



FOR IMMEDIATE RELEASE

CINEPLEX INC.
Reports Third Quarter Results

TORONTO, Canada, November 8, 2012 (TSX: CGX) - Cineplex Inc. ("Cineplex") today released its financial results for the third quarter of 2012.

Third Quarter Results

	2012	2011	Period over Period Change (i)
Total Revenues	\$281.4 million	\$276.7 million	1.7 %
Attendance	18.3 million	18.5 million	-1.0%
Other Revenues	\$33.3 million	\$32.1 million	3.9 %
Net Income	\$51.7 million	\$25.7 million	100.9 %
Adjusted EBITDA	\$54.6 million	\$57.4 million	-5.0%
Adjusted EBITDA Margin	19.4%	20.8%	-1.4%
Adjusted Free Cash Flow per Share	\$ 0.5737	\$ 0.7133	-19.6%
Basic Earnings per Share	\$ 0.84	\$ 0.44	90.9 %
Diluted Earnings per Share	\$ 0.83	\$ 0.44	88.6 %

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.

First Nine Months Results

	2012	2011	Period over Period Change (i)
Total Revenues	\$793.2 million	\$756.5 million	4.8 %
Attendance	52.6 million	51.0 million	3.2 %
Other Revenues	\$82.5 million	\$89.4 million	-7.8%
Net Income	\$87.8 million	\$38.3 million	129.0 %
Adjusted EBITDA	\$143.0 million	\$133.1 million	7.4 %
Adjusted EBITDA Margin	18.0%	17.6%	0.4 %
Adjusted Free Cash Flow per Share	\$ 1.5378	\$ 1.6100	-4.5%
Basic Earnings per Share	\$ 1.45	\$ 0.67	116.4 %
Diluted Earnings per Share	\$ 1.45	\$ 0.66	119.7 %

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.

"Total revenues for the third quarter increased 1.7% compared to a year ago and our merchandising and media businesses delivered strong results," said Ellis Jacob, President and CEO, Cineplex Entertainment. "New third quarter records were established for CPP of \$4.68, up 5.6%, BPP of \$8.84, up 0.8% and concession revenues of \$85.9 million, an increase of 4.6% versus the same period last year. On a year-to-date basis, total revenues were up 4.8% and Adjusted EBITDA was up 7.4%."

“In other areas of our business, we completed the conversion of our circuit to digital projection and approximately 36% of our screens are 3D enabled. We completed the acquisition of four theatres (86 screens) from AMC and are in the process of implementing a number of our programs to improve the business results. Our SCENE loyalty program reached a new milestone surpassing 4 million members and continues to grow. The Cineplex mobile app has now been downloaded more than 4.1 million times and recorded approximately 85 million app sessions. We are pleased with the progress in our key initiatives and are encouraged by the industry box office results for October and the quality of the film product for the balance of the quarter.”

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 THE THIRD QUARTER OF 2012

The following describes certain key business initiatives undertaken during the third quarter of 2012 in each of Cineplex’s core business areas:

THEATRE EXHIBITION

- Completed the acquisition of AMC Ventures Inc., which owns four theatres located in Toronto, Mississauga and Oakville, Ontario and Montreal, Quebec.
- BPP increased 0.8% from \$8.77 in the third quarter of 2011 to \$8.84 in the current year period, which is a third quarter BPP record for Cineplex.
- As of September 30, 2012, Cineplex has completed the planned conversion of its theatre circuit to digital projection.

MERCHANDISING

- Reported record quarterly concession revenues of \$85.9 million, a 4.6% increase in concession revenues compared to the prior year period.
- Reported record quarterly CPP of \$4.68, up \$0.25 or 5.6% over the third quarter of 2011, exceeding the previous quarterly record of \$4.66 recorded in the second quarter of 2012.
- 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.
- Began implementing Cineplex’s merchandising strategies at the four theatres acquired from AMC during the period. Cineplex believes its merchandising expertise will positively impact concession revenues at these locations.

MEDIA

- Media revenues increased 3.6% compared to the prior year period due primarily to growth in the Cineplex digital media (“CDM”) business.
- Recruited a new Senior Vice President, Sales, responsible for overseeing sales across all channels and platforms, starting October 1, 2012.

ALTERNATIVE PROGRAMMING

- The Wimbledon tennis finals were screened live in 3D at select theatres across Canada during the quarter.
- Other alternative programming during the third quarter of 2012 included ethnic films, live events such as World Wrestling Entertainment, concerts, and performances from the National Theatre Live from London.

INTERACTIVE

- Cineplex.com registered a 36% increase in page views and a 19% increase in visits during the third quarter of 2012 compared to the prior year period, registering 104 million page views and 17 million visits during the quarter.
- As of September 30, 2012, the Cineplex app had been downloaded 4.1 million times and recorded 84.8 million app sessions.
- Launched Cineplex online store (“Cineplex Store”) playback on Apple iOS devices.

- Added theatre ticketing and SCENE to Apple Passbook, and were Canadian launch partners with the Google TV app.
- Added e-gift cards to the Cineplex Store.
- Launched the Cineplex Store app on LG set-top boxes.

LOYALTY

- Membership in the SCENE loyalty program increased by 0.3 million members during the third quarter of 2012 to 4.1 million.
- 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.

OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012

Total revenues

Total revenues for the three months ended September 30, 2012 increased \$4.7 million, 1.7% to \$281.4 million as compared to the prior year period. Total revenues for the nine months ended September 30, 2012 increased \$36.7 million (4.8%) to \$793.2 million as compared to the prior year period. Exhibition revenues for the current year periods were positively impacted by the acquisition of the four theatres from AMC during the third quarter of 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 year to date (in thousands of Canadian dollars, except attendance reported in thousands of patrons, and per patron amounts, unless otherwise noted):

Box office revenues	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Box office revenues	\$ 162,133	\$ 162,522	-0.2%	\$ 467,772	\$ 443,613	5.4 %
Attendance	18,348	18,542	-1.0%	52,621	50,989	3.2 %
Box office revenue per patron	\$ 8.84	\$ 8.77	0.8 %	\$ 8.89	\$ 8.70	2.2 %
Canadian industry revenues (i)			-5.4%			2.8 %
Same store box office revenues	\$ 154,302	\$ 161,362	-4.4%	\$ 457,036	\$ 440,684	3.7 %
Same store attendance	17,556	17,113	2.6 %	51,545	50,631	1.8 %
% Total box from 3D, UltraAVX, VIP & IMAX	31.4 %	35.7 %	-4.3%	31.6 %	29.1 %	2.5 %

(i) The Motion Picture Theatre Associations of Canada ("MPTAC") reported that the Canadian exhibition industry reported a box office revenue decrease of 5.0% for the period from June 29, 2012 to September 27, 2012 as compared to the period from July 1, 2011 to September 29, 2011. On a basis consistent with Cineplex's calendar reporting period (July 1 to September 30), the Canadian industry box office revenue decrease is estimated to be 5.4%. MPTAC reported that the Canadian exhibition industry reported a box office revenue increase of 2.4% for the period from December 30, 2011 to September 27, 2012 as compared to the period from December 31, 2010 to September 29, 2011. On a basis consistent with Cineplex's calendar reporting period (January 1 to September 30), the Canadian industry box office revenue is estimated to be an increase of 2.8%.

Box office continuity	Third Quarter		Year to Date	
	Box Office	Attendance	Box Office	Attendance
2011 as reported	\$ 162,522	18,542	\$ 443,613	50,989
Same store attendance change	(7,545)	(861)	7,955	914
Impact of same store BPP change	485	—	—	—
New and acquired theatres	7,057	711	9,346	918
Disposed and closed theatres	(386)	(44)	(1,539)	(200)
2012 as reported	\$ 162,133	18,348	\$ 467,772	52,621

Third Quarter

Third Quarter 2012 Top Cineplex Films				Third Quarter 2011 Top Cineplex Films			
	IMAX	3D	% Box		IMAX	3D	% Box
1	X		17.5%	1	X	X	14.8%
2	X	X	10.7%	2	X	X	9.6%
3			6.7%	3		X	6.0%
4	X	X	6.0%	4		X	5.6%
5			4.9%	5			5.6%

Box office revenues decreased \$0.4 million, or 0.2%, to \$162.1 million during the third quarter of 2012, compared to \$162.5 million recorded in the same period in 2011. The decrease was due to a 1.0% decrease in attendance. The top five films during the quarter outperformed the top five films from the prior year period (\$74.3 million compared to \$67.6 million), but the remainder of the film slate underperformed compared to the prior year period. The decrease was also mitigated by the acquisition of the four theatres from AMC during the quarter which are not included in the prior period results.

The decrease in box office revenues due to the attendance decline was partially offset by a 0.8% increase in BPP, from \$8.77 in the third quarter of 2011 to \$8.84 in the current year period. This BPP increase was due to the films during the period catering to more mature audiences than the product in the prior year period, as well as the contribution from the four theatres acquired from AMC which are located in major metropolitan areas and have higher ticket prices than those in smaller markets. Premium-priced product (3D, UltraAVX, IMAX and VIP) accounted for 31.4% of box office revenues in the current quarter, down from 35.7% in the prior year period as only two of the top five releases during the period were screened in 3D, compared to all four of the top releases in the prior year period shown 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 on 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 contributed to Cineplex outperforming the Canadian industry during the third quarter.

Year to Date

Year to Date 2012 Top Cineplex Films				Year to Date 2011 Top Cineplex Films			
	IMAX	3D	% Box		IMAX	3D	% Box
1	X	X	7.7%	1	X	X	5.7%
2	X		6.1%	2	X	X	4.3%
3	X		5.2%	3	X	X	3.1%
4	X	X	3.7%	4			2.7%
5	X	X	2.7%	5			2.6%

Box office revenues for the first nine months of 2012 were \$467.8 million or 5.4% higher than the prior year period. The strong performance of the three major blockbusters released in 2012 (*Marvel's The Avengers*, *The Dark Knight Rises* and *The Hunger Games*) were the main contributors to the \$24.2 million increase in box office revenue during the period. Attendance during the 2012 period also benefited from the first week of January 2012 being a school holiday week in most markets, whereas the same week in 2011 was not. 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 the first nine months of 2012 increased \$0.19, or 2.2%, from \$8.70 in 2011 to \$8.89 in the same period in 2012. This increase was primarily due to the increase in revenues from premium-priced product. Premium-priced offerings accounted for 31.6% of Cineplex's box office revenues in the 2012 period, compared to 29.1% in the prior year period. The top five films in the 2012 period were screened in IMAX and three in 3D (2011 - three in IMAX and three in 3D).

Concession revenues

The following table highlights the movement in concession 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):

Concession revenues	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Concession revenues	\$ 85,924	\$ 82,114	4.6%	\$ 242,923	\$ 223,477	8.7%
Attendance	18,348	18,542	-1.0%	52,621	50,989	3.2%
Concession revenue per patron	\$ 4.68	\$ 4.43	5.6%	\$ 4.62	\$ 4.38	5.5%
Same store concession revenues	\$ 82,317	\$ 81,607	0.9%	\$ 237,620	\$ 222,312	6.9%
Same store attendance	17,556	18,417	-4.7%	51,545	50,631	1.8%

Concession revenue continuity	Third Quarter		Year to Date	
	Concession	Attendance	Concession	Attendance
2011 as reported	\$ 82,114	18,542	\$ 223,477	50,989
Same store attendance change	(3,815)	(861)	4,013	914
Impact of same store CPP change	4,526	—	11,295	—
New and acquired theatres	3,212	711	4,682	918
Disposed and closed theatres	(113)	(44)	(544)	(200)
2012 as reported	\$ 85,924	18,348	\$ 242,923	52,621

Third Quarter

Concession revenues increased 4.6% as compared to the prior year quarter despite the 1.0% decrease in attendance. CPP increased from \$4.43 in the third quarter of 2011 to \$4.68 in the same period in 2012, a 5.6% increase and a quarterly record for Cineplex, \$0.02 higher than the previous record set in the second quarter of 2012. Cineplex believes a focus on revised concession offerings, its retail branded outlet 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.

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.

Year to Date

Concession revenues increased 8.7% as compared to the prior year period, due to the 3.2% increase in attendance and the 5.5% increase in CPP. CPP increased from \$4.38 in the first nine months of 2011 to \$4.62 in the same period in 2012. This represents the highest CPP Cineplex has recorded through the first nine months of a given year.

Other revenues

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

Other revenues	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Media	\$ 22,996	\$ 22,190	3.6%	\$ 53,890	\$ 62,575	-13.9%
Games	1,644	2,492	-34.0%	5,018	5,456	-8.0%
Other	8,671	7,390	17.3%	23,573	21,386	10.2%
Total	\$ 33,311	\$ 32,072	3.9%	\$ 82,481	\$ 89,417	-7.8%

Third Quarter

Other revenues increased 3.9% to \$33.3 million in the third quarter of 2012. This increase was due to higher media revenues, which during the third quarter of 2012 were \$23.0 million, up \$0.8 million, or 3.6%, when compared to the

prior year period. This increase was primarily due to higher revenues in Cineplex's Digital Media business (\$0.7 million). Showtime and pre-show advertising returned to prior year levels in the third quarter of 2012.

The games revenue decrease is due to the formation of CSI on January 31, 2012, with the acquisition by New Way Sales ("NWS") of the gaming business of Starburst Coin Machines Inc. With the creation of the CSI joint venture, revenues from CSI are included in the 'Share of loss (income) of joint ventures' line in the Statements of Operations. The Games revenues for the third quarter of 2011 include the results of NWS (\$1.2 million). The addition of two new XSCAPE entertainment centres since the third quarter of 2011 partially offset the decrease in games revenue due to the creation of CSI and related movement of CSI results to the joint ventures line in the Statements of Operations. Other revenues also increased due primarily to additional revenue arising from enhanced guest service initiatives (\$1.1 million).

Year to Date

Other revenues decreased 7.8% from \$89.4 million in the first nine months of 2011 to \$82.5 million during the same period in 2012. Media revenues for the first nine months of 2012 decreased \$8.7 million, or 13.9%, 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 mitigated by the stronger CDM revenues in the third quarter. 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.

The decrease in games revenue was due to the impact of NWS and the formation of CSI. The results of NWS are included in the comparative period for May to September 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 \$1.6 million for the 2011 period). This decrease was partially offset by the impact of the new XSCAPE entertainment centres added in 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 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		
	2012	2011	Change	2012	2011	Change
Film cost	\$ 83,632	\$ 85,320	-2.0%	\$ 243,804	\$ 230,647	5.7%
Film cost percentage	51.6%	52.5%	-0.9%	52.1%	52.0%	0.1%

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 2012 compared to the prior year period was due to the decrease in box office revenue and the 0.9% 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 third quarter of 2012 being lower than the average film settlement rate in the 2011 period.

Year to Date

The year to date increase in film cost was due to the 5.4% increase in box office revenues and the 0.1% increase in film cost percentage during the period. The increase in the film cost percentage as compared to the prior year period is primarily due to the settlement rate on certain strong performing titles during the 2012 period being higher than the average settlement rate in the 2011 period.

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 year to date (in thousands of Canadian dollars, except concession cost percentage and concession margin per patron):

Cost of concessions	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Concession cost	\$ 17,831	\$ 16,817	6.0%	\$ 50,321	\$ 46,722	7.7%
Concession cost percentage	20.8%	20.5%	0.3%	20.7%	20.9%	-0.2%
Concession margin per patron	\$ 3.71	\$ 3.52	5.4%	\$ 3.66	\$ 3.47	5.5%

Third 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 4.6% increase in concession revenues, partially offset by the 0.3% increase in the concession cost percentage during the period. The concession margin per patron increased from \$3.52 in the third quarter of 2011 to \$3.71 in the same period in 2012, reflecting the impact of the higher CPP during the period.

Year to Date

The increase in concession cost during the period was due to the 8.7% increase in concession revenues partially offset by the 0.2% decrease in the concession cost percentage. Despite the 10% discount offered to SCENE members, 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 year to date (in thousands of Canadian dollars):

Amortization expenses	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Amortization of property, equipment and leaseholds	\$ 13,784	\$ 14,372	-4.1%	\$ 42,727	\$ 44,574	-4.1%
Amortization of intangible assets and other	230	2,241	-89.7%	2,397	6,729	-64.4%
Amortization expenses as reported	\$ 14,014	\$ 16,613	-15.6%	\$ 45,124	\$ 51,303	-12.0%

The quarterly and annual decrease in amortization of property, equipment and leaseholds of \$0.6 million and \$1.8 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. The declining 35 millimeter projector base due to the circuit's conversion to digital also contributed to the decrease in amortization of property, equipment and leaseholds. The decrease in amortization of intangible assets and other relates to certain intangible assets that became fully amortized during the first quarter of 2012.

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		
	2012	2011	Change	2012	2011	Change
Loss on disposal of assets	\$ 114	\$ 487	-76.6%	\$ 786	\$ 4	NM

Third Quarter

For the third quarter of 2012, Cineplex recorded a loss of \$0.1 million on the disposal of assets (2011 - \$0.5 million).

Year to Date

For the nine months ended September 30, 2012, disposal of assets resulted in a loss of \$0.8 million on the disposal of assets. For the nine months ended September 30, 2011, disposal of assets resulted in a loss of \$4.0 thousand, comprised of losses recorded on assets that were sold or otherwise disposed of, offset by a gain on the sale of the 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

Gain on acquisition of business	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Gain on acquisition of business	\$ (23,822)	\$ —	NM	\$ (23,822)	\$ —	NM

The gain on acquisition represents the gain recorded on the acquisition of AMC Ventures Inc. during the third quarter of 2012 (see Section 1.3, Business acquisition).

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 year to date (in thousands of Canadian dollars):

Other costs	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Theatre occupancy expenses	\$ 45,871	\$ 41,040	11.8%	\$ 128,761	\$ 123,855	4.0%
Other operating expenses	65,631	65,620	—	184,917	182,193	1.5%
General and administrative expenses	13,146	12,068	8.9%	41,937	43,459	-3.5%
Total other costs	\$ 124,648	\$ 118,728	5.0%	\$ 355,615	\$ 349,507	1.7%

Theatre occupancy expenses

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

Theatre occupancy expenses	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Rent	\$ 30,379	\$ 27,707	9.6%	\$ 85,650	\$ 83,247	2.9%
Other occupancy	15,617	13,636	14.5%	44,285	42,091	5.2%
One-time items (i)	(125)	(303)	-58.7%	(1,174)	(1,483)	-20.8%
Total	\$ 45,871	\$ 41,040	11.8%	\$ 128,761	\$ 123,855	4.0%

(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
2011 as reported	\$ 41,040	\$ 123,855
Impact of new theatres	4,359	4,974
Impact of disposed theatres	(620)	(1,265)
Same store rent change	319	305
One-time items	178	309
Other	595	583
2012 as reported	\$ 45,871	\$ 128,761

Third Quarter

Theatre occupancy expenses increased \$4.8 million during the third quarter of 2012 compared to the prior year period. This increase was primarily due to the four theatres acquired from AMC on July 12 (\$4.3 million). The increase in the Other category primarily relates to higher real estate taxes in the current quarter compared to the prior year period.

Year to Date

The increase in theatre occupancy expenses of \$4.9 million for the first nine months of 2012 compared to the prior year period was primarily due to the four theatres acquired from AMC on July 12 (\$4.3 million). The increase in the Other category primarily relates to higher real estate taxes in the current year period compared to the prior year.

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		
	2012	2011	Change	2012	2011	Change
Other operating expenses	\$ 65,631	\$ 65,620	—	\$ 184,917	\$ 182,193	1.5%

Other operating continuity In thousands	Third Quarter Other Operating	Year to Date Other Operating
2011 as reported	\$ 65,620	\$ 182,193
Impact of new theatres	2,362	3,257
Impact of disposed theatres	(1,176)	(1,603)
Same store payroll change	219	1,545
Marketing change	322	1,118
Media	(34)	(2,290)
New Way Sales	(926)	(1,013)
Theatre refurbishment payment	(1,014)	(1,014)
Other	258	2,724
2012 as reported	\$ 65,631	\$ 184,917

Third Quarter

Other operating expenses during the third quarter of 2012 were in line with the prior year period. The impact of new and acquired net of disposed theatres was a \$1.2 million increase to the category primarily due to the four theatres acquired from AMC. Other increases included higher marketing costs (\$0.3 million) and higher same-store payroll costs (\$0.2 million). 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, and 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 in part to an increase in pre-sales for *The Dark Knight Rises* (\$0.2 million).
- Higher utility costs due to the higher temperatures across Canada during the current year period (\$0.5 million).
- Higher digital projector rental costs due to the roll-out of digital projectors by CDCP that commenced in June 2011 (\$0.2 million).
- Lower 3D royalty costs due to less 3D content in the current year period (\$0.8 million).

Total theatre payroll costs accounted for 45.3% of total operating expenses during the third quarter of 2012 as compared to 43.1% for the same period one year earlier due in part to minimum wage increases.

Year to Date

For the nine months ended September 30, 2012, other operating expenses increased \$2.7 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 \$1.7 million increase to the category primarily due to the four theatres acquired from AMC. Cost increases included higher same-store payroll expenses related to the increased business volumes (\$1.5 million), higher marketing costs (\$1.1 million) and the \$2.7 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 (\$2.3 million) and the impact of NWS which was contributed into CSI in January 2012 (\$1.0 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 in part to an increase in pre-sales for highly anticipated releases (\$1.0 million).
- Higher utility costs due to the higher temperatures across Canada during the current year period (\$1.2 million).
- Higher digital projector rental costs due to the roll-out of digital projectors by CDCP that commenced in June 2011 (\$0.7 million).
- Higher theatre operating costs including cleaning relating to the higher business volumes during the period.
- Lower 3D royalty costs due to less 3D content in the current year period (\$1.3 million).

Total theatre payroll accounted for 45.5% of total other operating expenses in the first nine months of 2012, compared to 44.6% in the prior year period 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 year to date, including share and unit based compensation costs, and G&A net of these costs (in thousands of Canadian dollars):

G&A expenses	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
G&A excluding LTIP and Option Plan expense	\$ 11,163	\$ 9,589	16.4%	\$ 34,033	\$ 30,053	13.2%
LTIP (i)	1,550	1,626	-4.7%	6,266	6,039	3.8%
Option plan	433	853	-49.2%	1,638	7,367	-77.8%
G&A expenses as reported	\$ 13,146	\$ 12,068	8.9%	\$ 41,937	\$ 43,459	-3.5%

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

Third Quarter

G&A expenses increased \$1.1 million during the third quarter of 2012 compared to the prior year period, due to a \$0.6 million increase in professional fees in part relating to the acquisition of the theatres from AMC and a \$1.0 million increase in payroll related and general cost increases. These increases were partially offset by lower expenses under the option plan (\$0.4 million) and lower LTIP expenses (\$0.1 million).

Effective January 1, 2012, the Board of Directors of Cineplex 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.

Year to Date

G&A expenses for the first nine months of 2012 decreased \$1.5 million compared to the prior year period, due to the \$5.7 million decrease in the option plan expense. This decrease was partially offset by higher professional fees (\$1.4 million) relating to the creation of CSI, an internal corporate reorganization effected on January 1, 2012 and the theatres acquired from AMC, higher payroll related and general cost increases (\$2.6 million), and higher LTIP costs (\$0.2 million).

Share of loss (income) 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 the 2011 period, 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 movement in the share of loss (income) of joint ventures during the quarter and the year to date (in thousands of Canadian dollars):

Share of loss (income) of joint ventures	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Share of CDCP	\$ (462)	\$ 65	NM	\$ (1,388)	\$ 2,218	NM
Share of CSI	(264)	—	NM	(762)	—	NM
Share of SCENE	1,855	(1,494)	NM	3,050	(3,342)	NM
Share of other joint ventures	(105)	(57)	84.2%	(111)	32	NM
Total loss (income) of joint ventures	\$ 1,024	\$ (1,486)	-168.9%	\$ 789	\$ (1,092)	NM

Third Quarter

The movement from income of \$1.5 million in the third quarter of 2011 to a loss of \$1.0 million in the current period is primarily due to the activities of SCENE, CDCP and CSI:

- SCENE's results in the third quarter of 2011 include income relating to an adjustment to SCENE's outstanding points balance due to certain members having their points expired during the third quarter of 2011 due to inactivity in the program. When compared to the current year period the result is a negative variance of \$3.3 million year over year.
- CDCP generated income of \$0.5 million in the third quarter of 2012, which when compared to the modest loss in the prior year period, results in a \$0.5 million positive variance period over period.
- The results of CSI, formed January 31, 2012 and therefore not included in the prior year comparative, contributed a \$0.3 million positive variance year over year.

Year to Date

The movement from income of \$1.1 million in the first nine months of 2011 to a loss of \$0.8 million in the current period is primarily 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 \$6.4 million year over year.
- CDCP in the 2011 period includes \$2.2 million of start-up costs, which when compared to the income of \$1.4 million generated in the current year period, results in a positive variance of \$3.6 million year over year.
- The results of CSI, formed January 31, 2012 and therefore not included in the prior year comparative, contributed a \$0.8 million positive variance year over year.

EBITDA and adjusted EBITDA

The following table represents EBITDA and adjusted EBITDA for the three and nine months ended September 30, 2012 as compared to the three and nine months ended September 30, 2011 (expressed in thousands of Canadian dollars, except adjusted EBITDA margin):

EBITDA	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
EBITDA	\$ 77,941	\$ 56,842	37.1%	\$ 165,683	\$ 130,719	26.7%
Adjusted EBITDA	\$ 54,575	\$ 57,441	-5.0%	\$ 142,977	\$ 133,072	7.4%
Adjusted EBITDA margin	19.4%	20.8%	-1.4%	18.0%	17.6%	0.4%

Adjusted EBITDA for the third quarter of 2012 decreased \$2.9 million, or 5.0%, as compared to the prior year period. The decrease over the prior year period was primarily due to the lower exhibition revenues recorded in the period, as well as the impact of the four theatres acquired from AMC in the third quarter of 2012, which had a \$0.8 million, or 1.5%, negative impact on adjusted EBITDA in the quarter. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 19.4%, down 1.4% from 20.8% in the prior year period. Excluding the impact of the theatres acquired from AMC, adjusted EBITDA margin was 20.3%.

Adjusted EBITDA for the nine months ended September 30, 2012 increased \$9.9 million, or 7.4%, as compared to the prior year period. The increase is primarily due to the higher exhibition and concession revenues due to the higher theatre attendance. The impact of the four theatres acquired from AMC in the third quarter of 2012 had a

\$0.8 million, or 0.6%, negative impact on adjusted EBITDA in the year-to-date period. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 18.0%, compared to 17.6% in the prior year period.

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 acquired theatres. 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 third quarter of 2012, adjusted free cash flow per common share of Cineplex was \$0.5737 as compared to \$0.7133 in the prior year period. The declared dividends per common share of Cineplex were \$0.3375 in the third quarter of 2012 and \$0.3225 in the prior year period. The payout ratios for these periods were 59% and 45%, respectively.

For the first nine months of 2012, adjusted free cash flow per common share of Cineplex was \$1.5378 as compared to \$1.6100 in the prior year period. The declared dividends per common share of Cineplex were \$0.9925 in the first nine months of 2012 and \$0.9575 in the prior year period. The payout ratios for these periods were 65% and 60%, 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 133 theatres with 1,437 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, November 8, 2012
10:00 a.m. Eastern Time**

In order to participate in the conference call, **please dial 416-644-3418 or outside of Toronto dial 1-800-814-4861** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 4570375 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 4570375#. The replay will begin at 12:00 p.m. Eastern Time on Thursday, November 8, 2012 and end at 11:59 p.m. Eastern Time on Thursday, November 15, 2012.
- 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 Consolidated Balance Sheets
(Unaudited)
(expressed in thousands of Canadian dollars)

	September 30,	December 31,
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 1,076	\$ 48,992
Trade and other receivables	36,042	67,185
Inventories	4,065	4,118
Prepaid expenses and other current assets	9,853	3,727
	<hr/>	<hr/>
	51,036	124,022
Non-current assets		
Property, equipment and leaseholds	404,009	389,532
Deferred income taxes	53,961	12,052
Interests in joint ventures	40,793	26,163
Intangible assets	81,981	84,379
Goodwill	608,929	608,929
	<hr/>	<hr/>
	\$ 1,240,709	\$ 1,245,077
	<hr/>	<hr/>

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

	September 30,	December 31,
	2012	2011
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 76,970	\$ 112,285
Dividends payable	6,982	6,285
Share-based compensation	—	1,331
Income taxes payable	10,221	17,485
Deferred revenue	53,287	83,907
Finance lease obligations	2,182	2,411
Fair value of interest rate swap agreements	543	565
Convertible debentures	14,557	76,864
	<u>164,742</u>	<u>301,133</u>
Non-current liabilities		
Share-based compensation	10,316	9,466
Long-term debt	167,936	167,531
Fair value of interest rate swap agreements	555	1,199
Finance lease obligations	21,119	26,474
Post-employment benefit obligations	5,914	5,688
Other liabilities	140,348	103,727
Deficiency interest in joint venture	8,082	8,250
	<u>354,270</u>	<u>322,335</u>
Total liabilities	<u>519,012</u>	<u>623,468</u>
Equity		
Share capital	833,720	764,801
Deficit	(114,075)	(140,469)
Accumulated other comprehensive loss	(1,088)	(2,723)
Contributed surplus	3,140	—
	<u>721,697</u>	<u>621,609</u>
	<u>\$ 1,240,709</u>	<u>\$ 1,245,077</u>

Cineplex Inc.
Interim Consolidated Statements of Operations
(Unaudited)
(expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Revenues				
Box office	\$ 162,133	\$ 162,522	\$ 467,772	\$ 443,613
Concessions	85,924	82,114	242,923	223,477
Other	33,311	32,072	82,481	89,417
	<u>281,368</u>	<u>276,708</u>	<u>793,176</u>	<u>756,507</u>
Expenses				
Film cost	83,632	85,320	243,804	230,647
Cost of concessions	17,831	16,817	50,321	46,722
Depreciation and amortization	14,014	16,613	45,124	51,303
Loss on disposal of assets	114	487	786	4
Gain on acquisition of business	(23,822)	—	(23,822)	—
Other costs	124,648	118,728	355,615	349,507
Share of loss (income) of joint ventures	1,024	(1,486)	789	(1,092)
Interest expense	2,499	6,275	10,495	17,886
Interest income	(44)	(381)	(147)	(804)
	<u>219,896</u>	<u>242,373</u>	<u>682,965</u>	<u>694,173</u>
Income before income taxes	<u>61,472</u>	<u>34,335</u>	<u>110,211</u>	<u>62,334</u>
Provision for (recovery of) income taxes				
Current	9,053	5,973	22,641	12,011
Deferred	707	2,625	(210)	11,994
	<u>9,760</u>	<u>8,598</u>	<u>22,431</u>	<u>24,005</u>
Net income	<u>\$ 51,712</u>	<u>\$ 25,737</u>	<u>\$ 87,780</u>	<u>\$ 38,329</u>
Basic net income per share	\$ 0.84	\$ 0.44	\$ 1.45	\$ 0.67
Diluted net income per share	\$ 0.83	\$ 0.44	\$ 1.45	\$ 0.66

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Net income	\$ 51,712	\$ 25,737	\$ 87,780	\$ 38,329
Other comprehensive income				
Income (loss) on hedging instruments	196	(242)	2,457	1,281
Associated deferred income taxes expense	(107)	(12)	(822)	(2,253)
Other comprehensive income (loss)	89	(254)	1,635	(972)
Comprehensive income	\$ 51,801	\$ 25,483	\$ 89,415	\$ 37,357

Cineplex Inc.
Interim Consolidated Statements of Changes in Equity
(Unaudited)
(expressed in thousands of Canadian dollars)
For the nine months ended September 30, 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
Share option liabilities reclassified	—	—	6,850	—	—	6,850
Net income	—	—	—	—	87,780	87,780
Other comprehensive income	—	—	—	1,635	—	1,635
Dividends declared	—	—	—	—	(60,536)	(60,536)
Long-term incentive plan obligation	—	(5,071)	—	—	—	(5,071)
Long-term incentive plan shares	—	6,471	—	—	—	6,471
Share option expense	—	—	1,638	—	—	1,638
Issuance of shares on exercise of options	—	5,348	(5,348)	—	—	—
Issuance of shares on conversion of debentures	—	62,606	—	—	—	62,606
Issuance of shares for cash	—	501	—	—	—	501
Shares repurchased and cancelled	—	(936)	—	—	(850)	(1,786)
Balance - September 30, 2012	\$ —	\$ 833,720	\$ 3,140	\$ (1,088)	\$ (114,075)	\$ 721,697
Balance - January 1, 2011	\$ 710,121	\$ —	\$ 1,407	\$ (3,534)	\$ (113,120)	\$ 594,874
Effect of corporate conversion	(710,121)	744,760	(1,407)	—	—	33,232
Net income	—	—	—	—	38,329	38,329
Other comprehensive loss	—	—	—	(972)	—	(972)
Long-term incentive plan obligation	—	(2,504)	—	—	—	(2,504)
Dividends declared	—	—	—	—	(55,485)	(55,485)
Long-term incentive plan shares	—	1,888	—	—	—	1,888
Issuance of shares on conversion of debentures	—	19,080	—	—	—	19,080
Shares repurchased and cancelled	—	(375)	—	—	—	(375)
Balance - September 30, 2011	\$ —	\$ 762,849	\$ —	\$ (4,506)	\$ (130,276)	\$ 628,067

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Cash provided by (used in)				
Operating activities				
Net income	\$ 51,712	\$ 25,737	\$ 87,780	\$ 38,329
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	14,014	16,613	45,124	51,303
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(1,436)	(1,074)	(3,601)	(2,944)
Accretion of debt issuance costs and other non-cash interest	140	237	419	701
Loss on disposal of assets	114	487	786	4
Gain on acquisition of business	(23,822)	—	(23,822)	—
Deferred income taxes	707	2,625	(210)	11,994
Interest rate swap agreements - non-cash interest	16	1,279	1,780	1,143
Non-cash share-based compensation	433	37	1,675	293
Accretion of convertible debentures	43	251	299	1,078
Net change in interests in joint ventures	1,187	578	4,827	(2,860)
Tenant inducements	727	1,535	5,972	5,585
Changes in operating assets and liabilities	(2,178)	(181)	(54,845)	(21,101)
Net cash provided by operating activities	41,657	48,124	66,184	83,525
Investing activities				
Proceeds from sale of assets	4	82	1,133	1,822
Purchases of property, equipment and leaseholds	(15,878)	(12,224)	(49,477)	(40,803)
Acquisition and formation of businesses, net of cash acquired	4,588	—	(2,811)	(3,280)
Additional equity funding of CDCP	(4)	(210)	(248)	(378)
Net cash used in investing activities	(11,290)	(12,352)	(51,403)	(42,639)
Financing activities				
Dividends paid	(20,908)	(18,804)	(59,839)	(49,201)
Repayments under credit facility, net	(20,000)	—	—	—
Payments under finance leases	(520)	(566)	(1,573)	(1,666)
Proceeds from issuance of shares	—	—	501	—
Acquisition of long-term incentive plan shares	—	—	—	(9,793)
Deferred financing fees	—	(1,915)	—	(1,915)
Shares repurchased and cancelled	—	(375)	(1,786)	(375)
Net cash used in financing activities	(41,428)	(21,660)	(62,697)	(62,950)
(Decrease) increase in cash and cash equivalents during the period	(11,061)	14,112	(47,916)	(22,064)
Cash and cash equivalents - Beginning of period	12,137	49,167	48,992	85,343
Cash and cash equivalents - End of period	\$ 1,076	\$ 63,279	\$ 1,076	\$ 63,279
Supplemental information				
Cash paid for interest	\$ 1,955	\$ 3,674	\$ 7,427	\$ 13,762
Cash paid for income taxes	\$ 5,385	\$ —	\$ 29,987	\$ 65

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,	
	2012	2011	2012	2011
Net income	\$ 51,712	\$ 25,737	\$ 87,780	\$ 38,329
Depreciation and amortization	14,014	16,613	45,124	51,303
Interest expense	2,499	6,275	10,495	17,886
Interest income	(44)	(381)	(147)	(804)
Current income tax expense	9,053	5,973	22,641	12,011
Deferred income tax expense (recovery)	707	2,625	(210)	11,994
EBITDA	\$ 77,941	\$ 56,842	\$ 165,683	\$ 130,719
Loss on disposal of assets	114	487	786	4
Gain on acquisition of business	(23,822)	—	(23,822)	—
CDCP equity income (i)	(462)	65	(1,388)	2,218
Depreciation and amortization - joint ventures (ii)	539	47	1,453	131
Future income taxes - joint ventures (ii)	236	—	236	—
Current income taxes - joint ventures (ii)	29	—	29	—
Adjusted EBITDA	\$ 54,575	\$ 57,441	\$ 142,977	\$ 133,072

(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	Third Quarter			Year to Date		
	2012	2011	Change	2012	2011	Change
Theatre occupancy expenses	\$ 45,871	\$ 41,040	11.8%	\$ 128,761	\$ 123,855	4.0%
Other operating expenses	65,631	65,620	—	184,917	182,193	1.5%
General and administrative expenses	13,146	12,068	8.9%	41,937	43,459	-3.5%
Total other costs	\$ 124,648	\$ 118,728	5.0%	\$ 355,615	\$ 349,507	1.7%

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,	
	2012	2011	2012	2011
Cash provided by operating activities	\$ 41,657	\$ 48,124	\$ 66,184	\$ 83,525
Less: Total capital expenditures net of proceeds on sale of assets	(15,874)	(12,142)	(48,344)	(39,981)
Standardized free cash flow	25,783	35,982	17,840	44,544
Add/(Less):				
Changes in operating assets and liabilities (i)	2,178	181	54,845	21,101
Changes in operating assets and liabilities of joint ventures (i)	(163)	(2,064)	(4,038)	1,768
Tenant inducements (ii)	(727)	(1,535)	(5,972)	(5,585)
Principal component of finance lease obligations	(520)	(566)	(1,573)	(1,666)
Growth capital expenditures and other (iii)	9,733	8,166	32,986	29,931
Share of (loss) income of joint ventures, net of non-cash depreciation (iv)	(711)	1,598	(488)	3,441
Cash invested in CDCP (iv)	(4)	(159)	(248)	(378)
Adjusted free cash flow	\$ 35,569	\$ 41,603	\$ 93,352	\$ 93,156
Average number of Shares outstanding	61,996,063	58,323,720	60,705,608	57,857,376
Adjusted free cash flow per Share	\$ 0.5737	\$ 0.7133	\$ 1.5378	\$ 1.6100

(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.