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## **Cineplex Inc. Announces C\$100 Million Public Offering of Extendible Convertible Debentures**

**Toronto, ON, October 16, 2013** (TSX: CGX) – Cineplex Inc. ("Cineplex" or the "Company") is pleased to announce that it has entered into an agreement with a syndicate of underwriters (the "Underwriters"), led by Scotiabank and RBC Capital Markets, pursuant to which the Underwriters will purchase C\$100.0 million principal amount of extendible convertible unsecured subordinated debentures (the "Debentures") on a bought deal basis (the "Offering"). The Company has also granted the Underwriters an over-allotment option to purchase up to an additional C\$7.5 million aggregate principal amount of Debentures on the same terms and conditions, exercisable in whole or in part at any time for a period of 30 days following closing of the Offering.

The Company will use the net proceeds of the Offering to finance the previously announced acquisition of select theatres from Empire Theatres Limited (the "Acquisition"). If the Acquisition closes before the Offering closes, the net proceeds of the Offering will be used to partially reduce bank indebtedness that will be incurred on closing of the Acquisition. If the Offering closes before the Acquisition closes, the net proceeds of the Offering will be used to pay a portion of the purchase price on closing of the Acquisition. The Debentures will mature and be repayable on December 31, 2018 (the "Maturity Date") and will accrue interest at the rate of 4.50% per annum payable semi-annually in arrears on June 30 and December 31 in each year (the "Interest Payment Date"), commencing on December 31, 2013. At the holder's option, the Debentures may be converted into common shares of the Company at any time prior to the close of business five business days before the earlier of (i) the Maturity Date, (ii) the date fixed for redemption by the Company, or (iii) if called for repurchase in the event of a change of control, the payment date, at a conversion price of C\$56.00 per share. This represents a conversion rate of approximately 17.8571 common shares for each C\$1,000 principal amount of Debentures, subject to certain anti-dilution provisions. Holders who convert their Debentures will receive accrued and unpaid interest for the period from the date of the latest Interest Payment Date to the date of conversion.

The Debentures will be direct, unsecured subordinated obligations of the Company, subordinated to any senior indebtedness of the Company and ranking equally with one another and with all other existing and future unsecured subordinated indebtedness of the Company.

The Debentures will not be redeemable by the Company prior to December 31, 2016. On or after December 31, 2016 and prior to December 31, 2017, the Company may, at its option, redeem the Debentures in whole or in part from time to time provided that the volume weighted average trading price of the shares of the Company on the Toronto Stock Exchange during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On or after December 31, 2017, the Debentures may be redeemed in whole or in part from time to time at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

"This financing strengthens our balance sheet and increases our financial flexibility," said Ellis Jacob, President and CEO of Cineplex. "The Offering allows us to broaden our investor base while maintaining significant capacity to continue to pursue our growth initiatives."

The Offering is scheduled to close on or about November 5, 2013 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

On or before October 22, 2013, a preliminary short form prospectus will be filed with securities regulatory authorities in all provinces and territories of Canada.

The Debentures offered have not and will not be registered under the U.S. Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

### **Forward Looking Statements**

This press release contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts.

These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in Cineplex's Annual Information Form ("AIF"). Those risks and uncertainties include adverse factors generally encountered in the film exhibition industry such as poor film product and unauthorized copying; the risks associated with national and world events, including war, terrorism, international conflicts; natural disasters, extreme weather conditions, infectious diseases; changes in income tax legislation; and general economic conditions. In addition, these risks and uncertainties include the ability to achieve the expected synergies and the timing of same; the effectiveness of integration efforts and risks related to the satisfaction of the conditions to closing the transaction and the related financing arrangements, including future general economic and market conditions, including debt and equity capital markets. Many of these risks and uncertainties can affect our actual results and could cause our actual results to differ materially from those expressed or implied in any forward-looking statement made by us or on our behalf. All forward-looking statements in this press release are qualified by these cautionary statements. These statements are made as of the date of this press release and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. Additional information, including Cineplex's AIF, can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About Cineplex**

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 137 theatres with 1,465 screens from British Columbia to Quebec, serving approximately 71 million guests annually through the following theatre brands: Cineplex Odeon, SilverCity, Galaxy Cinemas, Colossus, Coliseum, Scotiabank Theatres, Cineplex Cinemas, Cineplex VIP Cinemas, Famous Players and Cinema City. Cineplex also owns and operates the UltraAVX, Poptopia, and Outtakes brands. Cineplex trades on the Toronto Stock Exchange under the symbol CGX.

**For information, interviews or photos please contact:**

Pat Marshall, Vice President, Communications and Investor Relations, Cineplex Entertainment  
416-323-6648, [pat.marshall@cineplex.com](mailto:pat.marshall@cineplex.com)

Mike Langdon, Director, Communications, Cineplex Entertainment  
416-323-6728, [mike.langdon@cineplex.com](mailto:mike.langdon@cineplex.com)