FOR IMMEDIATE RELEASE

CINEPLEX INC.
Reports Record Fourth Quarter and Annual Results

TORONTO, **Canada**, February 7, 2013 (TSX: CGX) - Cineplex Inc. ("Cineplex") today released its financial results for the fourth quarter of 2012 and the full year of 2012.

Annual Results

	2012	2011	Year over Year Change (i)
Total Revenues	$1,091.9 million	$998.2 million	9.4 %
Attendance	71.2 million	66.1 million	7.8 %
Other Revenues	$124.2 million	$129.2 million	-3.8%
Net Income	$120.5 million	$49.3 million	144.6 %
Adjusted EBITDA	$200.5 million	$173.2 million	15.8 %
Adjusted EBITDA Margin	18.4 %	17.3 %	1.1 %
Adjusted Free Cash Flow per Share	$ 2.0785	$ 1.9657	5.7 %
Basic Earnings per Share	$ 1.98	$ 0.86	130.2 %
Diluted Earnings per Share	$ 1.97	$ 0.85	131.8 %

i. Year over Year change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2012 value less 2011 value.

Fourth Quarter Results

	2012	2011	Period over Period Change (i)
Total Revenues	$298.7 million	$241.7 million	23.6%
Attendance	18.6 million	15.1 million	23.3%
Other Revenues	$41.8 million	$39.8 million	4.9%
Net Income	$32.7 million	$10.9 million	199.2%
Adjusted EBITDA	$57.5 million	$40.1 million	43.4%
Adjusted EBITDA Margin	19.3 %	16.6 %	2.7%
Adjusted Free Cash Flow per Share	$ 0.5403	$ 0.3570	51.3%
Basic Earnings per Share	$ 0.53	$ 0.19	178.9%
Diluted Earnings per Share	$ 0.52	$ 0.19	173.7%

i. Period over Period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2012 value less 2011 value.

"2012 was the best year on record for Cineplex" said Ellis Jacob, President and CEO, Cineplex Entertainment. "Total revenues of $1.1 billion increased 9.4% versus the prior year, and are the highest in the company's history. As compared to 2011, box office revenues of $638.3 million increased 10.6%, concession revenues of $329.3 million increased 12.9%, resulting in adjusted EBITDA of $200.5 million, an increase of 15.8% and net income of $120.5 million, an increase of 144.6%. Theatre attendance reached a new all-time high of 71.2 million, an increase of 7.8% versus 2011."

"In addition to a very strong financial performance, Cineplex completed a number of theatre projects including the opening of two new theatres - Cineplex Odeon Windermere and VIP Cinemas in Edmonton, and Galaxy Cinemas Pergola Commons, in south Guelph; Cineplex Odeon Brossard Cinemas was expanded adding four new VIP Cinema auditoriums; and Cineplex Odeon McGillivray and VIP Cinemas in Winnipeg, was opened following an extensive renovation and rebrand. We also acquired four AMC theatres - three in the GTA and one in Montreal. We completed the rollout of digital projection technology and added 16 UltraAVX auditoriums to bring our total to 39. Our digital commerce initiatives continued to advance with the addition of new digital content, devices and playback functionality and the launch of UltraViolet at the Cineplex Store. We achieved strong metrics on our website and mobile apps with significant growth in online and mobile ticket sales and the launch of e-gift cards. Our SCENE loyalty program added a record 900,000 new members to bring our total membership to 4.3 million. Cineplex's continued investment in the enhancement of the exhibition experience and the diversification of our business model contributed to the record year in 2012 and positions us well for the future."

EBITDA and adjusted free cash flow are not measures recognized by generally accepted accounting principles ("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. EBITDA is calculated by adding back to net income, income tax expense, amortization and interest expense net of interest income. Adjusted EBITDA is calculated by adjusting EBITDA for gains and losses on disposal of assets, gains on acquisition of businesses and the share of income or loss of the Canadian Digital Cinema Partnership ("CDCP"). 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. 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. 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.

KEY DEVELOPMENTS IN 2012

The following describes certain key business initiatives undertaken during 2012 in each of Cineplex's core business areas:

THEATRE EXHIBITION

- Reported record annual box office revenues of $638.3 million and record annual BPP of $8.97 during 2012, up from the previous records of $597.8 million (set in 2010) and $8.74 (set in 2011). Attendance was also an annual record for Cineplex, with 71.2 million patrons exceeding the previous record of 70.0 million set in 2009.
- Opened two new theatres, *Cineplex Odeon Windermere and VIP Cinemas* in Edmonton Alberta, featuring 11 screens including one UltraAVX and three VIP auditoriums on April 17, and *Galaxy Cinemas Pergola Commons* in Guelph, Ontario featuring eight screens on December 14.
- Completed the renovation of *Cineplex Odeon McGillivray and VIP Cinemas* in Winnipeg, Manitoba on November 2, transforming the property into a cutting-edge, first run theatre complete with 11 screens including one UltraAVX and three VIP auditoriums. Also added four new VIP screens to *Cineplex Odeon Brossard and VIP Cinemas* in Brossard, Quebec, a suburb of Montreal, which opened on December 14.
- Continued the expansion of UltraAVX, the next evolution of the audio visual entertainment experience in Canada, with 16 new UltraAVX auditoriums added to the circuit in 2012. At December 31, 2012, Cineplex has 39 UltraAVX auditoriums.
- Completed the acquisition of AMC Ventures Inc., which owned four theatres located in Toronto, Mississauga and Oakville, Ontario and Montreal, Quebec.
- Cineplex completed the planned conversion of its theatre circuit to digital projection, including the theatres acquired from AMC, and added 149 3D screens during the year.

MERCHANDISING

- Recorded record annual concession revenues of $329.3 million and record annual CPP of $4.63, exceeding the previous records of $294.7 million (set in 2010) and $4.41 (set in 2011).
- Cineplex's subsidiary New Way Sales ("NWS") acquired Starburst Coin Machines Inc. ("SCM") in exchange for cash and a 50% interest in NWS, creating a joint venture named Cineplex Starbust Inc. ("CSI"). CSI supplies and services all of the games in Cineplex's circuit, while also supplying equipment to third party arcades, amusement centres, bowling alleys, amusement parks and theatre circuits, in addition to owning and operating *Playdium*, a family entertainment centre located in Mississauga, Ontario.
- Completed the retrofit of 19 *Outtakes* locations to *Outtakes Backstage Bistros*, which include expanded menu items and a more upscale look and feel. At December 31, 2012, Cineplex owned and operated 68 *Outtakes* locations, of which 21 are *Outtakes Backstage Bistros*.
- Added four *Poptopia* locations across the circuit, Cineplex's premium flavoured popcorn brand. At December 31, 2012, Cineplex owns and operates six *Poptopia* locations.
- Continued the roll-out of digital menu boards at concession stands throughout the circuit, providing a flexible platform to communicate pricing, promotions and merchandising programs.
- Opened four new XSCAPE entertainment centres in 2012, bringing the total number of XSCAPE entertainment centres to eight.

MEDIA

- Media revenues in the second half of 2012 exceeded the same period in 2011 by 6.1%. For the full year, media revenues decreased 7.0% compared to the record year for media revenues in 2011. The uncertain economic environment prevalent in the first half of 2012 contributed to the decrease in media revenues.
- Cineplex Digital Media Inc. ("CDM") continued to grow, with revenues in 2012 exceeding the prior year by 27.7%.
- Expanded Cineplex's exclusive partnership with Timeplay, a leading developer of mobile-based interactive marketing and content solutions, across theatres located in the Greater Toronto Area and Vancouver.
- In the 2012 Fall study by the Print Measurement Bureau, *Cineplex Magazine* and *Le magazine Cineplex* earned outstanding readership numbers, with *Cineplex Magazine* ranking as the 8th most read magazine in Canada, with a circulation of over 725,000 copies per issue, and *Le magazine Cineplex* reaching circulation of over 200,000 copies per issue.
- *Cineplex Magazine* and *Le magazine Cineplex* were added to the Apple Newsstand at the App Store.

ALTERNATIVE PROGRAMMING

- The highly successful Metropolitan Opera series continued its strong performance in Cineplex's theatres.
- Other alternative programming during the year included ethnic films, live sporting events such as World Wrestling Entertainment, the Wimbledon tennis finals in 3D and the 100th Grey Cup, the Family Favourites film series, the Classic Film Series and performances from the National Theatre Live from London.

INTERACTIVE

- Launched Apple MAC streaming capability and UltraViolet redemption on the Cineplex Store. Cineplex is the first retailer in Canada and the only motion picture exhibitor in the world offering UltraViolet redemption.
- Cineplex e-gift cards were added to the Cineplex Store.
- Added theatre ticketing, SCENE access and e-gift card access to the Apple Passbook.
- Integrated the Cineplex Store app on LG smart televisions and set-top boxes. In addition to LG products, the app is also available on select Samsung smart televisions and blu-ray players.
- Cineplex.com registered a 56% increase in page views and a 26% increase in unique visitors during 2012 compared to the prior year, registering 418.2 million page views and 36.5 million unique visitors during the year.
- The Cineplex mobile brand app ranks 9th in Canada and first among retailers based on the most recent ComScore MobiLens rankings.

LOYALTY

- Membership in the SCENE loyalty program surpassed the 4.0 million member mark during the year, increasing by approximately 0.9 million members during 2012 to 4.3 million.
- As part of the *Cineplex Tuesdays* program launched in 2012, SCENE members get 10% off all ticket prices on Tuesdays across the circuit, which are generally discounted.
- SCENE became the first Canadian loyalty program to win prestigious COLLOQUY Loyalty Awards, winning the award for "Innovation in Loyalty Marketing" with its SCENEtourage initiative, as well as the award for "Loyalty Innovation in Other Industries" for the mobile SCENE card.
- SCENE ran programs with various partners including Cara Foods, Telus, Sirius Satellite Radio, Virgin Mobile, Samsung, Winners, Rogers and Adidas.

During 2012, the board of directors of Cineplex (the "Board") announced a monthly dividend increase to $0.1125 per Share ($1.3500 on an annual basis) up from $0.1075 per Share ($1.2900 on an annual basis) effective with the May 2012 dividend.

On December 31, 2012, Cineplex's convertible debentures matured. At maturity, convertible debentures with a principal amount of $1.1 million were settled in cash (see Section 9, Shares outstanding).

In November, Cineplex was recognized as a national winner as one of Canada's 10 most admired corporate cultures in 2012 by Waterstone Human Capital, in the Enterprise division for companies with revenues in excess of $500 million. During 2011, Cineplex was recognized as a regional winner in the Enterprise division.

OPERATING RESULTS FOR THE FOURTH QUARTER AND FULL YEAR

Total revenues

Total revenues for the three months ended December 31, 2012 increased $57.0 million (23.6%) to $298.7 million as compared to the prior year period. Total revenues for the year ended December 31, 2012 increased $93.7 million (9.4%) to $1.1 billion as compared to the prior year. Revenues for the current year periods were positively impacted by the acquisition of the four theatres from AMC during the third quarter of 2012 (revenues of $12.4 million for the three months ended December 31, 2012 and $21.0 million for the year ended December 31, 2012). A discussion of the factors affecting the changes in box office, concession and other revenues for the periods is provided on the following pages.

Box office revenues

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

Box office revenues	Fourth Quarter 2012	Fourth Quarter 2011	Fourth Quarter Change	Full Year 2012	Full Year 2011	Full Year Change
Box office revenues	$ 170,524	$ 133,735	27.5%	$ 638,296	$ 577,348	10.6%
Attendance	18,577	15,070	23.3%	71,198	66,059	7.8%
Box office revenue per patron	$ 9.18	$ 8.87	3.5%	$ 8.97	$ 8.74	2.6%
BPP excluding premium priced product	$ 8.57	$ 8.19	4.6%	$ 8.26	$ 8.10	2.0%
Canadian industry revenues (i)			18.0%			6.3%
Same store box office revenues	$ 160,495	$ 133,363	20.3%	$ 616,857	$ 573,501	7.6%
Same store attendance	17,573	15,026	17.0%	69,052	65,604	5.3%
% Total box from 3D, UltraAVX, VIP & IMAX	29.2%	30.2%	-1.0%	30.9%	29.4%	1.5%

(i) The Motion Picture Theatre Associations of Canada ("MPTAC") reported that the Canadian exhibition industry reported a box office revenue increase of 16.7% for the period from September 28, 2012 to December 27, 2012 as compared to the period from September 30, 2011 to December 29, 2011. On a basis consistent with Cineplex's calendar reporting period (October 1 to December 31), the Canadian industry box office revenue increase is estimated to be 18.0%. MPTAC reported that the Canadian exhibition industry reported a box office revenue increase of 5.6% for the period from December 30, 2011 to December 27, 2012 as compared to the period from December 31, 2010 to December 29, 2011. On a basis consistent with Cineplex's calendar reporting period (January 1 to December 31), the Canadian industry box office revenue is estimated to be an increase of 6.3%.

Box office continuity	Fourth Quarter Box Office	Fourth Quarter Attendance	Full Year Box Office	Full Year Attendance
2011 as reported	$ 133,735	15,070	$ 577,348	66,059
Same store attendance change	22,610	2,547	30,149	3,449
Impact of same store BPP change	4,522	—	13,208	—
New and acquired theatres	10,029	1004	19,502	1,935
Disposed and closed theatres	(372)	(44)	(1,911)	(245)
2012 as reported	$ 170,524	18,577	$ 638,296	71,198

Fourth Quarter

	Fourth Quarter 2012 Top Cineplex Films	IMAX	3D	% Box		Fourth Quarter 2011 Top Cineplex Films	IMAX	3D	% Box
1	Skyfall	X		15.2%	1	The Twilight Saga: Breaking Dawn 1			9.4%
2	The Hobbit: An Unexpected Journey	X	X	10.6%	2	Mission: Impossible - Ghost Protocol	X		6.1%
3	The Twilight Saga: Breaking Dawn 2	X		8.0%	3	Puss in Boots	X	X	6.0%
4	Wreck-It Ralph		X	5.4%	4	Sherlock Holmes: A Game of Shadows			5.2%
5	Hotel Transylvania		X	4.7%	5	Immortals		X	4.3%

Box office revenues increased $36.8 million, or 27.5%, to $170.5 million during the fourth quarter of 2012, compared to $133.7 million recorded in the same period in 2011. The increase was primarily due to a 23.3% increase in attendance as a result of the strong slate of films in the current quarter compared to the prior year period, as well as the impact of the four theatres acquired from AMC in the third quarter of 2012. The $170.5 million in box office revenues is a quarterly record for Cineplex, exceeding the previous record of $162.5 million reported in the third quarter of 2011.

BPP increased 3.5% from $8.87 in the fourth quarter of 2011 to $9.18 in the current year period. Three of the top five releases during the period were screened in 3D and three in IMAX, compared to two of the top releases in the prior year period shown in 3D and two in IMAX. Outside of the top five, there were more 3D releases in the 2011 period which contributed to the percentage of box office from premium-priced product (3D, UltraAVX, IMAX and VIP), decreasing from 30.2% in the prior year period to 29.2% in the current quarter. The four theatres acquired from AMC which are located in major metropolitan areas and have higher ticket prices than those in smaller markets contributed to the higher BPP, as well as the composition of the film slate which featured less product catering to children in the current year period compared to the prior year, also increasing the BPP.

Full Year

Full Year 2012 Top Cineplex Films		IMAX	3D	% Box	Full Year 2011 Top Cineplex Films		IMAX	3D	% Box
1	Marvel's The Avengers	X	X	5.7%	1	Harry Potter and the Deathly Hallows 2	X	X	4.4%
2	The Dark Knight Rises	X		4.5%	2	Transformers: Dark of the Moon	X	X	3.3%
3	Skyfall	X		4.1%	3	Pirates of the Caribbean: On Stranger Tides	X	X	2.5%
4	The Hunger Games	X		3.8%	4	The Twilight Saga: Breaking Dawn 1			2.2%
5	The Amazing Spider-Man	X	X	2.8%	5	The Hangover 2			2.1%

Box office revenues for 2012 were $638.3 million or 10.6% higher than the prior year period, and represent an annual record for Cineplex. The strong performance of the four major blockbusters released in 2012 (*Marvel's The Avengers, The Dark Knight Rises, Skyfall* and *The Hunger Games*) were the main contributors to the $60.9 million increase in box office revenue during the year. These four blockbusters were all released at different times during the year with one opening in each quarter, contributing to Cineplex's record annual attendance. The acquisition of the four theatres from AMC during the third quarter of 2012 also contributed to the box office revenue increase in the current year period.

Cineplex's BPP for 2012 increased $0.23, or 2.6%, from $8.74 in 2011 to $8.97, an annual record. This increase was primarily due to the increase in revenues from premium-priced product. Premium-priced offerings accounted for 30.9% of Cineplex's box office revenues in the 2012, compared to 29.4% in the prior year. The top five films in the 2012 period were all screened in IMAX and two in 3D (2011 - three in IMAX and three in 3D).

Cineplex's investment in premium-priced formats over the last four years has positioned it to take advantage of the price premiums offered in these formats, which has contributed to Cineplex's BPP growth in the current period compared to the prior year period. This investment in premium-priced offerings was a key factor resulting in Cineplex outperforming the Canadian industry box office revenue growth during 2012.

Concession revenues

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

Concession revenues	Fourth Quarter 2012	Fourth Quarter 2011	Change	Full Year 2012	Full Year 2011	Change
Concession revenues	$ 86,409	$ 68,161	26.8%	$ 329,332	$ 291,638	12.9%
Attendance	18,577	15,070	23.3%	71,198	66,059	7.8%
Concession revenue per patron	$ 4.65	$ 4.52	2.9%	$ 4.63	$ 4.41	5.0%
Same store concession revenues	$ 82,358	$ 68,043	21.0%	$ 319,637	$ 290,076	10.2%
Same store attendance	17,573	15,026	17.0%	69,052	65,604	5.3%

Concession revenue continuity	Fourth Quarter Concession	Fourth Quarter Attendance	Full Year Concession	Full Year Attendance
2011 as reported	$ 68,161	15,070	$ 291,638	66,059
Same store attendance change	11,535	2,547	15,249	3,449
Impact of same store CPP change	2,780	—	14,312	—
New and acquired theatres	4,051	1,004	8,795	1,935
Disposed and closed theatres	(118)	(44)	(662)	(245)
2012 as reported	$ 86,409	18,577	$ 329,332	71,198

Fourth Quarter

Concession revenues increased 26.8% as compared to the prior year quarter primarily due to the 23.3% increase in attendance. CPP increased from $4.52 in the fourth quarter of 2011 to $4.65 in the same period in 2012, a 2.9% increase and a quarterly record for Cineplex, a fourth quarter record. Cineplex believes a focus on revised concession offerings, its RBO program and improved product promotion through the expansion of a digital menu board program have all contributed to the higher CPP in the current period compared to the prior year period.

Full Year

Concession revenues increased 12.9% as compared to the prior year period, due to the 7.8% increase in attendance and the 5.0% increase in CPP. CPP increased from $4.41 in 2011 to $4.63 in 2012. This represents an annual CPP record for Cineplex, $0.22 higher than the previous record from 2011.

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

Other revenues

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

Other revenues	**Fourth Quarter**			**Full Year**		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
Media	$ 30,980	$ 28,667	8.1%	$ 84,870	$ 91,242	-7.0%
Games	1,361	2,128	-36.0%	6,379	7,584	-15.9%
Other	9,416	8,997	4.7%	32,989	30,383	8.6%
Total	$ 41,757	$ 39,792	4.9%	$ 124,238	$ 129,209	-3.8%

Fourth Quarter

Other revenues increased 4.9% to $41.8 million in the fourth quarter of 2012 compared to the prior year period. This increase was due to higher media revenues, which were $31.0 million, up $2.3 million, or 8.1%, when compared to the prior year period. This increase was primarily due to higher CDM revenues ($2.9 million), partially offset by decreases in other media categories. In addition to expanding its ongoing digital network management contracts, CDM completed several large equipment installation projects in the fourth quarter of 2012.

The games revenue decrease is due to the formation of CSI on January 31, 2012, with the acquisition by NWS of the gaming business of SCM. With the creation of the CSI joint venture, revenues from CSI are included in the 'Share of loss of joint ventures' line in the Statements of Operations. The games revenues for the fourth quarter of 2011 include the results of NWS ($0.9 million). The addition of four new XSCAPE entertainment centres since the fourth quarter of 2011 partially offset the decrease in games revenue due to the creation of CSI in the first quarter of 2012 and the reclassification of the NWS revenue to the share of loss of joint ventures line on the statements of operations. Other revenues increased primarily due to increased revenues from enhanced guest service initiatives and auditorium rentals, partially offset by lower breakage revenues.

Full Year

Other revenues decreased 3.8% from $129.2 million in 2011 to $124.2 million during 2012. Media revenues for 2012 decreased $6.4 million, or 7.0%, from the prior year period. Declines in Cineplex's media business were due in part to the challenging media environment prevalent during the first half of 2012, partially offset by a 6.1% increase in media revenues in the second half of 2012. Cineplex enjoys strong relationships with a number of national advertisers and during the first half of the year the reduction in campaigns from three major categories of these advertisers contributed to the decrease in media revenues. CDM continued to report growth in revenues, increasing from $10.8 million in 2011 to $13.7 million in 2012.

The decrease in games revenue was due to the impact of the acquisition of NWS and the subsequent formation of CSI. The results of NWS are included in the comparative period for May to December 2011 (following its acquisition in May 2011) and for January 2012 (prior to the formation of CSI described above - $0.4 million for the 2012 period and $2.5 million for the 2011 period). This decrease was partially offset by the impact of the four new XSCAPE entertainment centres added since the fourth quarter of 2011 as well as the higher attendance in the current year period bringing more games traffic through the theatres. The increase in the other category is primarily due to higher auditorium rental and screening revenues as well as additional revenue arising from enhanced guest service initiatives.

Film cost

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

Film cost	Fourth Quarter			Full Year		
	2012	2011	Change	2012	2011	Change
Film cost	$ 87,477	$ 68,757	27.2%	$ 331,281	$ 299,404	10.6%
Film cost percentage	51.3%	51.4%	-0.1%	51.9%	51.9%	NM

Fourth 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 increase in the fourth quarter of 2012 compared to the prior year period was due to the increase in box office revenue, partially offset by the impact of the 0.1% decrease in film cost percentage. The decrease in film cost percentage is primarily due to the settlement rate on certain strong performing titles during the fourth quarter of 2012 being lower than the average film settlement rate in the 2011 period.

Full Year

The year to date increase in film cost was due to the 10.6% increase in box office revenues. The film cost percentage was the same for both 2012 and 2011.

Cost of concessions

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

Cost of concessions	Fourth Quarter			Full Year		
	2012	2011	Change	2012	2011	Change
Concession cost	$ 18,077	$ 14,015	29.0%	$ 68,398	$ 60,737	12.6%
Concession cost percentage	20.9%	20.6%	0.3%	20.8%	20.8%	NM
Concession margin per patron	$ 3.68	$ 3.59	2.5%	$ 3.66	$ 3.50	4.6%

Fourth Quarter

Cost of concessions varies primarily with theatre attendance as well as the quantity and mix of concession offerings sold. The increase in concession cost as compared to the prior year period was due to the 26.8% increase in concession revenues and the 0.3% increase in the concession cost percentage during the period. The concession margin per patron increased from $3.59 in the fourth quarter of 2011 to $3.68 in the same period in 2012, reflecting the impact of the higher CPP during the period.

Full Year

The increase in concession cost during the period was due to the 12.9% increase in concession revenues. The concession cost percentage was 20.8% in each of the years.

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

Depreciation and amortization

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

Amortization expenses	**Fourth Quarter**			**Full Year**		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
Amortization of property, equipment and leaseholds	$ 13,412	$ 14,571	-8.0%	$ 56,139	$ 59,145	-5.1%
Amortization of intangible assets and other	3,522	2,241	57.2%	5,919	8,970	-34.0%
Amortization expenses as reported	$ 16,934	$ 16,812	0.7%	$ 62,058	$ 68,115	-8.9%

The quarterly and year to date decrease in amortization of property, equipment and leaseholds of $1.2 million and $3.0 million respectively is due in part to the transfer of digital projection equipment to CDCP in June 2011 resulting in lower asset values to depreciate, as well as certain assets becoming fully amortized in the third quarter of 2012. Decommissioning the 35 millimeter projectors due to the circuit's conversion to digital also contributed to the decrease in amortization of property, equipment and leaseholds.

The increase in amortization of intangible assets and other in the fourth quarter of 2012 compared to the prior year period is due to the amortization of certain trade name assets that are being phased out by Cineplex. These assets were previously classified as indefinite lived assets however during the fourth quarter of 2012 their classification was changed to definite lived with amortization being recorded over the anticipated rebranding schedule of the associated theatres. For the year-to-date period, the decrease in amortization of intangible assets and other relates to certain intangible assets that became fully amortized during the first quarter of 2012, offset by the amortization of the trade name assets discussed above.

(Gain) loss on disposal of assets

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

(Gain) loss on disposal of assets	**Fourth Quarter**			**Full Year**		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
(Gain) loss on disposal of assets	$ (3,138)	$ 731	NM	$ (2,352)	$ 735	NM

Fourth Quarter

During the fourth quarter of 2012, Cineplex recorded a gain of $3.1 million on the disposal of assets, including a gain of $3.7 million on the sale of land during the quarter, partially offset by losses on certain assets that were sold or otherwise disposed of. The fourth quarter of 2011 resulted in a loss of $0.7 million on certain assets that were sold or otherwise disposed.

Full Year

For the year ended December 31, 2012, disposal of assets resulted in a gain of $2.4 million on the disposal of assets, including a gain of $3.7 million on the sale of land discussed above, partially offset by losses on certain assets that were sold or otherwise disposed. For the year ended December 31, 2011, disposal of assets resulted in a loss of $0.7 million, comprised of losses recorded on assets that were sold or otherwise disposed of, offset by a gain on the sale of a theatre during the second quarter of 2011 ($1.4 million) and a nominal gain recorded on the transfer of digital projection assets to CDCP.

(Gain) on acquisition of business

The gain on acquisition represents the gain recorded on the acquisition of AMC Ventures Inc. The gain was revised in the fourth quarter of 2012 based on the finalization of AMC Ventures Inc.'s final tax return.

(Gain) on acquisition of business	**Fourth Quarter**			**Full Year**		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
(Gain) on acquisition of business	$ (930)	$ —	NM	$ (24,752)	$ —	NM

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 the full year (in thousands of Canadian dollars):

Other costs	Fourth Quarter 2012	Fourth Quarter 2011	Change	Full Year 2012	Full Year 2011	Change
Theatre occupancy expenses	$ 45,498	$ 39,842	14.2%	$ 174,259	$ 163,696	6.5%
Other operating expenses	74,056	64,095	15.5%	258,973	246,289	5.2%
General and administrative expenses	15,200	12,981	17.1%	57,137	56,440	1.2%
Total other costs	$ 134,754	$ 116,918	15.3%	$ 490,369	$ 466,425	5.1%

Theatre occupancy expenses

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

Theatre occupancy expenses	Fourth Quarter 2012	Fourth Quarter 2011	Change	Full Year 2012	Full Year 2011	Change
Rent	$ 30,936	$ 27,334	13.2%	$ 116,586	$ 110,580	5.4%
Other occupancy	15,343	13,057	17.5%	59,628	55,148	8.1%
One-time items (i)	(781)	(549)	42.3%	(1,955)	(2,032)	-3.8%
Total	$ 45,498	$ 39,842	14.2%	$ 174,259	$ 163,696	6.5%

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

Theatre occupancy continuity	Fourth Quarter Occupancy	Full Year Occupancy
2011 as reported	$ 39,842	$ 163,696
Impact of new theatres	5,082	10,169
Impact of disposed theatres	(122)	(1,386)
Same store rent change	280	507
One-time items	(232)	77
Other	648	1,196
2012 as reported	$ 45,498	$ 174,259

Fourth Quarter

Theatre occupancy expenses increased $5.7 million during the fourth quarter of 2012 compared to the prior year period. This increase was primarily due to the four theatres acquired from AMC in the third quarter of 2012 ($4.9 million). The increase in the Other category primarily relates to higher real estate taxes in the current quarter compared to the prior year period.

Full Year

The increase in theatre occupancy expenses of $10.6 million for 2012 compared to the prior year was primarily due to the four theatres acquired from AMC in the third quarter of 2012 ($9.1 million). The increase in the Other category primarily relates to higher real estate taxes in the current year compared to the prior year period.

Other operating expenses

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

Other operating expenses	Fourth Quarter			Full Year		
	2012	2011	Change	2012	2011	Change
Other operating expenses	$ 74,056	$ 64,095	15.5%	$ 258,973	$ 246,289	5.2%

Other operating continuity In thousands	Fourth Quarter Other Operating	Full Year Other Operating
2011 as reported	$ 64,095	$ 246,289
Impact of new theatres	2,853	6,119
Impact of disposed theatres	(212)	(1,815)
Same store payroll change	2,840	4,350
Marketing change	178	1,297
Media	1,786	(504)
New Way Sales	(855)	(1,868)
Theatre refurbishment payment	—	(1,014)
Other	3,371	6,119
2012 as reported	$ 74,056	$ 258,973

Fourth Quarter

Other operating expenses during the fourth quarter of 2012 increased $10.0 million or 15.5% compared to the prior year period. The impact of new and acquired net of disposed theatres was a $2.6 million increase to the category primarily due to the four theatres acquired from AMC which accounted for $2.1 million of the $2.6 million increase. As a result of higher business volumes during the current year period, same-store payroll costs increased $2.8 million and media costs increased $1.8 million due to higher equipment sales by CDM. These increases were partially offset by the impact of NWS ($0.9 million) as expenses for NWS are included in other operating expenses in 2011 but not in 2012 due to the creation of CSI.

The major movement in the Other category include the following:

- Higher credit card service fees due to the higher sales volumes during the period ($0.6 million).
- Increased spending for new business initiatives including Cineplex's interactive business ($0.6 million).
- Higher utility costs in the 2012 period compared to the prior year period ($0.2 million).
- Higher digital projector rental costs due to the roll-out of digital projectors by CDCP that commenced in June 2011 ($0.2 million).
- Higher theatre operating costs including cleaning, ticket paper, and projector bulb expense, due to the higher business volumes in the current year period.

Total theatre payroll costs accounted for 41.7% of total operating expenses during the fourth quarter of 2012 as compared to 41.4% for the same period one year earlier due in part to minimum wage increases.

Full Year

For the year ended December 31, 2012, other operating expenses increased $12.7 million, due in part to the higher business volumes in the 2012 period compared to the prior year. The impact of new and acquired net of disposed theatres was a $4.3 million increase to the category primarily due to the four theatres acquired from AMC which accounted for $3.9 million of the $4.3 million increase. Cost increases included higher same-store payroll expenses related to the increased business volumes ($4.4 million), higher marketing costs ($1.3 million) and the $6.1 million increase in the Other category. These cost increases were partially offset by lower media expenses due to the lower media sales during the period ($0.5 million) and the impact of NWS which was contributed into CSI in January 2012 ($1.9 million) as well as a $1.0 million termination payment paid to a landlord in the prior year period to refurbish theatre space for a disposed theatre.

The major movement in the Other category include the following:

- Higher credit card service fees due to higher sales volumes during the period ($1.6 million).
- Increased spending for new business initiatives including Cineplex's interactive business ($0.7 million).
- Higher utility costs during 2012 compared to the prior year ($1.3 million).
- Higher digital projector rental costs due to the roll-out of digital projectors by CDCP that commenced in June 2011 ($0.9 million).

- Higher theatre operating costs including cleaning, ticket paper, and projector bulb expense relating to the higher business volumes during the year.

Total theatre payroll accounted for 44.4% of total other operating expenses in 2012, compared to 43.7% in the prior year due in part to minimum wage increases.

General and administrative expenses

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

G&A expenses	Fourth Quarter 2012	Fourth Quarter 2011	Change	Full Year 2012	Full Year 2011	Change
G&A excluding LTIP and Option Plan expense	$ 12,591	$ 10,779	16.8%	$ 46,624	$ 40,832	14.2%
LTIP (i)	2,176	1,503	44.8%	8,442	7,542	11.9%
Option plan	433	699	-38.1%	2,071	8,066	-74.3%
G&A expenses as reported	$ 15,200	$ 12,981	17.1%	$ 57,137	$ 56,440	1.2%

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

Fourth Quarter

G&A expenses increased $2.2 million during the fourth quarter of 2012 compared to the prior year period, due to a $0.7 million increase in LTIP expenses, a $0.2 million increase in professional fees and a $1.6 million increase in payroll related and general cost increases. These increases were partially offset by lower expenses under the option plan ($0.3 million).

Effective January 1, 2012, the Board invoked Cineplex's right to substitute a cashless exercise for any requested exercise of options for cash, in accordance with the terms of the option plan. As a result of the change in administrative policy, the options may only be equity-settled, and are considered equity, not liabilities. The expense amount for options is determined at the time of their issuance, recognized over the vesting period of the options. Existing options at the time of the change in administrative policy have their remaining expense determined at the time of the change in administrative policy, recognized over the remaining vesting periods.

Full Year

G&A expenses for 2012 increased $0.7 million compared to the prior year period, due to higher professional fees ($1.6 million) relating to the creation of CSI, an internal corporate reorganization effected on January 1, 2012 and the costs relating to the acquisition of AMC Ventures Inc., higher payroll related and general cost increases ($4.2 million) and higher LTIP expenses ($0.9 million). These increases were partially offset by the $6.0 million decrease in the option plan expense.

Share of loss of joint ventures

Cineplex's joint ventures in 2012 include its 50% share of one theatre in Quebec and one IMAX screen in Ontario, its 50% interest in SCENE LP, its 78.2% interest in CDCP (formed in June 2011) and its 50% interest in CSI (formed January 31, 2012). For 2011, Cineplex's joint ventures included one theatre in Quebec, one IMAX screen in Ontario, its interest in SCENE LP and its 78.2% interest in CDCP. The following table highlights the components of share of loss of joint ventures during the quarter and the full year (in thousands of Canadian dollars):

Share of loss of joint ventures	Fourth Quarter 2012	Fourth Quarter 2011	Change	Full Year 2012	Full Year 2011	Change
Share of (income) loss of CDCP	$ (834)	$ (560)	NM	$ (2,222)	$ 1,658	NM
Share of (income) of CSI	(170)	—	NM	(932)	—	NM
Share of loss (income) of SCENE	1,588	1,902	-16.5%	4,638	(1,440)	NM
Share of loss (income) of other joint ventures	2	19	-89.5%	(109)	51	NM
Total loss of joint ventures	$ 586	$ 1,361	-56.9%	$ 1,375	$ 269	411.2%

Fourth Quarter

The decrease from a loss of $1.4 million in the fourth quarter of 2011 to a loss of $0.6 million in the current period is primarily due to the activities of SCENE, CDCP and CSI:

- SCENE's loss in the fourth quarter of 2012 was $0.3 million smaller than the loss in the prior year period due to less marketing spend in the current year period compared to the prior year.
- CDCP generated income of $0.8 million in the fourth quarter of 2012, $0.3 million higher than the prior year period due in part to the full roll-out of digital projectors being completed in 2012.
- The results of CSI, formed January 31, 2012 and therefore not included in the prior year comparative, contributed a $0.2 million positive variance year over year.

Full Year

The increase from a loss of $0.3 million in 2011 to a loss of $1.4 million in the current year is mainly due to the activities of SCENE, CDCP and CSI:

- SCENE's results in the 2011 period include income relating to a change in accounting estimate for breakage resulting in a program-to-date adjustment to its outstanding points liability as well as the adjustment to SCENE's outstanding points balance due to certain members having their points expired due to inactivity in the program. When compared to the current year period the result is a negative variance of $6.1 million year over year.
- CDCP in the 2011 period includes $2.2 million of start-up costs offset by income of $0.5 million, which when compared to the income of $2.2 million generated in the current year period, results in a positive variance of $3.9 million year over year.
- The results of CSI, formed January 31, 2012 and therefore not included in the prior year comparative, contributed a $0.9 million positive variance year over year.

EBITDA and adjusted EBITDA

The following table represents EBITDA and adjusted EBITDA for the three months and year ended December 31, 2012 as compared to the three months and year ended December 31, 2011 (expressed in thousands of Canadian dollars, except adjusted EBITDA margin):

EBITDA	**Fourth Quarter**			**Full Year**		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
EBITDA	$ 61,864	$ 39,906	55.0%	$ 227,547	$ 170,625	33.4%
Adjusted EBITDA	$ 57,507	$ 40,102	43.4%	$ 200,484	$ 173,174	15.8%
Adjusted EBITDA margin	19.3%	16.6%	2.7%	18.4%	17.3%	1.1%

Adjusted EBITDA for the fourth quarter of 2012 increased $17.4 million, or 43.4%, as compared to the prior year period. The increase over the prior year period was primarily due to the record fourth quarter exhibition and concession revenues recorded in the period. The four theatres acquired from AMC in the third quarter of 2012 contributed $0.6 million to adjusted EBITDA in the fourth quarter. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 19.3%, up 2.7% from 16.6% in the prior year period.

Adjusted EBITDA for the year ended December 31, 2012 increased $27.3 million, or 15.8%, as compared to the prior year period. The increase is primarily due to the higher exhibition and concession revenues due to the record theatre attendance. The impact of the four theatres acquired from AMC had a $0.2 million, or 0.1%, negative impact on adjusted EBITDA in the year-to-date period. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 18.4%, compared to 17.3% in the prior year period. Excluding the impact of the AMC theatres, adjusted EBITDA margin was 18.7% for 2012.

Cineplex believes its operating and programming expertise, combined with its merchandising, media, marketing, interactive and SCENE loyalty programs will positively and significantly improve the operations of the four theatres acquired from AMC. Cineplex will invest in each of the locations and may add UltraAVX auditoriums, VIP auditoriums or XSCAPE entertainment centres to one or more of the locations.

Adjusted Free Cash Flow

For the fourth quarter of 2012, adjusted free cash flow per common share of Cineplex was $0.5403 as compared to $0.3570 in the prior year period. The declared dividends per common share of Cineplex were $0.3375 in the fourth quarter of 2012 and $0.3225 in the prior year period. The payout ratios for these periods were 62% and 90%, respectively.

For the year ended December 31, 2012, adjusted free cash flow per common share of Cineplex was $2.0785 as compared to $1.9657 in the prior year. The declared dividends per commons share of Cineplex were $1.3300 in 2012 and $1.2800 in the prior year. The payout rations for these periods were 64% and 65%, respectively.

This news 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 our Annual Information Form and in this news release. 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. 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 news release are qualified by these cautionary statements. These statements are made as of the date of this news 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 Inc. or Cineplex Entertainment Limited Partnership, their financial or operating results or their securities.

About Cineplex Inc.

Cineplex is one of Canada's leading entertainment companies and operates one of the most modern and fully digitized motion picture 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 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 134 theatres with 1,449 screens from British Columbia to Quebec, serving approximately 70 million guests annually through the following theatre brands: Cineplex Odeon, SilverCity, Galaxy Cinemas, Colossus, Coliseum, Scotiabank Theatres, 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". 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, February 7, 2013
10:00 a.m. Eastern Time

In order to participate in the conference call, **please dial 416-644-3414 or outside of Toronto dial 1-800-814-4859** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 4590520 to access the call.

- If you cannot participate in the live mode, a replay will be available. Please dial 416-640-1917 or 1-877-289-8525 and enter code 4590520#. The replay will begin at 12:00 p.m. Eastern Time on Thursday, February 7, 2013 and end at 11:59 p.m. Eastern Time on Thursday, February 14, 2013.

- Note that media will be participating in the call in listen-only mode.

- Thank you in advance for your interest and participation.

- 30 -

For further information:

Gord Nelson
Chief Financial Officer
(416) 323-6602

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

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

	December 31, 2012	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	$ 47,774	$ 48,992
Trade and other receivables	70,625	67,185
Inventories	5,187	4,118
Prepaid expenses and other current assets	3,047	3,727
	126,633	124,022
Non-current assets		
Property, equipment and leaseholds	418,142	389,532
Deferred income taxes	53,528	12,052
Interests in joint ventures	41,764	26,163
Intangible assets	78,460	84,379
Goodwill	608,929	608,929
	$ 1,327,456	$ 1,245,077

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

	December 31, 2012	December 31, 2011
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	$ 127,318	$ 112,285
Dividends payable	7,063	6,285
Share-based compensation	—	1,331
Income taxes payable	13,654	17,485
Deferred revenue	94,397	83,907
Finance lease obligations	2,222	2,411
Fair value of interest rate swap agreements	513	565
Convertible debentures	—	76,864
	245,167	301,133
Non-current liabilities		
Share-based compensation	12,223	9,466
Long-term debt	148,066	167,531
Fair value of interest rate swap agreements	273	1,199
Finance lease obligations	20,548	26,474
Post-employment benefit obligations	6,274	5,688
Other liabilities	141,319	103,727
Deficiency interests in joint ventures	6,272	8,250
	334,975	322,335
Total liabilities	580,142	623,468
Equity		
Share capital	847,235	764,801
Deficit	(102,547)	(140,469)
Accumulated other comprehensive loss	(1,142)	(2,723)
Contributed surplus	3,768	—
	747,314	621,609
	$ 1,327,456	$ 1,245,077

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

	Three months ended December 31, 2012	Three months ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2011
Revenues				
Box office	$ 170,524	$ 133,735	$ 638,296	$ 577,348
Concessions	86,409	68,161	329,332	291,638
Other	41,757	39,792	124,238	129,209
	298,690	241,688	1,091,866	998,195
Expenses				
Film cost	87,477	68,757	331,281	299,404
Cost of concessions	18,077	14,015	68,398	60,737
Depreciation and amortization	16,934	16,812	62,058	68,115
(Gain) loss on disposal of assets	(3,138)	731	(2,352)	735
(Gain) on acquisition of business	(930)	—	(24,752)	—
Other costs	134,754	116,918	490,369	466,425
Share of loss of joint ventures	586	1,361	1,375	269
Interest expense	2,090	6,968	12,585	24,854
Interest income	(58)	(94)	(205)	(898)
	255,792	225,468	938,757	919,641
Income before income taxes	42,898	16,220	153,109	78,554
Provision for (recovery of) income taxes				
Current	8,795	5,482	31,436	17,493
Deferred	1,399	(193)	1,189	11,801
	10,194	5,289	32,625	29,294
Net income	$ 32,704	$ 10,931	$ 120,484	$ 49,260
Basic net income per share	$ 0.53	$ 0.19	$ 1.98	$ 0.86
Diluted net income per share	$ 0.52	$ 0.19	$ 1.97	$ 0.85

Cineplex Inc.
Consolidated Statements of Comprehensive Income
(expressed in thousands of Canadian dollars)

	Three months ended December 31,		Year ended December 31,	
	2012	2011	2012	2011
Net income	$ 32,704	$ 10,931	$ 120,484	$ 49,260
Other comprehensive (loss) income				
Income (loss) on hedging instruments	225	(242)	2,486	3,704
Associated deferred income taxes expense	(190)	(12)	(905)	(2,893)
Actuarial losses of post-employment benefit obligations	(190)	(812)	(190)	(812)
Associated deferred income taxes recovery	50	210	50	210
Other comprehensive (loss) income	(105)	(856)	1,441	209
Comprehensive income	$ 32,599	$ 10,075	$ 121,925	$ 49,469

Cineplex Inc.

Consolidated Statements of Changes in Equity

(expressed in thousands of Canadian dollars)

For the years ended December 31, 2012 and 2011

	Unit capital	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance - January 1, 2012	$ —	$ 764,801	$ —	$ (2,723)	$ (140,469)	$ 621,609
Net income	—	—	—	—	120,484	120,484
Other comprehensive income	—	—	—	1,581	(140)	1,441
Total comprehensive income				**1,581**	**120,344**	**121,925**
Share option liabilities reclassified	—	—	6,850	—	—	6,850
Dividends declared	—	—	—	—	(81,572)	(81,572)
Long-term incentive plan obligation	—	(4,818)	—	—	—	(4,818)
Long-term incentive plan shares	—	6,471	—	—	—	6,471
Share option expense	—	—	2,071	—	—	2,071
Issuance of shares on exercise of options	—	5,873	(5,372)	—	—	501
Issuance of shares on conversion of debentures	—	75,844	219	—	—	76,063
Shares repurchased and cancelled	—	(936)	—	—	(850)	(1,786)
Balance - December 31, 2012	$ —	$ 847,235	$ 3,768	$ (1,142)	$ (102,547)	$ 747,314
Balance - January 1, 2011	$ 710,121	$ —	$ 1,407	$ (3,534)	$ (113,120)	$ 594,874
Net income	—	—	—	—	49,260	49,260
Other comprehensive income	—	—	—	811	(602)	209
Total comprehensive income				**811**	**48,658**	**49,469**
Effect of corporate conversion	(710,121)	744,760	(1,407)	—	—	33,232
Dividends declared	—	—	—	—	(74,344)	(74,344)
Long-term incentive plan obligation	—	(1,599)	—	—	—	(1,599)
Long-term incentive plan shares	—	1,888	—	—	—	1,888
Issuance of shares on conversion of debentures	—	21,515	—	—	—	21,515
Shares repurchased and cancelled	—	(1,763)	—	—	(1,663)	(3,426)
Balance - December 31, 2011	$ —	$ 764,801	$ —	$ (2,723)	$ (140,469)	$ 621,609

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

	Three months ended December 31, 2012	Three months ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2011
Cash provided by (used in)				
Operating activities				
Net income	$ 32,704	$ 10,931	$ 120,484	$ 49,260
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	16,934	16,812	62,058	68,115
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(1,432)	(1,011)	(5,033)	(3,955)
Accretion of debt issuance costs and other non-cash interest	143	139	562	840
(Gain) loss on disposal of assets	(3,138)	731	(2,352)	735
(Gain) on acquisition of business	(930)	—	(24,752)	—
Deferred income taxes	1,399	(193)	1,189	11,801
Interest rate swap agreements - non-cash interest	(295)	3,072	1,485	4,215
Non-cash share-based compensation	433	37	2,108	330
Accretion of convertible debentures	24	290	323	1,368
Net change in interests in joint ventures	1,160	984	5,987	(1,876)
Tenant inducements	1,643	1,565	7,615	7,150
Changes in operating assets and liabilities	64,498	59,395	9,653	38,294
Net cash provided by operating activities	113,143	92,752	179,327	176,277
Investing activities				
Proceeds from sale of assets	2,550	136	3,683	1,958
Purchases of property, equipment and leaseholds	(22,446)	(19,821)	(71,923)	(60,624)
Acquisition and formation of businesses, net of cash acquired	—	51	(2,811)	(3,229)
Additional equity funding of CDCP	(3,940)	22	(4,188)	(356)
Net cash used in investing activities	(23,836)	(19,612)	(75,239)	(62,251)
Financing activities				
Dividends paid	(20,955)	(18,858)	(80,794)	(68,059)
Repayments under credit facility, net	(20,000)	(65,000)	(20,000)	(65,000)
Payments under finance leases	(531)	(576)	(2,104)	(2,242)
Proceeds from issuance of shares	—	—	501	—
Acquisition of long-term incentive plan shares	—	—	—	(9,793)
Deferred financing fees	—	58	—	(1,857)
Shares repurchased and cancelled	—	(3,051)	(1,786)	(3,426)
Repayment of convertible debentures at maturity	(1,123)	—	(1,123)	—
Net cash used in financing activities	(42,609)	(87,427)	(105,306)	(150,377)
Increase (decrease) in cash and cash equivalents during the period	46,698	(14,287)	(1,218)	(36,351)
Cash and cash equivalents - Beginning of period	1,076	63,279	48,992	85,343
Cash and cash equivalents - End of period	$ 47,774	$ 48,992	$ 47,774	$ 48,992
Supplemental information				
Cash paid for interest	$ 2,866	$ 4,322	$ 10,293	$ 18,084
Cash paid for income taxes	$ 5,281	$ 30	$ 35,268	$ 95

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

Reconciliation to Adjusted EBITDA

	Three months ended December 31,		Year ended December 31,	
	2012	**2011**	**2012**	**2011**
Net income	**$ 32,704**	**$ 10,931**	**$ 120,484**	**$ 49,260**
Depreciation and amortization	16,934	16,812	62,058	68,115
Interest expense	2,090	6,968	12,585	24,854
Interest income	(58)	(94)	(205)	(898)
Current income tax expense	8,795	5,482	31,436	17,493
Deferred income tax expense (recovery)	1,399	(193)	1,189	11,801
EBITDA	**$ 61,864**	**$ 39,906**	**$ 227,547**	**$ 170,625**
(Gain) loss on disposal of assets	(3,138)	731	(2,352)	735
(Gain) on acquisition of business	(930)	—	(24,752)	—
CDCP equity (income) loss (i)	(834)	(560)	(2,222)	1,658
Depreciation and amortization - joint ventures (ii)	474	25	1,927	156
Future income taxes - joint ventures (ii)	53	—	289	—
Current income taxes - joint ventures (ii)	18	—	47	—
Adjusted EBITDA	**$ 57,507**	**$ 40,102**	**$ 200,484**	**$ 173,174**

(i) CDCP equity (income) loss 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).

Components of Other Costs

Other costs	**Fourth Quarter**			**Year to Date**		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
Theatre occupancy expenses	$ 45,498	$ 39,842	14.2%	$ 174,259	$ 163,696	6.5%
Other operating expenses	74,056	64,095	15.5%	258,973	246,289	5.2%
General and administrative expenses	15,200	12,981	17.1%	57,137	56,440	1.2%
Total other costs	$ 134,754	$ 116,918	15.3%	$ 490,369	$ 466,425	5.1%

Cineplex Inc.
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 December 31,		Year ended December 31,	
	2012	2011	2012	2011
Cash provided by operating activities	$ 113,143	$ 92,752	$ 179,327	$ 176,277
Less: Total capital expenditures net of proceeds on sale of assets	(19,896)	(19,685)	(68,240)	(58,666)
Standardized free cash flow/Standardized distributable cash	93,247	73,067	111,087	117,611
Add/(Less):				
Changes in operating assets and liabilities (i)	(64,498)	(59,395)	(9,653)	(38,294)
Changes in operating assets and liabilities of joint ventures (i)	(574)	377	(4,612)	2,145
Tenant inducements (ii)	(1,643)	(1,565)	(7,615)	(7,150)
Principal component of finance lease obligations	(531)	(576)	(2,104)	(2,242)
Growth capital expenditures and other (iii)	8,654	10,838	41,640	40,769
Share of (loss) income of joint ventures, net of non-cash depreciation (iv)	(893)	(1,896)	(1,381)	1,545
Cash invested in CDCP (iv)	(190)	22	(438)	(356)
Adjusted free cash flow	**$ 33,572**	**$ 20,872**	**$ 126,924**	**$ 114,028**
Average number of Shares outstanding	62,137,513	58,461,523	61,065,540	58,009,953
Adjusted free cash flow per Share	**$ 0.5403**	**$ 0.3570**	**$ 2.0785**	**$ 1.9657**

(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 or loss 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.