

# Central Eastern Europe & Israel Investor Presentation

19 May 2014, Warsaw

- **Central Eastern Europe & Israel**
- **Country Overview**
  - **Poland**
  - **Romania**
  - **Hungary**
  - **Bulgaria**
  - **Czech Republic**
  - **Slovakia**
  - **Israel**

# Central Eastern Europe & Israel

Strategy focused on three fundamentals

**Cineworld**  
Group plc



1

Quality of cinemas  
and service

2

Growth and value  
creation

3

Sustainable results

# Quality That Encourages Return Visits

**Cineworld**  
Group plc

## Best cinemas



## Best service

- Cinema City was twice awarded the title Exhibitor of the Year by the industry: in 2004 during ShoWest in Las Vegas and in 2011 during CineEurope in Amsterdam
- Cinema City teams are dedicated to providing the best client service to customers
- E-commerce solutions are being developed across the cinema chain
- Cinema City multiplexes are being refurbished to maintain the same high standard

## Best solutions

## We offer best viewing experience moving forward with worldwide trends

### Digital 2D and 3D projection in all multiplexes



### IMAX® giant 3D theatres in 10 cities



### 4DX™ auditoriums in 5 multiplexes



# Partnership with IMAX®

**Cineworld**  
Group plc

**Cinema City currently operates 10 IMAX® theatres:  
9 in the CEE and 1 in Israel**

- Immersive 3D picture and IMAX sound

- Screening of the biggest blockbusters post-digitalization

- Key advantage in negotiating lease agreements

- Further 3 IMAX® theatres to be added in the CEE and Israel



Rishon Lezion, Israel,  
Arkadia, Warsaw, Poland  
Manufaktura, Łódź, Poland  
Punkt 44, Katowice, Poland  
Plaza Kraków, Poland  
Plaza Poznań, Poland  
Flora Prague, Czech Republic  
Arena Budapest, Hungary  
Cotroceni, Bucharest, Romania  
Mall of Sofia, Sofia, Bulgaria

# 4DX™ Deployment Program

1<sup>st</sup> stage completed in May 2013

**Cineworld**  
Group plc

**Yes Planet Rishon Lezion, Israel**



**124  
seats**

**19 July 2012**

**West End in Budapest, Hungary**



**152  
seats**

**22 March 2013**

**Arkadia in Warsaw, Poland**



**140  
seats**

**21 May 2013**

**Paradise Center in Sofia, Bulgaria**



**124  
seats**

**22 May 2013**

**Novy Smichov in Prague, Czech Republic**



**172  
seats**

**22 May 2013**

**Cinema City  
opened five  
4DX™ auditoriums  
with a total of  
712 seats**

**The Company plans to continue  
opening 4DX™ in its prime located  
cinemas**

# VIP auditoriums in 7 key locations

**Cineworld**  
Group plc

Offer designed  
for clients seeking  
special treatment

Special offer for  
business clients for  
meetings, trainings and  
leisure

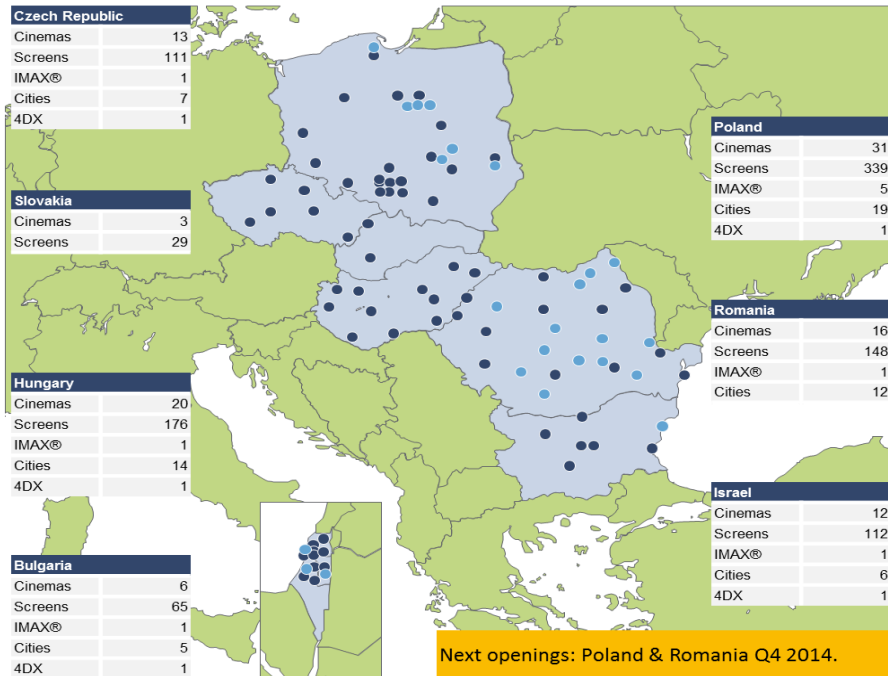
Separate concession  
area offering menu  
tailored to VIP clients



# Central Eastern Europe & Israel

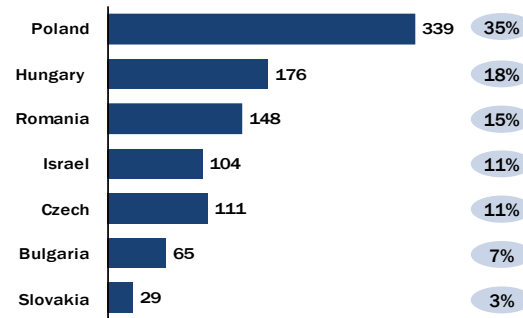
## Theatre Operations

**Cineworld**  
Group plc



## 100 multiplexes – 972 screens in operation

# of screens

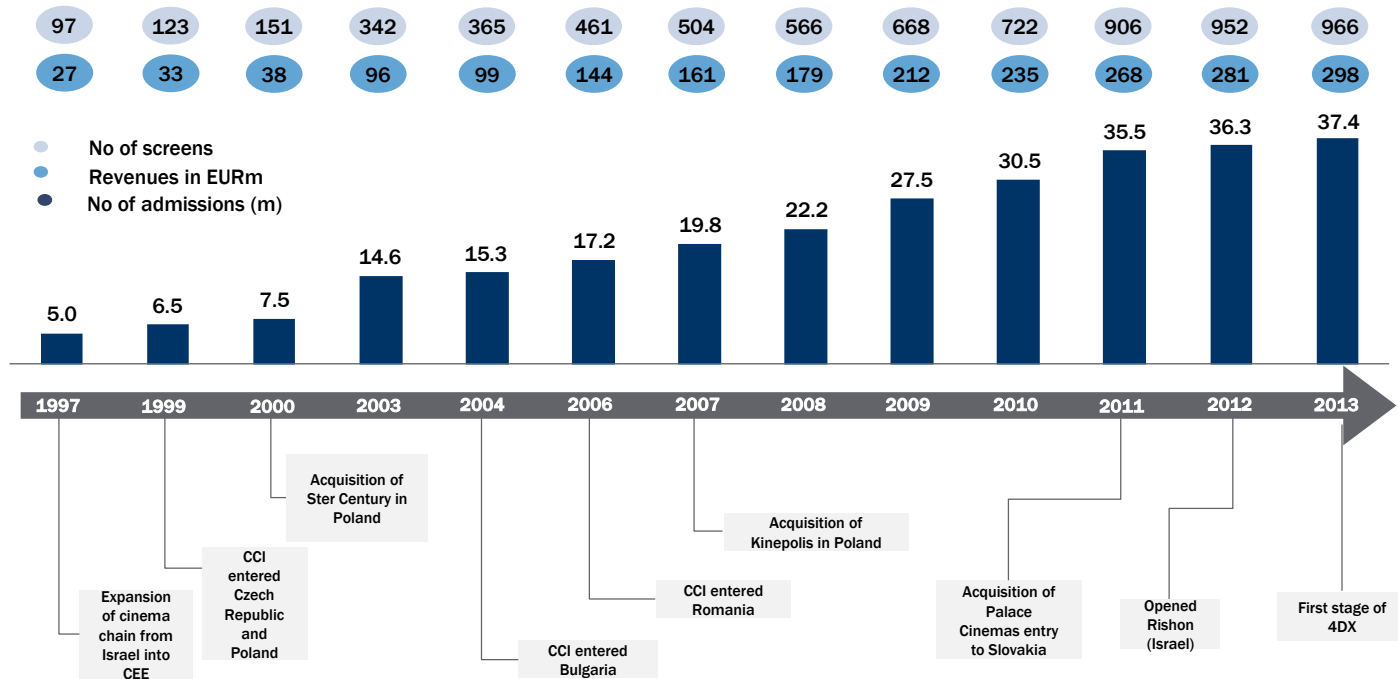




# Central Eastern Europe & Israel

Growing numbers of developing cinema chain

**Cineworld**  
Group plc



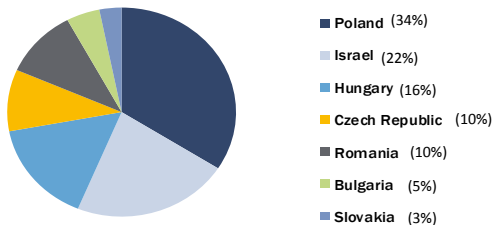
# Central Eastern Europe & Israel

## Countries and Segment

**Cineworld**  
Group plc

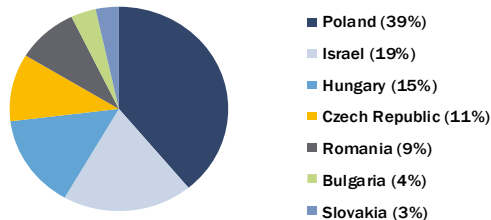
### 2013 breakdown by country

EUR294.0m

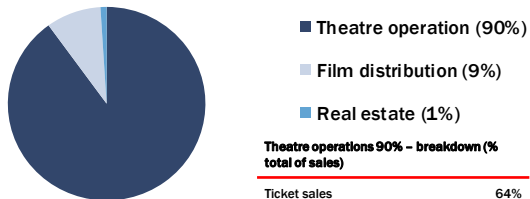


### 2012 breakdown by country

EUR280.7m



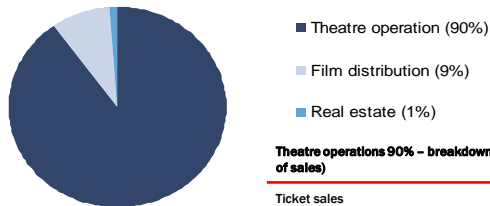
### 2013 breakdown by segment



#### Theatre operations 90% – breakdown (% total of sales)

Ticket sales	64%
Concession	23%
Advertising	13%

### 2012 breakdown by segment



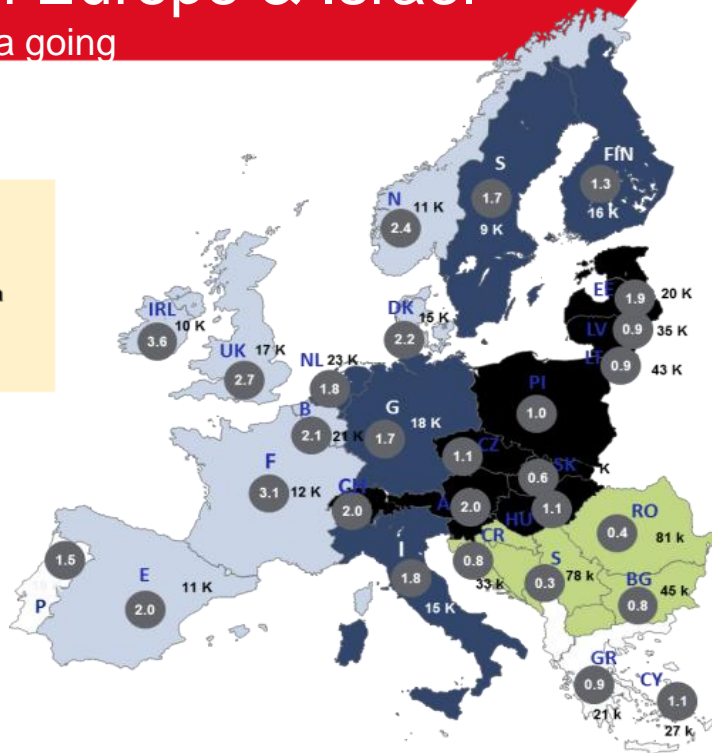
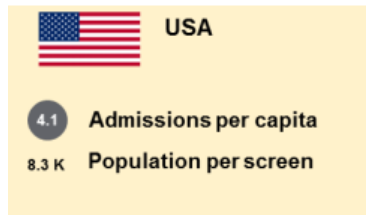
#### Theatre operations 90% – breakdown (% total of sales)

Ticket sales	65%
Concession	22%
Advertising	13%

# Central Eastern Europe & Israel

Sound potential for cinema going

**Cineworld**  
Group plc



# Admissions per capita - 2013  
# K Population per screen - 2013

# Central Eastern Europe & Israel

Admissions and prices – significant growth potential

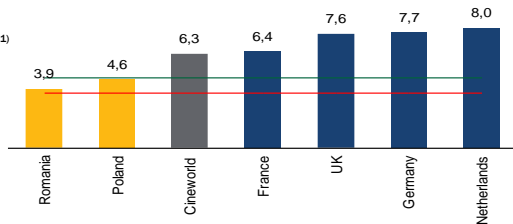
**Cineworld**  
Group plc

## Market average ticket price

2013 EUR

CCI Poland: 4.71<sup>(1)</sup>

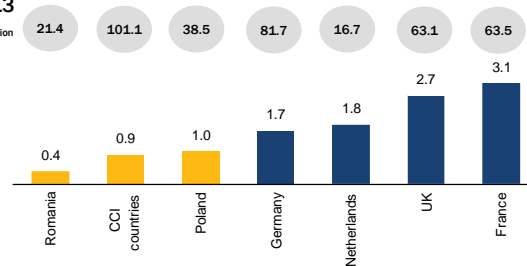
CCI Romania: 3.71<sup>(1)</sup>



## Market admission per capita

2013

Population (m)

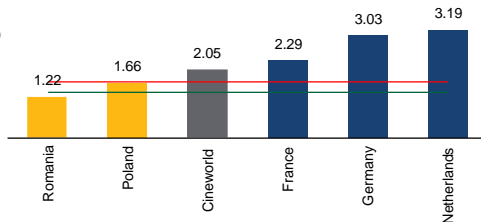


## Market spend per head

2012 EUR

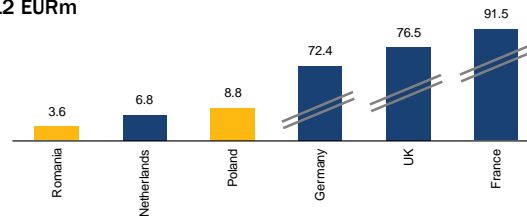
CCI Romania: 1.67<sup>(1)</sup>

CCI Poland: 1.37<sup>(1)</sup>



## Market advertising revenues

2012 EURm



Source: HSBC analysis, Company information, Dodona Cinemagoing Central Europe & UK (2012, 2013)

Notes: Exchange rate EUR/GBR: 0.84

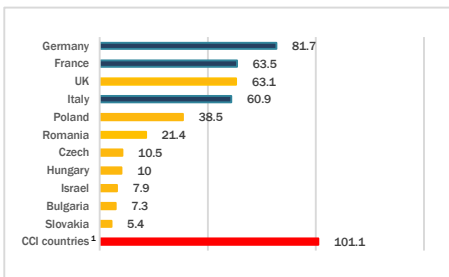
(1) As of 1H 2013

# Central Eastern Europe & Israel

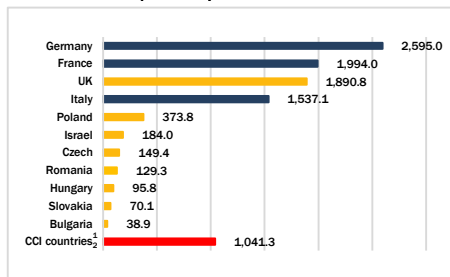
Operates in high growth markets

**Cineworld**  
Group plc

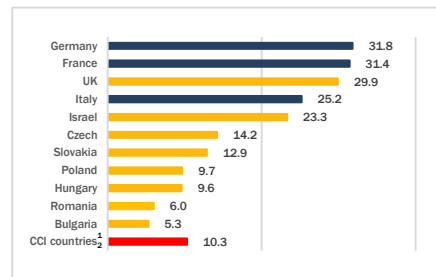
## Population Size (2012A)



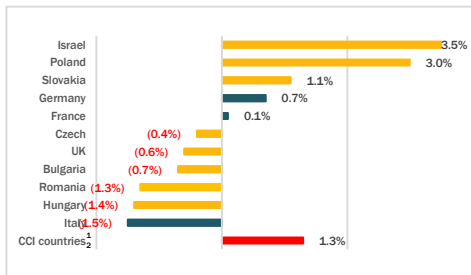
## Nominal GDP (2012A)



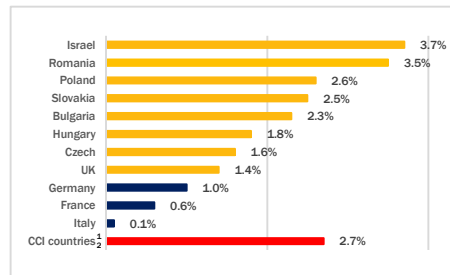
## Nominal GDP/Capita (2012A)



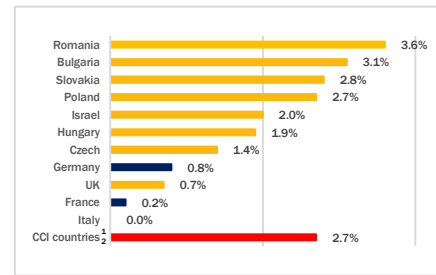
## Historical real GDP growth



## Projected real GDP growth



## Projected real GDP/Capita growth



Source: HSBC analysis, EIU Note: Exchange rate USD/EUR: 0.763359

(1) Includes Poland, Israel, Romania, Hungary, Bulgaria, Czech Republic, and Slovakia

(2) Calculated using a weighted average of country data

# Central Eastern Europe & Israel

Most comprehensive cinema advertising in CEE

**Cineworld**  
Group plc

New Age Media offers all types of cinema advertising on over 1,000 screens in the CEE

- On-screen advertising
- Off-screen activities
- Sponsorships of films, halls and cinemas,
- Full service in media planning and research

**1,069 advertising campaigns in CEE markets for FY 2013 versus 889 in FY 2012**

New Age Media was established in Warsaw, Poland as an exclusive advertising sales house in the chain of Cinema City. NAM had in its offer 110 multiplex screens including three IMAX cinemas

NAM overtook the advertising sales in the chain of Helios Kinoplex. In that way, NAM gained about 65% of the market share

New Age Media established a new branch in Czech Republic

New Age Media established a new branch in Bulgaria



2002/09

2007

2007/08

2007/11

2008/04

2011/02

2012/03

Establishing New Age Media in Hungary. NAM became an international advertising sales house, managed by the Polish division

New Age media established a new branch in Romania

NAM overtook the advertising sales in the chain of Palace Cinemas in Czech Republic, Slovakia and Hungary after acquisition

# Film Distribution

## Forum Film Distribution in seven countries

In the last two years Cinema City has streamlined its film distribution performance

1

Strategic business line supporting cinema attendance and geographical expansion of the Company

2

Representing film studios as their exclusive distributor in Cinema City countries of operations

3

Building up own library of independent movies

### Triggers for film distribution performance

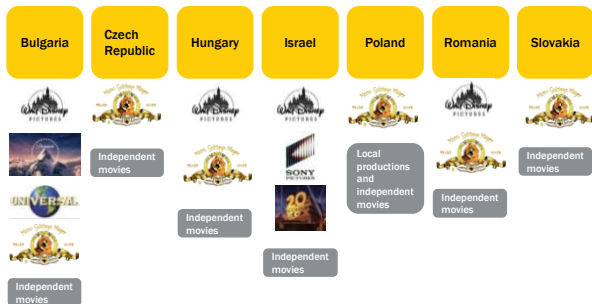
- High grossing and mid-range titles in distribution from film studios
- Purchase of subsequent titles for Cinema City library of independent films
- Sale of film packages to TV channels in more countries of operations
- Developed VOD support sale of film packages to TV channels



# Distribution Segment

## Strategic enhancement

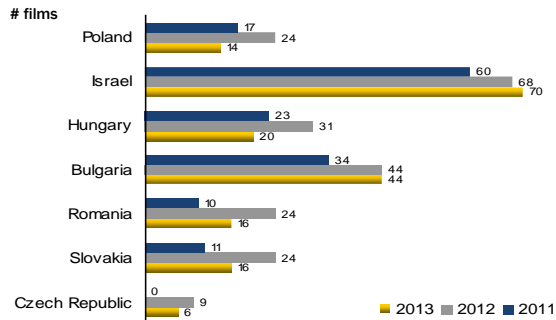
### Strong partnerships with major studios



### Recent blockbusters distributed include...



### Strong presence in all countries of activity



### ...with marketing efforts driving attendance





# Poland

**31**  
multiplexes

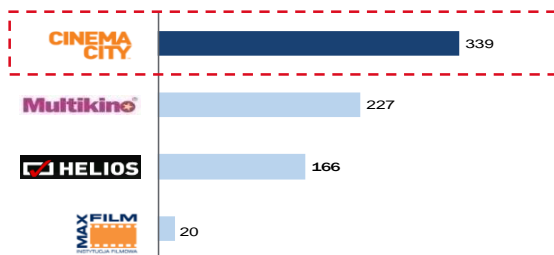
**339**  
screens

**69,903**  
seats

# Market Leader in Poland

## Market Leaderboard

### # screens<sup>1</sup>



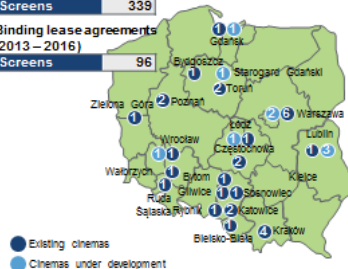
## Geographical footprint – CCH

### Existing sites

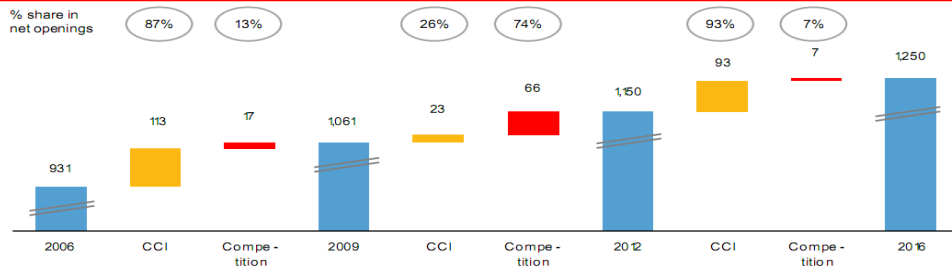
Cinemas	31
Screens	339

### Binding lease agreements (2013 – 2016)

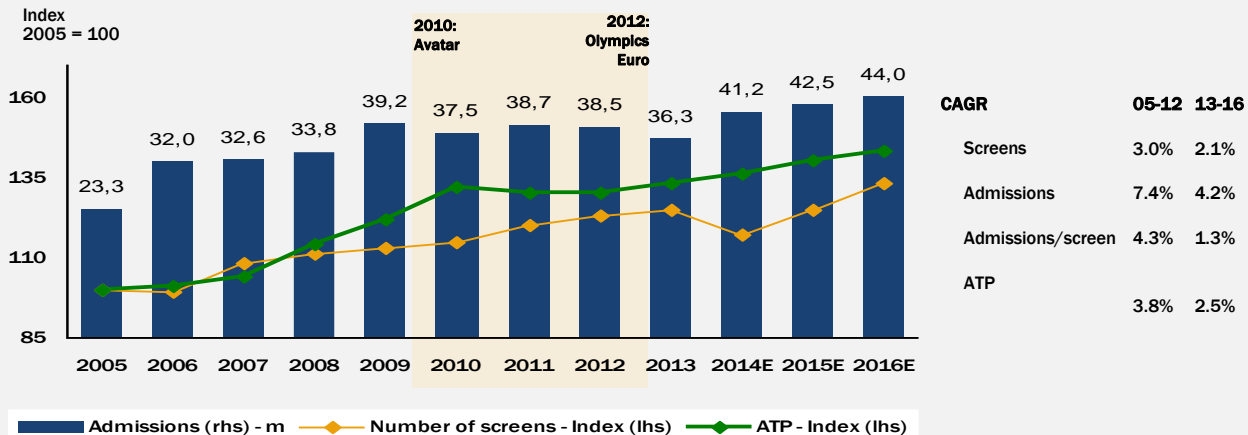
Screens	96
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## Market # of screens



# Admissions and No of screens



# Poland : projects under development

## Cinema Locations

**Cinema City Wilanów**



**Cinema City Białoleka**



**Cinema City Gdańsk Young City**



**Cinema City Lublin**



**Cinema City Starogard Gdański**



**Cinema City Lublin Felicity**



# Romania

**17**  
multiplexes

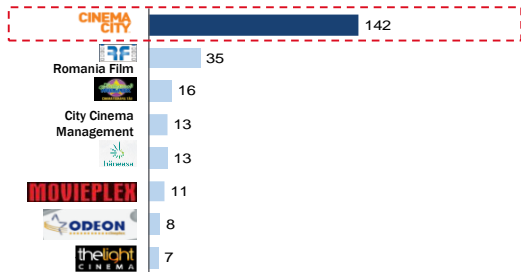
**154**  
screens

**28,197**  
seats

# Market Leader in Romania

## Market leaderboard

# screens<sup>1</sup>



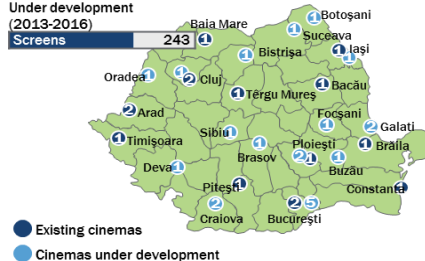
## Geographical footprint – CCH

Existing sites

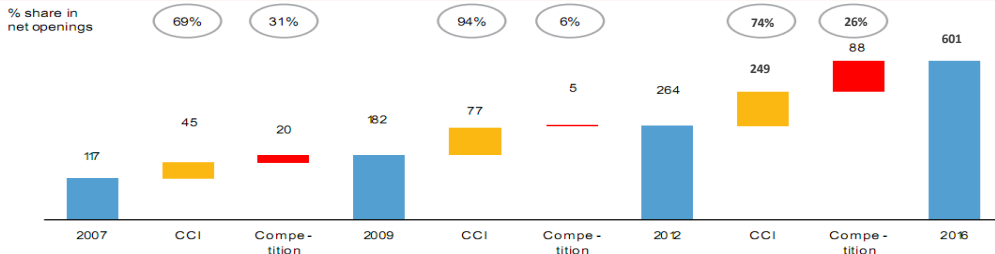
Cinemas	17
Screens	154

Under development  
(2013-2016)

Screens	243
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## Market # of screens



Source: HSBC analysis, Company information, Dodona Cinemagoing Central Europe (2012, 2013) Note: (1) Latest available

# Romania : projects under development

## Cinema locations

**AFI Palace NOI Bucharest**



**Bucharest Titan**



**Targu Jiu NEPI**



**Bucharest NEPI**



# Hungary

**20**  
multiplexes

**176**  
screens

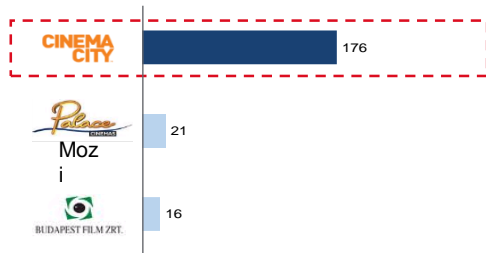
**33,851**  
seats



# Market Leader in Hungary

## Market leaderboard

# screens<sup>1</sup>



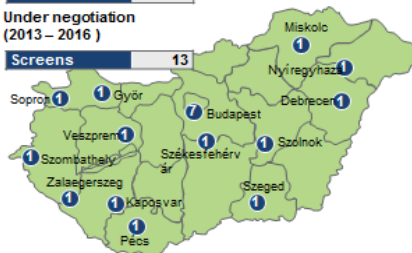
## Geographical footprint – CCH

Existing sites

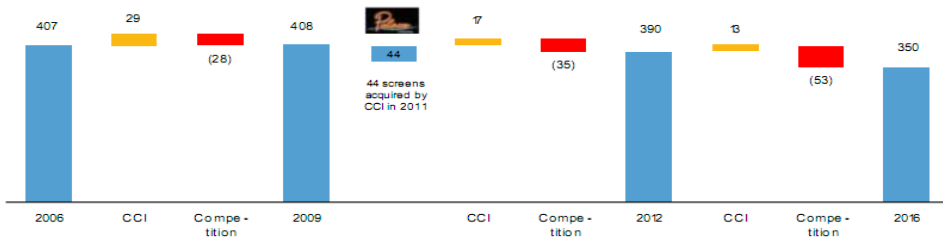
Cinemas	20
Screens	176

Under negotiation  
(2013 – 2016 )

Screens	13
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## Market # of screens



# Bulgaria

**6**  
multiplexes

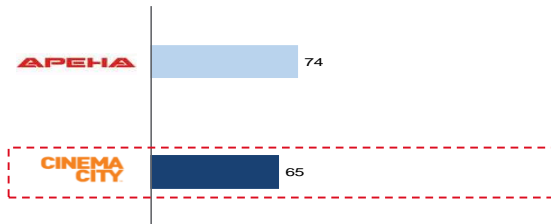
**65**  
screens

**11,684**  
seats

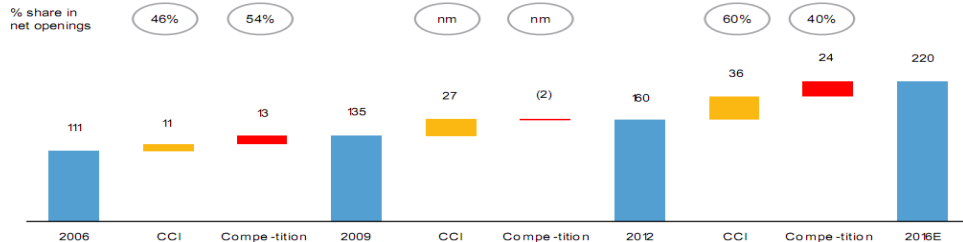
# Second largest in Bulgaria

## Market leaderboard

# screens<sup>1</sup>



## Market # of screens



## Geographical footprint – CCH

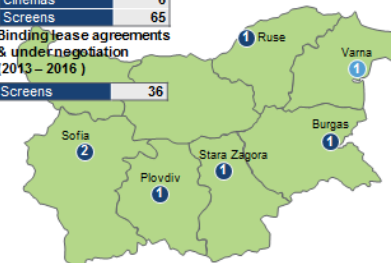
Existing sites

Cinemas 6

Screens 65

Binding lease agreements  
& under negotiation  
(2013 – 2016)

Screens 36



Existing cinemas

Cinemas under development

# Czech Republic

**13**  
multiplexes

**111**  
screens

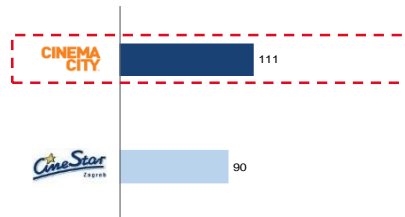
**22,037**  
seats

# Market Leader in Czech Republic

**Cineworld**  
Group plc

## Market leaderboard

# screens<sup>1</sup>



## Geographical footprint – CCH

Existing sites

Cinemas	13
Screens	111

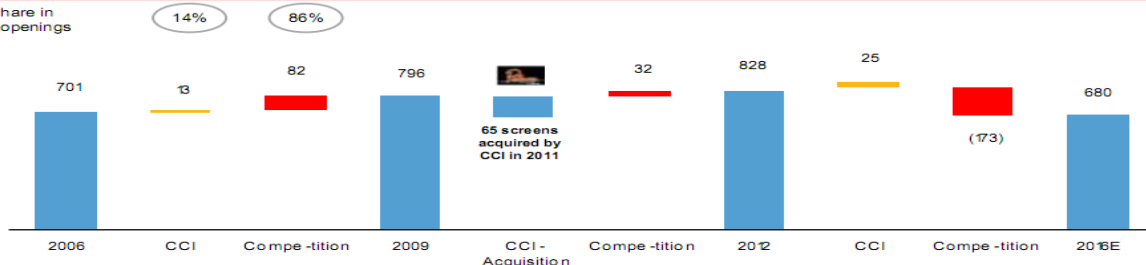
Under negotiation

Screens	25
---------	----



## Market # of screens

% share in net openings



# Slovakia

**3**  
multiplexes

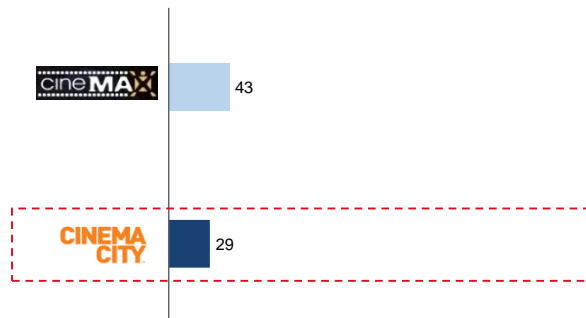
**29**  
screens

**5,560**  
seats

# Second largest in Slovakia

## Market leaderboard

# screens<sup>1</sup>



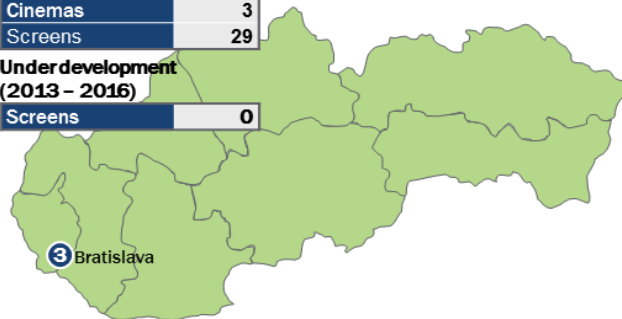
## Geographical footprint – CCH

Existing sites

Cinemas	3
Screens	29

Under development  
(2013 – 2016)

Screens	0
---------	---



● Existing cinemas

# Israel

**11**  
multiplexes

**104**  
screens

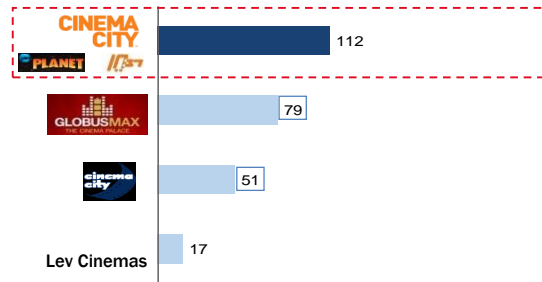
**18,548**  
seats



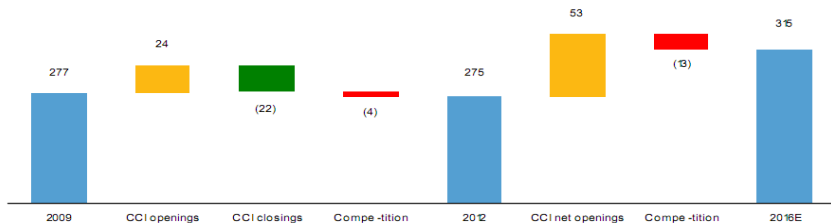
# Market Leader in Israel

## Market leaderboard

# screens<sup>1</sup>



## Market # of screens



Source: HSBC analysis, Company information, Dodona Cinemagoing Central Europe (2012, 2013)

## Geographical footprint – CCH

### Existing sites

Cinemas	12
Screens	112

### Under development (2013 – 2016)

Screens	53
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- Existing cinemas
- Cinemas under development

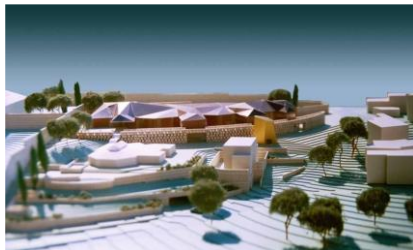


# Israel : projects under development

**Cineworld**  
Group plc

## Cinema locations

**Yes Planet Jerusalem**



**Zichron Mall**



**Yes Planet Be'er Sheva**



# Q&A

**Cineworld**  
Group plc