ended 31 March	**Czech Crown (CZK)**	**Hungarian Forint (HUF)**	**Polish Zloty (PLN)**	**US Dollar (USD)**	**Israeli Shekel (NIS)**	**Romania New Lei (RON)**
2009	**27.63**	**294.09**	**4.50**	**1.31**	**5.29**	**4.28**
2008	25.61	260.11	3.59	1.50	5.43	3.70
Change quarter over quarter	**%**	**%**	**%**	**%**	**%**	**%**
2009	**7.89**	**13.06**	**25.35**	**(12.66)**	**(2.58)**	**15.67**
2008	(8.70)	2.79	(7.94)	14.50	(1.80)	9.14

* Since the exchange rate of Bulgarian Leva versus the Euro for the applicable periods is unchanged, a currency table is not added. The exchange rate for the applicable periods used is 1.95583 Bulgarian Leva for one Euro.

Note 3 – Changes in Consolidated Entities

A. Changes in consolidated and associated entities during the first quarter of 2009:

Forum Film Bulgaria EOOD, 100% owned by the Company, was incorporated in Bulgaria. This entity commenced operations in January 2009 and specializes in the distribution of movies in Bulgaria.

B. Changes in consolidated entities during 2008:

(a) MO Russe AD (formerly known as Cinema City Malls AD), a Bulgarian company, 100% owned by the Company through its 100% subsidiary IT Sofia 2007 B.V. incorporated in the Netherlands.
Before 19 September 2008, the entity was jointly controlled by the Company and a third party, each owning 45% of the shares (10% was owned by the original owner of the Land). As of 19 September 2008, when the Company acquired the 45% interest from the other joint venture partner thereby increasing its interest in MO Russe AD to 90% and as of October 2008, when the Company acquired the remaining 10% interest from the original owner of the plot of land thereby increasing its interest in MO Russe AD to 100%, this subsidiary is accounted for in the Company's Consolidated Financial Statements on a fully consolidated basis.
Since the Company is seeking to sell half of its interest in the Mall of Russe to a new partner in the near future, this 50% interest in the Mall of Russe project is carried in the Company's consolidated balance sheet as "held for sale", whereas the other 50%, which is considered to be held as long-term investment, is accounted for as Investment property (land) and Property and equipment (construction part), respectively.

(b) New Age Cinema Czech S.R.O., 100% owned by the Company, was incorporated in the Czech Republic. The Company commenced operations in June 2008 and specializes in screen advertising.

(c) M.O. Stara Zagora EOOD is a Bulgarian company in which the Company holds a 55% interest and which owns the Mall of Stara Zagora. The other 45% of the shares in M.O. Stara Zagora AD is held by third parties.
As the ownership of M.O. Stara Zagora AD is jointly controlled, the interest in M.O. Stara Zagora is accounted for using the proportionate consolidation method in the Company's Consolidated Financial Statements. Since the Company is seeking to sell the one half of its interest in the Mall of Stara Zagora to a new partner in the near future, this 27.5% interest in the Mall of Stara Zagora is carried in the Company's consolidated balance sheet as "held for sale", whereas the other 27.5% interest, which is considered to be held as long-term investment, is accounted for as Investment property (land) and Property and equipment (construction part), respectively.

(d) RESB EOOD, 100% owned by the company, was incorporated in Bulgaria. This entity commenced operations in August 2008 and specializes in management of real estate and construction.

Note 4 – Share capital

The authorised share capital of the Company consists of 175,000,000 shares of EUR 0.01 par value each.

The number of issued and outstanding ordinary shares as at 1 January 2008 was 50,834,000 and remained unchanged during the financial year 2008 and the first quarter of 2009. All shares issued and outstanding at 31 March 2009 have been fully paid.

Note 5 – Commitments and contingent liabilities

The Company and its subsidiaries did not enter into any new agreements or contracts that resulted in additional significant commitments or contingent liabilities since 31 December 2008. The commitments, contingent liabilities and liens as disclosed in the Company's 2008 Annual Accounts for the year ended 31 December 2008 have not materially changed as at 31 March 2009, except for further commitments to open new cinemas as part of the Company's expansion plans and except for a cost overrun guarantee and securities as disclosed below.

During the quarter ended 31 March 2009, the Company sold its remaining interest in the Mall of Plovdiv to GE Real Estate and Quinlan Private (Ireland). The Company (and the other selling shareholders that participated in the sale) will continue to be responsible for the final completion of the project, which consists primarily of supervising the completion activities of the Mall's main contractors.

During the quarter ended 31 March 2009, The Company provided a guarantee for new loan to a Polish bank totaling of PLN 73 million (EUR 15.5 million). The Company's Polish subsidiary provided the bank with several securities consisting mainly of an ordinary joint mortgage on its interest in several real estates in Poland. The Polish subsidiary undertook to meet several financial covenants.

As of 31 March 2009, the Group has guarantees for loans that in total amount to EUR 12 million and Polish zloty 188.5 million (EUR 40 million) in connection with loans provided to subsidiaries.

Cinema City Poland Sp. z o.o., 100% owned by the Company, is the defendant in a claim brought by Zwiazek Autorow I Kompozytorow ("Zaiks"), a Polish collection society representing screenplay authors and authors of other literary and musical works used in audiovisual works that are exhibited in Poland. The Company understands that Zaiks has also brought similar claims against many other major cinema exhibitors and cable TV operators in Poland, certain of which, the Company believes, may have settled with Zaiks. The claimant seeks royalties in the amount of approximately EUR 2.0 million plus interest for the period through June 2007 for the use of works by certain of its members in movies exhibited in Poland. No claims were raised by Zaiks for the period after June 2007, although there is no assurance that such claims will not be brought in the future. Based on legal advice, the Management Board does not expect the outcome of the claim to have a material effect on the Group's financial position. The Company continues to accrue amounts in connection with this matter.

Note 6 – Financial instruments

Exposure to credit, interest rate and currency risks arises in the normal course of the Company's business. These risks are described in full detail in the 2008 Annual Accounts. As at 31 March 2009, the Company has hedged some of its USD and EUR expenses through March 2009 in respect of its Polish, Hungarian and Czech theatre operations, against the Polish Zloty, the Hungarian forint and the Czech crown respectively.
In connection with these obligations, the Company has entered into the following forward foreign exchange contracts:

(1) contracts comprising a commitment to buy EUR 300,000 and USD 500,000 at the beginning of each month until December 2010 at fixed prices denominated in Polish Zloty;
(2) contracts comprising a commitment to buy USD 255,000 at the beginning of each month until December 2010 at fixed prices denominated in Hungarian Forint;
(3) contracts comprising a commitment to buy USD 90,000 at the beginning of each month until August 2011 at fixed prices denominated in the Czech crown.

These forward foreign exchange contracts have been valued in the consolidated balance sheet at 31 March 2009 at their fair value.

The valuation of contracts signed as of 1 January 2008 onwards is booked directly into equity in a separate Hedge reserve. The company designate these contracts to hedge future cash flow fluctuations deriving from differences between the EUR and the USD against local currencies as described above. Amounts are released from the Hedge reserve to profit or loss when the future transaction is settled.

Note 7 – Discontinued operations

On 30 October 2008, the Company signed an agreement to sell, together with its 50% joint venture partner, its Israeli video and DVD film rental and sale business, which had been conducted through Blockbuster Israel. NMC-United purchased the business for NIS 6.8 million (approximately EUR 1.4 million). Following this sale, the Company will no longer be active in the DVD film rental and sale business. This segment was not a discontinued operation or classified as held for sale as at 31 March 2008 and the comparative condensed consolidated income statement has been reclassified to show the discontinued operation separately from continuing operations.

Note 8 - Segment Reporting

The primary segment information is presented in respect of the Group's business segments which are in accordance with the Group's management and internal reporting structure. The Group's operations in Israel and Central Europe are organised under the following major business segments:

- Theatre operations
- Distribution - Distribution of movies
- Video + DVD- Rental and sale of video cassettes and DVD
- Other- this includes the company's real estate business.

	For the s ended 31 March 2009 EUR (thousands) –(unaudited)							
	Theatre Operations	**Distribution**	**Video & DVD (discon--tinued)**	**Other**	**Elimi-nations**	**Conso-lidated**	**Less: Video& DVD (discon-tinued**	**Conti-nuing operations**
Revenues								
External sales	40,137	3,816	-	22,727	-	66,680	-	66,680
Inter-segment sales	-	1,749	-	-	(1,749)	-	-	-
Total revenues	40,137	5,565	-	22,727	(1,749)	66,680	-	66,680
Segment results	6,424	(749)	-	5,606	-	11,281	-	11,281
Net financial expense						(1,002)	-	(1,002)
Gain and loss on disposals						(26)	(30)	4
Income taxes						(606)	-	(606)
Minority interests						62	13	49
Net income						9,709	(17)	9,726

	31 March 2009 EUR (thousands) – (unaudited)					
	Theatre Operations	**Distribution**	**Video & DVD (discontinued)**	**Other**	**Unallocated**	**Consolidated**
Segment assets	192,765	10,565	123	70,765	1,023	275,241
Segment liabilities	20,607	4,670	1,126	11,050	84,398	121,851
Capital expenditure	4,005	27	-	1,217	-	5,249

Note 8 - Segment Reporting (cont'd)

	For the 3 months ended 31 March 2008 EUR (thousands) –(unaudited)							
	Theatre Operations	**Distribution**	**Video & DVD (discon- -tinued)**	**Other**	**Elimi- nations**	**Conso- lidated**	**Less: Video& DVD (discon- tinued**	**Conti- nuing operations**
Revenues								
External sales	37,815	5,678	879	520	-	44,892	879	44,013
Inter-segment sales	-	1.641	-	-	(1,641)	-	-	-
Total revenues	37,815	7,319	879	520	(1,641)	44,892	879	44,013
Segment results	5,051	(228)	(166)	(84)	-	4,573	(166)	4,739
Net financial expense						(585)	(64)	(521)
Gain and loss on disposals						3	-	3
Income taxes						(303)	-	(303)
Minority interests						348	45	303
Net income						4,036	(185)	4,221

	31 March 2008(*) EUR (thousands) – (unaudited)					
	Theatre Operations	**Distribution**	**Video & DVD (discontinued)**	**Other**	**Unallocated**	**Consolidated**
Segment assets	209,736	13,418	1,936	28,143	783	254,016
Segment liabilities	24,250	4,496	920	3,047	61,559	94,272
Capital expenditure	8,504	11	154	-	-	8,669

*) Restated to reflect the reclassification of a jointly controlled entity as held for use

Note 9 – Related party transactions

There were no material transactions and balances with related parties during the first quarter of 2009 other than were already disclosed in 2008 annual accounts.

Note 10 – Share-based payments

The Company has implemented a long-term incentive plan (the "Plan"). Under the Plan, share options can be granted to members of the Management Board and selected employees. On 6 December 2006, a total number of 477,000 options with an exercise price of EUR 5.05 each, vesting in 3 years and having an option term of 4 years, were granted to certain employees of the Group. No options were granted to employees during 2007. On 17 September 2008, a further total number of 105,000 options with an exercise price of PLN 25 each, vesting in 3 years and having an option term of 4 years, were granted to certain employees of the Group. Members of the Management Board did not receive any options under the Plan.
In December 2007, a total number of 110,000 options that were granted in 2006 were exercised. The average share price at the time of exercise was EUR 9.42 per share. The weighted average exercise price of options outstanding (vested but not yet exercised and not expired) is EUR 5.07. The number of exercisable options at 31 March 2009 is 235,000.

The details of the number of options outstanding as at 31 March 2009 are as follows:

	Exercise prise	Number of options		
Vesting date		Granted	exercised	outstanding
6 December 2007	EUR 5.05	159,000	110,000	49,000
6 December 2008	EUR 5.05	159,000	-	159,000
6 December 2008	PLN 25	27,000	-	27,000
6 December 2009	EUR 5.05	159,000	-	159,000
6 December 2009	PLN 25	27,000	-	27,000
6 September 2010	PLN 25	51,000	-	51,000
		582,000	110,000	472,000

The weighted average fair value at grant date of options granted in 2006 using the Black-Scholes valuation model was approximately EUR 1 per option. The significant inputs into the model were a weighted average share price of EUR 5.05 at the grant date, the exercise price mentioned above, volatility of 20%, dividend yield of 0%, an option life of 4 years and an annual risk free rate of 4%. The weighted average fair value at grant date of options granted in 2008 using the Black-Scholes valuation model was approximately EUR 1.1 per option. The significant inputs into the model were a weighted average share price of PLN 20 at the grant date, the exercise price of PLN 25, volatility of 43%, dividend yield of 0%, an option life of 4 years and an annual risk free rate of 4%.
The impact of the share-based payment on the financial statements of the Company for the first quarter of 2009 was an expense of EUR 23,000 (first quarter 2008: EUR 28,000) recognised in the income statement with a corresponding increase in equity. During the first quarter of 2009 and during the year 2008 no options were forfeited.

Note 11 – Impairment losses and provisions

During the first quarter of 2009, no impairment losses were charged.
The net movements in the Group's main provisions which took place during the first quarter of 2009 are disclosed in the directors' report (see page 11).

Note 12 - Details of corporations in the Group

	31 March 2009 *			
	Direct/indirect voting right of the Company	The Company's equity share in subsidiary	Consolidation	Currency
	%	%	%	
I.T. International Theatres 2004 Ltd.	100%	100%	Full	(6)
I.T. Magyar Cinemas Kft	100%	100%	Full	(2)
Cinema City Finance B.V	100%	100%	Full	(1)
Cinema City Poland Sp.Zoo	100%	100%	Full	(4)
New Cinemas Poland Sp.Zoo	100%	100%	Full	(4)
IT Development 2003 Sp.Zoo	100%	100%	Full	(4)
I.T. Czech Cinemas S.R.O.	100%	100%	Full	(3)
Forum Home Entertainment Czech S.R.O.	100%	100%	Full	(3)
New Age Cinema Czech S.R.O	100%	100%	Full	(3)
I.T. Sofia B.V.	100%	100%	Full	(1)
I.T Sofia 2007 B.V.	100%	100%	Full	(1)
New Age Media Sp.Zoo	100%	100%	Full	(4)
Forum Film Poland Sp.Zoo	100%	100%	Full	(4)
All Job Poland Sp. Zoo	100%	100%	Full	(4)
Norma Film Ltd.	60%	50%	Full	(6)
Forum Film Ltd.	60%	50%	Full	(6)
Ya'af - Giant Video Library Network Ltd**	60%	30%	Full	(6)
Ya'af – Automatic Video Machines Ltd.	60%	50%	Full	(6)
Kafan et Anak limited partnership**	25%	15%	Proportionate	(6)
Mabat Ltd.	100%	100%	Full	(6)
Teleticket Ltd.	100%	100%	Full	(6)
Cinema Plus Ltd.	100%	100%	Full	(6)
Cinema City Bulgaria EOOD	100%	100%	Full	(5)
Forum Film Bulgaria EOOD	100%	100%	Full	(5)
Forum Film Home Entertainment KFT	100%	100%	Full	(2)
New Age Cinema KFT	100%	100%	Full	(2)
Forum Hungary Film Distribution KFT	100%	100%	Full	(2)
Cinema City Romania SRL	100%	100%	Full	(7)
New Age Media Romania SRL	100%	100%	Full	(7)
Mall of Russe AD	100%	100%	Full	(5)
Mall of Stara Zagora AD	55%	55%	Proportionate	(5)
RESB EOOD	100%	100%	Full	(5)
Cinema City Stara Zagora B.V	100%	100%	Full	(1)
Cinema City Malls B.V	100%	100%	Full	(1)

(1) Dutch corporation. (3) Czech corporation. (5) Bulgarian corporation (7) Romanian corporation
(2) Hungarian corporation. (4) Polish corporation (6) Israeli corporation.

* The details of corporation as of 31 December 2008 were similar to the details of corporation during the quarter ended 31 March 2009 as shown above, except for new entities as described in note 3A and expect for the sale of the remaining interest in Mall of Plovdiv EOOD during the quarter ended 31 March 2009.

** include the discontinued operation see note 7.