



FOR IMMEDIATE RELEASE

CINEPLEX INC.
Reports Record Third Quarter Results

TORONTO, Canada, November 8, 2016 (TSX: CGX) - Cineplex Inc. (“Cineplex”) today released its financial results for the three and nine months ended September 30, 2016. Unless otherwise specified, all amounts are in Canadian dollars.

Third Quarter Results

	2016	2015	Period over Period Change (i)
Total revenues	\$ 376.0 million	\$ 328.2 million	14.5%
Attendance	19.2 million	19.4 million	-1.0%
Net income	\$ 26.0 million	\$ 21.4 million	21.3%
Box office revenues per patron (“BPP”) (ii)	\$ 9.37	\$ 8.89	5.4%
Concession revenues per patron (“CPP”) (ii)	\$ 5.69	\$ 5.43	4.8%
Adjusted EBITDA (ii)	\$ 67.3 million	\$ 59.1 million	13.8%
Adjusted EBITDA margin (ii)	17.9 %	18.0 %	-0.1%
Adjusted free cash flow (ii)	\$ 46.9 million	\$ 35.9 million	30.8%
Adjusted free cash flow per common share of Cineplex (“Share”) (ii)	\$ 0.739	\$ 0.568	30.1%
Earnings per Share attributable to owners of Cineplex (“EPS”) - basic	\$ 0.42	\$ 0.34	23.5%
EPS - diluted	\$ 0.41	\$ 0.34	20.6%

Year to Date Results

	2016	2015	Period over Period Change (i)
Total revenues	\$ 1,092.9 million	\$ 963.6 million	13.4%
Attendance	56.7 million	56.6 million	—%
Net income	\$ 54.7 million	\$ 57.4 million	-4.8%
BPP (ii)	\$ 9.44	\$ 9.09	3.9%
CPP (ii)	\$ 5.61	\$ 5.38	4.3%
Adjusted EBITDA (ii)	\$ 167.2 million	\$ 164.6 million	1.5%
Adjusted EBITDA margin (ii)	15.3 %	17.1 %	-1.8%
Adjusted free cash flow (ii)	\$ 116.4 million	\$ 104.3 million	11.6%
Adjusted free cash flow per Share (ii)	\$ 1.835	\$ 1.655	10.9%
EPS - basic	\$ 0.88	\$ 0.91	-3.3%
EPS - diluted	\$ 0.88	\$ 0.90	-2.2%

- i. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2016 value less 2015 value.
- ii. Adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow per common share of Cineplex, BPP and CPP are measures that do not have a standardized meaning under generally accepted accounting principles (“GAAP”). These measures as well as other non-GAAP financial measures reported by Cineplex are defined in the ‘Non-GAAP Financial Measures’ section at the end of this news release.

“Cineplex delivered a record third quarter with total revenue up 14.5% to \$376.0 million and adjusted EBITDA up 13.8% to \$67.3 million - both third quarter records,” said Ellis Jacob, President and CEO, Cineplex Entertainment.

“Key accomplishments during the quarter included the opening of the first location of *The Rec Room* in South Edmonton in addition to opening two theatres, one in each of Barrie and Kitchener, Ontario. *The Rec Room* brings together incredible dining

experiences with exciting live entertainment and amusement gaming, all under one roof. We are very pleased with the results to date.”

“Subsequent to quarter end, we announced the acquisition of Tricorp Amusements Inc., a leading provider of interactive video, redemption and amusement gaming services in the United States. This acquisition continues our goal of expanding CSI further throughout the USA.”

“Overall, it was a successful quarter. Looking ahead, I am excited about the strategic opportunities that will help us achieve meaningful growth in the future.”

“We would also like to extend our thanks and best wishes to Phyllis Yaffe, who in light of her new role as Consul General in New York has stepped down from the Cineplex board. In addition, we extend a warm welcome to Donna Hayes, the retired Publisher and CEO of Harlequin, who has joined our board of directors.”

KEY DEVELOPMENTS IN THE THIRD QUARTER OF 2016

The following describes certain key business initiatives undertaken and results achieved during the third quarter in each of Cineplex’s core business areas:

FILM ENTERTAINMENT AND CONTENT

Theatre Exhibition

- Reported record third quarter box office revenues of \$180.1 million, an increase of \$7.6 million (4.4%) from the \$172.6 million reported in the prior year period. The increase is due to higher BPP resulting from a higher proportion of box office revenues from premium priced product in the current period compared to the prior year period.
- BPP of \$9.37 was 5.4% higher than the \$8.89 reported in the prior year period, and represents a third quarter record for Cineplex.
- Opened *Cineplex Cinemas North Barrie* in Barrie, Ontario, an eight screen theatre featuring an UltraAVX auditorium.
- Opened *Cineplex Cinemas Kitchener and VIP* at Fairview Park Commons in Kitchener, Ontario, an 11 screen theatre featuring four VIP auditoriums and one UltraAVX auditorium. The six regular and one UltraAVX auditoriums all feature luxurious, extra-wide lounge seats.
- Announced further expansion of Cineplex’s agreement with D-BOX to install D-BOX in 10 Cineplex auditoriums across Canada by the end of 2016.

Theatre Food Service

- Reported record third quarter food services revenues of \$109.6 million, an increase of 3.9% from the \$105.5 million reported in the prior year period. Included in this amount is \$0.3 million of food service revenues from *The Rec Room*, which opened in mid-September.
- CPP in the third quarter of 2016 was \$5.69, a third quarter record for Cineplex, \$0.26 (4.8%) higher than the \$5.43 reported during the prior year period.

Alternative Programming

- Alternative programming in the third quarter of 2016 included strong performances from international film programming and concert presentations.
- Partnered with the Canadian Broadcasting Corporation to offer screenings of *The Tragically Hip: A National Celebration* to raise funds for the Canadian Cancer Society.

Digital Commerce

- Launched a fully transactional Cineplex Store Android app, allowing guests to rent, buy and watch movies directly from their Android tablet or mobile phone.
- Updated the Cineplex Store app to support all LG 2016 WebOS Smart TVs.

MEDIA

- Reported record third quarter total media revenues of \$44.8 million, which increased \$10.5 million, or 30.7% compared to the prior year period.

Cineplex Media

- Reported record third quarter Cineplex Media revenues of \$29.1 million, compared to \$25.0 million in the prior year period, an increase of 16.2% due to increases in showtime and pre-show advertising as well as growth in new media offerings.

Cineplex Digital Media

- Cineplex Digital Media reported record third quarter revenues of \$15.7 million, an increase of \$6.5 million (69.8%) compared to the prior year. An expanded client base contributed to increased project installation revenues and advertising revenue growth in the period.

AMUSEMENT GAMING AND LEISURE

Cineplex Starburst Inc.

- CSI reported third quarter revenues of \$26.8 million (\$2.7 million due to Cineplex theatre gaming and \$24.0 million from all other sources of revenues). In the prior year period, Cineplex equity accounted for its 50% interest in CSI acquiring the remaining 50% of issued and outstanding equity that it did not already own in the fourth quarter of 2015.
- Announced the acquisition of Tricorp Amusements Inc. (“Tricorp”), a leading provider of interactive video, redemption and amusement gaming services in the United States. Tricorp has a diversified client portfolio focusing on the theatrical exhibition vertical as well as community-based family entertainment destinations. The transaction was completed on October 1, 2016.

The Rec Room

- Opened the first location at South Edmonton Commons in Edmonton, Alberta in mid-September. The 60,000 square foot multi-level entertainment facility offers guests ‘Eats & Entertainment’, bringing together dining, amusement gaming, technology and live entertainment experiences all under one roof.

eSports

- WGN hosted its first multi-player Canadian championship, featuring the game *Uncharted 4*, which included online qualifiers followed by regional and national final events hosted at Cineplex theatres.
- Collegiate StarLeague Inc. (“CSL”), a subsidiary of WGN, announced a partnership with Riot Games to present the 2017 season of CSL’s *League of Legends* collegiate league, called ‘uLoL Campus Series’, which will see over 500 schools in North America competing to qualify for the regional and national championships.

LOYALTY

- Membership in the SCENE loyalty program increased by 0.2 million members in the period, reaching 7.9 million at September 30, 2016.

CORPORATE

- Named one of Canadian Business magazine’s “25 Best Brands in Canada” for 2017. The rankings are based on consumer opinions of a company’s reputation based on the quality of its products and/or services; its customer service; its commitment to innovation; community involvement; and overall view of the brand.
- Named one of Strategy magazine’s 2016 Brands of the Year. The selections were made focusing on companies’ with unique position in a category and distinct brand image in the consumer’s mind.

OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

Total revenues

Total revenues for the three months ended September 30, 2016 increased \$47.7 million (14.5%) to \$376.0 million as compared to the prior year period. Total revenues for the nine months ended September 30, 2016 increased \$129.3 million (13.4%) as compared to the prior year period to \$1.1 billion. A discussion of the factors affecting the changes in box office, food service, media and other revenues for the period is provided below.

Non-GAAP measures discussed throughout this MD&A, including adjusted EBITDA, adjusted free cash flow, attendance, BPP, premium priced product, same theatre metrics, CPP, film cost percentage, theatre concession cost percentage and theatre concession margin per patron are defined and discussed in the non-GAAP measures section of this news release.

Box office revenues

The following table highlights the movement in box office revenues, attendance and BPP for the quarter and the year to date (in thousands of dollars, except attendance reported in thousands of patrons, and per patron amounts, unless otherwise noted):

Box office revenues	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Box office revenues	\$ 180,146	\$ 172,571	4.4%	\$ 534,930	\$ 514,814	3.9%
Attendance (i)	19,219	19,407	-1.0%	56,660	56,640	—%
Box office revenue per patron (i)	\$ 9.37	\$ 8.89	5.4%	\$ 9.44	\$ 9.09	3.9%
BPP excluding premium priced product (i)	\$ 8.20	\$ 8.10	1.2%	\$ 8.26	\$ 8.25	0.1%
Canadian industry revenues (ii)			5.1%			3.2%
Same theatre box office revenues (i)	\$ 178,403	\$ 172,333	3.5%	\$ 520,912	\$ 507,067	2.7%
Same theatre attendance (i)	19,052	19,375	-1.7%	55,337	55,838	-0.9%
% Total box from premium priced product (i)	46.5%	34.5%	12.0%	45.5%	36.0%	9.5%

(i) See Non-GAAP measures section of this news release.

(ii) The Movie Theatre Association of Canada (“MTAC”) reported that the Canadian exhibition industry reported a box office revenue increase of 6.8% for the period from July 1, 2016 to September 29, 2016 as compared to the period from July 3, 2015 to October 1, 2015. On a basis consistent with Cineplex’s calendar reporting period (July 1 to September 30), the Canadian industry box office revenue change is estimated to be an increase of 5.1%. For the period from January 1, 2016 to September 29, 2016 as compared to the period from January 2, 2015 to October 1, 2015, MTAC reported a box office revenue increase of 3.4%. On a basis consistent with Cineplex’s calendar reporting period (January 1 to September 30), the Canadian industry box office revenues are estimated to be an increase of 3.2%.

Box office continuity	Third Quarter		Year to Date	
	Box Office	Attendance	Box Office	Attendance
2015 as reported	\$ 172,571	19,407	\$ 514,814	56,640
Same theatre attendance change	(2,867)	(322)	(4,543)	(501)
Impact of same theatre BPP change	8,938	—	18,396	—
New and acquired theatres (i)	1,742	167	7,418	664
Disposed and closed theatres (i)	(238)	(33)	(1,155)	(143)
2016 as reported	\$ 180,146	19,219	\$ 534,930	56,660

(i) See non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.

Third Quarter

Third Quarter 2016 Top Cineplex Films			Third Quarter 2015 Top Cineplex Films		
	3D	% Box		3D	% Box
1 Suicide Squad	✓	12.0%	1 Minions	✓	13.7%
2 The Secret Life of Pets	✓	11.2%	2 Mission: Impossible - Rogue Nation		9.3%
3 Star Trek Beyond	✓	6.9%	3 Ant-Man	✓	6.9%
4 Jason Bourne		6.6%	4 Jurassic World	✓	6.0%
5 Finding Dory	✓	5.8%	5 Inside Out	✓	5.4%

Box office revenues increased \$7.6 million, or 4.4%, to a third quarter record of \$180.1 million during the period, compared to \$172.6 million reported in the third quarter of 2015. The increase was due to the record third quarter BPP more than offsetting the impact of the 1.0% decrease in attendance.

BPP for the three months ended September 30, 2016 was \$9.37, a \$0.48 increase from the prior year period and a third quarter record for Cineplex. The increase in BPP was due to the higher percentage of box office revenues from premium product, which accounted for 46.5% of box office revenues in the current period, up from 34.5% in the prior year period. This increase was due to a higher proportion of strong performing 3D product versus 2D product in the current period, as compared to the prior year period.

Year to Date

Year to Date 2016 Top Cineplex Films			Year to Date 2015 Top Cineplex Films		
	3D	% Box		3D	% Box
1	Deadpool	5.3%	1	Jurassic World	7.7%
2	Finding Dory	4.7%	2	The Avengers: Age Of Ultron	5.8%
3	Star Wars: The Force Awakens	4.7%	3	Minions	4.6%
4	Captain America: Civil War	4.6%	4	Furious 7	4.3%
5	The Jungle Book	4.5%	5	Inside Out	3.7%

Box office revenues for the nine months ended September 30, 2016 were \$534.9 million, an increase of \$20.1 million or 3.9% over the prior year due to the higher BPP in the current year period compared to the 2015 period, with attendance flat period over period.

Cineplex's BPP for the period increased \$0.35, or 3.9%, from \$9.09 in the prior year period to \$9.44 in the current period. This increase was primarily due to the increase in revenues from 3D product in the current period compared to the prior year period. Premium priced offerings accounted for 45.5% of Cineplex's box office revenues in the nine months ended September 30, 2016, compared to 36.0% in the prior year period.

Food service revenues

The following table highlights the movement in food service revenues, attendance and CPP for the quarter and the year to date (in thousands of dollars, except attendance and same theatre attendance reported in thousands of patrons, and per patron amounts):

Food service revenues	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Food service - theatres	\$ 109,278	\$ 105,464	3.6%	\$ 318,098	\$ 304,646	4.4%
Food service - The Rec Room	287	—	NM	\$ 287	—	NM
Total food service revenues	\$ 109,565	\$ 105,464	3.9%	\$ 318,385	\$ 304,646	4.5%
Attendance (i)	19,219	19,407	-1.0%	56,660	56,640	—%
CPP (i)	\$ 5.69	\$ 5.43	4.8%	\$ 5.61	\$ 5.38	4.3%
Same theatre food service revenues (i)	\$ 108,163	\$ 105,329	2.7%	\$ 309,870	\$ 299,964	3.3%
Same theatre attendance (i)	19,052	19,375	-1.7%	55,337	55,838	-0.9%

(i) See non-GAAP measures section of this news release.

Theatre food service revenue continuity	Third Quarter		Year to Date	
	Theatre Food Service	Attendance	Theatre Food Service	Attendance
2015 as reported	\$ 105,464	19,407	\$ 304,646	56,640
Same theatre attendance change	(1,751)	(322)	(2,691)	(501)
Impact of same theatre CPP change	4,587	—	12,599	—
New and acquired theatres (i)	1,113	167	4,044	664
Disposed and closed theatres (i)	(135)	(33)	(500)	(143)
2016 as reported	\$ 109,278	19,219	\$ 318,098	56,660

(i) See non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.

Third Quarter

Food service revenues are comprised primarily of concession revenues, which includes food sales at theatre locations. Food service revenues also include food sales at *The Rec Room*. Food service revenues increased \$4.1 million, or 3.9% as compared to the prior year period due to the increase in CPP partially offset by the impact of the 1.0% decrease in attendance. The operations of *The Rec Room* in Edmonton, which opened mid-September, contributed \$0.3 million to the increase, and are excluded from the CPP calculation.

CPP increased 4.8% to \$5.69, a third quarter record for Cineplex. Expanded offerings outside of core food service products, including offerings at Cineplex's VIP Cinemas and Outtakes locations, have contributed to increased visitation and higher average transaction values, resulting in the higher CPP in the period.

Year to Date

Food service revenues increased \$13.7 million, or 4.5% as compared to the prior year, due to the 4.3% increase in CPP. The CPP of \$5.61 in the current period is the highest CPP Cineplex has reported through the first nine months of a year.

While the 10% SCENE discount and SCENE points issued on food service purchases reduce individual transaction values which impacts CPP, Cineplex believes that this loyalty program drives incremental visits and food service purchases, resulting in higher overall food service revenues.

Media revenues

The following table highlights the movement in media revenues for the quarter and the year to date (in thousands of dollars):

Media revenues	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Cineplex Media	\$ 29,093	\$ 25,029	16.2%	\$ 76,432	\$ 70,363	8.6%
Cineplex Digital Media	15,735	9,267	69.8%	41,640	28,025	48.6%
Total media revenues	\$ 44,828	\$ 34,296	30.7%	\$ 118,072	\$ 98,388	20.0%

Third Quarter

Total media revenues increased \$10.5 million (30.7%) to \$44.8 million in the third quarter of 2016 compared to the prior year period, representing a third quarter media revenue record for Cineplex. This increase was primarily due to higher Cineplex Digital Media revenues, which increased \$6.5 million as expansion of the client base resulted in increased project installation revenues including clients Dairy Queen and A&W Canada as well as advertising and other media revenue growth. Cineplex Media revenues increased \$4.1 million due to higher showtime and pre-show revenues as well as growth in new media initiatives.

Year to Date

Total media revenues increased \$19.7 million in the nine months ended September 30, 2016 compared to the prior year period. The increase resulted from the \$6.1 million increase in Cineplex Media revenues due to higher showtime and pre-show revenues as well as growth in new media initiatives, and a \$13.6 million increase in Cineplex Digital Media revenues earned from higher project installation and advertising revenue growth due to an expansion of the client base.

Other revenues

The following table highlights the movement in games and other revenues for the quarter and the year to date (in thousands of dollars):

Other revenues	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Games - Cineplex exhibition (i)	\$ 2,725	\$ 2,523	8.0%	\$ 7,882	\$ 7,016	12.3%
The Rec Room - amusement and gaming	204	—	NM	204	—	NM
CSI excluding Cineplex exhibition games (i)	24,042	—	NM	69,525	—	NM
Other	14,442	13,392	7.8%	43,892	38,707	13.4%
Total other revenues	\$ 41,413	\$ 15,915	160.2%	\$ 121,503	\$ 45,723	165.7%

(i) Cineplex receives a venue revenue share on games revenues earned at in-theatre game rooms and XSCAPE Entertainment Centres. Games - Cineplex exhibition reports the total of this venue revenue share which is consistent with the historical presentation of Cineplex's Games revenues. CSI excluding Cineplex exhibition games reflects CSI's gross gaming revenues, net of the venue revenue share paid to Cineplex reflected in Games - Cineplex exhibition above.

Third Quarter

Other revenues increased 160.2% or \$25.5 million in the third quarter of 2016 compared to the prior year period primarily due to the consolidation of CSI following Cineplex's acquisition on October 1, 2015 of the 50% of CSI it did not already own (\$24.0 million). Prior to October 1, 2015, Cineplex equity accounted for its 50% interest in CSI, with the results included in "Share of income of joint ventures." Excluding CSI, Other revenues increased \$1.5 million, or 9.1%.

Cineplex exhibition gaming revenues were higher than the prior year period despite the decrease in attendance due to more XSCAPE locations open during the current period, leading to more opportunities for game play by those in attendance. The opening of *The Rec Room* in Edmonton in mid-September contributed \$0.2 million in revenues. The increase of \$1.1 million (7.8%) in Other in the period was primarily due to higher revenues relating to enhanced guest service initiatives and the inclusion of WGN which was acquired in September 2015 and is not fully reflected in the prior year comparative.

Year to Date

For the year to date period, Other revenues have increased 165.7% or \$75.8 million, compared to the prior year period primarily due to the consolidation of CSI (\$69.5 million). Excluding CSI, Other revenues increased \$6.3 million, or 13.7%.

Cineplex exhibition gaming revenues increased 12.3% due to a higher number of XSCAPE entertainment centres open in the current period compared to the prior year period. The increase of \$5.2 million in Other in the period was primarily additional revenues arising from enhanced guest service initiatives and increased SCENE related revenues.

Film cost

The following table highlights the movement in film cost and the film cost percentage for the quarter and the year to date (in thousands of dollars, except film cost percentage):

Film cost	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Film cost	\$ 95,471	\$ 91,567	4.3%	\$ 293,534	\$ 273,893	7.2%
Film cost percentage (i)	53.0%	53.1%	-0.1%	54.9%	53.2%	1.7%

(i) See non-GAAP measures section of this news release.

Third Quarter

Film cost varies primarily with box office revenues, and can vary from quarter to quarter usually based on the relative strength of the titles exhibited during the period. This is due to film cost terms varying by title and distributor. Film cost percentage during the third quarter of 2016 was 53.0%, a 0.1% decrease from the prior year period.

Year to Date

The year to date increase in film cost expense was due to a combination of the 1.7% increase in the film cost percentage and the higher box office revenues in the current period compared to the prior year period.

Cost of food service

The following table highlights the movement in cost of food service for both theatres and *The Rec Room* for the quarter and the year to date (in thousands of dollars, except percentages and margins per patron):

Cost of food service	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Cost of food service - theatre	\$ 24,286	\$ 22,325	8.8%	\$ 71,203	\$ 65,694	8.4%
Cost of food service - The Rec Room	70	—	NM	70	—	NM
Total cost of food service	\$ 24,356	\$ 22,325	9.1%	\$ 71,273	\$ 65,694	8.5%
Theatre concession cost percentage (i)	22.2%	21.2%	1.0%	22.4%	21.6%	0.8%
Theatre concession margin per patron (i)	\$ 4.42	\$ 4.28	3.3%	\$ 4.36	\$ 4.22	3.3%

(i) See non-GAAP measures section of this news release.

Third Quarter

Cost of food service at the theatres varies primarily with theatre attendance as well as the quantity and mix of offerings sold. Cost of food service at *The Rec Room* varies primarily with the volume of guests who visit the location as well as the quantity and mix between food and beverage items sold.

The increase in the theatre cost of food service as compared to the prior year period was due to the higher food service revenues as well as the 1.0% increase in the concession cost percentage during the period. The increase in the concession cost percentage is due in part to the mix of food offerings. The addition of VIP theatres at three locations since the prior year period has contributed to the changing mix including more items outside of the core concession offerings, which tend to have higher costs.

The theatre concession margin per patron increased 3.3% from \$4.28 in the third quarter of 2015 to \$4.42 in the same period in 2016, reflecting the impact of the higher CPP during the period, partially offset by the impact of the higher theatre concession cost percentage.

Cost of food service at *The Rec Room* reflects the costs incurred for the partial month of operations in the period.

Year to Date

The increase in the theatre cost of food service as compared to the prior year period was due to the higher theatre food service revenues, driven by the CPP increase. The theatre concession margin per patron increased from \$4.22 in the prior year period to \$4.36 in the current period, reflecting the impact of the higher CPP in the current period.

Despite the 10% discount offered to SCENE members and SCENE points offered on select offerings, which contributes to a higher concession cost percentage, Cineplex believes the SCENE program drives incremental attendance and purchase incidence which increases food service revenues and CPP.

Depreciation and amortization

The following table highlights the movement in depreciation and amortization expenses during the quarter and the year to date (in thousands of dollars):

Depreciation and amortization expenses	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Depreciation of property, equipment and leaseholds	\$ 23,023	\$ 20,225	13.8%	\$ 66,828	\$ 59,098	13.1%
Amortization of intangible assets and other	3,680	1,886	95.1%	10,859	5,715	90.0%
Depreciation and amortization expenses as reported	\$ 26,703	\$ 22,111	20.8%	\$ 77,687	\$ 64,813	19.9%

The quarterly increase in depreciation of property, equipment and leaseholds of \$2.8 million and year to date increase of \$7.7 million was primarily due to the addition of equipment and leasehold improvements relating to assets acquired through acquisitions and new construction. The increase in amortization of intangible assets and other is primarily due to intangible assets acquired in the WGN and CSI transactions.

Loss on disposal of assets

The following table shows the movement in the loss on disposal of assets during the quarter and the year to date (in thousands of dollars):

Loss on disposal of assets	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Loss on disposal of assets	\$ 468	\$ 987	-52.6%	\$ 1,402	\$ 2,337	-40.0%

During the third quarter of 2016, Cineplex recorded a loss of \$0.5 million on the disposal of assets that were sold or otherwise disposed (2015 - \$1.0 million). For the nine months ended September 30, 2016, disposal of assets resulted in a loss of \$1.4 million on the disposal of assets that were sold or otherwise disposed of (2015 - \$2.3 million).

Other costs

Other costs include three main sub-categories of expenses, including theatre occupancy expenses, which capture the rent and associated occupancy costs for Cineplex's various operations; other operating expenses, which include the costs related to running Cineplex's film entertainment and content, media, amusement gaming and leisure (including CSI, *The Rec Room* and WGN) as well as Cineplex's ancillary businesses; and general and administrative expenses, which include costs related to managing Cineplex's operations, including head office expenses. Please see the discussions below for more details on these categories. The following table highlights the movement in other costs for the quarter and the year to date (in thousands of dollars):

Other costs	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Theatre occupancy expenses	\$ 51,699	\$ 51,239	0.9%	\$ 155,052	\$ 152,821	1.5%
Other operating expenses	120,398	89,801	34.1%	352,425	259,952	35.6%
General and administrative expenses	17,030	15,703	8.5%	54,386	50,238	8.3%
Total other costs	\$ 189,127	\$ 156,743	20.7%	\$ 561,863	\$ 463,011	21.3%

Theatre occupancy expenses

The following table highlights the movement in theatre occupancy expenses for the quarter and the year to date (in thousands of dollars):

Theatre occupancy expenses	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Rent	\$ 34,192	\$ 34,055	0.4%	\$ 102,568	\$ 101,512	1.0%
Other occupancy	18,009	17,806	1.1%	54,933	53,928	1.9%
One-time items (i)	(502)	(622)	-19.3%	(2,449)	(2,619)	-6.5%
Total	\$ 51,699	\$ 51,239	0.9%	\$ 155,052	\$ 152,821	1.5%

(i) One-time items include amounts related to both theatre rent and other theatre occupancy costs. They are isolated here to illustrate Cineplex's theatre rent and other theatre occupancy costs excluding these one-time, non-recurring items.

Theatre occupancy continuity	Third Quarter Occupancy	Year to Date Occupancy
2015 as reported	\$ 51,239	\$ 152,821
Impact of new and acquired theatres	438	2,073
Impact of disposed theatres	(43)	(276)
Same theatre rent change (i)	(88)	(141)
One-time items	119	170
Other	34	405
2016 as reported	\$ 51,699	\$ 155,052

(i) See non-GAAP measures section of this news release.

Third Quarter

Theatre occupancy expenses increased \$0.5 million during the third quarter of 2016 compared to the prior year period. This increase was primarily due to the impact of new and acquired theatres net of disposed theatres (\$0.4 million) and less one-time credits as compared to the prior year period (\$0.1 million).

Year to Date

The increase in theatre occupancy expenses of \$2.2 million for the 2016 period compared to the prior year was due to the impact of new and acquired theatres net of disposed theatres (\$1.8 million) and higher other costs (including higher real estate taxes) (\$0.4 million) as compared to the prior year period.

Other operating expenses

The following table highlights the movement in other operating expenses during the quarter and the year to date (in thousands of dollars):

Other operating expenses	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Theatre payroll	\$ 35,532	\$ 35,530	—%	\$ 107,430	\$ 103,554	3.7%
Media	17,929	12,819	39.9%	50,399	39,464	27.7%
CSI	20,421	—	NM	60,165	—	NM
The Rec Room (i)	357	—	NM	357	—	NM
Other	46,159	41,452	11.4%	134,074	116,934	14.7%
Other operating expenses	\$ 120,398	\$ 89,801	34.1%	\$ 352,425	\$ 259,952	35.6%

(i) Includes operating costs of *The Rec Room* location in Edmonton. Pre-opening costs relating to *The Rec Room* locations and overhead relating to management of *The Rec Room* portfolio are included in the 'Other' line.

Other operating continuity	Third Quarter Other Operating	Year to Date Other Operating
2015 as reported	\$ 89,801	\$ 259,952
Impact of new and acquired theatres	961	3,556
Impact of disposed theatres	(79)	(356)
Same theatre payroll change (i)	(211)	2,391
Marketing change	(435)	1,653
Media change	5,110	10,935
CSI change	20,421	60,165
Amusement gaming and leisure, excluding CSI	4,178	10,138
Other	652	3,991
2016 as reported	\$ 120,398	\$ 352,425

(i) See non-GAAP measures section of this news release.

Third Quarter

Other operating expenses during the third quarter of 2016 increased \$30.6 million or 34.1% compared to the prior year period. The major component of the increase is the inclusion of CSI which is not included in the prior year comparative (\$20.4 million).

Excluding CSI, the remainder of the increase is primarily due to higher media costs as a result of increased business volumes (\$5.1 million) and incremental amusement gaming and leisure costs (excluding CSI) of \$4.2 million due to the prior period not including a full quarter of WGN and minimal amounts from *The Rec Room*.

Year to Date

For the nine months ended September 30, 2016, other operating expenses increased \$92.5 million or 35.6% compared to the prior year period. The major component of the increase is the inclusion of CSI (\$60.2 million). Excluding CSI operating expenses increased \$32.3 million, with the increases due to new theatre openings, higher business volumes in the media businesses, as well as costs relating to WGN (which did not have a full period of operations in the prior year period) and *The Rec Room*.

The \$4.0 million increase in Other is due in part to higher same theatre costs, SCENE program costs (\$1.2 million) and 3D and IMAX royalty costs which are due to stronger performing premium product (\$0.7 million).

General and administrative expenses

The following table highlights the movement in general and administrative ("G&A") expenses during the quarter and the year to date, including Share based compensation costs, and G&A net of these costs (in thousands of dollars):

G&A expenses	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
G&A excluding LTIP and option plan expense	\$ 15,039	\$ 13,342	12.7%	\$ 44,835	\$ 40,948	9.5%
LTIP (i)	1,579	1,931	-18.2%	8,314	8,023	3.6%
Option plan	412	430	-4.2%	1,237	1,267	-2.4%
G&A expenses as reported	\$ 17,030	\$ 15,703	8.5%	\$ 54,386	\$ 50,238	8.3%

(i) LTIP includes the expense for the LTIP program as well as the expense for the executive and Board deferred share unit plans.

Third Quarter

G&A expenses increased \$1.3 million during the third quarter of 2016 compared to the prior year period due to higher head office payroll expenses.

Year to Date

G&A expenses for the year to date period increased \$4.1 million compared to the prior year period primarily due to higher head office payroll expenses.

EARNINGS BEFORE INTEREST, INCOME TAXES, DEPRECIATION AND AMORTIZATION (“EBITDA”) (see non-GAAP measures section of this news release)

The following table presents EBITDA and adjusted EBITDA for the three months ended September 30, 2016 as compared to the prior year period (in thousands of dollars, except adjusted EBITDA margin):

EBITDA	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
EBITDA	\$ 67,441	\$ 57,884	16.5%	\$ 166,898	\$ 161,222	3.5%
Adjusted EBITDA	\$ 67,260	\$ 59,081	13.8%	\$ 167,168	\$ 164,639	1.5%
Adjusted EBITDA margin	17.9%	18.0%	-0.1%	15.3%	17.1%	-1.8%

Adjusted EBITDA for the third quarter of 2016 increased \$8.2 million, or 13.8%, as compared to the prior year period. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 17.9% in the current period, down from 18.0% in the prior year period. The increase in adjusted EBITDA was due to stronger results in all of Cineplex’s key businesses as well as the contribution from CSI due to 100% ownership in the current period compared to 50% in the prior period. Higher costs attributable to Cineplex’s emerging businesses as it executes on its diversification strategy impacted margins in the current period, resulting in the small decrease period over period.

Adjusted EBITDA for the nine months ended September 30, 2016 increased \$2.5 million, or 1.5%, as compared to the prior year period. The increase was due to stronger operating results in all areas of the business. Adjusted EBITDA margin for the period was 15.3%, a decrease of 1.8% from 17.1% in the prior year period. The adjusted EBITDA margin was impacted by the higher costs attributable to Cineplex’s emerging businesses as it executes on its diversification strategy.

ADJUSTED FREE CASH FLOW (see non-GAAP measures section of this news release)

For the third quarter of 2016, adjusted free cash flow per common share of Cineplex was \$0.74 as compared to \$0.57 in the prior year period. The declared dividends per common share of Cineplex were \$0.41 in the third quarter of 2016 and \$0.39 in the prior year period. During the year ended September 30, 2016, Cineplex generated adjusted free cash flow per Share of \$2.67, compared to \$2.33 per Share in the year ended September 30, 2015. Cineplex declared dividends per Share of \$1.59 and \$1.53, respectively, in each year. The payout ratios for these periods were approximately 59.3% and 65.5%, respectively.

NON-GAAP FINANCIAL MEASURES

EBITDA and Adjusted Free Cash Flow

EBITDA and adjusted free cash flow are not measures recognized by GAAP and do not have standardized meanings in accordance with such principles. Therefore, EBITDA and adjusted free cash flow may not be comparable to similar measures presented by other issuers. Management uses adjusted EBITDA and adjusted free cash flow to evaluate performance primarily because of the significant effect certain unusual or non-recurring charges and other items have on EBITDA from period to period.

EBITDA is calculated by adding back to net income, income tax expense, depreciation and amortization expense, and interest expense net of interest income. Adjusted EBITDA is calculated by adjusting EBITDA for losses on disposal of assets, the equity income of CDCP, the non-controlling interests’ share of adjusted EBITDA of WGN and BSL, and depreciation, amortization, interest and taxes of Cineplex’s other joint ventures. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenues.

Adjusted free cash flow is a non-GAAP measure generally used by Canadian corporations, as an indicator of financial performance and it should not be seen as a measure of liquidity or a substitute for comparable metrics prepared in accordance with GAAP.

For a detailed reconciliation of net income to EBITDA and adjusted EBITDA and from cash provided by operating activities to adjusted free cash flow, please refer to Cineplex's management's discussion and analysis filed on www.sedar.com.

Per Patron Revenue Metrics

Cineplex reviews per patron metrics as they relate to box office revenue and concession revenue such as BPP, CPP, BPP excluding premium priced product, and concession margin per patron, as these are key measures used by investors to value and assess Cineplex's performance, and are widely used in the theatre exhibition industry. Management of Cineplex defines these metrics as follows:

Attendance: Attendance is calculated as the total number of paying patrons that frequent Cineplex's theatres during the period.

BPP: Calculated as total box office revenues divided by total paid attendance for the period.

BPP excluding premium priced product: Calculated as total box office revenues for the period, less box office revenues from 3D, UltraAVX, VIP and IMAX product; divided by total paid attendance for the period, less paid attendance for 3D, UltraAVX, VIP and IMAX product.

CPP: Calculated as total theatre food service revenues divided by total paid attendance for the period.

Premium priced product: Defined as 3D, UltraAVX, IMAX and VIP film product.

Theatre concession margin per patron: Calculated as total theatre food service revenues less total theatre food service cost, divided by total paid attendance for the period.

Same Theatre Analysis

Cineplex reviews and reports same theatre metrics relating to box office revenues, theatre food service revenues, theatre rent expense and theatre payroll expense, as these measures are widely used in the theatre exhibition industry as well as other retail industries.

Same theatre metrics are calculated by removing the results for all theatres that have been opened, acquired, closed or otherwise disposed of subsequent to the start of the prior year comparative period. For the three months ended September 30, 2016 the impact of the three locations that have been opened or acquired and the one location that has been closed have been excluded, resulting in 161 theatres being included in the same theatre metrics. For the nine months ended September 30, 2016 the impact of the six locations that have been opened or acquired and the three locations that have been closed have been excluded, resulting in 158 theatres being included in the same theatre metrics.

Cost of sales percentages

Cineplex reviews and reports cost of sales percentages for its two largest revenue sources, box office revenues and food service revenues as these measures are widely used in the theatre exhibition industry. These measures are reported as film cost percentage and concession cost percentage, respectively, and are calculated as follows:

Film cost percentage: Calculated as total film cost expense divided by total box office revenues for the period.

Theatre concession cost percentage: Calculated as total theatre food service costs divided by total theatre food service revenues for the period.

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 Cineplex's objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to Cineplex's beliefs, plans, objectives, expectations, anticipations, estimates and intentions. 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 involve inherent risks and uncertainties, including those described in Cineplex's Annual Information Form ("AIF"), Cineplex's management's discussion and analysis ("MD&A") and in this news release. Those risks and uncertainties, both general and specific, give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Cineplex cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond Cineplex's control, could cause actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, risks generally encountered in the relevant industry, competition, customer, legal, taxation and accounting matters.

The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about

factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risks and Uncertainties" section of Cineplex's MD&A.

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. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. All forward-looking statements in this news release are made as of the date hereof and are qualified by these cautionary statements. Additional information, including Cineplex's AIF and MD&A, can be found on SEDAR at www.sedar.com.

About Cineplex Inc.

Cineplex is one of Canada's leading entertainment companies and operates one of the most modern and fully digitized motion picture theatre circuits in the world. A top-tier Canadian brand, Cineplex operates numerous businesses including theatrical exhibition, food service, amusement gaming, alternative programming (Cineplex Events), Cineplex Media, Cineplex Digital Media, The Rec Room, and the online sale of home entertainment content through CineplexStore.com and on apps embedded in various electronic devices. Cineplex is also a joint venture partner in SCENE - Canada's largest entertainment loyalty program.

Cineplex is headquartered in Toronto, Canada, and operates 165 theatres with 1,683 screens from coast to coast, serving approximately 77 million guests annually through the following theatre brands: Cineplex Cinemas, Cineplex Odeon, Cineplex VIP Cinemas, Galaxy Cinemas, SilverCity Cinemas and Scotiabank Theatres. Cineplex also owns and operates the UltraAVX, Poptopia and Outtakes brands. Cineplex trades on the Toronto Stock Exchange under the symbol CGX. More information is available at Cineplex.com. Further information can be found in the disclosure documents filed by Cineplex with the securities regulatory authorities, available at www.sedar.com.

You are cordially invited to participate in a teleconference call with the management of Cineplex (TSX: CGX) to review our quarterly results. **Ellis Jacob, President and Chief Executive Officer, Gord Nelson, Chief Financial Officer and Pat Marshall, Investor Relations Officer** will host the call. The teleconference call is scheduled for:

**Tuesday, November 8, 2016
10:00 a.m. Eastern Time**

In order to participate in the conference call, **please dial 416-849-1847 or outside of Toronto dial 1-866-530-1554** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 7406912 to access the call.

- If you cannot participate in the live mode, a replay will be available. Please dial 647-436-0148 or 1-888-203-1112 and enter code 7406912#. The replay will begin at 1:00 p.m. Eastern Time on Tuesday, November 8, 2016 and end at 1:00 p.m. Eastern Time on Tuesday, November 15, 2016.
- Note that media will be participating in the call in listen-only mode.
- Thank you in advance for your interest and participation.

- 30 -

For further information:

Gord Nelson
Chief Financial Officer
(416) 323-6602

Pat Marshall
Vice President Communications and Investor Relations
(416) 323-6648

Cineplex Inc.
Interim Condensed Consolidated Balance Sheets
(Unaudited)
(expressed in thousands of Canadian dollars)

	September 30,	December 31,
	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 23,685	\$ 35,713
Trade and other receivables	67,116	121,398
Income taxes receivable	1,806	—
Inventories	21,071	19,691
Prepaid expenses and other current assets	16,650	10,025
	<hr/>	<hr/>
	130,328	186,827
Non-current assets		
Property, equipment and leaseholds	543,837	533,192
Deferred income taxes	5,710	6,517
Interests in joint ventures	34,768	35,288
Intangible assets	123,120	132,140
Goodwill	807,953	807,953
	<hr/>	<hr/>
	\$ 1,645,716	\$ 1,701,917
	<hr/>	<hr/>

Cineplex Inc.
Interim Condensed Consolidated Balance Sheets ... continued
(Unaudited)
(expressed in thousands of Canadian dollars)

	September 30, 2016	December 31, 2015
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 121,831	\$ 209,657
Share-based compensation	9,730	9,742
Dividends payable	8,571	8,238
Income taxes payable	4,419	30,464
Deferred revenue	133,688	159,568
Current debt	—	3,737
Finance lease obligations	3,123	2,957
Fair value of interest rate swap agreements	2,055	1,414
	<u>283,417</u>	<u>425,777</u>
Non-current liabilities		
Share-based compensation	18,687	18,907
Long-term debt	332,352	222,340
Fair value of interest rate swap agreements	5,021	4,188
Finance lease obligations	9,688	12,052
Post-employment benefit obligations	7,498	7,296
Other liabilities	128,706	131,874
Deferred income taxes	7,658	6,283
Convertible debentures	102,287	100,703
	<u>611,897</u>	<u>503,643</u>
Total liabilities	<u>895,314</u>	<u>929,420</u>
Equity		
Share capital	859,210	858,305
Deficit	(106,149)	(86,296)
Hedging reserves and other	(5,614)	(4,979)
Contributed surplus	(159)	(491)
Cumulative translation adjustment	(39)	934
	<u>747,249</u>	<u>767,473</u>
Total equity attributable to owners of Cineplex	747,249	767,473
Non-controlling interests	3,153	5,024
Total equity	<u>750,402</u>	<u>772,497</u>
	<u>\$ 1,645,716</u>	<u>\$ 1,701,917</u>

Cineplex Inc.**Interim Condensed Consolidated Statements of Operations****(Unaudited)****(expressed in thousands of Canadian dollars, except net income per share)**

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenues				
Box office	\$ 180,146	\$ 172,571	\$ 534,930	\$ 514,814
Food service	109,565	105,464	318,385	304,646
Media	44,828	34,296	118,072	98,388
Other	41,413	15,915	121,503	45,723
	<u>375,952</u>	<u>328,246</u>	<u>1,092,890</u>	<u>963,571</u>
Expenses				
Film cost	95,471	91,567	293,534	273,893
Cost of food service	24,356	22,325	71,273	65,694
Depreciation and amortization	26,703	22,111	77,687	64,813
Loss on disposal of assets	468	987	1,402	2,337
Other costs	189,127	156,743	561,863	463,011
Share of income of joint ventures	(911)	(1,260)	(2,080)	(2,586)
Interest expense	4,575	5,919	14,296	17,149
Interest income	(46)	(46)	(164)	(134)
	<u>339,743</u>	<u>298,346</u>	<u>1,017,811</u>	<u>884,177</u>
Income before income taxes	<u>36,209</u>	<u>29,900</u>	<u>75,079</u>	<u>79,394</u>
Provision for income taxes				
Current	9,002	8,761	17,853	21,836
Deferred	1,211	(300)	2,563	114
	<u>10,213</u>	<u>8,461</u>	<u>20,416</u>	<u>21,950</u>
Net income	<u>\$ 25,996</u>	<u>\$ 21,439</u>	<u>\$ 54,663</u>	<u>\$ 57,444</u>
Attributable to:				
Owners of Cineplex	\$ 26,410	\$ 21,520	\$ 55,962	\$ 57,525
Non-controlling interests	(414)	(81)	(1,299)	(81)
Net income	<u>\$ 25,996</u>	<u>\$ 21,439</u>	<u>\$ 54,663</u>	<u>\$ 57,444</u>
Basic net income per share attributable to owners of Cineplex	\$ 0.42	\$ 0.34	\$ 0.88	\$ 0.91
Diluted net income per share attributable to owners of Cineplex	\$ 0.41	\$ 0.34	\$ 0.88	\$ 0.90

Cineplex Inc.**Interim Condensed Consolidated Statements of Comprehensive Income****(Unaudited)****(expressed in thousands of Canadian dollars)**

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Net income	\$ 25,996	\$ 21,439	\$ 54,663	\$ 57,444
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to net income:</i>				
Income (loss) on hedging instruments	467	(189)	(881)	(2,689)
Associated deferred income taxes (expense) recovery	(125)	50	246	718
Foreign currency translation adjustment	539	324	(1,209)	324
Other comprehensive income (loss)	881	185	(1,844)	(1,647)
Comprehensive income	\$ 26,877	\$ 21,624	\$ 52,819	\$ 55,797
Attributable to:				
Owners of Cineplex	\$ 27,244	\$ 21,705	\$ 54,354	\$ 55,878
Non-controlling interests	(367)	(81)	(1,535)	(81)
Comprehensive income	\$ 26,877	\$ 21,624	\$ 52,819	\$ 55,797

Cineplex Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(Unaudited)

(expressed in thousands of Canadian dollars)

For the nine months ended September 30, 2016 and 2015

	Share capital	Contributed surplus	Hedging and other reserves	Cumulative translation adjustment	Deficit	Non- controlling interests	Total
Balance - January 1, 2016	\$ 858,305	\$ (491)	\$ (4,979)	\$ 934	\$ (86,296)	\$ 5,024	\$ 772,497
Net income	—	—	—	—	55,962	(1,299)	54,663
Other comprehensive (loss)	—	—	(635)	(973)	—	(236)	(1,844)
Total comprehensive income	—	—	(635)	(973)	55,962	(1,535)	52,819
Dividends declared	—	—	—	—	(75,815)	—	(75,815)
Share option expense	—	1,237	—	—	—	—	1,237
Issuance of shares on exercise of options	905	(905)	—	—	—	—	—
CSI non-controlling interests acquired	—	—	—	—	—	(336)	(336)
Balance - September 30, 2016	\$ 859,210	\$ (159)	\$ (5,614)	\$ (39)	\$ (106,149)	\$ 3,153	\$ 750,402
Balance - January 1, 2015	\$ 854,073	\$ 4,952	\$ (3,405)	—	\$ (123,771)	—	\$ 731,849
Net income	—	—	—	—	57,525	(81)	57,444
Other comprehensive (loss)	—	—	(1,971)	324	—	—	(1,647)
Total comprehensive income	—	—	(1,971)	324	57,525	(81)	55,797
Dividends declared	—	—	—	—	(72,529)	—	(72,529)
Share option expense	—	1,267	—	—	—	—	1,267
Issuance of shares on exercise of options	522	(522)	—	—	—	—	—
WGN purchase obligation	—	(4,939)	—	—	—	—	(4,939)
WGN non-controlling interests recognized on acquisition	—	—	—	—	—	4,939	4,939
Balance - September 30, 2015	\$ 854,595	\$ 758	\$ (5,376)	\$ 324	\$ (138,775)	\$ 4,858	\$ 716,384

Cineplex Inc.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)
(expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Cash provided by (used in)				
Operating activities				
Net income	\$ 25,996	\$ 21,439	\$ 54,663	\$ 57,444
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	26,703	22,111	77,687	64,813
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(2,657)	(1,947)	(7,143)	(5,950)
Accretion of debt issuance costs and other non-cash interest, net	259	1,403	402	3,995
Loss on disposal of assets	468	987	1,402	2,337
Deferred income taxes	1,211	(300)	2,563	114
Interest rate swap agreements - non-cash interest	(39)	62	767	149
Non-cash share-based compensation	412	429	1,237	1,266
Accretion of convertible debentures	531	493	1,583	1,484
Net change in interests in joint ventures	(1,553)	875	(1,851)	(2,224)
Tenant inducements	1,291	—	3,685	757
Changes in operating assets and liabilities	(16,025)	(9,280)	(100,395)	(49,937)
Net cash provided by operating activities	36,597	36,272	34,600	74,248
Investing activities				
Proceeds from sale of assets	—	—	108	108
Purchases of property, equipment and leaseholds	(28,787)	(25,560)	(76,325)	(72,885)
Acquisition of businesses, net of cash acquired	—	(12,472)	(407)	(15,630)
Intangible assets additions	(329)	(355)	(610)	(469)
Net cash received from CDCP	1,568	407	2,370	1,163
Net cash used in investing activities	(27,548)	(37,980)	(74,864)	(87,713)
Financing activities				
Dividends paid	(25,713)	(24,603)	(75,482)	(72,204)
Borrowings under credit facilities, net	5,798	28,000	107,634	78,000
Payments under finance leases	(746)	(671)	(2,197)	(1,980)
Deferred financing fees	(22)	—	(1,426)	—
Net cash (used in) provided by financing activities	(20,683)	2,726	28,529	3,816
Effect of exchange rate differences on cash	231	77	(293)	77
(Decrease) increase in cash and cash equivalents	(11,403)	1,095	(12,028)	(9,572)
Cash and cash equivalents - Beginning of period	35,088	23,700	35,713	34,367
Cash and cash equivalents - End of period	\$ 23,685	\$ 24,795	\$ 23,685	\$ 24,795
Supplemental information				
Cash paid for interest	\$ 2,965	\$ 2,354	\$ 10,839	\$ 9,632
Cash paid for income taxes	\$ (712)	\$ 1,998	\$ 45,434	\$ 13,674

Cineplex Inc.
Interim Consolidated Supplemental Information
(Unaudited)
(expressed in thousands of Canadian dollars)

Reconciliation to Adjusted EBITDA

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Net income	\$ 25,996	\$ 21,439	\$ 54,663	\$ 57,444
Depreciation and amortization	26,703	22,111	77,687	64,813
Interest expense	4,575	5,919	14,296	17,149
Interest income	(46)	(46)	(164)	(134)
Current income tax expense	9,002	8,761	17,853	21,836
Deferred income tax expense (recovery)	1,211	(300)	2,563	114
EBITDA	\$ 67,441	\$ 57,884	\$ 166,898	\$ 161,222
Loss on disposal of assets	468	987	1,402	2,337
CDCP equity income (i)	(889)	(428)	(1,945)	(720)
Non-controlling interests adjusted EBITDA of WGN and BSL	218	34	746	34
Depreciation and amortization - joint ventures (ii)	10	522	29	1,539
Joint venture taxes and interest (ii)	12	82	38	227
Adjusted EBITDA	\$ 67,260	\$ 59,081	\$ 167,168	\$ 164,639

(i) CDCP equity income not included in adjusted EBITDA as CDCP is a limited-life financing vehicle that is funded by virtual print fees collected from distributors.

(ii) Includes the joint ventures with the exception of CDCP (see (i) above).

Cineplex Inc.

Interim Consolidated Supplemental Information

(Unaudited)

(expressed in thousands of Canadian dollars, except number of shares and per share data)

Adjusted Free Cash Flow

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Cash provided by operating activities	\$ 36,597	\$ 36,272	\$ 34,600	\$ 74,248
Less: Total capital expenditures net of proceeds on sale of assets	(28,787)	(25,560)	(76,217)	(72,777)
Standardized free cash flow	7,810	10,712	(41,617)	1,471
Add/(Less):				
Changes in operating assets and liabilities (i)	16,025	9,280	100,395	49,937
Changes in operating assets and liabilities of joint ventures (i)	642	(2,135)	(229)	(362)
Tenant inducements (ii)	(1,291)	—	(3,685)	(757)
Principal component of finance lease obligations	(746)	(671)	(2,197)	(1,980)
Growth capital expenditures and other (iii)	22,621	16,797	60,438	51,211
Share of income of joint ventures, net of non-cash depreciation (iv)	44	1,436	202	3,632
Non-controlling interest EBITDA of WGN and BSL	218	34	746	34
Net cash received from CDCP (iv)	1,568	407	2,370	1,163
Adjusted free cash flow	\$ 46,891	\$ 35,860	\$ 116,423	\$ 104,349
Average number of Shares outstanding	63,491,658	63,086,232	63,436,252	63,064,784
Adjusted free cash flow per Share	\$ 0.739	\$ 0.568	\$ 1.835	\$ 1.655
Dividends declared	\$ 0.405	\$ 0.390	\$ 1.195	\$ 1.150

- (i) Changes in operating assets and liabilities are not considered a source or use of adjusted free cash flow.
- (ii) Tenant inducements received are for the purpose of funding new theatre capital expenditures and are not considered a source of adjusted free cash flow.
- (iii) Growth capital expenditures and other represent expenditures on Board approved projects, exclude maintenance capital expenditures, and are net of proceeds on asset sales. Cineplex's revolving facility is available to fund Board approved projects.
- (iv) Excludes the share of income of CDCP, as CDCP is a limited-life financing vehicle funded by virtual print fees collected from distributors. Cash invested into CDCP, as well as cash distributions received from CDCP, are considered to be uses and sources of adjusted free cash flow.