FOR IMMEDIATE RELEASE

CINEPLEX INC.
Reports Fourth Quarter and Annual Results

TORONTO, **Canada**, February 11, 2014 (TSX: CGX) - Cineplex Inc. ("Cineplex") today released its financial results for the three months and year ended December 31, 2013.

Fourth Quarter Results

	2013	2012 (i)	Period over Period Change (ii)
Total Revenues	$ 323.2 million	$ 298.7 million	8.2%
Attendance	18.9 million	18.6 million	1.6%
Other Revenues	$ 52.2 million	$ 41.8 million	25.0%
Net Income	$ 20.2 million	$ 32.7 million	-38.3%
Box office revenues per patron ("BPP") (iii)	$ 9.42	$ 9.18	2.6%
Concession revenues per patron ("CPP") (iii)	$ 4.94	$ 4.65	6.2%
Adjusted EBITDA (iii)	$ 54.1 million	$ 57.5 million	-5.8%
Adjusted EBITDA Margin (iii)	16.8 %	19.3 %	-2.5%
Adjusted Free Cash Flow per Share (iii)	$ 0.5769	$ 0.5403	6.8%
Earnings per Share ("EPS") - Basic	$ 0.32	$ 0.53	-39.6%
EPS excluding gain on acquisition - basic (iii)	$ 0.32	$ 0.51	-37.3%
EPS - Diluted	$ 0.32	$ 0.52	-38.5%
EPS excluding gain on acquisition - diluted (iii)	$ 0.32	$ 0.51	-37.3%

Full Year Results

	2013	2012 (i)	Year over Year Change (ii)
Total Revenues	$ 1,171.3 million	$ 1,092.5 million	7.2%
Attendance	72.7 million	71.2 million	2.1%
Other Revenues	$ 155.6 million	$ 124.9 million	24.6%
Net Income	$ 83.6 million	$ 120.5 million	-30.6%
BPP (iii)	$ 9.15	$ 8.97	2.0%
CPP (iii)	$ 4.82	$ 4.63	4.1%
Adjusted EBITDA (iii)	$ 202.4 million	$ 200.5 million	1.0%
Adjusted EBITDA Margin (iii)	17.3 %	18.4 %	-1.1%
Adjusted Free Cash Flow per Share (iii)	$ 2.4580	$ 2.0785	18.3%
EPS - Basic	$ 1.33	$ 1.98	-32.8%
EPS excluding gain on acquisition - basic (iii)	$ 1.33	$ 1.57	-15.3%
EPS - Diluted	$ 1.32	$ 1.97	-33.0%
EPS excluding gain on acquisition - diluted (iii)	$ 1.32	$ 1.57	-15.9%

i. Effective January 1, 2013, Cineplex implemented International Financial Reporting Standard ("IFRS") 11, *Joint Arrangements*, retrospectively. As a result, certain comparative items presented in this news release for 2012 have been revised.

ii. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2013 value less 2012 value.

iii. Adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow per common share of Cineplex, EPS excluding gain on acquisition, BPP and CPP are measures that do not have a standardized meaning under generally accepted accounting principles ("GAAP"). These measures as well as other non-GAAP financial measures reported by Cineplex are defined in the 'Non-GAAP Financial Measures' section at the end of this news release.

"2013 was another strong year for Cineplex as we exceeded prior year results in several key reporting metrics," said Ellis Jacob, President and CEO, Cineplex Entertainment. "Total revenues of $1.2 billion were up 7.2% and we achieved our highest ever annual adjusted EBITDA of $202.4 million."

"Film product was a little weaker this year for the Canadian industry especially compared to the record year in 2012. However, Cineplex continued to perform strongly, generating record BPP, CPP and media results. We completed two strategic acquisitions which positions us well for future growth. The acquisition of 24 Empire theatres in Atlantic Canada makes Cineplex the only Canadian exhibitor with a truly coast-to-coast presence, and the acquisition of EK3 Technologies Inc., positions us well for continued growth in the indoor digital signage sector throughout North America. Our media business continued to show strong gains with revenues increasing 30% in 2013. Membership in the SCENE loyalty program surpassed 5.3 million in 2013 and the program expanded into Atlantic Canada. In our interactive business, we made strong strategic advancements, launching SuperTicket, introducing Digital Tuesdays, and re-launching both Cineplex.com and CineplexStore.com."

"During 2013 we executed two significant strategic acquisitions and implemented a number of key initiatives in our existing and emerging businesses. These actions have resulted in meaningful new opportunities to drive growth in 2014 and beyond."

KEY DEVELOPMENTS IN 2013

The following describes certain key business initiatives and results undertaken and achieved during 2013 in each of Cineplex's core business areas:

THEATRE EXHIBITION

- Reported both record annual box office revenues of $665.3 million and BPP of $9.15 during 2013, an increase over the previous records of $638.3 million and $8.97, each set in 2012. Attendance was also an annual record for Cineplex, with 72.7 million patrons exceeding the previous record of 71.2 million set in 2012.
- Acquired the Atlantic Theatres, providing Cineplex with a national coast-to-coast presence and theatres in ten provinces.
- Acquired two theatres located in Vancouver, British Columbia from Festival Theatres Ltd.
- Opened two new theatres, *Cineplex Cinemas Abbotsford and VIP* in Abbotsford, British Columbia which includes three VIP auditoriums, and *Galaxy Cinemas Sarnia* located in Sarnia, Ontario. The Sarnia location replaced an existing Cineplex theatre which was closed at the time of the new theatre opening.
- Added UltraAVX (16), 3D (178) and IMAX (2) screens in strategic locations across the circuit, which contributed to the percentage of box office revenues from premium-priced product (see 'Non-GAAP Financial Measures' section of this news release) increasing to 38.7% in 2013 compared to 30.9% in 2012.

MERCHANDISING

- Reported record annual concession revenues of $350.4 million and CPP of $4.82, exceeding the previous records of $329.3 million and $4.63, both set in 2012.
- Opened two new XSCAPE entertainment centres in 2013, bringing the total number across the circuit to 10.
- Cineplex's first stand-alone food service business, *YoYo's Yogurt Café,* opened at the Pergola Commons complex in Guelph, Ontario.
- Continued the retail branded outlet optimization at theatre locations, with the continued expansion of Cineplex's *Outtakes* and *Poptopia* branded locations at select theatres. At December 31, 2013 there were 89 *Outtakes* and 12 *Poptopia* locations across Cineplex's circuit.

- Substantially completed the digital menu board rollout across the circuit.
- Deployed a comprehensive slate of promotional programs to drive purchase incidence and transaction value including new partnership and product launches with EA Sports and Toys "R" Us.

MEDIA

- Reported record annual media revenues of $109.6 million, which exceeded the prior year media revenues by $25.3 million (30.0%) with showtime and pre-show revenues as well as CDN revenues accounting for the majority of the increase.
- Completed the acquisition of EK3 Technologies Inc. ("EK3"), subsequently renamed CDN, in the third quarter. CDN designs, installs, manages and consults on some of the largest digital merchandising networks in North America, with networks viewed by more than 1.8 billion shoppers annually. CDN contributed $10.9 million to media revenues in 2013.
- Entered into an agreement to provide specialty media services to select Oxford Properties malls and shopping centres.

ALTERNATIVE PROGRAMMING

- Alternative programming in 2013 included strong performances from the Metropolitan Opera: Live in HD series, ethnic film programming, performances from the National Theatre in London (such as *The Audience* featuring Helen Mirren), sports programming as well as concert performances and the Classic Film Series.
- Hosted the first-ever Cineplex EA Sports NHL 14 Premiere Tournament at Cineplex Cinemas Yonge-Dundas, providing fans of EA Sports NHL game franchise an exclusive first opportunity to play one of the most anticipated video games of 2013.
- Distributed and presented the faith-based, family-focused film *Home Run* in select theatres.

INTERACTIVE

- Cineplex.com and the Cineplex Store websites were relaunched with a brand new responsive design format, providing customers with a more user-friendly experience including simplified search, streamlined purchase and payment functionality and consistency of experience across device types.
- Launched SuperTicket, a first-ever bundled offering that allows movie-goers to purchase a movie admission ticket and pre-order the UltraViolet digital download of a movie at the same time. SuperTicket was offered on select releases in 2013, including *Pacific Rim, The Smurfs 2, The Hobbit: The Desolation of Smaug* and *Anchorman 2*.
- During the fourth quarter, introduced the "$2.50 Digital Tuesday" marketing campaign and launched the annual Cineplex Store Holiday Campaign, with both campaigns delivering incremental visits and higher sales volumes compared to the prior year period.
- Cineplex, in partnership with Buyatab Online, was recognized with a national industry award for the Cineplex eGift Card and related marketing program at the 2013 PX Prepaid & Payment Awards.
- Cineplex.com registered a 15% increase in page views, a 17% increase in unique visitors and a 20% increase in visits 2013 compared to the prior year.
- As of December 31, 2013, the Cineplex mobile app has been downloaded 8.3 million times and recorded more than 255 million app sessions. The app is ranked 10th in Canada amongst all mobile brands by unique visitors.

LOYALTY

- Membership in the SCENE loyalty program increased more than 1.0 million members in 2013, reaching a membership of 5.3 million at December 31, 2013.

- SCENE ran programs with various partners including Telus, Winners, The Stratford Shakespeare Festival, Virgin Mobile, Cara Foods and Rogers during 2013.

CORPORATE

- During 2013, the board of directors of Cineplex (the "Board") announced a monthly dividend increase to $0.1200 per Share ($1.4400 on an annual basis) up from $0.1125 per Share ($1.3500 on an annual basis) effective with the May 2013 dividend.
- Cineplex entered into an amended and restated credit agreement (the "Credit Facilities") and issued convertible subordinated debentures. The proceeds from the issuance of the convertible debentures and the Credit Facilities were used to finance the acquisition of the Atlantic Theatres acquired in the fourth quarter of 2013.
- During 2013, Cineplex was named one of Canada's 10 Most Admired Corporate Cultures in the large enterprise category, one of 10 national recipients of the Canada's Passion Capitalist award, and winner of the Canadian Foundation for Physically Disabled Persons' Corporate Award.

OPERATING RESULTS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2013

Total revenues

Total revenues for the three months ended December 31, 2013 increased $24.5 million (8.2%) to $323.2 million as compared to the prior year period. Total revenues for the year ended December 31, 2013 increased $78.8 million (7.2%) to $1.2 billion as compared to the prior year period. A discussion of the factors affecting the changes in box office, concession and other revenues for the period is provided on the following pages.

Non-GAAP measures discussed throughout this news release, including adjusted EBITDA, adjusted free cash flow, attendance, BPP, premium priced product, same store metrics, CPP, film cost percentage, concession cost percentage and concession margin per patron are defined and discussed in the 'Non-GAAP Financial Measures' section of this news release.

Box office revenues

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

Box office revenues	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Box office revenues	$ 177,692	$ 170,524	4.2%	$ 665,306	$ 638,296	4.2 %
Attendance (i)	18,872	18,577	1.6%	72,703	71,198	2.1 %
Box office revenue per patron (i)	$ 9.42	$ 9.18	2.6%	$ 9.15	$ 8.97	2.0 %
BPP excluding premium priced product (i)	$ 8.52	$ 8.57	-0.6%	$ 8.29	$ 8.26	0.4 %
Canadian industry revenues (ii)			-6.2%			-2.8 %
Same store box office revenues (i)	$ 162,918	$ 168,623	-3.4%	$ 603,282	$ 613,202	-1.6 %
Same store attendance (i)	17,343	18,367	-5.6%	66,333	68,589	-3.3 %
% Total box from premium priced product (i)	40.3%	29.2%	11.1%	38.7%	30.9%	7.8 %

(i) See 'Non-GAAP Financial Measures' section of this news release.

(ii) The Movie Theatre Association of Canada ("MTAC") reported that the Canadian exhibition industry reported a box office revenue decrease of 6.7% for the period from October 4, 2013 to January 2, 2014 as compared to the period from October 5, 2012 to January 3, 2013. On a basis consistent with Cineplex's calendar reporting period (October 1 to December 31), the Canadian industry box office revenue change is estimated to be a decrease of 6.2%. MTAC reported that the Canadian exhibition industry reported a box office revenue decrease of 2.5% for the period from January 4, 2013 to January 2, 2014 as compared to the period from January 6, 2012 to January 3, 2013. On a basis consistent with Cineplex's calendar reporting period (January 1 to December 31), the Canadian industry box office revenue is estimated to be a decrease of 2.8%.

Box office continuity	Fourth Quarter		Full Year	
	Box Office	Attendance	Box Office	Attendance
2012 as reported	$ 170,524	18,577	$ 638,296	71,198
Same store attendance change	(9,401)	(1,024)	(20,168)	(2,256)
Impact of same store BPP change	3,697	—	10,248	—
New and acquired theatres	14,590	1,510	40,820	4,241
Disposed and closed theatres	(1,718)	(191)	(3,890)	(480)
2013 as reported	$ 177,692	18,872	$ 665,306	72,703

Fourth Quarter

	Fourth Quarter 2013 Top Cineplex Films	3D	% Box		Fourth Quarter 2012 Top Cineplex Films	3D	% Box
1	The Hunger Games: Catching Fire		14.2%	1	Skyfall		15.2 %
2	The Hobbit: The Desolation of Smaug	X	11.0%	2	The Hobbit: An Unexpected Journey	X	10.6 %
3	Gravity	X	10.6%	3	The Twilight Saga: Breaking Dawn 2		8.0 %
4	Frozen	X	9.3%	4	Wreck-It Ralph	X	5.4 %
5	Thor: The Dark World	X	8.8%	5	Hotel Transylvania	X	4.7 %

Box office revenues increased $7.2 million, or 4.2%, to $177.7 million during the fourth quarter of 2013, compared to $170.5 million recorded in the same period in 2012. The increase was due to the impact of the Atlantic Theatres, which contributed $10.4 million to box office revenues during the period, net of a 3.4% decrease in same store box office revenues due to a 5.6% decrease in same store attendance as compared to the prior year period. The film slate in the current period lacked the depth of the prior year period, resulting in the lower same store attendance in the current period.

BPP for the three months ended December 31, 2013 was $9.42, a $0.24 increase from the prior year period. The increase in BPP was due in part to the impact of premium priced product, which accounted for 40.3% of box office revenues in the current period, compared to 29.2% in the prior year period. The increase in the percentage of box office revenues from premium priced product was positively impacted by additional installations of UltraAVX, 3D, IMAX and VIP screens since the end of 2012, as the film slate in the current period had four of the top five films screened in 3D and four in IMAX, as compared to three in 3D and three in IMAX in the prior year period. Cineplex continues to invest in premium priced formats including 3D, UltraAVX, IMAX and VIP thereby positioning itself to benefit from the premiums charged for these offerings. The strong performance of Cineplex's premium-priced product resulted in Cineplex's same-store results outperforming the Canadian industry in the period, with the industry estimated to be down 6.2% in the period.

Full Year

	Full Year 2013 Top Cineplex Films	3D	% Box		Full Year 2012 Top Cineplex Films	3D	% Box
1	The Hunger Games: Catching Fire		3.6%	1	Marvel's The Avengers	X	5.7%
2	Iron Man 3	X	3.6%	2	The Dark Knight Rises		4.5%
3	Despicable Me 2	X	3.0%	3	Skyfall		4.1%
4	The Hobbit: The Desolation of Smaug	X	2.8%	4	The Hunger Games		3.8%
5	Gravity	X	2.7%	5	The Amazing Spider-Man	X	2.8%

Box office revenues for the year ended December 31, 2013 were $665.3 million, an increase of $27.0 million or 4.2% over the prior year. The Atlantic Theatres and the full year inclusion of the results of the four theatres acquired from AMC in July 2012 contributed $10.4 million and $18.6 million, respectively, to the increase. Same store revenues decreased 1.6% compared to the prior year due to a 3.3% same store attendance decline. The prior year was a record year for box office results in North America with film product in 2013 was not as strong as 2012 resulting in the same store attendance and revenue decrease.

Cineplex's BPP for the year ended December 31, 2013 increased $0.18, or 2.0%, from $8.97 in 2012 to an annual Cineplex record of $9.15. This increase was primarily due to the increase in revenues from premium-priced product. Premium-priced offerings accounted for 38.7% of Cineplex's box office revenues in the year ended December 31, 2013, compared to 30.9% in the prior year period. The top five films in the year ended December 31, 2013 were all screened in IMAX and four in 3D (2012 period - five in IMAX and two in 3D).

Cineplex's investment in premium-priced formats over the last five years has positioned it to take advantage of the price premiums charged for these formats, which has contributed to Cineplex's BPP growth in the current period compared to the prior year period. This investment in premium-priced offerings was a key factor resulting in Cineplex outperforming the Canadian industry during 2013.

Concession revenues

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

Concession revenues	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Concession revenues	$ 93,294	$ 86,409	8.0%	$ 350,353	$ 329,332	6.4%
Attendance (i)	18,872	18,577	1.6%	72,703	71,198	2.1%
Concession revenue per patron (i)	$ 4.94	$ 4.65	6.2%	$ 4.82	$ 4.63	4.1%
Same store concession revenues (i)	$ 85,351	$ 85,673	-0.4%	$ 322,191	$ 318,492	1.2%
Same store attendance (i)	17,343	18,367	-5.6%	66,333	68,589	-3.3%

(i) See 'Non-GAAP Financial Measures' section of this news release.

Concession revenue continuity	Fourth Quarter		Full Year	
	Concession	Attendance	Concession	Attendance
2012 as reported	$ 86,409	18,577	$ 329,332	71,198
Same store attendance change	(4,776)	(1,024)	(10,475)	(2,256)
Impact of same store CPP change	4,454	—	14,174	—
New and acquired theatres	7,841	1,510	18,914	4,241
Disposed and closed theatres	(634)	(191)	(1,592)	(480)
2013 as reported	$ 93,294	18,872	$ 350,353	72,703

Fourth Quarter

Concession revenues increased $6.9 million, or 8.0% as compared to the prior year period primarily due to the acquisition of the Atlantic Theatres, which contributed $6.0 million to concession revenues in the period. CPP increased from $4.65 in the fourth quarter of 2012 to $4.94 in the same period in 2013, a 6.2% increase and a quarterly record for Cineplex. Higher average transaction values led to the record concession revenues in the period, as expanded offerings outside of core concession products are driving higher average order value. Despite a decline in same-store attendance of 5.6% in the period compared to the prior year period, same store concession revenues decreased 0.4% as record CPP mitigated the attendance decline.

Full Year

Concession revenues increased $21.0 million, or 6.4% as compared to the prior year, due to the 2.1% increase in attendance and the 4.1% increase in CPP. CPP increased from $4.63 in 2012 to $4.82 in 2013, an annual record for Cineplex, exceeding the previous record set last year. The Atlantic Theatres contributed $6.0 million to concession revenues during the period and the impact of the four theatres acquired from AMC in July 2012, and therefore not fully reflected in the prior year period, contributed $7.0 million. Same store attendance decreased 3.3% compared to the prior year, however same store concession revenues increased 1.2% due to the record CPP in 2013 more than offsetting the same store attendance decline in 2013.

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

Other revenues

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

Other revenues	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Media	$ 39,196	$ 30,801	27.3%	$ 109,581	$ 84,285	30.0%
Games	1,722	1,361	26.5%	7,616	6,379	19.4%
Other	11,303	9,606	17.7%	38,411	34,209	12.3%
Total	$ 52,221	$ 41,768	25.0%	$ 155,608	$ 124,873	24.6%

Fourth Quarter

Other revenues increased 25.0% to $52.2 million in the fourth quarter of 2013 compared to the prior year period. This increase was primarily due to higher media revenues, which were $39.2 million, up $8.4 million, or 27.3%, when compared to the prior year period. The increase was due to the newly acquired CDN, which contributed $8.3 million to media revenues in the period. Cineplex Media revenues, including pre-show and showtime, exceeded the prior year period by $2.6 million. While Cineplex sold pre-show and showtime advertising for the Atlantic Theatres prior to their acquisition, the acquisition benefited the current period results as Cineplex now retains 100% of the media revenue where previously only a share was received. The increases were offset by a $2.5 million decrease in CDM revenues due to several large equipment installation projects completed in the prior year period.

The games revenue increase is primarily due to the addition of two new XSCAPE entertainment centres in 2013. On January 31, 2012, Cineplex deconsolidated New Way Sales ("NWS") and merged its operations with the amusement game and vending assets of Starburst Coin Machines Inc. ("SCM"), to create CSI. Cineplex and SCM both have a 50% interest in CSI. Cineplex's share of revenues and expenses from CSI for the periods subsequent to January 31, 2012 are included in the 'Share of income of joint ventures' line in the statements of operations.

The increase in the other category is primarily due to additional revenues arising from enhanced guest service initiatives and new business initiatives.

Full Year

Other revenues increased 24.6% from $124.9 million in 2012 to $155.6 million during 2013. The largest component of this increase was media revenues, which increased $25.3 million, or 30.0%, from the prior year period. This increase was primarily due to Cineplex Media revenues, which increased $15.9 million year over year. Digital out-of-home media revenues contributed $9.4 million to the increase. CDN contributed $10.9 million to this increase, offset by a $1.6 million decline in CDM revenues due to several large equipment installation projects completed in the prior year.

The full year of 2013 includes a life-to-date one-time increase to games revenue of $0.5 million recorded in the first quarter of 2013 due to a change in accounting policy regarding the recognition of revenue on the sale of XSCAPE gaming cards, which was substantially offset by the games revenues for the first quarter of 2012 including the results of NWS for January 2012 ($0.4 million). The remainder of the games revenue increase is due to the six XSCAPE locations added since January 1, 2012, two of which were added in 2013. The increase in the other category is primarily due to higher auditorium rental and screening revenues as well as additional revenues arising from enhanced guest service initiatives and new business initiatives.

Film cost

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

Film cost	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Film cost	$ 91,867	$ 87,477	5.0%	$ 346,373	$ 331,281	4.6%
Film cost percentage (i)	51.7%	51.3%	0.4%	52.1%	51.9%	0.2%
(i) See 'Non-GAAP Financial Measures' section of this news release						

Fourth Quarter

Film cost varies primarily with box office revenue, and can vary from quarter to quarter based on the relative strength of the titles exhibited during the period. The increase in the fourth quarter of 2013 compared to the prior year period was due to the increase in box office revenue and the impact of the 0.4% increase in film cost percentage. The increase in film cost percentage is primarily due to the settlement rate on the top films during the fourth quarter of 2013 being higher than the average film settlement rate in the 2012 period.

Full Year

The year to date increase in film cost was primarily due to the 4.2% increase in box office revenues 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 2013 being higher than the average settlement rate in 2012.

Cost of concessions

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

Cost of concessions	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Concession cost	$ 19,835	$ 18,077	9.7%	$ 74,693	$ 68,398	9.2%
Concession cost percentage (i)	21.3%	20.9%	0.4%	21.3%	20.8%	0.5%
Concession margin per patron (i)	$ 3.89	$ 3.68	5.7%	$ 3.79	$ 3.66	3.6%
(i) See 'Non-GAAP Financial Measures' section of this news release.						

Fourth Quarter

Cost of concessions varies primarily with theatre attendance as well as the quantity and mix of concession offerings sold. The increase in concession cost as compared to the prior year period was due to the 0.4% increase in the concession cost percentage during the period. The concession margin per patron increased from $3.68 in the fourth quarter of 2012 to $3.89 in the same period in 2013, reflecting the impact of the higher CPP during the period.

Full Year

The increase in concession cost during the period was due to the 6.4% increase in concession revenues and the 0.5% increase in the concession cost percentage during the period. The concession margin per patron increased from $3.66 in the 2012 period to $3.79 in the current period, reflecting the impact of the higher CPP during the period.

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

Depreciation and amortization

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

Amortization expenses	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Amortization of property, equipment and leaseholds	$ 15,957	$ 13,446	18.7%	$ 58,588	$ 56,244	4.2%
Amortization of intangible assets and other	3,791	3,522	7.6%	12,302	5,919	107.8%
Amortization expenses as reported	$ 19,748	$ 16,968	16.4%	$ 70,890	$ 62,163	14.0%

The quarterly increase in amortization of property, equipment and leaseholds of $2.5 million is primarily due to the impact of the purchases of equipment and leasehold improvements relating to assets acquired through acquisitions and new theatre construction. The year-to-date increase of $2.3 million is due to the impact of the assets acquired through acquisitions and new theatre construction, partially offset by certain assets becoming fully amortized in the third quarter of 2012.

The increase in amortization of intangible assets and other in the fourth quarter of 2013 and the full year compared to the prior year periods is due to the amortization of certain trade name assets that are being phased out by Cineplex. These assets were previously classified as indefinite life assets however during the fourth quarter of 2012 their classification was changed to finite life with amortization being recorded over the anticipated rebranding schedule of the associated theatres. The 2013 periods also include intangible amortization relating to customer relationships and internally developed software acquired as part of the EK3 acquisition which closed during the third quarter of 2013.

Loss (gain) on disposal of assets

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

Loss (gain) on disposal of assets	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Loss (gain) on disposal of assets	$ 432	$ (3,138)	NM	$ 4,372	$ (2,352)	NM

During the fourth quarter of 2013, Cineplex recorded a loss of $0.4 million on the disposal of assets that were sold or otherwise disposed (2012 - gain of $3.1 million due to a gain of $3.7 million recognized on the sale of land, offset by losses on certain assets that were sold or otherwise disposed of). For the year ended December 31, 2013, disposal of assets resulted in a loss of $4.4 million on the disposal of assets that were sold or otherwise disposed, including the disposition of two properties in Ontario (2012 - gain of $2.4 million due to the sale of land offset by losses on certain assets that were sold or otherwise disposed of).

(Gain) on acquisition of business

The gain on acquisition represents the gain recorded on the acquisition of AMC Ventures Inc., which operated three leased theatres in Ontario and one leased theatre in Quebec. The gain was revised in the fourth quarter of 2012 based on the finalization of AMC Ventures Inc.'s final tax return (in thousands of Canadian dollars):

(Gain) on acquisition of business	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
(Gain) on acquisition of business	$ —	$ (930)	NM	$ —	$ (24,752)	NM

Other costs

Other costs include three main sub-categories of expenses, including theatre occupancy expenses, which capture the rent and associated occupancy costs for Cineplex's various operations; other operating expenses, which include the costs related to running Cineplex's theatres and ancillary businesses; and general and administrative expenses, which includes costs related to managing Cineplex's operations, including the head office expenses. Please see the discussions below for more details on these categories. The following table highlights the movement in other costs for the quarter and the full year (in thousands of Canadian dollars):

Other costs	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Theatre occupancy expenses	$ 48,658	$ 45,498	6.9%	$ 188,388	$ 174,259	8.1%
Other operating expenses	91,430	75,495	21.1%	297,594	263,571	12.9%
General and administrative expenses	17,937	15,326	17.0%	65,837	57,707	14.1%
Total other costs	$ 158,025	$ 136,319	15.9%	$ 551,819	$ 495,537	11.4%

Theatre occupancy expenses

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

Theatre occupancy expenses	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Rent	$ 32,540	$ 30,936	5.2%	$ 126,284	$ 116,586	8.3%
Other occupancy	16,715	15,343	8.9%	65,340	59,628	9.6%
One-time items (i)	(597)	(781)	-23.6%	(3,236)	(1,955)	65.5%
Total	$ 48,658	$ 45,498	6.9%	$ 188,388	$ 174,259	8.1%

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

Theatre occupancy continuity	Fourth Quarter Occupancy	Full Year Occupancy
2012 as reported	$ 45,498	$ 174,259
Impact of new and acquired theatres	3,274	15,850
Impact of disposed theatres	(517)	(1,082)
Same store rent change (i)	36	315
One-time items	184	(1,281)
Other	183	327
2013 as reported	$ 48,658	$ 188,388
(i) See 'Non-GAAP Financial Measures' section of this news release		

Fourth Quarter

Theatre occupancy expenses increased $3.2 million during the fourth quarter of 2013 compared to the prior year period. This increase was primarily due to the impact of new and acquired theatres net of disposed theatres ($2.8 million, of which $2.2 million relates to the Atlantic Theatres).

Full Year

The increase in theatre occupancy expenses of $14.1 million for 2013 compared to the prior year was due to the new and acquired theatres, primarily the four theatres acquired from AMC in the third quarter of 2012 and the Atlantic Theatres (net increase of $10.5 million for the AMC theatres and net increase of $2.2 million for the Atlantic Theatres). This increase was partially offset by the impact of favourable real estate tax reassessments included in the one-time items line.

Other operating expenses

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

Other operating expenses	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
Theatre payroll	$ 32,620	$ 30,863	5.7%	$ 121,087	$ 115,013	5.3%
Media	14,692	8,769	67.5%	35,083	24,287	44.5%
Other	44,118	35,863	23.0%	141,424	124,271	13.8%
Other operating expenses	$ 91,430	$ 75,495	21.1%	$ 297,594	$ 263,571	12.9%

Other operating continuity	Fourth Quarter Other Operating	Full Year Other Operating
2012 as reported	$ 75,495	$ 263,571
Impact of new and acquired theatres	5,434	13,749
Impact of disposed theatres	(583)	(1,661)
Same store payroll change (i)	(950)	(471)
Marketing change	1,455	724
Media, excluding Cineplex Digital Networks	(1,103)	1,571
Cineplex Digital Networks	7,026	9,225
New Way Sales	—	(299)
New business initiatives	1,447	2,288
Other	3,209	8,897
2013 as reported	$ 91,430	$ 297,594
(i) See 'Non-GAAP Financial Measures' section of this news release		

Fourth Quarter

Other operating expenses during the fourth quarter of 2013 increased $15.9 million or 21.1% compared to the prior year period. The major components of the increase were the impact of the newly acquired CDN ($7.0 million), of new and acquired theatres net of disposed theatres ($4.9 million), higher marketing costs ($1.5 million), new business initiatives including the Cineplex Store ($1.4 million) and other expenses ($3.2 million, discussed below). These increases were partially offset by lower media costs ($1.1 million) due to the prior year period including several large equipment installation projects by CDM, and lower same-store payroll costs ($0.9 million).

The major movements in the Other category include the following:

- The increase in 3D attendance due to stronger 3D product and the additional 178 3D screens added since December 31, 2012 resulted in higher 3D royalty costs ($0.7 million) as well as contributing to the higher cost of projector bulbs ($0.5 million) as 3D features require bulbs with higher output which significantly reduces the life of the bulbs.
- Higher card costs for gift cards due to the record sales of Cineplex gift cards during the period ($0.6 million).
- Higher IMAX costs related to the higher number of IMAX screens in the circuit in the period ($0.3 million).
- Higher same-store utility costs ($0.3 million) due in part to the cold temperatures across parts of the country during the period.
- Higher credit card service fees due to higher sales volumes ($0.2 million).

Total theatre payroll costs accounted for 35.7% of total operating expenses during the fourth quarter of 2013 as compared to 40.9% for the same period one year earlier.

Full Year

For the year ended December 31, 2013, other operating expenses increased $34.0 million. The impact of new and acquired net of disposed theatres was a $12.1 million increase to the category primarily due to the four theatres acquired from AMC which accounted for $5.2 million of the increase and the Atlantic Theatres which accounted for $3.6 million of the increase. Cost increases included higher media costs due to the higher media sales during the year ($10.8 million, with CDN contributing $9.2 million to this increase), new business initiatives including the Cineplex Store ($2.3 million), higher marketing expenses ($0.7 million) , and a $8.9 million increase in the Other category (discussed below). These increases were partially offset by lower same-store payroll expenses ($0.5 million).

The major movements in the Other category include the following:

- The increase in 3D attendance due to stronger 3D product and the additional 178 3D screens added since December 31, 2012 resulted in higher 3D royalty costs ($2.2 million) as well as contributing to the higher cost of projector bulbs ($1.3 million) as 3D features require bulbs with higher output which significantly reduces the life of the bulbs.
- Higher same-store utility costs during 2013 compared to the prior year period ($1.1 million).
- Higher credit card service fees due to higher sales volumes during the year ($0.8 million).
- Higher card costs for gift cards due to record sales of Cineplex gift cards during the period ($0.8 million).
- Costs relating to converting Cineplex's theatre circuit to energy-efficient lighting systems ($0.6 million).

Total theatre payroll accounted for 40.7% of total other operating expenses in the 2013 period, compared to 43.6% in the prior year period.

General and administrative expenses

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

G&A expenses	Fourth Quarter			Full Year		
	2013	2012	Change	2013	2012	Change
G&A excluding LTIP and option plan expense	$ 13,271	$ 12,717	4.4%	$ 49,928	$ 47,194	5.8%
LTIP (i)	4,263	2,176	95.9%	14,321	8,442	69.6%
Option plan	403	433	-6.9%	1,588	2,071	-23.3%
G&A expenses as reported	$ 17,937	$ 15,326	17.0%	$ 65,837	$ 57,707	14.1%

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

Fourth Quarter

G&A expenses increased $2.6 million during the fourth quarter of 2013 compared to the prior year period, due to a $2.1 million increase in LTIP expenses. Cineplex's Share price increased $5.85 per Share, or 15.3%, during the quarter and was the main contributor to the increase in LTIP expense. The remainder of the increase was due in part to higher head office payroll due to new business initiatives resulting in additional headcount.

Full Year

G&A expenses for 2013 increased $8.1 million compared to the prior year period, primarily due to the $5.9 million increase in LTIP expenses, primarily due to the Share price increase of $12.23 per Share, or 38.4%, during 2013. The remainder of the increase was due in part to head office payroll expenses which increased due to new business initiatives resulting in additional headcount.

Share of income of joint ventures

Cineplex’s joint ventures in the 2013 period include its 50% share of one theatre in Quebec and one IMAX screen in Ontario, its 78.2% interest in CDCP and its 50% interest in CSI. For the 2012 period, Cineplex's joint ventures included one theatre in Quebec, one IMAX screen in Ontario, its 78.2% interest in CDCP and its 50% interest in CSI following its formation on January 31, 2012. The following table highlights the components of share of income of joint ventures during the quarter and the full year (in thousands of Canadian dollars):

Share of income of joint ventures	**Fourth Quarter**			**Full Year**		
	2013	**2012**	**Change**	**2013**	**2012**	**Change**
Share of (income) of CDCP	$ (688)	$ (834)	-17.5%	$ (2,336)	$ (2,222)	5.1%
Share of (income) of CSI	(19)	(170)	-88.8%	(1,254)	(932)	34.5%
Share of (income) loss of other joint ventures	(139)	2	NM	(260)	(109)	138.5%
Total (income) of joint ventures	$ (846)	$ (1,002)	-15.6%	$ (3,850)	$ (3,263)	18.0%

Fourth Quarter

The decrease from income of $1.0 million in the fourth quarter of 2012 to income of $0.8 million in the current period is due to a decreases in income from CSI and CDCP, partially offset by income from the theatre joint ventures.

Under IFRS 11, Cineplex's 50% interest in SCENE LP is classified as a joint operation and not a joint venture resulting in Cineplex recognizing its share of the assets, liabilities, revenues and expenses of SCENE in its consolidated financial statements on a line-by-line basis.

Full Year

The increase from income of $3.3 million in the 2012 period to income of $3.9 million in the current year is due to income increases in all of Cineplex's joint ventures, with the largest dollar increase coming from CSI.

EARNINGS BEFORE INTEREST, INCOME TAXES, DEPRECIATION AND AMORTIZATION (“EBITDA”) (see "Non-GAAP Financial Measures" section of this news release)

The following table presents EBITDA and adjusted EBITDA for the three months and year ended December 31, 2013 as compared to the three months and year ended December 31, 2012 (expressed in thousands of Canadian dollars, except adjusted EBITDA margin):

EBITDA	**Fourth Quarter**			**Full Year**		
	2013	**2012**	**Change**	**2013**	**2012**	**Change**
EBITDA	$ 53,894	$ 61,898	-12.9%	$ 197,860	$ 227,652	-13.1%
Adjusted EBITDA	$ 54,144	$ 57,507	-5.8%	$ 202,441	$ 200,484	1.0%
Adjusted EBITDA margin	16.8%	19.3%	-2.5%	17.3%	18.4%	-1.1%

Adjusted EBITDA for the fourth quarter of 2013 decreased $3.4 million, or 5.8%, as compared to the prior year period. The decrease as compared to the prior year period was primarily due higher LTIP costs of $2.1 million due to the increase in Cineplex's Share price during the period. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 16.8% in the current period, down from 19.3% in the prior year period.

Adjusted EBITDA for the year ended December 31, 2013 was $202.4 million compared to $200.5 million in the prior year period. This increase was due to the strong media revenues recorded throughout 2013 compared to the prior year, as well as impact of CDN and the Atlantic Theatres, partially offset by higher LTIP costs of $5.9 million.

ADJUSTED FREE CASH FLOW

For the fourth quarter of 2013, adjusted free cash flow per common share of Cineplex was $0.5769 as compared to $0.5403 in the prior year period. The declared dividends per common share of Cineplex were $0.3600 in the fourth quarter of 2013 and $0.3375 in the prior year period. During the year ended December 31, 2013, Cineplex generated adjusted free cash flow per Share of $2.4580, compared to $2.0785 in the prior year period. Cineplex declared dividends per Share of $1.4100 and $1.3300, respectively, in each period. The payout ratios for these periods were approximately 57.4% and 64.0%, respectively. Adjusted free cash flow per common share and the payout ratios for the 2013 periods are positively impacted by Cineplex's use of loss carryforwards acquired through Cineplex's acquisition of AMC Ventures Inc. in 2012, resulting in Cineplex's cash income taxes in 2013 being substantially reduced.

NON-GAAP FINANCIAL MEASURES

EBITDA and Adjusted Free Cash Flow

EBITDA and adjusted free cash flow are not measures recognized by 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. 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.

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, the share of income or loss of the Canadian Digital Cinema Partnership (“CDCP”) and depreciation, amortization, interest and taxes of Cineplex's other joint ventures. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenues.

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.

For a detailed reconciliation of net income to EBITDA and adjusted EBITDA and from cash used in or provided by operating activities to adjusted free cash flow, please refer to Cineplex's management's discussion and analysis filed on www.sedar.com.

Earnings per Share Metrics

The three months and year ended December 31, 2012 include a gain on the acquisition of four theatres acquired from AMC Entertainment Inc. of $0.9 million and $24.8 million, respectively. Cineplex has presented basic and diluted earnings per share net of gains on acquisitions to provide a more comparable earnings per share metric between the current and prior year periods. In the non-GAAP measure, earnings is defined as net income less the gain on acquisition of business.

Per Patron Revenue Metrics

Cineplex reviews per patron metrics as they relate to box office revenue and concession revenue such as BPP, CPP, BPP excluding premium priced product, and concession margin per patron, as these are key measures used by investors to value and assess Cineplex's performance, and are widely used in the theatre exhibition industry. Management of Cineplex defines these metrics as follows:

Attendance: Attendance is calculated as the total number of paying patrons that frequent Cineplex's theatres during the period.

BPP: Calculated as total box office revenues divided by total paid attendance for the period.

BPP excluding premium priced product: Calculated as total box office revenues for the period, less box office revenues from 3D, UltraAVX, VIP and IMAX product; divided by total paid attendance for the period, less paid attendance for 3D, UltraAVX, VIP and IMAX product.

CPP: Calculated as total concession revenues divided by total paid attendance for the period.

Premium priced product: Defined as 3D, UltraAVX, IMAX and VIP film product.

Concession margin per patron: Calculated as total concession revenues less total concession cost, divided by attendance for the period.

Same Store Analysis

Cineplex reviews and reports same store metrics relating to box office revenues, concession revenues, rent expense and payroll expense, as these measures are widely used in the theatre exhibition industry as well as other retail industries.

Same store metrics are calculated by removing the results for all theatres that have been opened, acquired, closed or otherwise disposed of during the periods. For the three months ended December 31, 2013, the impact of the 30 locations that have been opened or acquired and two locations that have been closed or otherwise disposed of have been excluded, resulting in 129 theatres being included in the same store metrics. For the year ended December 31, 2013, the impact of the 35 locations that have been opened or acquired and the four locations that have been closed or otherwise disposed of have been excluded, resulting in 122 theatres being included in the same store metrics.

Cost of sales percentages

Cineplex reviews and reports cost of sales percentages for its two largest revenue sources, box office revenues and concession revenues as these measures are widely used in the theatre exhibition industry. These measures are reported as film cost percentage and concession cost percentage, respectively, and are calculated as follows:

Film cost percentage: Calculated as total film cost expense divided by total box office revenues for the period.

Concession cost percentage: Calculated as total concession costs divided by total concession revenues for the period.

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, Cineplex Digital Networks, and the online sale of home entertainment content through CineplexStore.com and on apps embedded in various electronic devices. Cineplex is also a joint venture partner in SCENE - Canada's largest entertainment loyalty program.

Cineplex is headquartered in Toronto, Canada, and operates 161 theatres with 1,632 screens from coast to coast, through the following theatre brands: Cineplex Odeon, SilverCity, Galaxy Cinemas, Scotiabank Theatres, Cineplex Cinemas, and Cineplex VIP Cinemas. 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:

Tuesday, February 11, 2014
10:00 a.m. Eastern Time

In order to participate in the conference call, **please dial 416-644-3414 or outside of Toronto dial 1-800-814-4858** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 4665018 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 4665018#. The replay will begin at 12:00 p.m. Eastern Time on Tuesday, February 11, 2014 and end at 11:59 p.m. Eastern Time on Tuesday, February 18, 2014.
- 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:

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Cineplex Inc.

Consolidated Balance Sheets

(expressed in thousands of Canadian dollars)

	December 31, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 44,140	$ 48,665
Trade and other receivables	100,891	77,278
Inventories	7,234	5,193
Prepaid expenses and other current assets	6,838	3,047
	159,103	134,183
Non-current assets		
Property, equipment and leaseholds	459,112	418,498
Deferred income taxes	17,635	53,528
Fair value of interest rate swap agreements	92	—
Interests in joint ventures	44,359	41,623
Intangible assets	113,601	78,460
Goodwill	797,476	608,929
	$ 1,591,378	$ 1,335,221

Cineplex Inc.

Consolidated Balance Sheets … ***continued***

(expressed in thousands of Canadian dollars)

	December 31, 2013	December 31, 2012
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	$ 157,333	$ 129,499
Share-based compensation	12,151	—
Dividends payable	7,552	7,063
Income taxes payable	2,656	13,654
Deferred revenue	136,373	106,253
Finance lease obligations	2,394	2,222
Fair value of interest rate swap agreements	635	513
	319,094	259,204
Non-current liabilities		
Share-based compensation	15,622	12,223
Long-term debt	217,151	148,066
Fair value of interest rate swap agreements	—	273
Finance lease obligations	17,722	20,548
Post-employment benefit obligations	6,522	6,274
Other liabilities	170,125	141,319
Convertible debentures	96,870	—
	524,012	328,703
Total liabilities	843,106	587,907
Equity		
Share capital	853,411	847,235
Deficit	(107,323)	(102,547)
Accumulated other comprehensive loss	(1,715)	(1,142)
Contributed surplus	3,899	3,768
	748,272	747,314
	$ 1,591,378	$ 1,335,221

Cineplex Inc.

Consolidated Statements of Operations

(expressed in thousands of Canadian dollars, except net income per share)

	Three months ended December 31,		Year ended December 31,	
	2013	2012	2013	2012
Revenues				
Box office	$ 177,692	$ 170,524	$ 665,306	$ 638,296
Concessions	93,294	86,409	350,353	329,332
Other	52,221	41,768	155,608	124,873
	323,207	298,701	1,171,267	1,092,501
Expenses				
Film cost	91,867	87,477	346,373	331,281
Cost of concessions	19,835	18,077	74,693	68,398
Depreciation and amortization	19,748	16,968	70,890	62,163
Loss (gain) on disposal of assets	432	(3,138)	4,372	(2,352)
(Gain) on acquisition of business	—	(930)	—	(24,752)
Other costs	158,025	136,319	551,819	495,537
Share of income of joint ventures	(846)	(1,002)	(3,850)	(3,263)
Interest expense	4,774	2,090	10,743	12,585
Interest income	(83)	(58)	(307)	(205)
	293,752	255,803	1,054,733	939,392
Income before income taxes	29,455	42,898	116,534	153,109
Provision for income taxes				
Current	1,077	8,795	3,608	31,436
Deferred	8,210	1,399	29,369	1,189
	9,287	10,194	32,977	32,625
Net income	$ 20,168	$ 32,704	$ 83,557	$ 120,484
Basic net income per share	$ 0.32	$ 0.53	$ 1.33	$ 1.98
Diluted net income per share	$ 0.32	$ 0.52	$ 1.32	$ 1.97

Cineplex Inc.

Consolidated Statements of Comprehensive Income

(expressed in thousands of Canadian dollars)

	Three months ended December 31,		Year ended December 31,	
	2013	**2012**	**2013**	**2012**
Net income	$ 20,168	$ 32,704	$ 83,557	$ 120,484
Other comprehensive (loss) income				
Items that will be reclassified subsequently to net income:				
(Loss) income on hedging instruments	(718)	29	(782)	2,486
Associated deferred income taxes recovery (expense)	(177)	(83)	209	(905)
Items that will not be reclassified to net income:				
Actuarial gains (losses) of post-employment benefit obligations	388	(190)	388	(190)
Associated deferred income taxes recovery	(102)	50	(102)	50
Other comprehensive (loss) income	(609)	(194)	(287)	1,441
Comprehensive income	$ 19,559	$ 32,510	$ 83,270	$ 121,925

Cineplex Inc.

Consolidated Statements of Changes in Equity

(expressed in thousands of Canadian dollars)

For the years ended December 31, 2013 and 2012

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance - January 1, 2013	**$ 847,235**	**$ 3,768**	**$ (1,142)**	**$ (102,547)**	**$ 747,314**
Net income	—	—	—	83,557	83,557
Other comprehensive income	—	—	(573)	286	(287)
Total comprehensive income			**(573)**	**83,843**	**83,270**
Dividends declared	—	—	—	(88,619)	(88,619)
Long-term incentive plan obligation	248	—	—	—	248
Issuance of convertible debentures	4,471	—	—	—	4,471
Share option expense	—	1,588	—	—	1,588
Issuance of shares on exercise of options	1,457	(1,457)	—	—	—
Balance - December 31, 2013	**$ 853,411**	**$ 3,899**	**$ (1,715)**	**$ (107,323)**	**$ 748,272**
Balance - January 1, 2012	**$ 764,801**	**$ —**	**$ (2,723)**	**$ (140,469)**	**$ 621,609**
Share option liabilities reclassified	—	6,850	—	—	6,850
Net income	—	—	—	120,484	120,484
Other comprehensive income	—	—	1,581	(140)	1,441
Total comprehensive income			**1,581**	**120,344**	**121,925**
Dividends declared	—	—	—	(81,572)	(81,572)
Long-term incentive plan obligation	(4,818)	—	—	—	(4,818)
Long-term incentive plan shares	6,471	—	—	—	6,471
Share option expense	—	2,071	—	—	2,071
Issuance of shares on exercise of options	5,873	(5,372)	—	—	501
Issuance of shares on conversion of debentures	75,844	219	—	—	76,063
Issuance of shares for cash	—	—	—	—	—
Shares repurchased and cancelled	(936)	—	—	(850)	(1,786)
Balance - December 31, 2012	**$ 847,235**	**$ 3,768**	**$ (1,142)**	**$ (102,547)**	**$ 747,314**

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

	Three months ended December 31, 2013	Three months ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2012
Cash provided by (used in)				
Operating activities				
Net income	$ 20,168	$ 32,704	$ 83,557	$ 120,484
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	19,748	16,968	70,890	62,163
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(1,743)	(1,432)	(6,735)	(5,033)
Accretion of debt issuance costs and other non-cash interest	1,116	143	2,001	562
Loss (gain) on disposal of assets	432	(3,138)	4,372	(2,352)
(Gain) on acquisition of business	—	(930)	—	(24,752)
Deferred income taxes	8,210	1,399	29,369	1,189
Interest rate swap agreements - non-cash interest	(158)	(295)	(939)	1,485
Non-cash share-based compensation	393	433	1,826	2,108
Accretion of convertible debentures	274	24	274	323
Net change in interests in joint ventures	(297)	(639)	(2,686)	4,356
Tenant inducements	500	1,643	5,417	7,615
Changes in operating assets and liabilities	85,812	62,706	37,302	7,486
Net cash provided by operating activities	134,455	109,586	224,648	175,634
Investing activities				
Proceeds from sale of assets	1,451	2,550	3,573	3,683
Purchases of property, equipment and leaseholds	(15,845)	(22,457)	(62,410)	(72,242)
Acquisition of business, net of cash acquired	(195,704)	—	(238,338)	(2,811)
Deposit for business acquisition	5,000	—	—	—
Net cash received from (invested in) CDCP	535	(190)	(50)	(438)
Net cash used in investing activities	(204,563)	(20,097)	(297,225)	(71,808)
Financing activities				
Dividends paid	(22,632)	(20,955)	(88,130)	(80,794)
Borrowings (repayments) under credit facility, net	24,000	(20,000)	70,000	(20,000)
Repayment of debt acquired with business	—	—	(12,875)	—
Payments under finance leases	(615)	(531)	(2,277)	(2,104)
Proceeds from issuance of shares	—	—	—	501
Net Proceeds from issuance of convertible debentures	103,469	—	103,469	—
Deferred financing fees	(2,135)	—	(2,135)	—
Shares repurchased and cancelled	—	—	—	(1,786)
Repayment of convertible debentures at maturity	—	(1,123)	—	(1,123)
Net cash provided by (used in) financing activities	102,087	(42,609)	68,052	(105,306)
Increase (decrease) in cash and cash equivalents	31,979	46,880	(4,525)	(1,480)
Cash and cash equivalents - Beginning of year	12,161	1,785	48,665	50,145
Cash and cash equivalents - End of year	$ 44,140	$ 48,665	$ 44,140	$ 48,665
Supplemental information				
Cash paid for interest	$ 3,626	$ 2,866	$ 9,421	$ 10,293
Cash paid for income taxes	$ 905	$ 5,281	$ 14,148	$ 35,268

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

Reconciliation to Adjusted EBITDA

	Three months ended December 31, 2013	Three months ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2012
Net income	**$ 20,168**	**$ 32,704**	**$ 83,557**	**$ 120,484**
Depreciation and amortization	19,748	16,968	70,890	62,163
Interest expense	4,774	2,090	10,743	12,585
Interest income	(83)	(58)	(307)	(205)
Current income tax expense	1,077	8,795	3,608	31,436
Deferred income tax expense	8,210	1,399	29,369	1,189
EBITDA	**$ 53,894**	**$ 61,898**	**$ 197,860**	**$ 227,652**
Loss (gain) on disposal of assets	432	(3,138)	4,372	(2,352)
(Gain) on acquisition of business	—	(930)	—	(24,752)
CDCP equity (income) loss (i)	(688)	(834)	(2,336)	(2,222
Depreciation and amortization - joint ventures (ii)	518	440	2,139	1,822
Joint venture taxes and interest (ii)	(12)	71	406	336
Adjusted EBITDA	**$ 54,144**	**$ 57,507**	**$ 202,441**	**$ 200,484**

(i) 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.
(ii) Includes the joint ventures with the exception of CDCP (see (i) above).

Components of Other Costs

Other costs	**Fourth Quarter**			**Year to Date**		
	2013	**2012**	**Change**	**2013**	**2012**	**Change**
Theatre occupancy expenses	$ 48,658	$ 45,498	6.9%	$ 188,388	$ 174,259	8.1%
Other operating expenses	91,430	75,495	21.1%	297,594	263,571	12.9%
General and administrative expenses	17,937	15,326	17.0%	65,837	57,707	14.1%
Total other costs	$ 158,025	$ 136,319	15.9%	$ 551,819	$ 495,537	11.4%

Cineplex Inc.
Consolidated Supplemental Information
(Unaudited)
(expressed in thousands of Canadian dollars, except number of shares and per share data)

Adjusted Free Cash Flow

	Three months ended December 31,		Year ended December 31,	
	2013	2012	2013	2012
Cash provided by operating activities	$ 134,455	$ 109,586	$ 224,648	$ 175,634
Less: Total capital expenditures net of proceeds on sale of assets	(14,394)	(19,907)	(58,837)	(68,559)
Standardized free cash flow	120,061	89,679	165,811	107,075
Add/(Less):				
Changes in operating assets and liabilities (i)	(85,812)	(62,706)	(37,302)	(7,486)
Changes in operating assets and liabilities of joint ventures (i)	(549)	(363)	(1,164)	(7,619)
Tenant inducements (ii)	(500)	(1,643)	(5,417)	(7,615)
Principal component of finance lease obligations	(615)	(531)	(2,277)	(2,104)
Growth capital expenditures and other (iii)	2,561	8,665	31,011	41,959
Share of income of joint ventures, net of non-cash depreciation (iv)	593	661	3,855	3,152
Net cash invested in CDCP (iv)	535	(190)	(50)	(438)
Adjusted free cash flow	**$ 36,274**	**$ 33,572**	**$ 154,467**	**$ 126,924**
Average number of Shares outstanding	62,875,151	62,137,513	62,843,248	61,065,540
Adjusted free cash flow per Share	**$ 0.5769**	**$ 0.5403**	**$ 2.4580**	**$ 2.0785**

(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 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.