



FOR IMMEDIATE RELEASE

CINEPLEX INC.
Reports Third Quarter Results

TORONTO, Canada, November 13, 2014 (TSX: CGX) - Cineplex Inc. ("Cineplex") today released its financial results for the three and nine months ended September 30, 2014.

Third Quarter Results

	2014	2013	Period over Period Change (i)
Total revenues	\$ 299.0million	\$ 298.4million	0.2 %
Attendance	18.0million	19.0million	-5.1 %
Net income	\$ 15.9million	\$ 26.0million	-38.9 %
Box office revenues per patron ("BPP") (ii)	\$ 9.01	\$ 8.84	1.9 %
Concession revenues per patron ("CPP") (ii)	\$ 5.11	\$ 4.81	6.2 %
Adjusted EBITDA (ii)	\$ 48.0million	\$ 57.9million	-17.0 %
Adjusted EBITDA margin (ii)	16.1 %	19.4 %	-3.3 %
Adjusted free cash flow per common share of Cineplex ("Share") (ii)	\$ 0.5697	\$ 0.7624	-25.3 %
Earnings per Share ("EPS") - basic	\$ 0.25	\$ 0.41	-39.0 %
EPS - diluted	\$ 0.25	\$ 0.41	-39.0 %

Year to Date Results

	2014	2013	Period over Period Change (i)
Total revenues	\$ 902.5million	\$ 848.1million	6.4 %
Attendance	54.6million	53.8million	1.4 %
Net income	\$ 44.2million	\$ 63.4million	-30.3 %
BPP (ii)	\$ 9.16	\$ 9.06	1.1 %
CPP (ii)	\$ 5.08	\$ 4.78	6.3 %
Adjusted EBITDA (ii)	\$ 138.4million	\$ 148.3million	-6.7 %
Adjusted EBITDA Margin (ii)	15.3 %	17.5 %	-2.2 %
Adjusted Free Cash Flow per Share (ii)	\$ 1.6353	\$ 1.8811	-13.1 %
EPS - basic	\$ 0.70	\$ 1.01	-30.7 %
EPS - diluted	\$ 0.70	\$ 1.00	-30.0 %

- i. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2014 value less 2013 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 measures section at the end of this news release.

"The weaker summer box office resulted in Cineplex delivering mixed results for the third quarter 2014 versus the same period last year. Box office revenue, including revenue generated from the acquisition of 24 Empire theatres in 2013, decreased 3.3% to \$162.6 million; food service revenue increased 0.7% to \$92.1 million; and media revenue, including revenue from the acquisition of EK3 in 2013, increased 15.4% to \$32.0 million. This resulted in total revenue increasing 0.2% to \$299.0 million," said Ellis Jacob, President and CEO, Cineplex Entertainment. "The softer box office was due to a combination of a weaker film slate and a tough comparison to last year's record summer films. As a result, attendance declined 5.1% and adjusted EBITDA decreased 17.0%, to \$48.0 million. BPP reached a third quarter record of \$9.01 and CPP of \$5.11, set an all-time quarterly record."

“Key accomplishments in our digital media business during the quarter include the substantially completed deployment of the TimsTV network and the initial launch of North America's first place-based digital ecosystem into 10 major Oxford Properties' shopping centres across Canada. Our SCENE loyalty program reached another milestone surpassing 6.1 million members. Subsequent to the quarter end, SCENE announced a strategic marketing partnership with SportChek - the first major, long-term retail partner and a great addition to the program.”

“Box office revenues will fluctuate due to the film product released during the period which is outside our control, however we continue to focus on diversifying Cineplex through related businesses including media, digital media, digital commerce, gaming, food service and alternative programming as a means of offsetting the variability of our earnings.”

KEY DEVELOPMENTS IN THE THIRD QUARTER OF 2014

The following describes certain key business initiatives undertaken and results achieved during the third quarter of 2014 in each of Cineplex's core business areas:

THEATRE EXHIBITION

- Reported third quarter box office revenues of \$162.6 million, a decrease of \$5.5 million from the \$168.1 million reported in the prior year period due to weaker film product and the impact of certain film release dates shifted out of the period and into 2015.
- BPP was \$9.01 for the period, a \$0.17 (1.9%) increase from the prior year period and a third quarter record for Cineplex.
- Opened *Cineplex VIP Cinemas Don Mills* in Toronto, Ontario, Canada's first stand-alone VIP movie theatre, featuring five VIP auditoriums.

MERCHANDISING

- Reported third quarter food service revenues of \$92.1 million, an increase of \$0.6 million over the \$91.5 million reported in the prior year period despite the decrease in attendance.
- CPP was \$5.11 for the period, an all-time quarterly record for Cineplex, and \$0.30 (6.2%) higher than the \$4.81 from the prior year period.
- Opened 43 new YoYo's Yogurt Cafe ("YoYo's") locations in theatres during the third quarter of 2014, with three of the locations new to the circuit and 40 being conversions of existing retail branded frozen yogurt locations to YoYo's. As at September 30, 2014, Cineplex owns and operates 48 YoYo's locations as well as 89 Outtakes and 15 Poptopia locations.

MEDIA

- Total media revenues increased \$4.3 million, or 15.4% in the third quarter compared to the prior year period, with Cineplex Media decreasing \$0.2 million (0.9%) against a strong comparator in the prior year period and Cineplex Digital Media revenues increasing \$4.5 million (77.1%) due to the incremental revenues from CDN which was acquired in the third quarter of 2013 (\$5.3 million).
- Within Cineplex Digital Media, CDN and Tim Hortons substantially completed the deployment of the TimsTV network in the period, and Cineplex Digital Solutions ("CDS") and Oxford Properties Group ("Oxford") began deployment of North America's first place-based digital ecosystem in 10 high-profile shopping centres across Canada.
- Launched the national rollout of Timeplay, the app that allows movie-goers to interact in real-time with content on the big screen, competing for prizes and receiving special offers from Cineplex and advertisers. The full national rollout expected to be completed in the fourth quarter of 2014.
- Introduced the Interactive Media Zone, an interactive media experience in the lobby of select Cineplex theatres that allows advertisers to engage and interact with Cineplex guests in high traffic lobby locations. At September 30, 2014, three Interactive Media Zones have been installed, with ten more expected by the end of 2014.

ALTERNATIVE PROGRAMMING

- Alternative programming in the third quarter of 2014 included broadcasting *Monty Python Live (Mostly)* live from the O2 Arena in London, broadcasts of the season premiere of the British Broadcasting Corporation's *Doctor Who* at select theatres, encore performances from the Metropolitan Opera: Live in HD series, ethnic film and sports programming.

INTERACTIVE

- During the quarter, the Cineplex Store became the first movie on-demand service in Canada to be available on Roku. Roku players connect directly to televisions and internet service on home networks, making it easy to stream content on televisions directly from the internet. The Cineplex Store now supports the widest range of devices in Canada to watch and enjoy content.
- Cineplex.com registered a 3% increase in unique visitors in the third quarter compared to the prior year period.

- Since its launch in 2010, the Cineplex app has been downloaded 10.1 million times, up 57% from this time last year, recording over 430 million app sessions as at September 30, 2014.

LOYALTY

- Membership in the SCENE loyalty program increased by 0.3 million members in the period, reaching a membership of 6.1 million at September 30, 2014.

OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014

Total revenues

Total revenues for the three months ended September 30, 2014 increased \$0.6 million (0.2%) to \$299.0 million as compared to the prior year period. Total revenues for the nine months ended September 30, 2014 increased \$54.4 million (6.4%) to \$902.5 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, 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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Box office revenues	\$ 162,574	\$ 168,066	-3.3 %	\$ 500,218	\$ 487,614	2.6 %
Attendance (i)	18,038	19,011	-5.1 %	54,611	53,831	1.4 %
Box office revenue per patron (i)	\$ 9.01	\$ 8.84	1.9 %	\$ 9.16	\$ 9.06	1.1 %
BPP excluding premium priced product (i)	\$ 8.03	\$ 8.03	— %	\$ 8.23	\$ 8.20	0.4 %
Canadian industry revenues (ii)			-12.5 %			-7.6 %
Same store box office revenues (i)	\$ 149,069	\$ 167,135	-10.8 %	\$ 452,018	\$ 477,686	-5.4 %
Same store attendance (i)	16,495	18,909	-12.8 %	49,078	52,760	-7.0 %
% Total box from premium priced product (i)	41.7 %	37.0 %	4.7 %	40.7 %	38.2 %	2.5 %

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

(ii) The Movie Theatre Association of Canada ("MTAC") reported that the Canadian exhibition industry reported a box office revenue decrease of 10.9% for the period from July 4, 2014 to October 2, 2014 as compared to the period from July 5, 2013 to October 3, 2013. On a basis consistent with Cineplex's calendar reporting period (July 1 to September 30), the Canadian industry box office revenue change is estimated to be a decrease of 12.5%. MTAC reported that the Canadian exhibition industry reported a box office revenue decrease of 7.4% for the period from January 3, 2014 to October 2, 2014 as compared to the period from January 4, 2013 to October 3, 2013. On a basis consistent with Cineplex's calendar reporting period (January 1 to September 30), the Canadian industry box office revenues are estimated to be a decrease of 7.6%.

Box office continuity	Third Quarter		Year to Date	
	Box Office	Attendance	Box Office	Attendance
2013 as reported	\$ 168,066	19,011	\$ 487,614	53,831
Same store attendance change	(21,333)	(2,414)	(33,331)	(3,681)
Impact of same store BPP change	3,267	—	7,663	—
New and acquired theatres (i)	13,505	1,543	43,491	5,029
Disposed and closed theatres (i)	(931)	(102)	(5,219)	(568)
2014 as reported	\$ 162,574	18,038	\$ 500,218	54,611

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

Third Quarter

Third Quarter 2014 Top Cineplex Films		3D	% Box	Third Quarter 2013 Top Cineplex Films		3D	% Box
1	Guardians of the Galaxy	X	15.6 %	1	Despicable Me 2	X	11.9 %
2	Dawn of the Planet of the Apes	X	8.8 %	2	The Wolverine	X	5.9 %
3	Teenage Mutant Ninja Turtles	X	6.7 %	3	We're the Millers		5.2 %
4	Lucy		5.6 %	4	Elysium		4.7 %
5	Transformers: Age of Extinction	X	5.6 %	5	Pacific Rim	X	4.7 %

Box office revenues decreased \$5.5 million, or 3.3%, to \$162.6 million during the third quarter of 2014, compared to \$168.1 million recorded in the same period in 2013. The decrease was due to the weaker film product and the impact of certain film release dates being shifted out of the third quarter of 2014 into 2015 resulting in a decline in same store attendance. This decline was partially offset by the acquisition of the Atlantic Theatres, which contributed \$11.5 million to box office revenues during the period as well as the 1.9% increase in the quarterly BPP compared to the prior year period. The weaker film slate in the current period compared to the prior year resulted in a 12.8% decrease in same store attendance and a 10.8% decline in same store box office revenues.

BPP for the three months ended September 30, 2014 was \$9.01, a \$0.17 increase from the prior year period and a third quarter record for Cineplex. The increase in the percentage of box office revenues from premium priced product from 37.0% in the prior year period to 41.7% in the current period contributed to the BPP increase. The expansion of Cineplex's VIP theatre program during the period contributed to the higher percentage of premium product revenues and the higher BPP in the period.

Cineplex continues to invest in premium priced formats including 3D, UltraAVX, IMAX and VIP thereby positioning itself to benefit from the premiums charged for these offerings. The strong performance of Cineplex's premium-priced product resulted in Cineplex's same-store results declining less than the Canadian industry in the period, with the industry estimated to be down 12.5% in the period compared to Cineplex's same-store decline of 10.8%.

Year to Date

Year to Date 2014 Top Cineplex Films		3D	% Box	Year to Date 2013 Top Cineplex Films		3D	% Box
1	Guardians of the Galaxy	X	5.1 %	1	Iron Man 3	X	4.9 %
2	The Lego Movie	X	4.2 %	2	Despicable Me 2	X	4.1 %
3	Captain America: The Winter Soldier	X	3.8 %	3	Star Trek: Into Darkness	X	3.6 %
4	X-Men: Days of Future Past	X	3.4 %	4	Man of Steel	X	3.5 %
5	22 Jump Street		3.0 %	5	Monsters University	X	2.6 %

Box office revenues for the nine months ended September 30, 2014 were \$500.2 million, an increase of \$12.6 million or 2.6% over the prior year due to the contribution from the Atlantic Theatres (\$35.4 million) more than offsetting the same store revenue decrease of 5.4% due to a 7.0% same store attendance decline. Attendance and box office revenues in the period were impacted by the weaker film product in the 2014 period compared to the prior year period, and the impact of extreme weather conditions in certain areas of the country in the first quarter, particularly in the Atlantic provinces, deterred guests from visiting the theatres.

Cineplex's BPP for the nine months ended September 30, 2014 increased \$0.10, or 1.1%, from \$9.06 in the prior year period to \$9.16 in the current period. This increase was primarily due to the increase in revenues from premium priced product. Premium priced offerings accounted for 40.7% of Cineplex's box office revenues in the nine months ended September 30, 2014, compared to 38.2% 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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Food service revenues	\$ 92,094	\$ 91,487	0.7 %	\$ 277,261	\$ 257,059	7.9 %
Attendance (i)	18,038	19,011	-5.1 %	54,611	53,831	1.4 %
CPP (i)	\$ 5.11	\$ 4.81	6.2 %	\$ 5.08	\$ 4.78	6.3 %
Same store food service revenues (i)	\$ 83,126	\$ 90,987	-8.6 %	\$ 247,784	\$ 253,009	-2.1 %
Same store attendance (i)	16,495	18,909	-12.8 %	49,078	52,760	-7.0 %

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

Food service revenue continuity	Third Quarter		Year to Date	
	Food Service	Attendance	Concession	Attendance
2013 as reported	\$ 91,487	19,011	\$ 257,059	53,831
Same store attendance change	(11,614)	(2,414)	(17,654)	(3,681)
Impact of same store CPP change	3,753	—	12,429	—
New and acquired theatres (i)	8,968	1,543	27,692	5,029
Disposed and closed theatres (i)	(500)	(102)	(2,265)	(568)
2014 as reported	\$ 92,094	18,038	\$ 277,261	54,611

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

Third Quarter

Food service revenues are comprised primarily of concession revenues, which includes food sales at theatre locations as well as non-theatre locations. Food service revenues increased \$0.6 million, or 0.7% as compared to the prior year period primarily due to the acquisition of the Atlantic Theatres, which contributed \$7.5 million to food service revenues in the period, and the CPP increase from \$4.81 in the third quarter of 2013 to \$5.11 in the same period in 2014. These increases more than offset the impact of the same-store attendance decline of 12.8% in the period. The quarterly CPP of \$5.11 is a quarterly record for Cineplex. Expanded offerings outside of core food service products have resulted in higher average order values, resulting in the record CPP in the period.

Year to Date

Food service revenues increased \$20.2 million, or 7.9% as compared to the prior year, due to the acquisition of the Atlantic Theatres (\$23.0 million) and the 6.3% increase in CPP. CPP increased from \$4.78 in the 2013 period to \$5.08 in the current period, the highest CPP Cineplex has reported through the first nine months of a year. While same store attendance decreased 7.0% compared to the prior year period, same store food service revenues decreased only 2.1% due to the record CPP in the current period partially offsetting the impact of the same store attendance decline.

While the 10% SCENE discount and SCENE points issued on concession combo purchases reduce individual transaction values which negatively impacts CPP, Cineplex believes that this program drives incremental visits and concession purchases, resulting in higher overall concession 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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Cineplex Media	\$ 21,724	\$ 21,927	-0.9 %	\$ 58,916	\$ 59,761	-1.4 %
Cineplex Digital Media	10,268	5,798	77.1 %	28,421	10,624	167.5 %
Total media revenues	\$ 31,992	\$ 27,725	15.4 %	\$ 87,337	\$ 70,385	24.1 %

Third Quarter

Total media revenues increased 15.4% to \$32.0 million in the third quarter of 2014 compared to the prior year period. This increase was primarily due to higher Cineplex Digital Media revenues, up \$4.5 million as compared to the prior year period due to the incremental CDN revenues in the period of \$5.3 million, which was acquired in the third quarter of 2013.

Year to Date

Total media revenues increased \$17.0 million in the nine months ended September 30, 2014 compared to the prior year period. The increase was due to the \$17.8 million increase in Cineplex Digital Media revenues, due to the incremental impact of CDN (\$18.5 million), which was acquired in the third quarter of 2013.

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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Games	\$ 1,813	\$ 2,015	-10.0 %	\$ 5,450	\$ 5,894	-7.5 %
Other	10,517	9,065	16.0 %	32,239	27,108	18.9 %
Total other revenues	\$ 12,330	\$ 11,080	11.3 %	\$ 37,689	\$ 33,002	14.2 %

Third 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 11.3% to \$12.3 million in the third quarter of 2014 compared to the prior year period. This increase was primarily due to additional revenues arising from enhanced guest service initiatives and new business initiatives. Games revenues decreased 10.0% in the period, due to the 12.8% decrease in same store attendance, partially offset by the inclusion of the Atlantic Theatres (\$0.1 million).

Year to Date

For the year-to-date period, other revenues have increased 14.2% compared to the prior year period due to additional revenues arising from enhanced guest service initiatives and new business initiatives. Games revenues in the prior year period include a life-to-date one-time increase to games revenues in the 2013 period of \$0.5 million arising from a change in accounting policy regarding the recognition of revenue on the sale of XSCAPE gaming cards. Excluding this one-time amount, games revenues increased \$0.1 million in the 2014 period compared to the same period in 2013 due to the inclusion of the Atlantic Theatres (\$0.3 million), partially offset by the decrease in same store attendance.

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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Film cost	\$ 85,499	\$ 88,144	-3.0 %	\$ 260,907	\$ 254,506	2.5 %
Film cost percentage (i)	52.6 %	52.4 %	0.2 %	52.2 %	52.2 %	— %

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

Third Quarter

Film cost varies primarily with box office revenue, and can vary from quarter to quarter based on the relative strength of the titles exhibited during the period. The decrease in the third quarter of 2014 compared to the prior year period was due to the decrease in box office revenue, partially offset by the 0.2% increase in film cost percentage. The increase in film cost percentage is primarily due to the settlement rate on the top films during the third quarter of 2014 being higher than the average film settlement rate in the 2013 period, as the top two films in the current period accounted for 24.4% of box office compared to 17.8% in the prior period.

Year to Date

The year to date increase in film cost expense was due to the 2.6% increase in box office revenues. The film cost percentage was 52.2% in both periods.

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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Cost of food service	\$ 19,848	\$ 19,411	2.3 %	\$ 59,876	\$ 54,858	9.1 %
Concession cost percentage (i)	21.6 %	21.2 %	0.4 %	21.6 %	21.3 %	0.3 %
Concession margin per patron (i)	\$ 4.01	\$ 3.79	5.8 %	\$ 3.98	\$ 3.76	5.9 %

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

Third 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 0.4% increase in the concession cost percentage during the period. The concession margin per patron increased from \$3.79 in the third quarter of 2013 to \$4.01 in the same period in 2014, 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 0.3% increase in the concession cost percentage during the period. The concession margin per patron increased from \$3.76 in the prior year period to \$3.98 in the current period, reflecting the impact of the higher CPP in the current period.

While the 10% discount offered to SCENE members and SCENE points offered on select offerings 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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Depreciation of property, equipment and leaseholds	\$ 17,762	\$ 14,643	21.3 %	\$ 51,925	\$ 42,631	21.8 %
Amortization of intangible assets and other	1,903	2,674	-28.8 %	5,603	8,511	-34.2 %
Depreciation and amortization expenses as reported	\$ 19,665	\$ 17,317	13.6 %	\$ 57,528	\$ 51,142	12.5 %

The quarterly increase in depreciation of property, equipment and leaseholds of \$3.1 million and year to date increase of \$9.3 million is primarily due to the impact of equipment and leasehold improvements relating to assets acquired through acquisitions and new theatre construction.

The decrease in amortization of intangible assets and other in the third quarter of 2014 and the year to date period compared to the prior year periods is due to the amortization of certain trade name assets included in the prior year period that were phased out by Cineplex at the end of 2013. These assets were previously classified as indefinite life assets however during the fourth quarter of 2012 their classification was changed to finite life with amortization recorded through December 31, 2013. The 2014 periods include intangible amortization relating to customer relationships and internally developed software acquired as part of the acquisition of CDN which closed during the third quarter of 2013.

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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Loss on disposal of assets	\$ 834	\$ 1,564	-46.7 %	\$ 2,767	\$ 3,940	-29.8 %

During the third quarter of 2014, Cineplex recorded a loss of \$0.8 million on the disposal of assets that were sold or otherwise disposed (2013 - \$1.6 million, which included the disposition of two properties in Ontario). For the nine months ended September 30, 2014, disposal of assets resulted in a loss of \$2.8 million on the disposal of assets that were sold or otherwise disposed of (2013 - \$3.9 million). The current year to date period includes \$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 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 and year to date (in thousands of Canadian dollars):

Other costs	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Theatre occupancy expenses	\$ 50,781	\$ 46,346	9.6 %	\$ 152,034	\$ 139,730	8.8 %
Other operating expenses	83,717	73,247	14.3 %	251,465	206,164	22.0 %
General and administrative expenses	12,476	14,793	-15.7 %	42,898	47,900	-10.4 %
Total other costs	\$ 146,974	\$ 134,386	9.4 %	\$ 446,397	\$ 393,794	13.4 %

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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Rent	\$ 33,474	\$ 31,211	7.3 %	\$ 100,758	\$ 93,744	7.5 %
Other occupancy	17,597	15,840	11.1 %	53,234	48,626	9.5 %
One-time items (i)	(290)	(705)	-58.9 %	(1,958)	(2,640)	-25.8 %
Total	\$ 50,781	\$ 46,346	9.6 %	\$ 152,034	\$ 139,730	8.8 %

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

Theatre occupancy continuity	Third Quarter Occupancy	Year to Date Occupancy
2013 as reported	\$ 46,346	\$ 139,730
Impact of new and acquired theatres	3,766	11,845
Impact of disposed theatres	(478)	(1,412)
Same store rent change (i)	240	794
One-time items	415	682
Other	492	395
2014 as reported	\$ 50,781	\$ 152,034
(i) See non-GAAP measures section of this news release.		

Third Quarter

Theatre occupancy expenses increased \$4.4 million during the third quarter of 2014 compared to the prior year period. This increase was primarily due to the impact of new and acquired theatres net of disposed theatres (\$3.3 million, of which \$3.0 million relates to the Atlantic Theatres). The remaining increase was due to higher same store rent expenses due to rent increases at certain theatre properties, higher insurance costs (included in "Other") and the net impact of one-time items.

Year to Date

The increase in theatre occupancy expenses of \$12.3 million for the 2014 period compared to the prior year was due to the impact of new and acquired theatres net of disposed theatres (\$10.4 million, of which \$9.2 million relates to the Atlantic Theatres). The remaining increase was due to higher same store rent expenses due to rent increases at certain theatre properties, the impact of one-time items and higher insurance costs (included in "Other").

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	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
Theatre payroll	\$ 31,458	\$ 30,660	2.6 %	\$ 96,938	\$ 88,467	9.6 %
Media	13,793	8,624	59.9 %	39,670	20,392	94.5 %
Other	38,466	33,963	13.3 %	114,857	97,305	18.0 %
Other operating expenses	\$ 83,717	\$ 73,247	14.3 %	\$ 251,465	\$ 206,164	22.0 %

Other operating continuity	Third Quarter Other Operating	Year to Date Other Operating
2013 as reported	\$ 73,247	\$ 206,164
Impact of new and acquired theatres	5,749	18,522
Impact of disposed theatres	(421)	(1,724)
Same store payroll change (i)	(1,954)	2
Marketing change	346	324
Media acquisitions	5,615	19,232
Media change, excluding media acquisitions	(446)	46
New business initiatives change	1,200	5,053
Other	381	3,846
2014 as reported	\$ 83,717	\$ 251,465
(i) See non-GAAP measures section of this news release.		

Third Quarter

Other operating expenses during the third quarter of 2014 increased \$10.5 million or 14.3% compared to the prior year period. The major components of the increase were the incremental impact of CDN which was acquired in the third quarter of 2013 (\$5.6 million), the impact of new and acquired theatres net of disposed theatres (\$5.3 million), developing business initiatives including the Cineplex Store (\$1.2 million) and higher marketing costs (\$0.3 million), offset by lower same-store payroll costs (\$2.0 million) due to the lower same store business volumes in the period and lower media expenses (excluding CDN) of \$0.4 million due to lower media business volumes in the period.

The major movements in the Other category include the following:

- Higher SCENE costs in the current period compared to the prior year due to strong member growth and the timing of certain marketing campaigns in the current period compared to the prior year (\$0.5 million);
- Higher credit card service fees due to higher sales volumes arising from the acquisition of the Atlantic Theatres (\$0.1 million);
- The increase in 3D attendance due to the additional 134 3D screens added since September 30, 2013 resulted in higher 3D royalty costs (\$0.1 million).

These increases were partially offset by lower same-store utility expense due to a cooler summer than the prior year in certain areas of the country (\$0.4 million).

Year to Date

For the nine months ended September 30, 2014, other operating expenses increased \$45.3 million or 22.0% compared to the prior year period. The major components of this increase were the impact of new and acquired theatres net of disposed theatres (\$16.8 million) primarily due to the addition of the Atlantic Theatres, the incremental impact of CDN (\$19.2 million), developing business initiatives including the Cineplex Store (\$5.1 million), higher marketing costs (\$0.3 million) due in part to advertising initiatives undertaken as part of Cineplex's partnership with the Canadian Olympic Committee, and other expenses (\$3.8 million, discussed below).

The major movements in the Other category include the following:

- Higher SCENE costs in the current period compared to the prior year due to continued membership growth (\$1.0 million);
- The increase in 3D attendance due to the additional 134 3D screens added since September 30, 2013 resulted in higher 3D royalty costs (\$0.7 million) as well as contributing to the higher cost of projector bulbs (\$0.5 million) as 3D features require bulbs with higher output which significantly reduces the life of the bulbs; and
- Higher credit card service fees due to higher sales volumes arising from the acquisition of the Atlantic Theatres (\$0.6 million).

General and administrative expenses

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

G&A expenses	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
G&A excluding LTIP and option plan expense	\$ 11,962	\$ 11,534	3.7 %	\$ 39,214	\$ 36,657	7.0 %
LTIP (i)	69	2,874	-97.6 %	2,393	10,058	-76.2 %
Option plan	445	385	15.6 %	1,291	1,185	8.9 %
G&A expenses as reported	\$ 12,476	\$ 14,793	-15.7 %	\$ 42,898	\$ 47,900	-10.4 %

(i) LTIP includes the expense for Cineplex's long-term incentive program ("LTIP") as well as the expense for the executive and the board of directors of Cineplex (the "Board") deferred share unit plans.

Third Quarter

G&A expenses decreased \$2.3 million during the third quarter of 2014 compared to the prior year period due to a \$2.8 million decrease in LTIP expense. The LTIP decrease is due primarily to the variance in performance results for the 2014 period. G&A excluding LTIP and option plan expense increased \$0.4 million due in part to higher head office payroll and professional fees.

Year to Date

G&A expenses for the year to date period decreased \$5.0 million compared to the prior year period, due to a \$7.7 million decrease in LTIP expense due primarily to the variance in performance results for the 2014 period, partially offset by a \$2.6 million increase in G&A excluding LTIP and option expense as a result of higher head office payroll resulting from developing business initiatives and a \$1.7 million increase in professional fees relating to new business opportunities and other ongoing initiatives.

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 nine months ended September 30, 2014 as compared to the prior year periods (expressed in thousands of Canadian dollars, except adjusted EBITDA margin):

EBITDA	Third Quarter			Year to Date		
	2014	2013	Change	2014	2013	Change
EBITDA	\$ 46,898	\$ 56,100	-16.4 %	\$ 134,654	\$ 143,966	-6.5 %
Adjusted EBITDA	\$ 48,042	\$ 57,896	-17.0 %	\$ 138,353	\$ 148,297	-6.7 %
Adjusted EBITDA margin	16.1 %	19.4 %	-3.3 %	15.3 %	17.5 %	-2.2 %

Adjusted EBITDA for the third quarter of 2014 decreased \$9.9 million, or 17.0%, as compared to the prior year period. The decrease as compared to the prior year period was primarily due to the weaker film product resulting in lower same store attendance, as well as higher costs relating to new business opportunities. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 16.1% in the current period, down from 19.4% in the prior year period.

Adjusted EBITDA for the nine months ended September 30, 2014 decreased \$9.9 million, or 6.7%, as compared to the prior year period, due to the weaker film product in the current period resulting in lower same store attendance and higher professional fees relating to new business opportunities. The contribution from the Atlantic Theatres partially offset the period over period decrease. Adjusted EBITDA margin for the period was 15.3%, down from 17.5% in the prior year period.

ADJUSTED FREE CASH FLOW

For the third quarter of 2014, adjusted free cash flow per common share of Cineplex was \$0.5697 as compared to \$0.7624 in the prior year period. The declared dividends per common share of Cineplex were \$0.3750 in the third quarter of 2014 and \$0.3600 in the prior year period. During the twelve months ended September 30, 2014, Cineplex generated adjusted free cash flow per Share of \$2.2122, compared to \$2.4221 per Share in the twelve months ended September 30, 2013. Cineplex declared dividends per Share of \$1.4650 and \$1.3875, respectively, in each period. The payout ratios for these periods were approximately 66.2% and 57.3%, respectively. Adjusted free cash flow per common share and the payout ratios for the 2014 and 2013 periods are 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 2013 and 2014 being substantially reduced. These losses will be fully utilized during 2014.

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 gains and losses on disposal of assets, the share of income or 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.

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 September 30, 2014, the impact of the 28 locations that have been opened or acquired and the one location that have been closed or otherwise disposed of have been excluded, resulting in 134 theatres being included in the same store metrics. For the nine months ended September 30, 2014, the impact of the 32 locations that have been opened or acquired and the three locations that have been closed or otherwise disposed of have been excluded, resulting in 128 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 161 theatres with 1,639 screens from coast to coast, serving approximately 77 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, November 13, 2014
10:00 a.m. Eastern Time**

In order to participate in the conference call, **please dial 416-847-6330 or outside of Toronto dial 1-866-530-1553** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 7935875 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 7935875#. The replay will begin at 1:00 p.m. Eastern Time on Thursday, November 13, 2014 and end at 1:00 p.m. Eastern Time on Thursday, November 20, 2014.
- 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)

	September 30,	December 31,
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 8,872	\$ 44,140
Trade and other receivables	59,466	100,891
Inventories	8,248	7,234
Prepaid expenses and other current assets	13,280	6,838
	<hr/>	<hr/>
	89,866	159,103
Non-current assets		
Property, equipment and leaseholds	491,149	459,112
Deferred income taxes	3,465	17,635
Fair value of interest rate swap agreements	—	92
Interests in joint ventures	44,304	44,359
Intangible assets	110,700	113,601
Goodwill	798,801	797,476
	<hr/>	<hr/>
	\$ 1,538,285	\$ 1,591,378
	<hr/>	<hr/>

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

	September 30, 2014	December 31, 2013
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 91,403	\$ 157,333
Share-based compensation	5,823	12,151
Dividends payable	7,874	7,552
Income taxes payable	2,870	2,656
Deferred revenue	101,827	136,373
Finance lease obligations	2,600	2,394
Fair value of interest rate swap agreements	640	635
	<hr/> 213,037	<hr/> 319,094
Non-current liabilities		
Share-based compensation	12,972	15,622
Long-term debt	296,608	217,151
Fair value of interest rate swap agreements	1,313	—
Finance lease obligations	15,737	17,722
Post-employment benefit obligations	6,733	6,522
Other liabilities	170,538	170,125
Convertible debentures	98,267	96,870
	<hr/> 602,168	<hr/> 524,012
Total liabilities	<hr/> 815,205	<hr/> 843,106
Equity		
Share capital	853,896	853,411
Deficit	(132,715)	(107,323)
Accumulated other comprehensive loss	(2,806)	(1,715)
Contributed surplus	4,705	3,899
	<hr/> 723,080	<hr/> 748,272
	<hr/> \$ 1,538,285	<hr/> \$ 1,591,378

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

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Revenues				
Box office	\$ 162,574	\$ 168,066	\$ 500,218	\$ 487,614
Food service	92,094	91,487	277,261	257,059
Media	31,992	27,725	87,337	70,385
Other	12,330	11,080	37,689	33,002
	<u>298,990</u>	<u>298,358</u>	<u>902,505</u>	<u>848,060</u>
Expenses				
Film cost	85,499	88,144	260,907	254,506
Cost of food service	19,848	19,411	59,876	54,858
Depreciation and amortization	19,665	17,317	57,528	51,142
Loss on disposal of assets	834	1,564	2,767	3,940
Other costs	146,974	134,386	446,397	393,794
Share of income of joint ventures	(1,063)	(1,247)	(2,096)	(3,004)
Interest expense	5,472	2,255	16,272	5,969
Interest income	(172)	(87)	(285)	(224)
	<u>277,057</u>	<u>261,743</u>	<u>841,366</u>	<u>760,981</u>
Income before income taxes	<u>21,933</u>	<u>36,615</u>	<u>61,139</u>	<u>87,079</u>
Provision for income taxes				
Current	1,007	1,332	2,387	2,531
Deferred	5,012	9,253	14,562	21,159
	<u>6,019</u>	<u>10,585</u>	<u>16,949</u>	<u>23,690</u>
Net income	<u>\$ 15,914</u>	<u>\$ 26,030</u>	<u>\$ 44,190</u>	<u>\$ 63,389</u>
Basic net income per share	\$ 0.25	\$ 0.41	\$ 0.70	\$ 1.01
Diluted net income per share	\$ 0.25	\$ 0.41	\$ 0.70	\$ 1.00

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

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Net income	\$ 15,914	\$ 26,030	\$ 44,190	\$ 63,389
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to net income:</i>				
Income (loss) on hedging instruments	73	(908)	(1,483)	(64)
Associated deferred income taxes (expense) recovery	(19)	184	392	(184)
Other comprehensive income (loss)	54	(724)	(1,091)	(248)
Comprehensive income	\$ 15,968	\$ 25,306	\$ 43,099	\$ 63,141

Cineplex Inc.**Interim Condensed Consolidated Statements of Changes in Equity****(Unaudited)****(expressed in thousands of Canadian dollars)****For the nine months ended September 30, 2014 and 2013**

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance - January 1, 2014	\$ 853,411	\$ 3,899	\$ (1,715)	\$ (107,323)	\$ 748,272
Net income	—	—	—	44,190	44,190
Other comprehensive (loss)	—	—	(1,091)	—	(1,091)
Total comprehensive income			(1,091)	44,190	43,099
Dividends declared	—	—	—	(69,582)	(69,582)
Share option expense	—	1,291	—	—	1,291
Issuance of shares on exercise of options	485	(485)	—	—	—
Balance - September 30, 2014	\$ 853,896	\$ 4,705	\$ (2,806)	\$ (132,715)	\$ 723,080
Balance - January 1, 2013	\$ 847,235	\$ 3,768	\$ (1,142)	\$ (102,547)	\$ 747,314
Net income	—	—	—	63,389	63,389
Other comprehensive (loss)	—	—	(248)	—	(248)
Total comprehensive income			(248)	63,389	63,141
Dividends declared	—	—	—	(65,977)	(65,977)
Long-term incentive plan obligation	248	—	—	—	248
Share option expense	—	1,185	—	—	1,185
Issuance of shares on exercise of options	818	(818)	—	—	—
Balance - September 30, 2013	\$ 848,301	\$ 4,135	\$ (1,390)	\$ (105,135)	\$ 745,911

Cineplex Inc.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Cash provided by (used in)				
Operating activities				
Net income	\$ 15,914	\$ 26,030	\$ 44,190	\$ 63,389
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	19,665	17,317	57,528	51,142
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(1,769)	(1,715)	(4,648)	(4,992)
Accretion of debt issuance costs and other non-cash interest	1,230	484	3,581	885
Loss on disposal of assets	834	1,564	2,767	3,940
Deferred income taxes	5,012	9,253	14,562	21,159
Interest rate swap agreements - non-cash interest	(27)	(212)	(73)	(781)
Non-cash share-based compensation	445	386	1,291	1,433
Accretion of convertible debentures	460	—	1,398	—
Net change in interests in joint ventures	1,337	(1,564)	97	(2,389)
Tenant inducements	555	1,612	3,397	4,917
Changes in operating assets and liabilities	(20,746)	(30,609)	(79,257)	(48,510)
Net cash provided by operating activities	22,910	22,546	44,833	90,193
Investing activities				
Proceeds from sale of assets	1	2,120	405	2,122
Purchases of property, equipment and leaseholds	(33,466)	(12,374)	(84,161)	(46,565)
Acquisition of businesses, net of cash acquired	—	(38,812)	(2,466)	(42,634)
Deposit for business acquisition	—	—	—	(5,000)
Intangible assets addition	—	—	(2,750)	—
Net cash received from (invested in) CDCP	140	(36)	909	(585)
Net cash used in investing activities	(33,325)	(49,102)	(88,063)	(92,662)
Financing activities				
Dividends paid	(23,620)	(22,625)	(69,260)	(65,498)
Borrowings under credit facility, net	29,000	46,000	79,000	46,000
Repayment of debt acquired with business	—	(12,875)	—	(12,875)
Payments under finance leases	(592)	(571)	(1,778)	(1,662)
Net cash provided by (used in) financing activities	4,788	9,929	7,962	(34,035)
(Decrease) increase in cash and cash equivalents	(5,627)	(16,627)	(35,268)	(36,504)
Cash and cash equivalents - Beginning of period	14,499	28,788	44,140	48,665
Cash and cash equivalents - End of period	\$ 8,872	\$ 12,161	\$ 8,872	\$ 12,161
Supplemental information				
Cash paid for interest	\$ 2,579	\$ 1,948	\$ 10,000	\$ 5,795
Cash paid for income taxes	\$ 186	\$ 733	\$ 2,172	\$ 13,243

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

Reconciliation to Adjusted EBITDA

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Net income	\$ 15,914	\$ 26,030	\$ 44,190	\$ 63,389
Depreciation and amortization	19,665	17,317	57,528	51,142
Interest expense	5,472	2,255	16,272	5,969
Interest income	(172)	(87)	(285)	(224)
Current income tax expense	1,007	1,332	2,387	2,531
Deferred income tax expense	5,012	9,253	14,562	21,159
EBITDA	\$ 46,898	\$ 56,100	\$ 134,654	\$ 143,966
Loss on disposal of assets	834	1,564	2,767	3,940
CDCP equity income (i)	(388)	(536)	(1,008)	(1,648)
Depreciation and amortization - joint ventures (ii)	520	540	1,604	1,621
Joint venture taxes and interest (ii)	178	228	336	418
Adjusted EBITDA	\$ 48,042	\$ 57,896	\$ 138,353	\$ 148,297

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

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

Cineplex Inc.

Interim Consolidated Supplemental Information

(Unaudited)

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

Adjusted Free Cash Flow

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Cash provided by operating activities	\$ 22,910	\$ 22,546	\$ 44,833	\$ 90,193
Less: Total capital expenditures net of proceeds on sale of assets	(33,465)	(10,254)	(83,756)	(44,443)
Standardized free cash flow	(10,555)	12,292	(38,923)	45,750
Add/(Less):				
Changes in operating assets and liabilities (i)	20,746	30,609	79,257	48,510
Changes in operating assets and liabilities of joint ventures (i)	(2,400)	317	(2,193)	(615)
Tenant inducements (ii)	(555)	(1,612)	(3,397)	(4,917)
Principal component of finance lease obligations	(592)	(571)	(1,778)	(1,662)
Growth capital expenditures and other (iii)	27,668	5,526	65,996	28,450
Share of income of joint ventures, net of non-cash depreciation (iv)	1,431	1,391	3,095	3,262
Net cash received from (invested in) CDCP (iv)	140	(36)	909	(585)
Adjusted free cash flow	\$ 35,883	\$ 47,916	\$ 102,966	\$ 118,193
Average number of Shares outstanding	62,987,992	62,848,551	62,965,606	62,832,497
Adjusted free cash flow per Share	\$ 0.5697	\$ 0.7624	\$ 1.6353	\$ 1.8811
Dividends declared	\$ 0.3750	\$ 0.3600	\$ 1.1050	\$ 1.0500

(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.