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BMV: CIE B

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The Leading out-of-home entertainment
Company in Latin America

**CIE'S SUBSIDIARY GRUPO MAGICO ANNOUNCES ITS ASSOCIATION WITH
ZN MEXICO II, L.P., A PRIVATE EQUITY INVESTMENT FUND, FOR BUSINESS EXPANSION**

Mexico, D.F., October 28, 2002. Corporación Interamericana de Entretenimiento, S.A. de C.V. ("CIE", "the Group" or "the Company") (BMV: CIE B), the leading live entertainment company serving Spain and Latin America's Spanish and Portuguese-speaking markets, including the Latin market in the United States, today announced its association with ZN Mexico II, L.P., ("ZNM II" or "the Fund"), a private equity investment fund, through Grupo Mágico, S.A. de C.V. ("Mágico" or "the Subsidiary"), a subsidiary that is 50.1% owned by CIE, and the operator of amusement parks in Mexico and Colombia.

This capitalization of Mágico aims to take advantage of the brand's enormous potential to expand its operations in Mexico as well as in the United States, where the *La Ciudad de los Niños (The Kids City)* project is underdevelopment. To date this project has the support of developers and sponsorship groups from the United States that assure Grupo Mágico of the economic viability of the project, from the funding necessary for construction, to the successful startup and operations in the future.

Transaction Details:

- By means of a US\$ 20 million shareholder subscription process in which CIE retains its 50.1% participation, Divertido – Mágico's founding group – cedes its right to ZNM II, which will obtain 12% of the capital through a subscription equal to US\$ 10 million;
- Subsequent to the subscription process, the fund will acquire an additional participation from Divertido so that it will have up to 20% of Mágico's capital. The fund will pay Divertido US\$ 6.5 million for this additional stake, and Divertido will use this amount to pay its obligations with third parties;
- Shareholder positions will be as follows when the transactions are completed: CIE 50.1%, Divertido 29.9%, ZNM II 20%;
- Mágico's management will continue under the leadership of René Azíz Checa, who heads the Subsidiary's founding group.

René Azíz Checa, President of Grupo Mágico Internacional, commented on the agreement: "We are very enthusiastic about the participation of ZNM II in Grupo Mágico, and particularly the role that it will perform in the development of our amusement parks in Mexico and in the *La Ciudad de los Niños* project in the United States. We are certain that its financial resources, dedication, vision

and experience will all contribute significantly to Mágico's profitability and operational goals, as well as to the formation of new entertainment projects outside of Mexico. ZNM II will definitely add to a successful business formula that counts on the participation of an important group of sponsors."

ZNM II partners demonstrated their enthusiasm at the association between CIE and Divertido by participating in an entertainment and amusement platform focused on adolescents and children in Mexico and throughout Latin America. They also manifested their confidence in the quality of the Mágico team and its ability to lead projects with high growth potential at the international level, and particularly in the educational entertainment industry, such as with the *La Ciudad de los Niños* project.

About ZNM II

ZN Mexico II, L.P., is a private capital investment fund founded and administered by the partners of the investment bank Nexus Capital, S.C., Luis Alberto Harvey, Arturo Saval and Augusto Flores; and by Thomas C. Barry, partner of Zephyr Management, L.P. based in New York. ZNM II is a capital investment firm with US \$100 million to date focused on private capital investments in Mexican companies with high growth potential that require capital for expansion and streamlining of their operations so that they can take advantage of the opportunities created by the convergence of the North America economies.

ZNM II is the fund subsequent to ZN México Trust (ZNM I) founded in December 1998, with committed capital of US \$76.5 million. ZNM I is fully invested with a portfolio of four companies: Grupo Hornex, S.A. de C.V., Industrias Innopack, S.A. de C.V., Grupo Ybarra, S.A. de C.V. and Aerobal, S.A. de C.V.

About CIE

With its origins in 1990, Corporación Interamericana de Entretenimiento, S.A. de C.V. ("CIE") is today the leading live entertainment company serving the Spanish and Portuguese-speaking markets in Latin America, Spain and the U.S. Through a unique vertically integrated structure, the Company participates in each of its businesses that provide recreational and entertainment services and products.

The mentioned services and products primarily include: the operation of entertainment venues and amusement parks, the promotion and staging of diverse live events, the promotion of trade fairs and exhibitions, the sale of sponsorships, advertising, and food and beverage at said events and venues. The Company also participates in the film industry through the production and distribution of films.

CIE's shares have been traded on the Mexican Stock Exchange (BMV) since 1995, under the ticker symbol "CIE B".

Cautionary note to investors: Except for the historical information contained herein, certain subjects discussed in this release constitute "forward-looking statements". These subjects assume risks and

uncertainties, including economic conditions in Mexico and other countries where CIE operates, as well as fluctuation of the Mexican peso compared to the U.S. dollar.

The use of registered brands or commercial trademarks within this release are exclusively for illustrative purposes and are not meant to violate the right of the creators, nor intellectual property laws applicable in the countries in which CIE, its subsidiaries and those companies with which CIE maintains commercial or business relationship, operate.