



FOR IMMEDIATE RELEASE

CINEPLEX INC. Reports Record Second Quarter Results

TORONTO, Canada, August 13, 2015 (TSX: CGX) - Cineplex Inc. (“Cineplex”) today released its financial results for the three and six months ended June 30, 2015.

Second Quarter Results

	2015	2014	Period over Period Change (i)
Total revenues*	\$ 345.5 million	\$ 323.5 million	6.8%
Attendance*	19.7 million	19.3 million	2.0%
Net income	\$ 25.5 million	\$ 23.2 million	9.8%
Box office revenues per patron (“BPP”) (ii)*	\$ 9.45	\$ 9.40	0.5%
Concession revenues per patron (“CPP”) (ii)*	\$ 5.50	\$ 5.08	8.3%
Adjusted EBITDA (ii)*	\$ 65.3 million	\$ 59.4 million	9.9%
Adjusted EBITDA margin (ii)	18.9 %	18.4 %	0.5%
Adjusted free cash flow (ii)	\$ 41.0 million	\$ 48.7 million	-15.8%
Adjusted free cash flow per common share of Cineplex (“Share”) (ii)	\$ 0.650	\$ 0.773	-15.9%
Earnings per Share (“EPS”) - basic	\$ 0.40	\$ 0.37	8.1%
EPS - diluted	\$ 0.40	\$ 0.37	8.1%

Year to Date Results

	2015	2014	Period over Period Change (i)
Total revenues	\$ 635.3 million	\$ 603.5 million	5.3%
Attendance	37.2 million	36.6 million	1.8%
Net income	\$ 36.0 million	\$ 28.3 million	27.3%
Box office revenues per patron (“BPP”) (ii)	\$ 9.19	\$ 9.23	-0.4%
Concession revenues per patron (“CPP”) (ii)	\$ 5.35	\$ 5.06	5.7%
Adjusted EBITDA (ii)	\$ 105.6 million	\$ 90.3 million	16.9%
Adjusted EBITDA margin (ii)	16.6 %	15.0 %	1.6%
Adjusted free cash flow (ii)	\$ 68.5 million	\$ 67.1 million	2.1%
Adjusted free cash flow per common share of Cineplex (“Share”) (ii)	\$ 1.086	\$ 1.066	1.9%
Earnings per Share (“EPS”) - basic	\$ 0.57	\$ 0.45	26.7%
EPS - diluted	\$ 0.57	\$ 0.45	26.7%

- 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 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.
- * Represents an all-time quarterly record for Cineplex.

“We had a record breaking second quarter with new all-time records set for total revenue, up 6.8% to \$345.5 million, and adjusted EBITDA up 9.9% to \$65.3 million,” said Ellis Jacob, President and CEO, Cineplex Entertainment.

“All revenue sources increased in the second quarter. Media revenue increased 13.0% to \$35.0 million, primarily due to robust show time advertising sales. Food service revenue continued to be strong, increasing 10.6% to \$108.4 million. New all-time quarterly records were also established for BPP of \$9.45 and CPP of \$5.50. We also increased our monthly dividend by 4% to \$0.13 per share or \$1.56 on an annual basis,” said Jacob.

“Overall, it was a successful quarter. Our top three films - *The Avengers: Age of Ultron*, *Jurassic World* and *Furious 7* - represented 43.5% of box office compared to the same period last year where the top three films represented 29.2%. These three films rank in the top 10 grossing films of all-time. Looking ahead, I believe the film slate for the second half of 2015 looks strong and I am excited about the strategic opportunities ahead which will continue to diversify our business and help us achieve meaningful growth.”

KEY DEVELOPMENTS IN THE SECOND QUARTER OF 2015

During the second quarter of 2015, the board of directors of Cineplex (the “Board”) announced a monthly dividend increase of 4.0% to \$0.130 per Share (\$1.56 on an annual basis) up from \$0.125 per Share (\$1.50 on an annual basis) effective with the May 2015 dividend.

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

THEATRE EXHIBITION

- Reported second quarter box office revenues of \$186.2 million, an increase of \$4.8 million from the \$181.4 million reported in the prior year period due primarily to the success of the top three films in the period, *The Avengers: Age of Ultron*, *Jurassic World* and *Furious 7*.
- BPP was \$9.45 for the period, a \$0.05 (0.5%) increase from the prior year period and an all-time quarterly record for Cineplex.
- Opened *Cineplex Cinemas Markham and VIP* in Markham, Ontario, a 13 screen theatre featuring an IMAX auditorium and three VIP auditoriums.
- During the period, acquired a single screen IMAX theatre in Quebec City, Quebec, which is one of the largest IMAX screens in the world.

FOOD SERVICE

- Reported second quarter food service revenues of \$108.4 million, an increase of \$10.4 million over the \$98.0 million reported in the prior year period.
- CPP was \$5.50 for the period, an all-time quarterly record for Cineplex, and \$0.42 (8.3%) higher than the \$5.08 reported in the prior year period.
- Launched the 2015 edition of Cineplex’s popular ‘Peel and Pop’ program where the purchase of qualifying movie snacks can result in instant prizes or SCENE points for guests.
- Continued the expansion of Cineplex’s *Outtakes*, *Poptopia* and *YoYo’s Yogurt Cafe* (“*YoYo’s*”) brands during the period. As at June 30, 2015, there were 93 *Outtakes* locations, 21 *Poptopia* locations and 63 *YoYo’s* locations across Cineplex’s circuit.

AMUSEMENT GAMING

- Opened a new XSCAPE location as part of the new *Cineplex Cinemas Markham and VIP* theatre, bringing the total number of XSCAPE locations across the circuit to 20.

MEDIA

- Total media revenues increased \$4.0 million, or 13.0%, in the second quarter compared to the prior year period, with Cineplex Media increasing \$3.3 million (15.2%) and Cineplex Digital Media revenues increasing \$0.7 million (7.6%).
- Cineplex Media revenues increased due to robust showtime advertising sales, with strong results seen in the automotive and telecommunications categories.
- Cineplex Digital Media revenues increased due to higher advertising revenues including the TimsTV and Oxford shopping mall networks.
- Installed Interactive Media Zones in the lobbies of select theatres across the circuit. As at June 30, 2015, Cineplex has 38 Interactive Media Zones across its circuit.
- Cineplex Digital Networks (“CDN”) was named Overall Content Creator of the Year at the 2015 International Design Signage Awards.

ALTERNATIVE PROGRAMMING

- Alternative programming in the second quarter of 2015 included live and encore performances from the Metropolitan Opera: Live in HD series, ethnic film programming, In The Gallery presentations and encore presentations of The National Theatre Live.
- Partnered with HBO Canada to show the Season 5 finale of *Game of Thrones* live in participating theatres across Canada.
- Announced Front Row Centre Events' *eSports Cinema Events* series, which will feature live broadcasts, a variety of gaming events and special content for cinemas that will give gamers the most exclusive access to the eSports phenomenon, with the first event scheduled for the third quarter of 2015.

DIGITAL COMMERCE

- Cineplex.com registered a 20% increase in unique visitors and a 22% increase in visits during the second quarter of 2015 compared to the prior year period.
- As at June 30, 2015, the Cineplex app had been downloaded 12.2 million times and recorded over 667 million app sessions, ranking it as the 12th most popular mobile brand in Canada with 17% penetration of the Canadian mobile market.
- Continued to enhance the Cineplex Store technology platform, releasing support for Chromecast in both iOS and Android apps, as well as supporting scaled SuperTicket offerings.

LOYALTY

- Membership in the SCENE loyalty program increased by 0.2 million members in the period, reaching a membership of 6.8 million at June 30, 2015.

OPERATING RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015

Total revenues

Total revenues for the three months ended June 30, 2015 increased \$22.0 million (6.8%) to \$345.5 million as compared to the prior year period. Total revenues for the six months ended June 30, 2015 increased \$31.8 million (5.3%) to \$635.3 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 MD&A, including adjusted EBITDA, adjusted free cash flow, attendance, BPP, premium priced product, same store metrics, CPP, film cost percentage, concession 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 and the year to date (in thousands of Canadian dollars, except attendance reported in thousands of patrons, and per patron amounts):

Box office revenues	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Box office revenues	\$ 186,202	\$ 181,419	2.6%	\$ 342,243	\$ 337,644	1.4%
Attendance (i)	19,695	19,301	2.0%	37,233	36,573	1.8%
Box office revenue per patron (i)	\$ 9.45	\$ 9.40	0.5%	\$ 9.19	\$ 9.23	-0.4%
BPP excluding premium priced product (i)	\$ 8.35	\$ 8.46	-1.3%	\$ 8.34	\$ 8.34	—%
Canadian industry revenues (ii)			2.6%			0.5%
Same store box office revenues (i)	\$ 180,735	\$ 179,303	0.8%	\$ 334,165	\$ 334,009	—%
Same store attendance (i)	19,156	19,073	0.4%	36,396	36,171	0.6%
% Total box from premium priced product (i)	46.3%	41.8%	4.5%	36.7%	40.1%	-3.4%

(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 2.8% for the period from April 3, 2015 to July 2, 2015 as compared to the period from April 4, 2014 to July 3, 2014. On a basis consistent with Cineplex's calendar reporting period (April 1 to June 30), the Canadian industry box office revenue change is estimated to be an increase of 2.6%. MTAC reported that the Canadian exhibition industry reported a box office revenue increase of 1.2% for the period from January 2, 2015 to July 2, 2015 as compared to the period from January 3, 2014 to July 3, 2014. On a basis consistent with Cineplex's calendar reporting period (January 1 to June 30), the Canadian industry box office revenues are estimated to be an increase of 0.5%.

Box office continuity	Second Quarter		Year to Date	
	Box Office	Attendance	Box Office	Attendance
2014 as reported	\$ 181,419	19,301	\$ 337,644	36,573
Same store attendance change	776	82	2,070	224
Impact of same store BPP change	657	—	(1,914)	—
New and acquired theatres (i)	4,427	435	6,205	634
Disposed and closed theatres (i)	(1,077)	(123)	(1,762)	(198)
2015 as reported	\$ 186,202	19,695	\$ 342,243	37,233

(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.

Second Quarter

Second Quarter 2015 Top Cineplex Films			Second Quarter 2014 Top Cineplex Films		
	3D	% Box		3D	% Box
1	X	15.9%	1	X	11.2%
2	X	15.6%	2	X	9.4%
3		12.0%	3	X	8.6%
4	X	7.2%	4	X	7.5%
5	X	5.3%	5	X	6.1%

Box office revenues increased \$4.8 million, or 2.6%, to \$186.2 million during the second quarter of 2015, compared to \$181.4 million recorded in the same period in 2014. The increase was due to the success of the top three films released in the period which accounted for 43.5% of Cineplex box office in the period. These three films all outperformed the top film from the prior year period and contributed to the 2.0% increase in attendance in the period.

BPP for the three months ended June 30, 2015 was \$9.45, a \$0.05 increase from the prior year period and an all-time quarterly record for Cineplex. This increase was mainly due to box office revenues from premium product accounting for 46.3% of box office revenues in the current period, up from 41.8% in the prior year period.

Year to Date

Year to Date 2015 Top Cineplex Films			Year to Date 2014 Top Cineplex Films		
	3D	% Box		3D	% Box
1	X	8.7%	1	X	6.1%
2	X	8.5%	2	X	5.6%
3		6.5%	3	X	4.7%
4	X	3.9%	4	X	4.3%
5		3.8%	5	X	3.7%

Box office revenues for the six months ended June 30, 2015 were \$342.2 million, an increase of \$4.6 million or 1.4% over the prior year due to the 1.8% increase in attendance more than offsetting the impact of the lower BPP in the current year period compared to the 2014 period. The attendance and box office revenues increases in the period were due to the strong performance of the film product in the second quarter of 2015, with the top three films in the first half of 2015 all outperforming the top film from the prior year period. These increases were partially offset by the impact of extreme weather conditions in Atlantic Canada in the first quarter negatively impacting theatre attendance in the Atlantic Provinces in 2015.

Cineplex's BPP for the period decreased \$0.04, or 0.4%, from \$9.23 in the prior year period to \$9.19 in the current period. This decrease was primarily due to the decrease in revenues from 3D product as only three of the top five films in the 2015 period were screened in 3D compared to all of the top five in 3D in the prior year period. Premium priced offerings accounted for 36.7% of Cineplex's box office revenues in the six months ended June 30, 2015, compared to 40.1% 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 Canadian dollars, except attendance and same store attendance reported in thousands of patrons, and per patron amounts):

Food service revenues	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Food service revenues	\$ 108,397	\$ 98,024	10.6%	\$ 199,182	\$ 185,167	7.6%
Attendance (i)	19,695	19,301	2.0%	37,233	36,573	1.8%
CPP (i)	\$ 5.50	\$ 5.08	8.3%	\$ 5.35	\$ 5.06	5.7%
Same store food service revenues (i)	\$ 104,613	\$ 96,898	8.0%	\$ 193,595	\$ 183,328	5.6%
Same store attendance (i)	19,156	19,073	0.4%	36,396	36,171	0.6%

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

Food service revenue continuity	Second Quarter		Year to Date	
	Food Service	Attendance	Food Service	Attendance
2014 as reported	\$ 98,024	19,301	\$ 185,167	36,573
Same store attendance change	419	82	1,137	224
Impact of same store CPP change	7,296	—	9,130	—
New and acquired theatres (i)	3,108	435	4,588	634
Disposed and closed theatres (i)	(450)	(123)	(840)	(198)
2015 as reported	\$ 108,397	19,695	\$ 199,182	37,233

(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.

Second Quarter

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 \$10.4 million, or 10.6% as compared to the prior year period primarily due to the 8.3% CPP increase and the 2.0% increase in attendance. CPP of \$5.50 is an all-time quarterly record for Cineplex. Expanded offerings outside of core food service products, including offerings at Cineplex's VIP Cinemas, have resulted in higher average transaction values, resulting in the record CPP in the period.

Year to Date

Food service revenues increased \$14.0 million, or 7.6% as compared to the prior year, due to the 5.7% increase in CPP and the 1.8% increase in attendance. The CPP of \$5.35 in the current period is the highest CPP Cineplex has reported through the first six months of a year.

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 and the year to date (in thousands of Canadian dollars):

Media revenues	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Cineplex Media	\$ 25,323	\$ 21,981	15.2%	\$ 45,334	\$ 38,401	18.1%
Cineplex Digital Media	9,697	9,009	7.6%	18,758	16,944	10.7%
Total media revenues	\$ 35,020	\$ 30,990	13.0%	\$ 64,092	\$ 55,345	15.8%

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

Second Quarter

Total media revenues increased 13.0% to \$35.0 million in the second quarter of 2015 compared to the prior year period, and represents a second quarter media revenues record for Cineplex. This increase was largely due to higher Cineplex Media revenues, up \$3.3 million as compared to the prior year period due primarily to higher showtime revenues resulting from increases in automotive and telecommunications sector advertising.

Cineplex Digital Media revenues increased \$0.7 million due to higher advertising revenues including the TimsTV and Oxford shopping mall networks. The increases due to higher advertising revenues were partially offset by lower project revenues as compared to the prior year period due to the timing of project installations in 2015 as compared to 2014. Project revenues tend to fluctuate with the timing of clients' installation requirements, whereas other digital media revenue streams are more consistent period to period.

Year to Date

Total media revenues increased \$8.7 million in the six months ended June 30, 2015 compared to the prior year period. The increase was due to the \$6.9 million increase in Cineplex Media revenues due primarily to higher showtime revenues and the \$1.8 million increase in Cineplex Digital Media revenues, primarily due to higher digital advertising revenues including advertising on the TimsTV and Oxford shopping mall networks.

Other revenues

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

Other revenues	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Games	\$ 2,473	\$ 1,759	40.6%	\$ 4,493	\$ 3,637	23.5%
Other	13,448	11,304	19.0%	25,315	21,722	16.5%
Total other revenues	\$ 15,921	\$ 13,063	21.9%	\$ 29,808	\$ 25,359	17.5%

Second Quarter

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 results of CSI, which are included in "Share of income of joint ventures".

Other revenues increased 21.9% to \$15.9 million in the second 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, the addition of new XSCAPE locations since the prior year period, and the impact of a one-time adjustment (\$0.4 million).

Year to Date

For the year to date period, other revenues have increased 17.5% compared to the prior year period primarily due to additional revenues arising from enhanced guest service initiatives and increased SCENE partner revenues. The games revenues increase is due to the conversion of select gaming rooms to XSCAPE Entertainment Centres as well as the addition of new XSCAPE locations since the prior year period.

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 Canadian dollars, except film cost percentage):

Film cost	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Film cost	\$102,155	\$ 94,950	7.6%	\$ 182,326	\$ 175,408	3.9%
Film cost percentage (i)	54.9%	52.3%	2.6%	53.3%	52.0%	1.3%
(i) See non-GAAP measures section of this news release.						

Second Quarter

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 increase in film cost percentage in the current period is as a result of the concentration of box office revenues from a few titles, with the top three films in the current period, which rank in the top ten grossing films of all-time, accounting for 43.5% of box office revenues (2014 - top three represented 29.2%). The period over period film cost percentage increase is impacted by the prior year being the lowest second quarter film cost percentage reported by Cineplex.

Year to Date

The year to date increase in film cost expense was due to the 1.3% increase in the film cost percentage and the 1.8% increase in attendance in the period.

Cost of food service

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

Cost of food service	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Cost of food service	\$ 23,921	\$ 21,147	13.1%	\$ 43,369	\$ 40,028	8.3%
Concession cost percentage (i)	22.1%	21.6%	0.5%	21.8%	21.6%	0.2%
Concession margin per patron (i)	\$ 4.29	\$ 3.98	7.8%	\$ 4.18	\$ 3.97	5.3%
(i) See non-GAAP measures section of this news release.						

Second Quarter

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 and the 0.5% increase in the concession cost percentage during the period, with the higher percentage due in part to expanded offerings including those at VIP theatres. The concession margin per patron increased from \$3.98 in the second quarter of 2014 to \$4.29 in the same period in 2015, reflecting the impact of the higher CPP during the period.

Year to Date

The increase in the cost of food service as compared to the prior year period was due to the higher food service revenues and the 0.2% increase in the concession cost percentage during the period. The concession margin per patron increased from \$3.97 in the prior year period to \$4.18 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 year to date (in thousands of Canadian dollars):

Depreciation and amortization expenses	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Depreciation of property, equipment and leaseholds	\$ 19,879	\$ 17,333	14.7%	\$ 38,873	\$ 34,163	13.8%
Amortization of intangible assets and other	1,923	1,862	3.3%	3,829	3,700	3.5%
Depreciation and amortization expenses as reported	\$ 21,802	\$ 19,195	13.6%	\$ 42,702	\$ 37,863	12.8%

The quarterly increase in depreciation of property, equipment and leaseholds of \$2.5 million and year to date increase of \$4.7 million is primarily due to the impact of equipment and leasehold improvements relating to assets acquired through acquisitions, new theatre construction and other growth projects. The increase in amortization of intangible assets in the quarter and year to date periods is due to the amortization of the intangible assets acquired in the prior year periods and subsequent to those periods.

Loss on disposal of assets

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

Loss on disposal of assets	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Loss on disposal of assets	\$ 1,033	\$ 1,989	-48.1%	\$ 1,350	\$ 1,933	-30.2%

During the second quarter of 2015, Cineplex recorded a loss of \$1.0 million on the disposal of assets that were sold or otherwise disposed (2014 - \$2.0 million). For the six months ended June 30, 2015, disposal of assets resulted in a loss of \$1.4 million on the disposal of assets that were sold or otherwise disposed of (2014 - \$1.9 million, including a \$0.6 million gain on the sale of land that was previously a drive-in theatre which is 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 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 year to date (in thousands of Canadian dollars):

Other costs	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Theatre occupancy expenses	\$ 50,473	\$ 50,229	0.5%	\$ 101,582	\$ 101,253	0.3%
Other operating expenses	89,237	83,537	6.8%	170,151	167,748	1.4%
General and administrative expenses	15,624	15,211	2.7%	34,535	30,422	13.5%
Total other costs	\$ 155,334	\$ 148,977	4.3%	\$ 306,268	\$ 299,423	2.3%

Theatre occupancy expenses

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

Theatre occupancy expenses	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Rent	\$ 33,629	\$ 33,775	-0.4%	\$ 67,457	\$ 67,284	0.3%
Other occupancy	18,048	17,845	1.1%	36,122	35,637	1.4%
One-time items (i)	(1,204)	(1,391)	-13.4%	(1,997)	(1,668)	19.7%
Total	\$ 50,473	\$ 50,229	0.5%	\$ 101,582	\$ 101,253	0.3%

(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	Second Quarter Occupancy	Year to Date Occupancy
2014 as reported	\$ 50,229	\$ 101,253
Impact of new and acquired theatres	725	1,534
Impact of disposed theatres	(238)	(1,125)
Same store rent change (i)	(364)	(15)
One-time items	188	(328)
Other	(67)	263
2015 as reported	\$ 50,473	\$ 101,582
(i) See non-GAAP measures section of this news release.		

Second Quarter

Theatre occupancy expenses increased \$0.2 million during the second quarter of 2015 compared to the prior year period. This increase was primarily due to the impact of new and acquired theatres net of disposed theatres (\$0.5 million) and the impact of one-time credits (\$0.2 million) partially offset by lower same store rent expenses (\$0.4 million) due to the impact of non-cash occupancy amounts.

Year to Date

The increase in theatre occupancy expenses of \$0.3 million for the 2015 period compared to the prior year was due to the impact of new and acquired theatres net of disposed theatres and higher real estate taxes included in Other, partially offset by the impact of one-time credits.

Other operating expenses

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

Other operating expenses	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
Theatre payroll	\$ 35,470	\$ 33,127	7.1%	\$ 68,024	\$ 65,480	3.9%
Media	13,635	13,467	1.2%	26,645	25,877	3.0%
Other	40,132	36,943	8.6%	75,482	76,391	-1.2%
Other operating expenses	\$ 89,237	\$ 83,537	6.8%	\$ 170,151	\$ 167,748	1.4%

Other operating continuity	Second Quarter Other Operating	Year to Date Other Operating
2014 as reported	\$ 83,537	\$ 167,748
Impact of new and acquired theatres	2,253	3,134
Impact of disposed theatres	(330)	(822)
Same store payroll change (i)	966	756
Marketing change	1,266	9
Media change	168	768
New business initiatives change	(255)	(1,616)
Other	1,632	174
2015 as reported	\$ 89,237	\$ 170,151
(i) See non-GAAP measures section of this news release.		

Second Quarter

Other operating expenses during the second quarter of 2015 increased \$5.7 million or 6.8% compared to the prior year period. The major components of the increase were the net impact of new and acquired theatres net of disposed theatres (\$1.9 million), higher marketing expenses (\$1.3 million) due to the timing of campaigns in the 2015 period compared to 2014, higher same store payroll due to higher business volumes and minimum wage increases in certain provinces (\$1.0 million) and a \$1.6 million increase in the Other category, discussed below.

The major movements in the Other category include the following:

- Higher SCENE costs in the current period due to the growing membership base and support for the SportChek partnership launched in the fourth quarter of 2014 (\$0.9 million).

- Higher same store utility costs due in part to higher electricity rates and consumption, partially offset by lower fuel costs (\$0.5 million).
- Higher other costs (\$0.2 million) including ongoing theatre maintenance.

Year to Date

For the six months ended June 30, 2015, other operating expenses increased \$2.4 million or 1.4% compared to the prior year period. The major components of this increase were the net impact of new and acquired theatres net of disposed theatres (\$2.3 million) and higher media costs of \$0.8 million and higher same store payroll costs of \$0.8 million both due to higher business volumes. These increases were partially offset by lower spending on new business initiatives due in part to one-time digital platform development costs incurred in the prior year period (\$1.6 million).

The \$0.2 million increase in the Other category was primarily due to a \$1.4 million increase in SCENE costs due to the growing membership base and support for the SportChek partnership and a \$0.2 million increase in same store utility costs. These increases were partially offset by lower 3D royalty expenses due to lower 3D attendance in the 2015 period compared to the prior year (\$1.0 million) and lower ongoing theatre maintenance costs due to the timing of repairs in the 2015 and 2014 periods.

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 Canadian dollars):

G&A expenses	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
G&A excluding LTIP and option plan expense	\$ 13,490	\$ 13,523	-0.2%	\$ 27,606	\$ 27,252	1.3%
LTIP (i)	1,709	1,245	37.3%	6,092	2,324	162.1%
Option plan	425	443	-4.1%	837	846	-1.1%
G&A expenses as reported	\$ 15,624	\$ 15,211	2.7%	\$ 34,535	\$ 30,422	13.5%

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

Second Quarter

G&A expenses increased \$0.4 million during the second quarter of 2015 compared to the prior year period due to higher LTIP expenses. This increase was due to a larger increase in the average closing Share price for the 90 days prior to June 30, 2015 as compared to the prior year period, which is one of the variables used in calculating LTIP expense.

Year to Date

G&A expenses for the year to date period increased \$4.1 million compared to the prior year period, due to a \$3.8 million increase in LTIP expense as a result of the larger increase in the average closing Share price for the 90 days prior to June 30, 2015 as compared to the prior year period.

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 and six months ended June 30, 2015 as compared to the prior year periods (expressed in thousands of Canadian dollars, except adjusted EBITDA margin):

EBITDA	Second Quarter			Year to Date		
	2015	2014	Change	2015	2014	Change
EBITDA	\$ 63,849	\$ 57,411	11.2%	\$103,338	\$ 87,756	17.8%
Adjusted EBITDA	\$ 65,310	\$ 59,430	9.9%	\$105,558	\$ 90,311	16.9%
Adjusted EBITDA margin	18.9%	18.4%	0.5%	16.6%	15.0%	1.6%

Adjusted EBITDA for the second quarter of 2015 increased \$5.9 million, or 9.9%, as compared to the prior year period. The increase as compared to the prior year period was primarily due to the higher attendance and record BPP and CPP amounts resulting in higher exhibition revenues, and the higher contribution from Cineplex Media and Cineplex Digital Media. Adjusted EBITDA

margin, calculated as adjusted EBITDA divided by total revenues, was 18.9% in the current period, up from 18.4% in the prior year period.

Adjusted EBITDA for the six months ended June 30, 2015 increased \$15.2 million, or 16.9%, as compared to the prior year period, due to the 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 for the period was 16.6%, an increase of 1.6% from 15.0% in the prior year period.

ADJUSTED FREE CASH FLOW

For the second quarter of 2015, adjusted free cash flow per common share of Cineplex was \$0.65 as compared to \$0.77 in the prior year period. The declared dividends per common share of Cineplex were \$0.39 in the second quarter of 2015 and \$0.37 in the prior year period. During the twelve months ended June 30, 2015, Cineplex generated adjusted free cash flow per Share of \$2.33, compared to \$2.40 per Share in the year ended June 30, 2014. Cineplex declared dividends per Share of \$1.51 and \$1.45, respectively, in each year. The payout ratios for these periods were approximately 64.8% and 60.3%, 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 on disposal of assets, the share of income 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 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 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 food service revenues less total cost of food service, 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 and six months ended June 30, 2015, 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 156 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.

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 (Front Row Centre Events), 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.

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:

Thursday, August 13, 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 Thursday, August 13, 2015 and end at 1:00 p.m. Eastern Time on Thursday, August 20, 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)

	June 30,	December 31,
	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 23,700	\$ 34,367
Trade and other receivables	62,810	101,462
Inventories	8,361	7,978
Prepaid expenses and other current assets	14,812	8,102
	<hr/>	<hr/>
	109,683	151,909
Non-current assets		
Property, equipment and leaseholds	504,112	495,532
Deferred income taxes	6,181	6,971
Interests in joint ventures	48,589	46,457
Intangible assets	106,031	109,746
Goodwill	801,335	798,801
	<hr/>	<hr/>
	\$ 1,575,931	\$ 1,609,416
	<hr/>	<hr/>

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

	June 30,	December 31,
	2015	2014
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 126,667	\$ 159,152
Share-based compensation	7,092	6,160
Dividends payable	8,201	7,877
Income taxes payable	10,052	9,735
Deferred revenue	108,826	149,644
Finance lease obligations	2,812	2,670
Fair value of interest rate swap agreements	1,162	692
	<u>264,812</u>	<u>335,930</u>
Non-current liabilities		
Share-based compensation	15,558	15,504
Long-term debt	280,047	229,754
Fair value of interest rate swap agreements	4,311	2,117
Finance lease obligations	13,557	15,008
Post-employment benefit obligations	7,044	6,977
Other liabilities	171,950	173,550
Convertible debentures	99,718	98,727
	<u>592,185</u>	<u>541,637</u>
Total liabilities	<u>856,997</u>	<u>877,567</u>
Equity		
Share capital	854,587	854,073
Deficit	(135,691)	(123,771)
Accumulated other comprehensive loss	(5,237)	(3,405)
Contributed surplus	5,275	4,952
	<u>718,934</u>	<u>731,849</u>
	<u>\$ 1,575,931</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)**

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenues				
Box office	\$ 186,202	\$ 181,419	\$ 342,243	\$ 337,644
Food service	108,397	98,024	199,182	185,167
Media	35,020	30,990	64,092	55,345
Other	15,921	13,063	29,808	25,359
	<u>345,540</u>	<u>323,496</u>	<u>635,325</u>	<u>603,515</u>
Expenses				
Film cost	102,155	94,950	182,326	175,408
Cost of food service	23,921	21,147	43,369	40,028
Depreciation and amortization	21,802	19,195	42,702	37,863
Loss on disposal of assets	1,033	1,989	1,350	1,933
Other costs	155,334	148,977	306,268	299,423
Share of income of joint ventures	(752)	(978)	(1,326)	(1,033)
Interest expense	5,520	5,583	11,230	10,800
Interest income	(41)	(43)	(88)	(113)
	<u>308,972</u>	<u>290,820</u>	<u>585,831</u>	<u>564,309</u>
Income before income taxes	<u>36,568</u>	<u>32,676</u>	<u>49,494</u>	<u>39,206</u>
Provision for income taxes				
Current	10,654	1,010	13,075	1,380
Deferred	436	8,461	414	9,550
	<u>11,090</u>	<u>9,471</u>	<u>13,489</u>	<u>10,930</u>
Net income	<u>\$ 25,478</u>	<u>\$ 23,205</u>	<u>\$ 36,005</u>	<u>\$ 28,276</u>
Basic net income per share	\$ 0.40	\$ 0.37	\$ 0.57	\$ 0.45
Diluted net income per share	\$ 0.40	\$ 0.37	\$ 0.57	\$ 0.45

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Net income	\$ 25,478	\$ 23,205	\$ 36,005	\$ 28,276
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to net income:</i>				
Income (loss) on hedging instruments	422	(981)	(2,500)	(1,556)
Associated deferred income taxes expense (recovery)	(100)	260	668	411
Other comprehensive income (loss)	322	(721)	(1,832)	(1,145)
Comprehensive income	\$ 25,800	\$ 22,484	\$ 34,173	\$ 27,131

Cineplex Inc.**Interim Condensed Consolidated Statements of Changes in Equity****(Unaudited)****(expressed in thousands of Canadian dollars)****For the six months ended June 30, 2015 and 2014**

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance - January 1, 2015	\$ 854,073	\$ 4,952	\$ (3,405)	\$ (123,771)	\$ 731,849
Net income	—	—	—	36,005	36,005
Other comprehensive (loss)	—	—	(1,832)	—	(1,832)
Total comprehensive income			(1,832)	36,005	34,173
Dividends declared	—	—	—	(47,925)	(47,925)
Share option expense	—	837	—	—	837
Issuance of shares on exercise of options	514	(514)	—	—	—
Balance - June 30, 2015	\$ 854,587	\$ 5,275	\$ (5,237)	\$ (135,691)	\$ 718,934
Balance - January 1, 2014	\$ 853,411	\$ 3,899	\$ (1,715)	\$ (107,323)	\$ 748,272
Net income	—	—	—	28,276	28,276
Other comprehensive (loss)	—	—	(1,145)	—	(1,145)
Total comprehensive income			(1,145)	28,276	27,131
Dividends declared	—	—	—	(45,961)	(45,961)
Share option expense	—	846	—	—	846
Issuance of shares on exercise of options	459	(459)	—	—	—
Balance - June 30, 2014	\$ 853,870	\$ 4,286	\$ (2,860)	\$ (125,008)	\$ 730,288

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Cash provided by (used in)				
Operating activities				
Net income	\$ 25,478	\$ 23,205	\$ 36,005	\$ 28,276
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	21,802	19,195	42,702	37,863
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(2,302)	(1,479)	(4,003)	(2,879)
Accretion of debt issuance costs and other non-cash interest	1,319	1,187	2,592	2,351
Loss on disposal of assets	1,033	1,989	1,350	1,933
Deferred income taxes	436	8,461	414	9,550
Interest rate swap agreements - non-cash interest	16	(62)	87	(46)
Non-cash share-based compensation	425	443	837	846
Accretion of convertible debentures	498	467	991	938
Net change in interests in joint ventures	(2,191)	(860)	(3,099)	(1,240)
Tenant inducements	—	—	757	2,842
Changes in operating assets and liabilities	7,920	(12,106)	(40,657)	(58,511)
Net cash provided by operating activities	54,434	40,440	37,976	21,923
Investing activities				
Proceeds from sale of assets	—	—	108	404
Purchases of property, equipment and leaseholds	(20,406)	(19,225)	(47,325)	(50,695)
Acquisition of businesses, net of cash acquired	(2,674)	(1,516)	(3,158)	(2,466)
Intangible assets addition	—	(2,750)	(114)	(2,750)
Net cash received from CDCP	329	769	756	769
Net cash used in investing activities	(22,751)	(22,722)	(49,733)	(54,738)
Financing activities				
Dividends paid	(23,966)	(22,983)	(47,601)	(45,640)
Borrowings under credit facility, net	—	10,000	50,000	50,000
Payments under finance leases	(659)	(595)	(1,309)	(1,186)
Net cash (used in) provided by financing activities	(24,625)	(13,578)	1,090	3,174
Increase (decrease) in cash and cash equivalents	7,058	4,140	(10,667)	(29,641)
Cash and cash equivalents - Beginning of period	16,642	10,359	34,367	44,140
Cash and cash equivalents - End of period	\$ 23,700	\$ 14,499	\$ 23,700	\$ 14,499
Supplemental information				
Cash paid for interest	\$ 4,801	\$ 5,018	\$ 7,278	\$ 7,421
Cash paid for income taxes	\$ 2,566	\$ 768	\$ 11,676	\$ 1,986

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

Reconciliation to Adjusted EBITDA

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Net income	\$ 25,478	\$ 23,205	\$ 36,005	\$ 28,276
Depreciation and amortization	21,802	19,195	42,702	37,863
Interest expense	5,520	5,583	11,230	10,800
Interest income	(41)	(43)	(88)	(113)
Current income tax expense	10,654	1,010	13,075	1,380
Deferred income tax expense	436	8,461	414	9,550
EBITDA	\$ 63,849	\$ 57,411	\$ 103,338	\$ 87,756
Loss on disposal of assets	1,033	1,989	1,350	1,933
CDCP equity income	(163)	(675)	(292)	(620)
Depreciation and amortization - joint ventures (ii)	519	564	1,017	1,084
Joint venture taxes and interest (ii)	72	141	145	158
Adjusted EBITDA	\$ 65,310	\$ 59,430	\$ 105,558	\$ 90,311

(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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Cash provided by operating activities	\$ 54,434	\$ 40,440	\$ 37,976	\$ 21,923
Less: Total capital expenditures net of proceeds on sale of assets	(20,406)	(19,225)	(47,217)	(50,291)
Standardized free cash flow	34,028	21,215	(9,241)	(28,368)
Add/(Less):				
Changes in operating assets and liabilities (i)	(7,920)	12,106	40,657	58,511
Changes in operating assets and liabilities of joint ventures (i)	1,439	(118)	1,773	207
Tenant inducements (ii)	—	—	(757)	(2,842)
Principal component of finance lease obligations	(659)	(595)	(1,309)	(1,186)
Growth capital expenditures and other (iii)	12,615	14,281	34,414	38,328
Share of income of joint ventures, net of non-cash depreciation (iv)	1,180	1,041	2,196	1,664
Net cash received from CDCP (iv)	329	769	756	769
Adjusted free cash flow	\$ 41,012	\$ 48,699	\$ 68,489	\$ 67,083
Average number of Shares outstanding	63,073,248	62,966,909	63,053,866	62,954,227
Adjusted free cash flow per Share	\$ 0.650	\$ 0.773	\$ 1.086	\$ 1.066
Dividends declared	\$ 0.385	\$ 0.370	\$ 0.760	\$ 0.730

- (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.