



FOR IMMEDIATE RELEASE

**CINEPLEX INC.**  
**Reports First Quarter Results and Announces Dividend Increase**

**TORONTO, Canada**, May 8, 2015 (TSX: CGX) - Cineplex Inc. ("Cineplex") today released its financial results for the three months ended March 31, 2015.

**First Quarter Results**

	2015	2014	Period over Period Change (i)
<b>Total revenues</b>	\$ 289.8 million	\$ 280.0 million	3.5%
<b>Attendance</b>	17.5 million	17.3 million	1.5%
<b>Net income</b>	\$ 10.5 million	\$ 5.1 million	107.6%
<b>Box office revenues per patron ("BPP") (ii)</b>	\$ 8.90	\$ 9.04	-1.5%
<b>Concession revenues per patron ("CPP") (ii)</b>	\$ 5.18	\$ 5.05	2.6%
<b>Adjusted EBITDA (ii)</b>	\$ 40.2 million	\$ 30.9 million	30.3%
<b>Adjusted EBITDA margin (ii)</b>	13.9 %	11.0 %	2.9%
<b>Adjusted free cash flow (ii)</b>	\$ 27.5 million	\$ 18.4 million	49.5%
<b>Adjusted free cash flow per common share of Cineplex ("Share") (ii)</b>	\$ 0.436	\$ 0.292	49.3%
<b>Earnings per Share ("EPS") - basic</b>	\$ 0.17	\$ 0.08	112.5%
<b>EPS - diluted</b>	\$ 0.17	\$ 0.08	112.5%

- i. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2015 value less 2014 value.
- ii. Adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow, adjusted free cash flow per Share, 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 measures section of this news release.

"Total revenues increased 3.5% to \$289.8 million and adjusted EBITDA increased 30.3% to \$40.2 million in the first quarter, primarily due to higher media revenues, higher CPP and lower operating costs," said Ellis Jacob, President and CEO, Cineplex Entertainment.

"During the quarter, we announced *The Rec Room*, a social entertainment destination featuring a wide range of gaming, entertainment and dining options; SCENE announced a strategic marketing partnership enabling its members to earn and redeem points at more than 800 CARA restaurants across Canada; and Cineplex Starburst Inc. announced the creation of a new US based venture, Brady Starburst Inc., which formed the second largest distributor of amusement and vending equipment in North America."

"Overall, it was a successful quarter and looking ahead, I believe the film slate for 2015 looks very strong. I am excited about the strategic opportunities ahead which will continue to diversify our business and help us achieve meaningful growth."

"Cineplex's strong balance sheet, continued investment in the enhancement of the exhibition experience and the diversification of our business model positions us well for the future. As such, we are pleased to announce a 4.0% dividend increase to \$1.56 per share on an annual basis from the current \$1.50 per share. This increase will be effective with the May 2015 dividend which will be paid in June 2015. Cineplex has increased its dividend every year since the company converted to a corporation."

## KEY DEVELOPMENTS IN THE FIRST QUARTER OF 2015

The following describes certain key business initiatives undertaken and results achieved during the first quarter of 2015 in each of Cineplex's core business areas:

### THEATRE EXHIBITION

- Reported first quarter box office revenues of \$156.0 million, a decrease of \$0.2 million from the \$156.2 million reported in the prior year period due to lower BPP as a result of less 3D product in the current period. Extreme weather conditions across certain parts of the country, particularly the Atlantic provinces, negatively impacted box office revenues.
- Opened *Cineplex Cinemas Lansdowne & VIP* in Ottawa, Ontario, a ten screen theatre featuring four VIP auditoriums and one UltraAVX auditorium as well as opening Cineplex's popular VIP Cinemas concept at *Scotiabank Theatre Saskatoon and VIP*, adding three VIP auditoriums.
- Expanded premium offerings across the circuit, adding four UltraAVX auditoriums and three D-Box locations in the period.

### FOOD SERVICE

- Reported record first quarter food service revenues of \$90.8 million, an increase of \$3.6 million over the \$87.1 million reported in the prior year period.
- CPP was \$5.18 for the period, an all-time quarterly record for Cineplex, and \$0.13 (2.6%) higher than \$5.05 reported during the prior year period.

### AMUSEMENT GAMING AND THE REC ROOM

- Announced plans for *The Rec Room*, a social entertainment destination featuring a wide range of entertainment options including amusement gaming and entertainment complemented with an upscale casual dining restaurant featuring an open kitchen and contemporary menu, as well as a centre bar for watching the big game or other events.
- Cineplex Starburst Inc. ("CSI"), owned 50% by Cineplex, entered into a new venture with Brady Distribution Company, with CSI owning 80%, creating Brady Starburst LLC ("BSL"), one of North America's largest distributors of amusement and vending equipment, expanding CSI's presence in the US.

### MEDIA

- Total media revenues increased \$4.7 million, or 19.4% in the first quarter compared to the prior year period, with Cineplex Media increasing \$3.6 million (21.9%) and Cineplex Digital Media revenues increasing \$1.1 million (14.2%).
- Cineplex Media revenues increased due to robust showtime advertising sales, with strong results seen in the media and automotive categories.
- Cineplex Digital Media revenues increased due to project installation revenues, and in advertising revenue growth arising from the TimsTV and Oxford shopping mall networks, both installed subsequent to the first quarter of 2014.

### ALTERNATIVE PROGRAMMING

- Alternative programming in the first quarter of 2015 included encore performances of the Metropolitan Opera: Live in HD series, ethnic film and sports programming, the Bolshoi Ballet Live, the Stratford Theatre in HD.
- Hosted Event Cinema's sixth annual Great Digital Film Festival, featuring a week of Hollywood classics and fan favourites on the big screen, some for the first time in digital format.
- Featured two *In The Gallery* presentations, cinematic tours of exhibits from around the world, bringing viewers up close and personal to the greatest art exhibitions and galleries across the globe.
- Screened the final of the International Cricket Council cricket world cup live at select theatres across the circuit.

### DIGITAL COMMERCE

- Cineplex.com registered an 11% increase in unique visitors and a 15% increase in visits during the first quarter of 2015 compared to the prior year period.
- At March 31, 2015, the Cineplex app had been downloaded 11.6 million times and recorded over 599 million app sessions, ranking it as the 9th most popular mobile brand with 18% penetration of the Canadian mobile market.
- The Cineplex Store had a significant increase in registered users and device activations during the first quarter of 2015 compared to the prior year period, driven by mobile and living room connected device partner sales.

### SCENE

- Membership in the SCENE loyalty program increased by 0.3 million members in the period, reaching 6.6 million members at March 31, 2015.

- SCENE announced a strategic marketing partnership with CARA Operations Limited ("CARA") that will see it become SCENE's exclusive restaurant partner, allowing SCENE members to earn and redeem points at over 800 CARA restaurants across Canada beginning in the summer of 2015.

## CORPORATE

- Partnered with *Autism Speaks Canada* to offer 2D screenings with increased auditorium lighting, lower volume and smaller crowds, at select theatres across Canada.

## OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2015

### Total revenues

Total revenues for the three months ended March 31, 2015 increased \$9.8 million (3.5%) to \$289.8 million as compared to the prior year period. 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 news release, including adjusted EBITDA, adjusted free cash flow, attendance, BPP, premium priced product, same store metrics, CPP, film cost percentage, food service cost percentage and concession margin per patron are defined and discussed in the non-GAAP measures section at the end of this news release.

### Box office revenues

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

Box office revenues	First Quarter		
	2015	2014	Change
Box office revenues	\$ 156,041	\$ 156,225	-0.1%
Attendance (i)	17,538	17,272	1.5%
Box office revenue per patron (i)	\$ 8.90	\$ 9.04	-1.5%
BPP excluding premium priced product (i)	\$ 8.33	\$ 8.20	1.6%
Canadian industry revenues (ii)			-1.9%
Same store box office revenues (i)	\$ 154,249	\$ 155,574	-0.9%
Same store attendance (i)	17,337	17,198	0.8%
% Total box from premium priced product (i)	25.3%	38.3%	-13.0%

(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 decrease of 0.6% for the period from January 2, 2015 to April 2, 2015 as compared to the period from January 3, 2014 to April 3, 2014. On a basis consistent with Cineplex's calendar reporting period (January 1 to March 31), the Canadian industry box office revenue change is estimated to be a decrease of 1.9% compared to the prior year period.

Box office continuity	First Quarter	
	Box Office	Attendance
2014 as reported	\$ 156,225	17,272
Same store attendance change	1,258	139
Impact of same store BPP change	(2,583)	—
New and acquired theatres (i)	1,778	199
Disposed and closed theatres (i)	(637)	(72)
2015 as reported	\$ 156,041	17,538

(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.

First Quarter 2015 Top Cineplex Films		3D	% Box	First Quarter 2014 Top Cineplex Films		3D	% Box
1	American Sniper		8.3%	1	The Lego Movie	X	12.8%
2	Kingsman: The Secret Service		7.0%	2	Frozen	X	5.8%
3	Fifty Shades of Grey		6.8%	3	300: Rise of an Empire	X	5.1%
4	Cinderella		6.5%	4	The Wolf of Wall Street		5.0%
5	The Imitation Game		5.6%	5	The Hobbit: The Desolation of Smaug	X	4.7%

Box office revenues decreased \$0.2 million, or 0.1%, to \$156.0 million during the first quarter of 2015, compared to \$156.2 million recorded in the same period in 2014. The decrease was due to the 1.5% decrease in BPP due to less 3D product offered in the period, partially offset by the 1.5% increase in attendance. Attendance increased despite the impact of extreme weather conditions in Atlantic Canada in the current period negatively impacting theatre attendance in the Atlantic provinces.

BPP for the three months ended March 31, 2015 was \$8.90, a \$0.14 decrease from the prior year period. The decrease in BPP was due to the film mix featuring less 3D films than in the prior year period, as none of the top five films in the current period were screened in 3D compared to four of the top five films, including the top three, being presented in 3D in the prior year period. Box office revenues from premium product accounted for 25.3% of box office revenues in the current period, down from 38.3% in the prior year period.

Cineplex's investments in premium priced formats including 3D, UltraAVX, IMAX and VIP continues to position it to benefit from the premiums charged for these offerings, even during periods where there is less 3D product available. These investments contributed to Cineplex's same store revenues declining less than the Canadian industry in the period, with the industry down 1.9% in the period compared to Cineplex's same store decline of 0.9%.

### Food service revenues

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

Food service revenues	First Quarter		
	2015	2014	Change
Food service revenues	\$ 90,785	\$ 87,143	4.2%
Attendance (i)	17,538	17,272	1.5%
CPP (i)	\$ 5.18	\$ 5.05	2.6%
Same store food service revenues (i)	\$ 89,295	\$ 86,809	2.9%
Same store attendance (i)	17,337	17,198	0.8%

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

Food service revenue continuity	First Quarter	
	Food Service	Attendance
2014 as reported	\$ 87,143	17,272
Same store attendance change	702	139
Impact of same store CPP change	1,784	—
New and acquired theatres (i)	1,480	199
Disposed and closed theatres (i)	(324)	(72)
2015 as reported	\$ 90,785	17,538

(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.

Food service revenues are comprised primarily of concession revenues, which includes food sales at theatre locations as well as non-theatre locations. Food service revenues increased \$3.6 million, or 4.2% as compared to the prior year period due to the CPP increase from \$5.05 in the first quarter of 2014 to \$5.18 in the same period in 2015 and the 1.5% increase in attendance. CPP of \$5.18 is a quarterly record for Cineplex. Expanded offerings outside of core food service products have resulted in higher average transaction values, including offerings at Cineplex's VIP Cinemas, resulting in the record CPP in the period.

While the 10% SCENE discount and SCENE points issued on food service combo purchases reduce individual transaction values which impacts CPP, Cineplex believes that this 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 (in thousands of Canadian dollars):

Media revenues	First Quarter		
	2015	2014	Change
Cineplex Media (i)	\$ 20,011	\$ 16,420	21.9%
Cineplex Digital Media (i)	9,061	7,935	14.2%
Total media revenues	\$ 29,072	\$ 24,355	19.4%

(i) Certain prior period comparatives have been reclassified to conform to the current period's presentation.

Total media revenues increased 19.4% to \$29.1 million in the first quarter of 2015 compared to the prior year period, and represents a first quarter media revenues record for Cineplex. This increase was largely due to higher Cineplex Media revenues, up \$3.6 million as compared to the prior year period due primarily to higher showtime revenues as a result of increases in advertising from the social media, broadcast media and automotive industries. Cineplex Digital Media revenues increased \$1.1 million due to project installation and advertising revenues including the TimsTV and Oxford shopping mall networks, both installed subsequent to the first quarter of 2014.

### Other revenues

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

Other revenues	First Quarter		
	2015	2014	Change
Games	\$ 2,020	\$ 1,878	7.6%
Other	11,867	10,418	13.9%
Total other revenues	\$ 13,887	\$ 12,296	12.9%

Other revenues include gaming revenues as well as revenues from the Cineplex Store, promotional activities, screenings, private parties, corporate events, breakage on gift card and voucher sales, revenues from in-theatre guest service initiatives and management fees. Games revenues do not include Cineplex's 50% share of the results of CSI, which are included in 'Share of income of joint ventures'.

Other revenues increased 12.9% to \$13.9 million in the first quarter of 2015 compared to the prior year period. This increase was primarily due to additional revenues arising from enhanced guest service initiatives and increased SCENE partner revenues. Games revenues increased due to the conversion of select gaming rooms to XSCAPE Entertainment Centres since the prior year period.

### Film cost

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

Film cost	First Quarter		
	2015	2014	Change
Film cost	\$ 80,171	\$ 80,458	-0.4%
Film cost percentage (i)	51.4%	51.5%	-0.1%

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

Film cost varies primarily with box office revenues, and can vary from quarter to quarter based on the relative strength of the titles exhibited during the period. The decrease in film cost percentage is primarily due to the settlement rate on the top films during the first quarter of 2015 being lower than the average film settlement rate in the 2014 period.

### Cost of food service

The following table highlights the movement in cost of food service and food service cost as a percentage of food service revenues ("concession cost percentage") for the quarter (in thousands of Canadian dollars, except percentages and margins per patron):

Cost of food service	First Quarter		
	2015	2014	Change
Cost of food service	\$ 19,448	\$ 18,881	3.0%
Concession cost percentage (i)	21.4%	21.7%	-0.3%
Concession margin per patron (i)	\$ 4.07	\$ 3.95	3.0%

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

Cost of food service varies primarily with theatre attendance as well as the quantity and mix of offerings sold. The increase in the cost of food service as compared to the prior year period was due to the higher food service revenues, partially offset by the 0.3% decrease in the concession cost percentage during the period. The concession margin per patron increased from \$3.95 in the first quarter of 2014 to \$4.07 in the same period in 2015, reflecting the impact of the higher CPP during the period and the lower concession cost percentage.

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 (in thousands of Canadian dollars):

Depreciation and amortization expenses	First Quarter		
	2015	2014	Change
Depreciation of property, equipment and leaseholds	\$ 18,994	\$ 16,830	12.9%
Amortization of intangible assets and other	1,906	1,838	3.7%
Depreciation and amortization expenses as reported	\$ 20,900	\$ 18,668	12.0%

The quarterly increase in depreciation of property, equipment and leaseholds of \$2.2 million is primarily due to the impact of equipment and leasehold improvements relating to assets acquired through acquisitions, new theatre construction and digital media asset acquisitions. The increase in amortization of intangible assets is due to the amortization of the intangible assets acquired since the first quarter of 2014.

### Loss (gain) on disposal of assets

The following table shows the movement in the loss (gain) on disposal of assets during the quarter (in thousands of Canadian dollars):

Loss (gain) on disposal of assets	First Quarter		
	2015	2014	Change
Loss (gain) on disposal of assets	\$ 317	\$ (56)	NM

During the first quarter of 2015, Cineplex recorded a loss of \$0.3 million on the disposal of assets that were sold or otherwise disposed (2014 - \$0.1 million). The prior year gain arose from the sale of land that was previously a drive-in theatre which resulted in a gain of \$0.6 million, partially offset by losses on certain assets that were sold or otherwise disposed of.

### 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 theatres and ancillary businesses; and general and administrative expenses, which includes costs related to managing Cineplex's operations, including the 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 (in thousands of Canadian dollars):

Other costs	First Quarter		
	2015	2014	Change
Theatre occupancy expenses	\$ 51,109	\$ 51,024	0.2%
Other operating expenses	80,914	84,211	-3.9%
General and administrative expenses	18,911	15,211	24.3%
Total other costs	\$ 150,934	\$ 150,446	0.3%

### Theatre occupancy expenses

The following table highlights the movement in theatre occupancy expenses for the quarter (in thousands of Canadian dollars):

Theatre occupancy expenses	First Quarter		
	2015	2014	Change
Rent	\$ 33,828	\$ 33,508	1.0%
Other occupancy	18,074	17,793	1.6%
One-time items (i)	(793)	(277)	186.3%
Total	\$ 51,109	\$ 51,024	0.2%

(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	First Quarter Occupancy
2014 as reported	\$ 51,024
Impact of new and acquired theatres	724
Impact of disposed theatres	(486)
Same store rent change (i)	137
One-time items	(516)
Other	226
2015 as reported	\$ 51,109

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

Theatre occupancy expenses increased \$0.1 million during the first quarter of 2015 compared to the prior year period. This increase was due to the impact of new and acquired theatres net of disposed theatres (\$0.2 million) and higher same store rent expenses due to rent increases as certain theatre properties, partially offset by the impact of one-time items.

### Other operating expenses

The following table highlights the movement in other operating expenses during the quarter (in thousands of Canadian dollars):

Other operating expenses	First Quarter		
	2015	2014	Change
Theatre payroll	\$ 32,553	\$ 32,353	0.6%
Media	13,010	12,410	4.8%
Other	35,351	39,448	-10.4%
Other operating expenses	\$ 80,914	\$ 84,211	-3.9%

Other operating continuity	First Quarter Other Operating
2014 as reported	\$ 84,211
Impact of new and acquired theatres	880
Impact of disposed theatres	(378)
Same store payroll change (i)	(254)
Marketing change	(1,257)
Media change	601
New business initiatives change	(1,387)
Other	(1,502)
2015 as reported	\$ 80,914

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

Other operating expenses during the first quarter of 2015 decreased \$3.3 million or 3.9% compared to the prior year period. The major components of the decrease were lower spending on new business initiatives due in part to one-time digital platform development costs incurred in the prior year period (\$1.4 million), lower marketing expenses due to timing of campaigns in 2015 as compared to 2014 (\$1.3 million) and other expenses (\$1.5 million, discussed below). These decreases were partially offset by the impact of new and acquired theatre net of disposed theatres (\$0.5 million) and higher media costs due to the higher media business volumes in the period (\$0.6 million).

The major movements in the Other category include:

- Less 3D product and lower 3D attendance resulted in lower 3D royalty costs (\$0.9 million).
- Lower ongoing theatre maintenance costs due to the timing of repairs in the 2015 and 2014 periods (\$1.0 million)
- Lower same-store utility costs due in part to lower fuel costs in the current period (\$0.3 million)

These decreases were partially offset by higher SCENE costs in the current period due to the growing membership base and support for the SportChek partnership that launched in the fourth quarter of 2014 (\$0.5 million).

### General and administrative expenses

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

G&A expenses	First Quarter		
	2015	2014	Change
G&A excluding LTIP and option plan expense	\$ 14,116	\$ 13,729	2.8%
LTIP (i)	4,383	1,079	306.2%
Option plan	412	403	2.2%
G&A expenses as reported	\$ 18,911	\$ 15,211	24.3%

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

G&A expenses increased \$3.7 million during the first quarter of 2015 compared to the prior year period primarily due to a \$3.3 million increase in LTIP expense, arising mainly from Cineplex's Share price increasing from \$44.83 at December 31, 2014 to \$49.88 at March 31, 2015 compared to a decrease from \$44.06 at December 31, 2013 to \$42.07 at March 31, 2014.

### 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 March 31, 2015 as compared to the prior year period (expressed in thousands of Canadian dollars, except adjusted EBITDA margin):

EBITDA	First Quarter		
	2015	2014	Change
EBITDA	\$ 39,489	\$ 30,345	30.1%
Adjusted EBITDA	\$ 40,248	\$ 30,881	30.3%
Adjusted EBITDA margin	13.9%	11.0%	2.9%

Adjusted EBITDA for the first quarter of 2015 increased \$9.4 million, or 30.3%, as compared to the prior year period. The increase was primarily due to higher contribution from Cineplex Media and Cineplex Digital Media, the impact of the higher CPP as well as lower operating costs compared to the prior year period. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 13.9% in the current period, an increase of 2.9% from 11.0% in the prior year period.

### ADJUSTED FREE CASH FLOW

For the first quarter of 2015, adjusted free cash flow per common share of Cineplex was \$0.44 as compared to \$0.29 in the prior year period. The declared dividends per common share of Cineplex were \$0.38 in the first quarter of 2015 and \$0.36 in the prior year period. During the twelve months ended March 31, 2015, Cineplex generated adjusted free cash flow per Share of \$2.45, compared to \$2.37 per Share in the year ended March 31, 2014. Cineplex declared dividends per Share of \$1.50 and \$1.43, respectively, in each year. The payout ratios for these periods were approximately 60.9% and 60.6%, respectively. Adjusted free cash flow per common share and the payout ratios for the 2014 period was positively impacted by Cineplex's use of loss carryforwards acquired through Cineplex's acquisition of AMC Ventures Inc. in 2012, resulting in Cineplex's cash income taxes

in 2014 being substantially reduced. Based on estimated 2014 taxable income, none of the acquired losses are available to be used to reduce taxable income in 2015.

## 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 (gains) on disposal of assets, the share of income (loss) of CDCP 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 used in operating activities to adjusted free cash flow, please refer to Cineplex's management's discussion and analysis filed on [www.sedar.com](http://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 food service revenues divided by total paid attendance for the period.

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

**Concession margin per patron:** Calculated as total concession revenues less total concession cost, divided by attendance for the period.

### **Same Store Analysis**

Cineplex reviews and reports same store metrics relating to box office revenues, concession revenues, rent expense and payroll expense, as these measures are widely used in the theatre exhibition industry as well as other retail industries. Same store 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 March 31, 2015, the impact of the five locations that have been opened or acquired and the two locations that have been closed or otherwise disposed of have been excluded, resulting in 154 theatres being included in the same store metrics.

### **Cost of sales percentages**

Cineplex reviews and reports cost of sales percentages for its two largest revenue sources, box office revenues and concession 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.

**Concession cost percentage:** Calculated as total food service costs divided by total 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") 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 "Risk Management" section of Cineplex's management's discussion and analysis.*

*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 or the Partnership, their financial or operating results or their 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, can be found on SEDAR at [www.sedar.com](http://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 services, gaming, alternative programming (Event Cinema), Cineplex Media, Cineplex Digital Solutions, Cineplex Digital Networks, 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 162 theatres with 1,652 screens from coast to coast, serving approximately 74 million guests annually through the following theatre brands: Cineplex Odeon, SilverCity, Galaxy Cinemas, Scotiabank Theatres, Cineplex Cinemas and Cineplex VIP Cinemas. 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](http://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** and **Gord Nelson, Chief Financial Officer**, will host the call. The teleconference call is scheduled for:

**Friday, May 8, 2015**  
**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 2912996 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 2912996#. The replay will begin at 1:00 p.m. Eastern Time on Friday, May 8, 2015 and end at 1:00 p.m. Eastern Time on Friday, May 15, 2015.
- Note that media will be participating in the call in listen-only mode.
- Thank you in advance for your interest and participation.

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### **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)**

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	<b>March 31,</b>	<b>December 31,</b>
	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 16,642	\$ 34,367
Trade and other receivables	53,508	101,462
Inventories	7,691	7,978
Prepaid expenses and other current assets	11,986	8,102
	<hr/>	<hr/>
	89,827	151,909
<b>Non-current assets</b>		
Property, equipment and leaseholds	498,528	495,532
Deferred income taxes	7,537	6,971
Interests in joint ventures	46,727	46,457
Intangible assets	107,954	109,746
Goodwill	800,477	798,801
	<hr/>	<hr/>
	\$ 1,551,050	\$ 1,609,416
	<hr/>	<hr/>

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

	<b>March 31,</b>	<b>December 31,</b>
	<b>2015</b>	<b>2014</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 102,410	\$ 159,152
Share-based compensation	6,185	6,160
Dividends payable	7,883	7,877
Income taxes payable	2,797	9,735
Deferred revenue	118,734	149,644
Finance lease obligations	2,739	2,670
Fair value of interest rate swap agreements	1,138	692
	<u>241,886</u>	<u>335,930</u>
<b>Non-current liabilities</b>		
Share-based compensation	14,570	15,504
Long-term debt	279,901	229,754
Fair value of interest rate swap agreements	4,593	2,117
Finance lease obligations	14,289	15,008
Post-employment benefit obligations	6,902	6,977
Other liabilities	172,696	173,550
Convertible debentures	99,220	98,727
	<u>592,171</u>	<u>541,637</u>
<b>Total liabilities</b>	<u>834,057</u>	<u>877,567</u>
<b>Equity</b>		
Share capital	854,459	854,073
Deficit	(136,885)	(123,771)
Accumulated other comprehensive loss	(5,559)	(3,405)
Contributed surplus	4,978	4,952
	<u>716,993</u>	<u>731,849</u>
	<u>\$ 1,551,050</u>	<u>\$ 1,609,416</u>

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

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
Box office	\$ 156,041	\$ 156,225
Food service	90,785	87,143
Media	29,072	24,355
Other	13,887	12,296
	<u>289,785</u>	<u>280,019</u>
<b>Expenses</b>		
Film cost	80,171	80,458
Cost of food service	19,448	18,881
Depreciation and amortization	20,900	18,668
Loss (gain) on disposal of assets	317	(56)
Other costs	150,934	150,446
Share of income of joint ventures	(574)	(55)
Interest expense	5,710	5,217
Interest income	(47)	(70)
	<u>276,859</u>	<u>273,489</u>
<b>Income before income taxes</b>	<u>12,926</u>	<u>6,530</u>
<b>Provision for (recovery of) income taxes</b>		
Current	2,421	370
Deferred	(22)	1,089
	<u>2,399</u>	<u>1,459</u>
<b>Net income</b>	<u>\$ 10,527</u>	<u>\$ 5,071</u>
<b>Basic net income per share</b>	\$ 0.17	\$ 0.08
<b>Diluted net income per share</b>	\$ 0.17	\$ 0.08

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

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	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Net income</b>	\$ 10,527	\$ 5,071
<b>Other comprehensive income (loss)</b>		
<i>Items that will be reclassified subsequently to net income:</i>		
Loss on hedging instruments	(2,922)	(575)
Associated deferred income taxes recovery	768	151
<i>Items that will not be reclassified to net income:</i>		
Actuarial gains of post-employment benefit obligations	—	—
Associated deferred income taxes (expense)	—	—
<b>Other comprehensive (loss)</b>	<b>(2,154)</b>	<b>(424)</b>
<b>Comprehensive income</b>	<b>\$ 8,373</b>	<b>\$ 4,647</b>

**Cineplex Inc.****Interim Condensed Consolidated Statements of Changes in Equity****(Unaudited)****(expressed in thousands of Canadian dollars)****For the three months ended March 31, 2015 and 2014**

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	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
<b>Balance - January 1, 2015</b>	\$ 854,073	\$ 4,952	\$ (3,405)	\$ (123,771)	\$ 731,849
Net income	—	—	—	10,527	10,527
Other comprehensive (loss)	—	—	(2,154)	—	(2,154)
<b>Total comprehensive income</b>			<b>(2,154)</b>	<b>10,527</b>	<b>8,373</b>
Dividends declared	—	—	—	(23,641)	(23,641)
Share option expense	—	412	—	—	412
Issuance of shares on exercise of options	386	(386)	—	—	—
<b>Balance - March 31, 2015</b>	<b>\$ 854,459</b>	<b>\$ 4,978</b>	<b>\$ (5,559)</b>	<b>\$ (136,885)</b>	<b>\$ 716,993</b>
<b>Balance - January 1, 2014</b>	\$ 853,411	\$ 3,899	\$ (1,715)	\$ (107,323)	\$ 748,272
Net income	—	—	—	5,071	5,071
Other comprehensive (loss)	—	—	(424)	—	(424)
<b>Total comprehensive income</b>			<b>(424)</b>	<b>5,071</b>	<b>4,647</b>
Dividends declared	—	—	—	(22,661)	(22,661)
Share option expense	—	403	—	—	403
Issuance of shares on exercise of options	257	(257)	—	—	—
<b>Balance - March 31, 2014</b>	<b>\$ 853,668</b>	<b>\$ 4,045</b>	<b>\$ (2,139)</b>	<b>\$ (124,913)</b>	<b>\$ 730,661</b>

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

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income	\$ 10,527	\$ 5,071
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	20,900	18,668
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(1,701)	(1,400)
Accretion of debt issuance costs and other non-cash interest	1,273	1,164
Loss (gain) on disposal of assets	317	(56)
Deferred income taxes	(22)	1,089
Interest rate swap agreements - non-cash interest	71	16
Non-cash share-based compensation	412	403
Accretion of convertible debentures	493	471
Net change in interests in joint ventures	(908)	(380)
Tenant inducements	757	2,842
Changes in operating assets and liabilities	(48,577)	(46,405)
Net cash used in operating activities	<u>(16,458)</u>	<u>(18,517)</u>
<b>Investing activities</b>		
Proceeds from sale of assets	108	404
Purchases of property, equipment and leaseholds	(26,919)	(31,470)
Acquisition of businesses, net of cash acquired	(484)	(950)
Intangible assets addition	(114)	—
Net cash received from CDCP	427	—
Net cash used in investing activities	<u>(26,982)</u>	<u>(32,016)</u>
<b>Financing activities</b>		
Dividends paid	(23,635)	(22,657)
Borrowings under credit facility, net	50,000	40,000
Payments under finance leases	(650)	(591)
Net cash provided by financing activities	<u>25,715</u>	<u>16,752</u>
<b>Decrease in cash and cash equivalents</b>	<u>(17,725)</u>	<u>(33,781)</u>
<b>Cash and cash equivalents - Beginning of period</b>	<u>34,367</u>	<u>44,140</u>
<b>Cash and cash equivalents - End of period</b>	<u>\$ 16,642</u>	<u>\$ 10,359</u>
<b>Supplemental information</b>		
Cash paid for interest	\$ 2,477	\$ 2,403
Cash paid for income taxes	\$ 9,110	\$ 1,218

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

**Reconciliation to Adjusted EBITDA**

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Net income</b>	<b>\$ 10,527</b>	<b>\$ 5,071</b>
Depreciation and amortization	20,900	18,668
Interest expense	5,710	5,217
Interest income	(47)	(70)
Current income tax expense	2,421	370
Deferred income tax (recovery) expense	(22)	1,089
<b>EBITDA</b>	<b>\$ 39,489</b>	<b>\$ 30,345</b>
Loss (gain) on disposal of assets	317	(56)
CDCP equity (income) loss (i)	(129)	55
Depreciation and amortization - joint ventures (ii)	498	520
Joint venture taxes and interest (ii)	73	17
<b>Adjusted EBITDA</b>	<b>\$ 40,248</b>	<b>\$ 30,881</b>

(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**

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Cash used in operating activities	\$ (16,458)	\$ (18,517)
Less: Total capital expenditures net of proceeds on sale of assets	(26,811)	(31,066)
Standardized free cash flow	(43,269)	(49,583)
Add/(Less):		
Changes in operating assets and liabilities (i)	48,577	46,405
Changes in operating assets and liabilities of joint ventures (i)	334	325
Tenant inducements (ii)	(757)	(2,842)
Principal component of finance lease obligations	(650)	(591)
Growth capital expenditures and other (iii)	21,799	24,047
Share of income of joint ventures, net of non-cash depreciation (iv)	1,016	623
Net cash received from CDCP (iv)	427	—
<b>Adjusted free cash flow</b>	<b>\$ 27,477</b>	<b>\$ 18,384</b>
Average number of Shares outstanding	63,034,270	62,941,405
<b>Adjusted free cash flow per Share</b>	<b>\$ 0.436</b>	<b>\$ 0.292</b>
<b>Dividends declared</b>	<b>\$ 0.375</b>	<b>\$ 0.360</b>

- (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 as well as any expenditures for digital equipment that was contributed to CDCP, 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.