



FOR IMMEDIATE RELEASE

CINEPLEX INC.
Reports Record First Quarter Adjusted EBITDA and Announces Dividend Increase

TORONTO, Canada, May 10, 2012 (TSX: CGX) - Cineplex Inc. ("Cineplex") today released its financial results for the first quarter of 2012.

First Quarter Results

	2012	2011	Period over Period Change (i)
Total Revenues	\$248.2 million	\$221.4 million	12.1 %
Attendance	17.1 million	15.3 million	12.1 %
Other Revenues	\$21.7 million	\$26.3 million	(17.3)%
Net Income (Loss)	\$15.1 million	\$(0.8) million	NM
Adjusted EBITDA	\$41.1 million	\$31.2 million	31.7 %
Adjusted EBITDA Margin	16.6%	14.1 %	2.5 %
Adjusted Free Cash Flow per Share	\$ 0.480	\$ 0.392	22.4 %

(i) Period over Period change calculated based on thousands of dollars except percentage and per share values.

"We are pleased to report our strongest first quarter adjusted EBITDA results ever," said Ellis Jacob, President and CEO, Cineplex Entertainment. "A strong film slate including titles such as *The Hunger Games* and *Dr. Seuss' The Lorax* contributed to a 12.1% increase in both attendance and total revenue. Cost controls mitigated a decline in media revenues to deliver a 31.7% increase in adjusted EBITDA and a significant increase in net income. We are also pleased to announce a dividend increase to \$1.35 per share on an annual basis from the current \$1.29 per share. This increase will be effective with the May 2012 dividend which will be paid in June 2012. This increase represents our second dividend increase since converting to a corporation on January 1, 2011."

"During the first quarter, we also continued to enhance the quality of our circuit through expanded premium offerings and digital projection deployment. We added two UltraAVX auditoriums, 16 RealD 3D screens and converted 219 projection systems to digital resulting in an 82% digital penetration as of March 31, 2012. We also continued to expand the SCENE loyalty program, with total membership as of March 31, 2012 of 3.5 million, and advance our interactive and e-commerce initiatives."

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 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 FIRST QUARTER OF 2012

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

THEATRE EXHIBITION

- Reported a 15.0% increase in box office revenues during the quarter, due to a 12.1% increase in attendance, primarily due to *The Hunger Games* which had the highest-grossing first-quarter weekend of all-time and the third-largest opening weekend of all-time.
- BPP increased 2.5% from \$8.51 in the first quarter of 2011 to \$8.72 in the current year period.
- Installed 219 digital projectors and 16 RealD 3D systems during the first quarter of 2012, bringing the circuit totals to 1,110 digital projectors and 412 RealD 3D systems in 122 theatres.
- Installed seven digital IMAX projectors into existing IMAX locations during the period.
- Installed D-BOX MFX seats in three Cineplex theatres during the quarter. At March 31, 2012, 14 of Cineplex's theatres offer D-BOX MFX seats.

MERCHANDISING

- Reported record first quarter CPP of \$4.50 during first quarter of 2012, up \$0.23 or 5.4% over the first quarter of 2011.
- Entered into a joint venture agreement with Starburst Coin Machines Inc. ("SCM") which saw New Way Sales ("NWS") acquire SCM's games business in exchange for cash and a 50% interest in NWS. The joint venture was named Cineplex Starburst 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.

MEDIA

- Media revenues decreased 29.3% compared to the strong comparator in the prior year, which was a record first quarter for media revenues.
- Contributing to this decrease was reduced spending from the government and telecommunications sectors. Government spending accounted for 25% of total spending in the first quarter of 2011 compared to 10% in the current year period.
- In the 2012 Spring study by the Print Measurement Bureau, *Cineplex Magazine* and *Le magazine Cineplex* earned outstanding readership numbers, with *Cineplex Magazine* ranking as the 7th most-read magazine in Canada, with a circulation of over 700,000 copies per issue, and *Le magazine Cineplex* reaching circulation of over 200,000 copies per issue.

ALTERNATIVE PROGRAMMING

- The highly successful Metropolitan Opera series continued its strong performance in Cineplex's theatres.
- Scotiabank Theatre Toronto hosted actor and director Kevin Smith for his *Kevin Smith: Live from Behind* show, which was also broadcast live to select theatres across the Cineplex circuit and sub-distributed by Cineplex to other circuits across Canada and the United States.
- Other alternative programming during first quarter of 2012 included the Classic Film Series, the Great Digital Film Festival, the Family Favourites film series, and live events such as World Wrestling Entertainment and concert performances.

INTERACTIVE

- Cineplex.com registered all-time high results in the first quarter of 2012 with page views and visits up 76.9% and 33.3%, respectively, over the prior year period to 95.5 million page views and 16.7 million visits during the quarter.
- Cineplex Mobile is ranked by Comscore as the 8th most popular mobile app in Canada and the first in entertainment listings with 1.7 million unique visitors, reaching 8.3% of mobile subscribers in Canada. At March 31, 2012, the app had been downloaded 3.1 million times and recorded 55.1 million app sessions.
- Site optimization continues to be a focus for both cineplex.com and the Cineplex Store, utilizing cloud technology to enhance performance.
- Continued the development of the UltraViolet cloud-based digital locker that is anticipated to be integrated into the Cineplex Store.

LOYALTY

- Membership in the SCENE loyalty program increased by approximately 0.2 million members during the first quarter of 2012 to approximately 3.5 million at March 31, 2012.
- SCENE partnered with Cara Foods, Telus, Sirius Satellite Radio and Samsung during the first quarter of 2012 for various programs.

OPERATING RESULTS FOR THE FIRST QUARTER OF 2012

Total revenues

Total revenues for the three months ended March 31, 2012 increased \$26.8 million (12.1%) to \$248.2 million as compared to the prior year period. 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 (in thousands of Canadian dollars, except attendance reported in thousands of patrons, and per patron amounts, unless otherwise noted):

Box office revenues	First Quarter		
	2012	2011	Change
Box office revenues	\$ 149,413	\$ 129,956	15.0%
Attendance	17,127	15,272	12.1%
Box office revenue per patron	8.72	8.51	2.5%
Canadian industry revenues (i)			13.8%
Same store box office revenues	148,868	129,178	15.2%
Same store attendance	17,072	15,164	12.6%
% Total box from 3D, UltraAVX, VIP & IMAX	27.1%	23.0%	4.1%

(i) The Motion Picture Theatre Associations of Canada reported that the Canadian exhibition industry reported a box office increase of 12.4% for the period from December 30, 2011 to March 29, 2012 as compared to the period from December 31, 2010 to March 31, 2011. On a basis consistent with Cineplex's calendar reporting period (January 1 to March 31), the Canadian industry box office is estimated to be an increase of 13.8%.

Box office continuity	First Quarter	
	Box Office	Attendance
2011 as reported	\$ 129,956	15,272
Same store attendance change	16,251	1,908
Impact of same store BPP change	3,440	-
New and acquired theatres	544	55
Disposed and closed theatres	(778)	(108)
2011 as reported	\$ 149,413	17,127

First Quarter

First Quarter 2012 Top Cineplex Films				First Quarter 2011 Top Cineplex Films			
	IMAX	3D	% Box		IMAX	3D	% Box
1	✓		8.3%	1			7.0%
2	✓	✓	7.3%	2		✓	5.1%
3	✓		5.1%	3			4.8%
4			4.7%	4		✓	4.2%
5	✓	✓	4.6%	5		✓	4.0%

Box office revenues increased \$19.5 million, or 15.0%, to \$149.4 million during the first quarter of 2012, compared to \$130.0 million recorded in the same period in 2011. This increase was primarily due to a 12.1% increase in attendance, as well as a 2.5% increase in BPP. Film product during the current year period was stronger than the prior year period, with *The Hunger Games* recording the highest-ever box office revenues for a first quarter release and the third-largest opening weekend of all-time. Attendance in the first quarter of 2012 also benefited from the first week of January being a school holiday whereas the first week of 2011 was not.

BPP increased \$0.21, from \$8.51 in the first quarter of 2011 to \$8.72 in the same period in 2012 mainly due to premium-priced product (3D, UltraAVX and IMAX) accounting for 27.1% of box office revenues in the current quarter, up from 23.0% in the prior year period. The increase in the percentage of box office revenues from premium-priced product was due to the impact of UltraAVX, VIP and IMAX installations, the screen counts of which have increased since the first quarter of 2011.

Cineplex's investment in premium-priced formats, including 3D, UltraAVX, IMAX and VIP, 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.

Concession revenues

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

Concession revenues	First Quarter		
	2012	2011	Change
Concession revenues	\$ 77,037	\$ 65,154	18.2%
Attendance	17,127	15,272	12.1%
Concession revenue per patron	4.50	4.27	5.4%
Same store concession revenues	76,750	64,868	18.3%
Same store attendance	17,072	15,164	12.6%

Concession revenue continuity	First Quarter	
	Concession	Attendance
2011 as reported	\$ 65,154	15,272
Same store attendance change	8,161	1,908
Impact of same store CPP change	3,721	-
New and acquired theatres	287	55
Disposed and closed theatres	(286)	(108)
2012 as reported	\$ 77,037	17,127

First Quarter

Concession revenues increased 18.2% as compared to the prior year quarter, due to the 12.1% increase in attendance during the period and the 5.4% increase in CPP. CPP increased from \$4.27 in the first quarter of 2011 to \$4.50 in the same period in 2012, and represents a first quarter record for Cineplex. Cineplex believes a focus on revised concession offerings through its RBO rationalization program and better communication with customers through the expansion of a digital menu board program have both 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 have a negative impact on 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 (in thousands of Canadian dollars):

Other revenues	First Quarter		
	2012	2011	Change
Media	\$ 12,686	\$ 17,939	-29.3%
Games	1,922	1,235	55.6%
Other	7,129	7,108	0.3%
Total	\$ 21,737	\$ 26,282	-17.3%

Other revenues decreased 17.3% from \$26.3 million in the first quarter of 2011 to \$21.7 million in the same period in 2012. This decrease was due to lower media revenues, which during the first quarter of 2012 were \$12.7 million, down \$5.3 million, or 29.3%, when compared to the prior year period. The prior year period is a strong comparator for media, as it was a first quarter record for media revenues. The decrease was due to lower full motion and digital

pre-show revenues (\$5.2 million) compared to the record-setting first quarter of 2011, as a result of decreased spending by the government and telecommunications sectors and the impact of the continued economic uncertainty during the period.

The games revenue increase is due to the acquisition of NWS in May 2011 and therefore is not included in the prior year comparative. The first quarter of 2012 includes one month of revenues for NWS prior to the creation of CSI (\$0.4 million). The February and March results for CSI are included in the 'Share of loss of joint ventures' line in the Statements of Operations. The addition of three new XSCAPE entertainment centres since the first quarter of 2011 also contributed to the increase in games revenues.

Film cost

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

Film cost	First Quarter		
	2012	2011	Change
Film cost	\$ 76,707	\$ 65,544	17.0%
Film cost percentage	51.3%	50.4%	0.9%

First 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 first quarter of 2012 compared to the prior year period was due to the increase in box office revenue and the 0.9% increase in film cost percentage. The increase in film cost percentage is primarily due to the settlement rate on certain strong performing titles during the first quarter of 2012 being higher than the average film settlement rate.

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

Cost of concessions	First Quarter		
	2012	2011	Change
Concession cost	\$ 15,770	\$ 13,648	15.5%
Concession cost percentage	20.5%	20.9%	-0.4%
Concession margin per patron	\$ 3.58	\$ 3.37	6.2%

First 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 18.2% increase in concession revenues. The concession cost percentage of 20.5% was in line with the prior year period. The concession margin per patron increased from \$3.37 in the first quarter of 2011 to \$3.58 in the same period in 2012, reflecting the impact of the higher CPP during the period.

Depreciation and amortization

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

Amortization expenses	First Quarter		
	2012	2011	Change
Amortization of property, equipment and leaseholds	\$ 14,515	\$ 15,124	-4.0%
Amortization of intangible assets and other	1,939	2,248	-13.7%
Amortization expenses as reported	\$ 16,454	\$ 17,372	-5.3%

The first quarter decrease in amortization of property, equipment and leaseholds of \$0.6 million primarily relates to the transfer of digital projection equipment to CDCP in June 2011 resulting in lower asset values to depreciate. Lower depreciation relating to 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.

(Gain) loss on disposal of assets

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

(Gain) loss on disposal of assets	First Quarter		
	2012	2011	Change
(Gain) loss on disposal of assets	\$ (55)	\$ 537	-110.2%

First Quarter

The gain or loss on disposal of assets represents the gain or loss recorded on certain assets that were sold or otherwise disposed. For the first quarter of 2012, Cineplex recorded a gain of \$0.1 million on the disposal of assets, compared to a loss of \$0.5 million in the prior year period.

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 (in thousands of Canadian dollars):

Other costs	First Quarter		
	2012	2011	Change
Theatre occupancy expenses	\$ 41,708	\$ 41,541	0.4%
Other operating expenses	57,866	56,232	2.9%
General and administrative expenses	15,572	15,703	-0.8%
Total other costs	\$ 115,146	\$ 113,476	1.5%

Theatre occupancy expenses

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

Theatre occupancy expenses	First Quarter		
	2012	2011	Change
Rent	\$ 27,758	\$ 27,576	0.7%
Other occupancy	14,208	14,399	-1.3%
One-time items (i)	(258)	(434)	-40.6%
Total	\$ 41,708	\$ 41,541	0.4%

(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	First Quarter Occupancy
2011 as reported	\$ 41,541
Impact of new theatres	163
Impact of disposed theatres	(181)
Same store rent change	246
Non-recurring items	118
Other	(179)
2012 as reported	\$ 41,708

First Quarter

Theatre occupancy expenses increased \$0.2 million during the first quarter of 2012 compared to the prior year period. This increase was primarily due to higher same-store rent costs, including common-area maintenance and real estate taxes.

Other operating expenses

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

Other operating expenses	First Quarter		
	2012	2011	Change
Other operating expenses	\$ 57,866	\$ 56,232	2.9%

Other operating continuity	First Quarter Other Operating
2011 as reported	\$ 56,232
Impact of new theatres	154
Impact of disposed theatres	(362)
Same store payroll change	1,847
Marketing change	814
Media	(1,127)
New Way Sales	299
Other	9
2012 as reported	\$ 57,866

First Quarter

Other operating expenses increased \$1.6 million during the first quarter of 2012 compared to the prior year period primarily due to higher business volumes in the 2012 period. The higher business volumes resulted in higher payroll costs (\$1.8 million), with total theatre payroll accounting for 46.3% of total operating expenses during the first quarter of 2012 as compared to 44.5% for the same period one year earlier. Marketing expenses increased \$0.8 million compared to the prior year period due to enhanced marketing programs supporting new and existing initiatives. One month of operations for NWS are included in other operating expenses in 2012 but not in 2011, resulting in a \$0.3 million increase. These increases were partially offset by lower Media expenses (\$1.1 million) due to the reduced Media activities during the quarter.

General and administrative expenses

The following table highlights the movement in general and administrative (“G&A”) expenses during the quarter, including share and unit based compensation costs, and G&A net of these costs (in thousands of Canadian dollars):

G&A expenses	First Quarter		
	2012	2011	Change
G&A excluding LTIP and Option Plan expense	\$ 12,342	\$ 10,536	17.1%
LTIP	2,585	2,578	0.3%
Option plan	645	2,589	-75.1%
G&A expenses as reported	\$ 15,572	\$ 15,703	-0.8%

First Quarter

G&A expenses decreased \$0.1 million during the first quarter of 2012 compared to the prior year period, primarily due to a \$1.9 million decrease in the expense for the option plan. This decrease was partially offset by higher professional fees (\$0.6 million) relating to the creation of CSI and an internal corporate reorganization effected during the first quarter of 2012, and salary and general cost increases (\$0.7 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.

Share of income of joint ventures

Cineplex's joint ventures in 2012 include its share of one theatre in Quebec, 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 and its interest in SCENE LP. The following table highlights the movement in the share of income of joint ventures during the quarter (in thousands of Canadian dollars):

Share of (income) loss of joint ventures	First Quarter		
	2012	2011	Change
Share of CDCP	\$ (75)	\$ —	NM
Share of CSI	(226)	—	NM
Share of SCENE	50	(2,531)	NM
Share of other joint ventures	(26)	58	NM
Total income of joint ventures	\$ (277)	\$ (2,473)	-88.8%

First Quarter

The decrease in income of joint ventures during the period was primarily due to the SCENE loyalty program. SCENE's results in the first quarter of 2011 include income relating to a change in accounting estimate for breakage resulting in a program-to-date adjustment to its outstanding points liability. Two of the joint ventures created subsequent to the first quarter of 2011 also contributed to the movement (CSI - income of \$0.2 million and CDCP - income of \$0.1 million).

EBITDA and adjusted EBITDA

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

EBITDA	First Quarter		
	2012	2011	Change
EBITDA	\$ 41,269	\$ 30,701	34.4%
Adjusted EBITDA	\$ 41,139	\$ 31,238	31.7%
Adjusted EBITDA margin	16.6%	14.1%	2.5%

Adjusted EBITDA for the first quarter of 2012 increased \$9.9 million, or 31.7%, as compared to the prior year period. This represents Cineplex's highest-ever first quarter adjusted EBITDA, exceeding the \$34.7 million recorded in the first quarter of 2010 which featured *Avatar*, the highest grossing film of all-time. The increase over the prior year period was primarily due to the higher exhibition and concession revenues recorded in the period. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 16.6%, up 2.5% from 14.1% in the prior year period.

Adjusted Free Cash Flow

For the first quarter of 2012, adjusted free cash flow per common share of Cineplex was \$0.480 as compared to \$0.392 in the prior year period. The declared dividends per common share of Cineplex were \$0.323 in the first quarter of 2012 and \$0.315 in the prior year period. The payout ratios for these periods were 67% and 80%, 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 the largest motion picture exhibitor in Canada and owns, leases or has a joint-venture interest in 130 theatres with 1,359 screens serving approximately 66 million guests annually. Headquartered in Toronto, Canada, Cineplex operates theatres from British Columbia to Quebec and is the exclusive provider of UltraAVX and the largest exhibitor of digital 3D and IMAX projection technologies in the country. Proudly Canadian and with a workforce of approximately 10,000 employees, the company operates the following top tier brands: Cineplex Odeon, Galaxy, Famous Players, Colossus, Coliseum, SilverCity, Cinema City and Scotiabank Theatres. Cineplex shares trade on the Toronto Stock Exchange (TSX) under the symbol “CGX”. For more information, visit www.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, May 10, 2012
10:00 a.m. Eastern Time**

In order to participate in the conference call, **please dial 416-644-3417 or outside of Toronto dial 1-877-974-0446** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 4534140 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 4534140#. The replay will begin at 12:00 p.m. Eastern Time on Thursday, May 10, 2012 and end at 11:59 p.m. Eastern Time on Thursday, May 17, 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)

	March 31,	December 31,
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 9,259	\$ 48,992
Trade and other receivables	30,037	67,185
Inventories	4,092	4,118
Prepaid expenses and other current assets	7,224	3,727
	<u>50,612</u>	<u>124,022</u>
Non-current assets		
Property, equipment and leaseholds	388,798	389,532
Deferred income taxes	10,906	12,052
Fair value of interest rate contracts	1,010	—
Interests in joint ventures	39,278	26,163
Intangible assets	82,440	84,379
Goodwill	608,929	608,929
	<u>\$ 1,181,973</u>	<u>\$ 1,245,077</u>

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

	March 31,	December 31,
	2012	2011
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 80,939	\$ 112,285
Share-based compensation	—	1,331
Dividends payable	6,558	6,285
Income taxes payable	5,050	17,485
Deferred revenue	62,373	83,907
Finance lease obligations	2,104	2,411
Fair value of interest rate swap agreements	638	565
Convertible debentures	33,698	76,864
	<u>191,360</u>	<u>301,133</u>
Non-current liabilities		
Share-based compensation	6,623	9,466
Long-term debt	167,676	167,531
Fair value of interest rate swap agreements	—	1,199
Finance lease obligations	22,229	26,474
Post-employment benefit obligations	5,686	5,688
Other liabilities	113,001	103,727
Deficiency interest in joint venture	4,962	8,250
	<u>320,177</u>	<u>322,335</u>
Total liabilities	<u>511,537</u>	<u>623,468</u>
Equity		
Share capital	813,569	764,801
Deficit	(145,351)	(140,469)
Accumulated other comprehensive loss	(309)	(2,723)
Contributed surplus	2,527	—
	<u>670,436</u>	<u>621,609</u>
	<u>\$ 1,181,973</u>	<u>\$ 1,245,077</u>

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
Revenues		
Box office	\$ 149,413	\$ 129,956
Concessions	77,037	65,154
Other	21,736	26,282
	<u>248,186</u>	<u>221,392</u>
Expenses		
Film cost	76,707	65,544
Cost of concessions	15,770	13,648
Depreciation and amortization	16,454	17,372
(Gain) loss on disposal of assets	(55)	537
Other costs	115,146	113,476
Share of income of joint ventures	(277)	(2,473)
Interest expense	4,384	5,699
Interest income	(80)	(232)
	<u>228,049</u>	<u>213,571</u>
Income before income taxes	<u>20,137</u>	<u>7,821</u>
Provision for (recovery of) income taxes		
Current	5,642	—
Deferred	(613)	8,669
	<u>5,029</u>	<u>8,669</u>
Net income (loss)	<u>\$ 15,108</u>	<u>\$ (848)</u>

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
Net income (loss)	\$ 15,108	\$ (848)
Other comprehensive income (loss)		
Income on hedging instruments	3,324	919
Associated deferred income taxes expense	<u>(910)</u>	<u>(2,073)</u>
Other comprehensive income (loss)	<u>2,414</u>	<u>(1,154)</u>
Comprehensive income (loss)	<u>\$ 17,522</u>	<u>\$ (2,002)</u>

Cineplex Inc.
Interim Consolidated Statements of Changes in Equity
(Unaudited)
(expressed in thousands of Canadian dollars)
For the three months ended March 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
Share option liabilities reclassified	—	—	6,850	—	—	6,850
Net income	—	—	—	—	15,108	15,108
Other comprehensive income	—	—	—	2,414	—	2,414
Dividends declared	—	—	—	—	(19,140)	(19,140)
Long-term incentive plan obligation	—	(5,575)	—	—	—	(5,575)
Long-term incentive plan shares	—	6,471	—	—	—	6,471
Share option expense	—	—	646	—	—	646
Issuance of shares upon exercise of options	—	4,969	(4,969)	—	—	—
Issuance of shares on conversion of debentures	—	43,338	—	—	—	43,338
Issuance of shares for cash	—	501	—	—	—	501
Shares repurchased and cancelled	—	(936)	—	—	(850)	(1,786)
Balance - March 31, 2012	\$ —	\$ 813,569	\$ 2,527	\$ (309)	\$ (145,351)	\$ 670,436
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 loss	—	—	—	—	(848)	(848)
Other comprehensive loss	—	—	—	(1,154)	—	(1,154)
Long-term incentive plan obligation	—	(4,306)	—	—	—	(4,306)
Dividends declared	—	—	—	—	(18,111)	(18,111)
Long-term incentive plan shares	—	1,888	—	—	—	1,888
Issuance of shares on conversion of debentures	—	1,823	—	—	—	1,823
Balance - March 31, 2011	\$ —	\$ 744,165	\$ —	\$ (4,688)	\$ (132,079)	\$ 607,398

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
Cash provided by (used in)		
Operating activities		
Net income (loss)	\$ 15,108	\$ (848)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization of property, equipment and leaseholds, deferred charges and intangible assets	16,454	17,372
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(935)	(1,050)
Accretion of debt issuance costs and other non-cash interest	140	233
(Gain) loss on disposal of assets	(55)	537
Deferred income taxes	(613)	8,669
Interest rate swap agreements - non-cash interest	916	(96)
Non-cash share-based compensation	682	218
Accretion of convertible debentures	172	310
Net change in interests in joint ventures	2,665	(2,468)
Tenant inducements	3,297	2,855
Changes in operating assets and liabilities	(36,449)	(17,879)
Net cash provided by operating activities	1,382	7,853
Investing activities		
Proceeds from sale of assets	1,120	7
Purchases of property, equipment and leaseholds	(13,899)	(12,421)
Acquisition and formation of businesses, net of cash acquired	(7,399)	—
Additional equity funding of CDCP	(244)	—
Net cash used in investing activities	(20,422)	(12,414)
Financing activities		
Dividends paid	(18,867)	(12,070)
Borrowings under credit facility	30,000	15,000
Repayment of credit facility	(30,000)	(15,000)
Payments under finance leases	(541)	(545)
Proceeds from issuance of shares	501	—
Acquisition of long-term incentive plan shares	—	(9,793)
Purchase of shares for cancellation	(1,786)	—
Net cash used in financing activities	(20,693)	(22,408)
Decrease in cash and cash equivalents during the period	(39,733)	(26,969)
Cash and cash equivalents - Beginning of period	48,992	85,343
Cash and cash equivalents - End of period	\$ 9,259	\$ 58,374
Supplemental information		
Cash paid for interest	\$ 1,944	\$ 3,764
Cash paid for income taxes	\$ 18,120	\$ —

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

Reconciliation to Adjusted EBITDA

	Three months ended March 31,	
	2012	2011
Net income (loss)	\$ 15,108	\$ (848)
Depreciation and amortization (i)	16,828	17,413
Interest expense	4,384	5,699
Interest income	(80)	(232)
Current income tax expense	5,642	—
Deferred income tax (recovery) expense	(613)	8,669
EBITDA	\$ 41,269	\$ 30,701
(Gain) loss on disposal of assets	(55)	537
CDCP equity income (ii)	(75)	—
Adjusted EBITDA	\$ 41,139	\$ 31,238

- (i) Includes the depreciation and amortization incurred by the joint ventures with the exception of CDCP (see (ii) below) (2012 - \$374 thousand and 2011 - \$41 thousand).
- (ii) CDCP equity income not included in adjusted EBITDA as CDCP is a limited-life financing vehicle that is funded by virtual print fees collected from distributors.

Components of Other Costs

Other costs	Three months ended March 31,	
	2012	2011
Theatre occupancy expenses	\$ 41,708	\$ 41,541
Other operating expenses	57,866	56,232
General and administrative expenses	15,572	15,703
Total other costs	\$ 115,146	\$ 113,476

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 March 31,	
	2012	2011
Cash provided by operating activities	\$ 1,382	\$ 7,853
Less: Total capital expenditures	(12,779)	(12,414)
Standardized free cash flow	(11,397)	(4,561)
Add/(Less):		
Changes in operating assets and liabilities (i)	36,449	17,879
Changes in operating assets and liabilities of joint ventures (i)	(2,942)	(5)
Tenant inducements (ii)	(3,297)	(2,855)
Principal component of financing lease obligations	(541)	(545)
New build capital expenditures and other (iii)	9,660	10,090
Share of income of joint ventures, net of non-cash depreciation (iv)	576	2,514
Cash invested in CDCP (iv)	(244)	—
Adjusted free cash flow	\$ 28,264	\$ 22,517
Average number of Shares outstanding	58,847,728	57,468,588
Adjusted free cash flow per Share	\$ 0.480	\$ 0.392

- (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) New build 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. The Revolving Facility is available to Cineplex to fund Board approved projects.
- (iv) Excludes the share of 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.