



FOR IMMEDIATE RELEASE

Cineplex Signs Definitive Agreement to be Acquired by Cineworld Group

Transaction Creates One of the World's Largest Cinema Companies

Cineworld Group to Pay \$34 in Cash for Each Cineplex Common Share, Representing a Premium of 42% Over Cineplex's Closing Price on the Toronto Stock Exchange on December 13, 2019

Toronto, ON: December 16, 2019 (TSX:CGX) – Cineplex Inc., one of Canada's leading entertainment and media companies, today announced that it has entered into a definitive agreement (the 'Arrangement Agreement') with Cineworld Group, plc (LSE: CINE) ('Cineworld Group'). With over 11,200 screens¹ around the globe, the proposed transaction will create one of the world's largest cinema companies, providing Cineplex with scale and all the benefits associated with a global enterprise.

Cineworld Group will acquire all of the issued and outstanding common shares (the 'shares') of Cineplex for \$34 per share in cash, representing a premium of 42% to the closing price on the Toronto Stock Exchange (TSX) and a premium of 39% to the volume weighted average share price on the TSX for the 30 days ending December 13, 2019. The total transaction value is approximately \$2.8 billion including the assumption of net debt.

"Since Cineplex went public in 2003, we have been committed to delivering value to our shareholders. We believe this transaction today is both financially compelling and in our shareholders best interest," said Ellis Jacob, President and CEO, Cineplex. "Cineworld Group shares our passion for entertainment and mirrors our commitment to delivering exceptional guest experiences through state-of-the-art technology. The entertainment industry continues to transform and we are pleased that through this agreement we are ensuring Cineplex is part of the next era of global entertainment."

The transaction ensures that Cineplex's business, particularly its network of 165 movie theatres across Canada, has access to the global opportunities required to compete effectively in an evolving entertainment landscape. Cineplex's long legacy of supporting the Canadian entertainment industry and its partners in the

arts, including support for film festivals, programs and industry events across Canada, will continue. The transaction also creates a new partner for the Canadian film industry to collaborate with, as Cineworld Group has extensive distribution and exhibition businesses outside of Canada.

Transaction Details

The transaction will be implemented by way of statutory plan of arrangement under the *Business Corporations Act* (Ontario). The implementation of the transaction is subject to shareholder approval at a special meeting of Cineplex shareholders by two-thirds of the votes cast by holders of shares in person or by proxy at the meeting, as well as a meeting of Cineworld Group shareholders by simple majority vote. Cineworld Group's largest shareholder, which owns approximately 28% of Cineworld Group's outstanding ordinary shares, has agreed to vote in favour of the transaction at Cineworld Group's meeting of shareholders. The transaction is subject to customary closing conditions including regulatory approvals.

The transaction is expected to close during the first half of 2020. The Arrangement Agreement includes a 7 week go-shop period, which permits Cineplex, with the assistance of its financial advisor, to actively solicit, evaluate and enter into negotiations with third parties that express an interest in acquiring Cineplex. The go-shop period expires on February 2, 2020. There can be no assurance that this process will result in a superior proposal. Cineplex does not intend to disclose developments with respect to the go-shop process unless and until the Cineplex board of directors makes a determination requiring further disclosure.

The Arrangement Agreement provides for non-solicitation covenants on the part of Cineplex and Cineworld Group, subject to customary 'fiduciary out' provisions.

A termination fee is payable to Cineworld Group in certain circumstances, including if Cineplex fails to complete the transaction following receipt of a superior proposal. A termination fee is payable to Cineplex in certain circumstances, including if Cineworld Group fails to obtain the required shareholder approval of its shareholders.

Cineplex intends to continue paying its normal monthly dividends in the ordinary course through the payment which would be due on February 28, 2020 consistent with past practice. After such time, Cineplex does not intend to declare any further dividends.

The foregoing summary is qualified in its entirety by the provisions of the Arrangement Agreement, a copy of which will be filed on SEDAR at www.sedar.com. Cineplex will mail a Management Information Circular to its

shareholders in connection with the special meeting to consider and vote on the transaction, copies of which will also be filed on SEDAR at www.sedar.com.

Fairness Opinion and Cineplex Board of Directors Recommendation

Cineplex's board of directors, in consultation with its financial and legal advisors, has determined that the transaction is in the best interest of Cineplex and is fair to shareholders and unanimously recommends that shareholders vote in favour of the transaction. Cineplex directors and senior officers have entered into voting support agreements with Cineworld Group pursuant to which, among other things, they have agreed to vote all of the shares owned or controlled by them in favour of the arrangement. Scotiabank has provided its opinion to the board that the consideration to be received by Cineplex shareholders pursuant to the agreement is fair from a financial point-of-view.

Advisors

Scotiabank is acting as Cineplex's exclusive financial advisor and its legal advisors are Goodmans LLP (Canada), Herbert Smith Freehills LLP (U.K.) and Baker & McKenzie (U.S.).

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About Cineplex

Cineplex (TSX:CGX) is a top-tier Canadian brand that operates in the Film Entertainment and Content, Amusement and Leisure, and Media sectors. A leading entertainment and media company, Cineplex welcomes over 70 million guests annually through its circuit of theatres and location based entertainment venues across the country. In addition to being Canada's largest and most innovative film exhibitor, Cineplex also operates successful businesses in digital commerce (CineplexStore.com), food service, alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media), amusement solutions (Player One Amusement Group) and an online esports platform for competitive and passionate gamers (WorldGaming Network). Additionally, Cineplex operates location based entertainment complexes specially designed for teens and families (Playdium) as well as Canada's favourite destination for 'Eats & Entertainment' (The Rec Room), and will be opening exciting new sports and entertainment venues across Canada (Topgolf). Cineplex is a joint venture partner in SCENE, Canada's largest entertainment loyalty program.

Proudly recognized as having one of the country's Most Admired Corporate Cultures, Cineplex employs approximately 13,000 people in its offices across Canada and the United States. To learn more visit Cineplex.com or download the Cineplex App.

About Cineworld Group

Cineworld Group plc was founded in 1995 and listed its shares on the London Stock Exchange in May 2007. The company has grown through expansion and by acquisition to become the second largest cinema chain worldwide, holding the number one or number two position by number of screens in each of its regions. As of 1 December 2019, Cineworld operated 9,498 screens across 786 sites in the US, UK, Ireland, Poland, the Czech Republic, Slovakia, Hungary, Bulgaria, Romania and Israel.

Caution Regarding Forward-Looking Statements

Certain information included in this news release contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to: the anticipated benefits of the transaction; the timing and anticipated receipt of required regulatory approvals and the anticipated timing for closing the transaction. The words “may,” “will,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” “forecast,” “objective” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Cineplex’s control. The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by Cineplex, including expectations and assumptions concerning the anticipated benefits of the Transaction and the receipt, in a timely manner, of regulatory, shareholder and court approvals in respect of the Transaction.

Forward-looking statements are subject to various risks and uncertainties which could cause actual results and experience to differ materially from the anticipated results or expectations expressed in this news release. The key risks and uncertainties include, but are not limited to: general global economic, market and business conditions; governmental and regulatory requirements and actions by governmental authorities; relationships with employees, customers, business partners and competitors; and diversion of management time on the Transaction. There are also risks that are inherent in the nature of the Transaction, including failure to satisfy the conditions to the completion of the Transaction and failure to obtain any required regulatory and other approvals (or to do so in a timely manner). The anticipated timeline for completion of the Transaction may change for a number of reasons, including the inability to secure necessary regulatory, court or other approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. As a result of the foregoing, readers are cautioned not to place undue reliance on the forward-looking statements contained in this news release concerning the timing of the Transaction.

Cineplex does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities law. When reviewing Cineplex’s forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. A comprehensive discussion of other risks that impact Cineplex can also be found in Cineplex’s public filings which are available under Cineplex’s profile on SEDAR at www.sedar.com.

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ⁱ Based on the combined screen count of Cineplex and Cineworld Group as of December 31, 2018.