



FOR IMMEDIATE RELEASE

Cineplex Completes Acquisition of EK3 Technologies Inc.

Toronto, ON, (TSX: CGX), August 30, 2013 - Cineplex Inc. ("Cineplex") today announced it has completed the acquisition of EK3 Technologies Inc.

The company will be renamed and operate as Cineplex Digital Networks. Nick Prigioniero will continue to lead the business as the company's president.

"We are pleased to welcome Cineplex Digital Networks to the Cineplex family," said Ellis Jacob, President and CEO, Cineplex Entertainment. "The combination of our new company's proprietary technology, network management capability and award winning creative services and digital merchandising expertise are a great complement to our existing digital signage business."

Cineplex Digital Networks (formerly EK3) designs, installs, manages and consults on some of the largest digital merchandising networks in North America, with networks viewed by more than 1.8 billion shoppers annually. The company's clients include Tim Hortons, McDonalds, Walmart, Target, as well as Canadian financial institutions, RBC Financial Group and BMO Financial Group.

Cineplex Digital Media, Cineplex's existing digital signage business, serves clients including Scotiabank, CIBC, SunTrust, Rogers, Oxford Properties, Brookfield office towers and ONroute, among others.

Financial terms

The purchase price includes an initial payment of approximately \$39.1 million, which was paid on closing, plus a reverse earn-out payment subject to an aggregate maximum purchase price of \$78 million for both payments. The reverse earn-out payment will be based on 2015 operating results and will be payable in early 2016, in the event certain targets are achieved.

Non-GAAP Measures

This press release makes reference to certain non-GAAP measures. These non-GAAP measures do not have a standardized meaning in accordance with such principles and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement GAAP measures by providing further understanding of operations from management's perspective. Management presents non-GAAP measures, specifically EBITDA and adjusted Normalized EBITDA, as it believes that these non-GAAP measures are frequently used by securities analysts, investors, lenders and other interested parties as measures of financial performance and to provide a supplemental measure of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on GAAP measures.

Because non-GAAP measures do not have standardized meanings, securities regulations require that non-GAAP measures be clearly defined and qualified, and reconciled to their nearest GAAP measure. The definitions of the non-GAAP measures contained in this release are as follows:
“EBITDA” is calculated by adding back to net income, income tax expense, amortization and interest expense net of interest income.

“Normalized EBITDA” is calculated by adjusting EBITDA for non-recurring or unusual items.

“2015 adjusted Normalized EBITDA” is defined as Normalized EBITDA adjusted to reflect the annualized impact of certain committed, but not fully deployed networks.

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. Forward-looking information in this press release includes, but is not limited to, statements regarding the timing and completion of the proposed acquisition (including the number of locations), final financing breakdown, timing and value of expected synergies, the effective acquisition multiple and accretion, competitive position, growth prospects, expectations regarding operations and future oriented financial information such as estimates regarding future sales, revenues, margins, cash flows, costs and other financial and credit metrics.

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.

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), digital signage companies Cineplex Digital Networks and Cineplex Digital Solutions, along with Cineplex Media, 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 136 theatres with 1,454 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. More information is available at cineplex.com.

About Cineplex Digital Networks

Cineplex Digital Networks is a full-service in-store digital merchandising provider operating in all 10 Canadian provinces and three territories, the United States, United Kingdom and the Middle East. Treating each store as a unique marketing entity and pioneering the concept of Smart Store Networks™, Cineplex Digital Networks specializes in SaaS-based solutions, deployment and technical services, strategic planning, content creation and media sales. With well over a decade of research and development experience, Cineplex Digital Networks has deployed some of the world's largest and most complex digital networks using proprietary state-of-the-art technology and patented software.

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For information, interviews or photos please contact:

Pat Marshall, Vice President, Communications and Investor Relations
416-323-6648, pat.marshall@cineplex.com

Mike Langdon, Director, Communications
416-323-6728, mike.langdon@cineplex.com