



FOR IMMEDIATE RELEASE

CINEPLEX INC. Reports First Quarter Results and Announces Dividend Increase

TORONTO, Canada, May 2, 2018 (TSX: CGX) - Cineplex Inc. ("Cineplex") today released its financial results for the three months ended March 31, 2018. Unless otherwise specified, all amounts are in Canadian dollars.

First Quarter Results

	2018	2017	Period over Period Change (i)
Total revenues	\$ 390.9 million	\$ 394.2 million	-0.9%
Attendance	17.8 million	19.6 million	-9.3%
Net income	\$ 15.2 million	\$ 23.0 million	-33.7%
Box office revenues per patron ("BPP") (ii)	\$ 10.21	\$ 9.97	2.4%
Concession revenues per patron ("CPP") (ii)	\$ 6.09	\$ 5.71	6.7%
Adjusted EBITDA (ii)	\$ 53.5 million	\$ 59.4 million	-10.0%
Adjusted EBITDA margin (ii)	13.7 %	15.1 %	-1.4%
Adjusted free cash flow (ii)	\$ 38.6 million	\$ 43.3 million	-10.9%
Adjusted free cash flow per common share of Cineplex ("Share") (ii)	\$ 0.609	\$ 0.682	-10.7%
Earnings per Share ("EPS") - basic	\$ 0.24	\$ 0.37	-35.1%
EPS excluding change in fair value of financial instrument - basic (ii)	\$ 0.24	\$ 0.35	-31.4%
EPS - diluted	\$ 0.24	\$ 0.37	-35.1%
EPS excluding change in fair value of financial instrument - diluted (ii)	\$ 0.24	\$ 0.35	-31.4%

- i. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2018 value less 2017 value.
- ii. Adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow per common share of Cineplex, BPP, CPP and EPS excluding change in fair value of financial instrument items 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.

"We continue to execute our diversification strategy to reduce our reliance on the relative strength of quarterly box office comparisons," said Ellis Jacob, President and CEO, Cineplex. "Total revenue for the first quarter of 2018 was relatively flat, down 0.9% to \$390.9 million compared to the same period last year, as the revenue strength of the new businesses was offset by the decline in exhibition revenue as a result of a 9.3% attendance decrease. The Rec Room performed well and we continued with proactive cost control measures, however the attendance decline resulted in a 10.0% decrease in adjusted EBITDA to \$53.5 million. Subsequent to quarter end, we implemented a program to extract synergies across our organization including the ongoing integration and optimization of the cost structures of our businesses and technology opportunities. As a result of this program, we expect to realize significant annualized cost savings of approximately \$25 million."

"The attendance decline was partially offset by record first quarter box office per patron of \$10.21, and record first quarter concession per patron of \$6.09, which increased \$0.24 and \$0.38 respectively from the prior year period. Amusement revenue increased largely due to increased revenue associated with the Dandy Amusements acquisition in 2017 and contributions from The Rec Room. Total revenue from The Rec Room amounted to \$16.1 million and achieved a store level margin of 20.5%."

"Key accomplishments during the quarter include the selection of Cineplex Digital Media by Arcos Dorados to provide digital menu board solutions for McDonald's restaurant locations in Argentina, Brazil and Uruguay, and our SCENE loyalty program surpassed 9.0 million members."

“We are confident with our business strategy and execution to date and are pleased to announce a 3.6% dividend increase to \$1.74 per share on an annual basis from the current \$1.68 per share. This increase will be effective with the May 2018 dividend, which will be paid in June 2018.”

KEY DEVELOPMENTS IN THE FIRST QUARTER OF 2018

The following describes certain key business initiatives undertaken and results achieved during the first quarter of 2018 in each of Cineplex’s core business areas:

FILM ENTERTAINMENT AND CONTENT

Theatre Exhibition

- Reported first quarter box office revenues of \$181.4 million, a decrease of \$14.0 million (7.2%) from \$195.4 million reported in the prior year period due to a 9.3% decrease in attendance from 19.6 million in 2017 to 17.8 million in the first quarter of 2018 due to a weaker film slate.
- BPP was \$10.21, a first quarter record for Cineplex, an increase of \$0.24 (2.4%) over the prior year period BPP of \$9.97.

Theatre Food Service

- Reported first quarter theatre food service revenues of \$108.2 million, a decrease of \$3.6 million (3.2%) from \$111.8 million reported in the prior year period as a result of the decrease in attendance.
- CPP was \$6.09 for the period, a first quarter record for Cineplex, and \$0.38 (6.7%) higher than the prior year period.
- During the quarter, Cineplex added alcohol beverage service to an additional five theatres now totalling fifteen excluding VIP.
- Cineplex entered into a pilot program with UberEats to deliver theatre food service from five theatre locations with a broader rollout to additional locations planned for the second quarter.

Alternative Programming

- Alternative Programming (Cineplex Events) in the first quarter of 2018 included five live performances of the Metropolitan Opera, and performances from the Bolshoi Ballet and National Theatre of London.
- Cineplex international film product reported an all-time record quarter with the Hindi film *Padmaavat* becoming the highest grossing International title in Cineplex history.

Digital Commerce

- Online and mobile ticketing represented 22.7% of total admissions during the first quarter, up from 21.4% in the prior year period.
- Cineplex Store registered a 52% increase in device activations over the prior year period.
- Monthly active users of the Cineplex Store increased 54% as compared to the prior year period.

MEDIA

- Reported first quarter total media revenues of \$32.5 million, a decrease of \$1.4 million, or 4.1% as compared to the prior year period.

Cinema Media

- Reported first quarter cinema media revenues of \$21.3 million, compared to \$21.6 million in the prior year period, due to a decrease in pre-show advertising.

Digital Place-Based Media

- Reported first quarter revenues of \$11.2 million, a decrease of \$1.1 million (9.2%) compared to the prior year period due to lower project installation revenues partially offset by higher advertising revenue generated from an expanded client base.
- Chosen to deploy, maintain and operate a complex merchandising network of digital menu boards for Arcos Dorados, the largest independent McDonald’s franchisee in the world with locations in Argentina, Brazil and Uruguay.

AMUSEMENT AND LEISURE

Amusement Solutions

- Reported first quarter revenues of \$43.0 million, an increase of \$3.5 million over the prior year period. The increase was primarily due to the acquisition of Dandy, which was acquired in the second quarter of 2017.

Location Based Entertainment

- *The Rec Room* reported first quarter revenues of \$16.1 million which included food service revenues of \$8.7 million and amusement revenues of \$6.9 million.
- Announced plans to open two new locations of *The Rec Room*: the first location in Newfoundland and Labrador at the *Avalon Mall* in St. John's, and the other, the first location in Manitoba, at *Seasons of Tuxedo* in Winnipeg. Both are scheduled to open in 2019.

eSports

- On February 25, 2018, WGN hosted the GT Sport Canadian Championship Series tournament with the finals held at Cineplex Cinemas Vaughan.
- In the first quarter, WGN hosted the Call of Duty: WWII Canadian Championship Series with the finals held at Scotiabank Theatre Toronto.
- As part of a partnership with the Ed Snider Foundation, WGN hosted an NHL 18 tournament. The finals were held on March 23, 2018 at XFINITY Live! in Philadelphia.

LOYALTY

- Membership in the SCENE loyalty program increased by 0.2 million members in the period, reaching 9.1 million members at March 31, 2018.

CORPORATE

- On January 19, 2018, Cineplex celebrated National Popcorn Day by providing free popcorn Canada wide to SCENE cardholders.

OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2018

Total revenues

Total revenues for the three months ended March 31, 2018 decreased \$3.4 million (0.9%) to \$390.9 million as compared to the prior year period. A discussion of the factors affecting the changes in box office, food service, media, amusement and other revenues for the period is provided below.

Non-GAAP measures discussed throughout this MD&A, including adjusted EBITDA, adjusted free cash flow, attendance, BPP, premium priced product, same theatre metrics, CPP, film cost percentage, food service cost percentage and concession margin per patron are defined and discussed in the Non-GAAP 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 (in thousands of dollars, except attendance reported in thousands of patrons and per patron amounts, unless otherwise noted):

Box office revenues	First Quarter		
	2018	2017	Change
Box office revenues	\$ 181,380	\$ 195,354	-7.2%
Attendance (i)	17,765	19,593	-9.3%
Box office revenue per patron (i)	\$ 10.21	\$ 9.97	2.4%
BPP excluding premium priced product (i)	\$ 8.79	\$ 8.55	2.8%
Canadian industry revenues (ii)			-6.0%
Same theatre box office revenues (i)	\$ 181,380	\$ 195,283	-7.1%
Same theatre attendance (i)	17,765	19,585	-9.3%
% Total box from premium priced product (i)	41.1%	44.9%	-3.8%
(i) See Non-GAAP measures section of this news release.			
(ii) Source: The Movie Theatre Association of Canada industry data adjusted for calendar quarter dates.			

Box office continuity	First Quarter	
	Box Office	Attendance
2017 as reported	\$ 195,354	19,593
Same theatre attendance change	(18,160)	(1,820)
Impact of same theatre BPP change	4,248	—
New and acquired theatres (i)	—	—
Disposed and closed theatres (i)	(62)	(8)
2018 as reported	\$ 181,380	17,765
(i) See Non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.		

First Quarter 2018 Top Cineplex Films	3D	% Box	First Quarter 2017 Top Cineplex Films	3D	% Box
1 Black Panther	✓	22.2%	1 Beauty and the Beast	✓	12.1%
2 Jumanji: Welcome To The Jungle	✓	10.1%	2 Logan		7.8%
3 Star Wars: The Last Jedi	✓	5.8%	3 The Lego Batman Movie	✓	6.6%
4 Peter Rabbit		3.8%	4 Rogue One: A Star Wars Story	✓	6.3%
5 Fifty Shades Freed		3.3%	5 Sing	✓	4.9%

Box office revenues decreased \$14.0 million, or 7.2%, to \$181.4 million during the first quarter of 2018, compared to \$195.4 million recorded in the same period in 2017. The decrease was due to the 9.3% decrease in attendance to 17.8 million guests, partially offset by higher BPP. The attendance decrease was due to the weaker film slate in the first quarter of 2018 compared to the first quarter of 2017. Despite the success of the top two films released in the current period which accounted for 32.3% of Cineplex's box office, the remainder of the film slate underperformed compared to the prior year period.

BPP for the three months ended March 31, 2018 was \$10.21, a \$0.24 increase (2.4%) from the prior year period, and a first quarter record for Cineplex. The increase in BPP was due to price increases in selective markets as compared to the prior year.

Food service revenues

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

Food service revenues	First Quarter		
	2018	2017	Change
Food service - theatres	\$ 108,230	\$ 111,827	-3.2%
Food service - <i>The Rec Room</i>	8,718	2,108	313.6%
Total food service revenues	\$ 116,948	\$ 113,935	2.6%
Attendance (i)	17,765	19,593	-9.3%
CPP (i)	\$ 6.09	\$ 5.71	6.7%
Same theatre food service revenues (i)	\$ 108,230	\$ 111,801	-3.2%
Same theatre attendance (i)	17,765	19,585	-9.3%
(i) See Non-GAAP measures section of this news release.			

Theatre food service revenue continuity	First Quarter	
	Theatre Food Service	Attendance
2017 as reported	\$ 111,827	19,593
Same theatre attendance change	(10,392)	(1,820)
Impact of same theatre CPP change	6,821	—
New and acquired theatres (i)	—	—
Disposed and closed theatres (i)	(26)	(8)
2018 as reported	\$ 108,230	17,765
(i) See Non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.		

Food service revenues are comprised primarily of concession revenues, which includes food service sales at theatre locations and food and beverage sales at *The Rec Room*. Food service revenues increased \$3.0 million, or 2.6% as a result of the operations of *The Rec Room* which contributed \$8.7 million in the period, partially offset by a \$3.6 million (3.2%) decrease in theatre food service revenue. The decrease in theatre food service revenue resulted from the 9.3% decrease in attendance, partially offset by the 6.7% (\$0.38) increase in CPP to \$6.09. Food service revenue from *The Rec Room* is not included in the CPP calculation.

CPP of \$6.09 is a first quarter record for Cineplex. Expanded offerings outside of core food service products, including offerings at Cineplex's VIP Cinemas and *Outtakes* locations, contributed to increased visitation and higher average transaction values, resulting in the record CPP in the period. In addition, the CPP was positively impacted by the program change to offer SCENE points instead of the 10% discount in the fourth quarter of 2017.

Media revenues

The following table highlights the movement in media revenues for the quarter (in thousands of dollars):

Media revenues	First Quarter		
	2018	2017	Change
Cinema media	\$ 21,332	\$ 21,592	-1.2%
Digital place-based media	11,181	12,320	-9.2%
Total media revenues	\$ 32,513	\$ 33,912	-4.1%

Total media revenues decreased \$1.4 million (4.1%) to \$32.5 million in the first quarter of 2018 compared to the prior year period. This decrease was due to reduced pre-show theatre advertising and lower project installation revenues due to the timing of project rollouts generated by digital place-based media. During the quarter, digital place-based media added 227 new locations for a total of 13,153 locations (an increase of 11% over the prior year).

Amusement Revenues

The following table highlights the movement in amusement revenues for the quarter (in thousands of dollars):

Amusement revenues	First Quarter		
	2018	2017	Change
Amusement - PIAG excluding Cineplex exhibition and The Rec Room (i)	\$ 40,238	\$ 36,516	10.2%
Amusement - Cineplex exhibition (i)	2,737	2,930	-6.6%
Amusement - The Rec Room	6,930	1,955	254.5%
Total amusement revenues	\$ 49,905	\$ 41,401	20.5%
(i) Cineplex receives a venue revenue share on games revenues earned at in-theatre game rooms and XSCAPE Entertainment Centres. Amusement - Cineplex exhibition reports the total of this venue revenue share which is consistent with the historical presentation of Cineplex's amusement revenues. Amusement - PIAG excluding Cineplex exhibition and <i>The Rec Room</i> reflects PIAG's gross amusement revenues, net of the venue revenue share paid to Cineplex reflected in Amusement - Cineplex exhibition above.			

Amusement revenues increased 20.5%, or \$8.5 million, to \$49.9 million in the first quarter of 2018 compared to the prior year period due to the acquisition of Dandy in the second quarter of 2017 and strong growth in revenue from the additional *The Rec Room* locations compared to the prior year period.

Other revenues

The following table highlights the other revenues which includes revenues from the Cineplex Store, promotional activities, screenings, private parties, corporate events, breakage on gift card sales and revenues from management fees for the quarter (in thousands of dollars):

Other revenues	First Quarter		
	2018	2017	Change
Other revenues	\$ 10,126	\$ 9,641	5.0%

Film cost

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

Film cost	First Quarter		
	2018	2017	Change
Film cost	\$ 95,204	\$103,289	-7.8%
Film cost percentage (i)	52.5%	52.9%	-0.4%
(i) See Non-GAAP measures section of this news release.			

Film cost varies primarily with box office revenues, and can vary from quarter to quarter based on the relative strength of the titles exhibited during the period. This is due to film cost terms varying by title and distributor. Film cost percentage during the first quarter of 2018 was 52.5%, a 0.4% decrease from the prior year period.

Cost of food service

The following table highlights the movement in cost of food service and food service cost as a percentage of food service revenues ("concession cost percentage") for the quarter (in thousands of dollars, except percentages and margins per patron):

Cost of food service	First Quarter		
	2018	2017	Change
Cost of food service - theatre	\$ 22,436	\$ 24,909	-9.9%
Cost of food service - <i>The Rec Room</i>	2,340	745	214.1%
Total cost of food service	\$ 24,776	\$ 25,654	-3.4%
Theatre concession cost percentage (i)	20.7%	22.3%	-1.6%
<i>The Rec Room</i> food cost percentage (i)	26.8%	35.3%	-8.5%
Theatre concession margin per patron (i)	\$ 4.83	\$ 4.44	8.8%
(i) See Non-GAAP measures section of this news release.			

Cost of food service at the theatres varies primarily with theatre attendance as well as the quantity and mix of offerings sold. Cost of food service at *The Rec Room* varies primarily with the volume of guests who visit the locations as well as the quantity and mix of food and beverage items sold.

The decrease in the theatre cost of food service compared to the prior year period was due to the lower theatre food service revenues and the decrease in the theatre concession cost percentage from 22.3% in the prior year period to 20.7% in 2018.

The theatre concession margin per patron increased 8.8% from \$4.44 in the first quarter of 2017 to \$4.83 in the same period in 2018, reflecting the impact of the higher CPP and lower theatre concession cost percentage during the period.

The increase in *The Rec Room* cost of food service as compared to the prior year period was due to the higher food service revenues as a result of the increase in operating locations. The decrease of 8.5% in *The Rec Room* food cost percentage during the quarter compared to the prior period was due to improved cost management as new locations opened.

Depreciation and amortization

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

Depreciation and amortization expenses	First Quarter		
	2018	2017	Change
Depreciation of property, equipment and leaseholds	\$ 27,259	\$ 24,165	12.8%
Amortization of intangible assets and other	3,935	4,102	-4.1%
Depreciation and amortization expenses as reported	\$ 31,194	\$ 28,267	10.4%

The quarterly increase in depreciation of property, equipment and leaseholds of \$3.1 million (12.8%) is primarily due to investments in amusement and leisure businesses, including *The Rec Room* and the acquisition of Dandy.

The decrease of \$0.2 million (4.1%) in the amortization of intangible assets and other as compared to the prior year period is a due to assets being fully amortized.

Loss on disposal of assets

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

Loss on disposal of assets	First Quarter		
	2018	2017	Change
Loss on disposal of assets	\$ 210	\$ 26	707.7%

Other costs

Other costs include three main sub-categories of expenses; theatre occupancy expenses, which capture the rent and associated occupancy costs for Cineplex's theatre operations; other operating expenses, which include the costs related to running Cineplex's film entertainment and content, media, amusement and leisure as well as Cineplex's ancillary businesses; and general and administrative expenses, which includes costs related to managing Cineplex's operations, including 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 dollars):

Other costs	First Quarter		
	2018	2017	Change
Theatre occupancy expenses	\$ 51,898	\$ 51,963	-0.1%
Other operating expenses	147,407	132,000	11.7%
General and administrative expenses	18,149	22,108	-17.9%
Total other costs	\$ 217,454	\$ 206,071	5.5%

Theatre occupancy expenses

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

Theatre occupancy expenses	First Quarter		
	2018	2017	Change
Rent	\$ 34,503	\$ 34,297	0.6%
Other occupancy	18,667	18,199	2.6%
One-time items (i)	(1,272)	(533)	138.6%
Total	\$ 51,898	\$ 51,963	-0.1%
(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	First Quarter Occupancy
2017 as reported	\$ 51,963
Impact of new and acquired theatres	—
Impact of disposed theatres	17
Same theatre rent change (i)	172
One-time items	(738)
Other	484
2018 as reported	\$ 51,898
(i) See Non-GAAP measures section of this news release.	

Theatre occupancy expenses decreased \$0.1 million (0.1%) during the first quarter of 2018 compared to the prior year period. This decrease was primarily due to the impact of a decrease in one-time items of \$0.7 million related to real estate taxes partially offset by an increase in same theatre rent (\$0.2 million) and increase in other charges (\$0.5 million).

Other operating expenses

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

Other operating expenses	First Quarter		
	2018	2017	Change
Theatre payroll	\$ 38,293	\$ 36,097	6.1%
Theatre operating expenses	29,419	29,200	0.8%
Media	16,409	17,101	-4.0%
P1AG	35,698	30,970	15.3%
<i>The Rec Room</i> (i)	10,486	2,882	263.8%
SCENE	4,217	3,569	18.2%
Marketing	4,408	4,161	5.9%
Other	8,477	8,020	5.7%
Other operating expenses	\$ 147,407	\$ 132,000	11.7%
(i) Includes operating costs of <i>The Rec Room</i> locations. Pre-opening costs relating to <i>The Rec Room</i> locations and overhead relating to management of <i>The Rec Room</i> portfolio are included in the 'Other' line.			

Other operating continuity	First Quarter Other Operating
2017 as reported	\$ 132,000
Impact of new and acquired theatres	—
Impact of disposed theatres	(60)
Same theatre payroll change (i)	2,215
Same theatre operating expenses change (i)	259
Marketing change	247
Media change	(693)
P1AG change	4,728
<i>The Rec Room</i> change	7,604
SCENE change	648
Other	459
2018 as reported	\$ 147,407
(i) See Non-GAAP measures section of this news release.	

Other operating expenses during the first quarter of 2018 increased \$15.4 million or 11.7% compared to the prior year period. The increase is primarily due to higher amusement and leisure costs, including higher P1AG costs due to the acquisition of Dandy, which was not included in the prior year comparative, as well as costs related to *The Rec Room* (which had only one operating location in the prior year). Same theatre payroll also increased as a result of the minimum wage increases in Ontario, Quebec and Alberta which more than offset any labor efficiencies achieved 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-based compensation costs, and G&A expenses net of these costs (in thousands of dollars):

G&A expenses	First Quarter		
	2018	2017	Change
G&A excluding LTIP and option plan expense	\$ 17,771	\$ 18,337	-3.1%
Restructuring	996	—	NM
LTIP (i)	(1,049)	3,362	NM
Option plan	431	409	5.4%
G&A expenses as reported	\$ 18,149	\$ 22,108	-17.9%
(i) LTIP includes the expense for the LTIP program as well as the expense for the executive and Board deferred share unit plans.			

G&A expenses decreased \$4.0 million (17.9%) during the first quarter of 2018 compared to the prior year period primarily due to a \$4.4 million decrease in LTIP expense as a result of Cineplex’s lower Share price of \$31.35 at March 31, 2018 compared to \$50.50 at March 31, 2017. Restructuring costs of \$1.0 million were due to Cineplex’s recently implemented cost reduction initiative which is taking place over the first half of the year.

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

The following table presents EBITDA and adjusted EBITDA for the three months ended March 31, 2018 as compared to the prior year period (expressed in thousands of dollars, except adjusted EBITDA margin):

EBITDA	First Quarter		
	2018	2017	Change
EBITDA	\$ 54,890	\$ 61,205	-10.3%
Adjusted EBITDA	\$ 53,532	\$ 59,449	-10.0%
Adjusted EBITDA margin	13.7%	15.1%	-1.4%

Adjusted EBITDA for the first quarter of 2018 decreased \$5.9 million, or 10.0%, as compared to the prior year period. The decrease compared to the prior year period was primarily due to a decline in box office revenues as a result of reduced attendance. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 13.7%, a decrease of 1.4% from 15.1% in the prior year period due to lower theatre exhibition revenues and higher theatre payroll costs.

ADJUSTED FREE CASH FLOW (see Non-GAAP measures section of this news release)

For the first quarter of 2018, adjusted free cash flow per common share of Cineplex was \$0.61 as compared to \$0.68 in the prior year period. The declared dividends per common share of Cineplex were \$0.42 in the first quarter of 2018 and \$0.41 in the prior year period. During the 12 months ended March 31, 2018, Cineplex generated adjusted free cash flow per Share of \$2.31, compared to \$2.45 in the prior 12 month period. Cineplex declared dividends per Share of \$1.68 and \$1.62, respectively, in each 12 month period. The payout ratios for these periods were 72.6% and 66.1%, respectively.

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, depreciation and amortization expense, and interest income. Adjusted EBITDA excludes the change in fair value of financial instrument, loss on disposal of assets, foreign exchange gain, the equity income of CDCP, the non-controlling interests' share of adjusted EBITDA of WGN, 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 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

Cineplex has presented basic and diluted earnings per share net of this item to provide a more comparable earnings per share metric between the current periods and prior year periods. In the non-GAAP measure, earnings is defined as net income excluding the change in fair value of financial instrument.

Per Patron Revenue Metrics

Cineplex reviews per patron metrics as they relate to box office revenue and theatre food service 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, 4DX, UltraAVX, VIP and IMAX product; divided by total paid attendance for the period, less paid attendance for 3D, 4DX, UltraAVX, VIP and IMAX product.

CPP: Calculated as total theatre food service revenues divided by total paid attendance for the period.

Premium priced product: Defined as 3D, 4DX, UltraAVX, IMAX and VIP film product.

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

Same Theatre Analysis

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

Same theatre 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 March 31, 2018, the impact of two locations that have been closed or otherwise disposed of have been excluded, resulting in 163 theatres being included in the same theatre metrics.

Cost of sales percentages

Cineplex reviews and reports cost of sales percentages for its two largest revenue sources, box office revenues and theatre food service 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.

Theatre concession cost percentage: Calculated as total theatre food service costs divided by total theatre food service revenues for the period.

The Rec Room food cost percentage: Calculated as total *The Rec Room* food costs divided by total *The Rec Room* food service revenues for the period.

Store Level EBITDA Metrics

Cineplex reviews and reports EBITDA at the location level for the *The Rec Room* which is calculated as total *The Rec Room* revenues from all reportable segments less the total of *The Rec Room* costs.

Store Level Margin

Calculated as store level EBITDA divided by total revenues for *The Rec Room* for the period.

Certain information included in this news release contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to Cineplex's objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to Cineplex's beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, including those described in Cineplex's Annual Information Form ("AIF"), Cineplex's management's discussion and analysis ("MD&A") and in this news release. Those risks and uncertainties, both general and specific, give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Cineplex cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond Cineplex's control, could cause actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, risks generally encountered in the relevant industry, competition, customer, legal, taxation and accounting matters.

The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risks and Uncertainties" section of Cineplex's MD&A.

Cineplex does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities law. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. All forward-looking statements in this news release are made as of the date hereof and are qualified by these cautionary statements. Additional information, including Cineplex's AIF and MD&A, can be found on SEDAR at www.sedar.com.

About Cineplex

A leading entertainment and media company, Cineplex (TSX:CGX) is a top-tier Canadian brand that operates in the Film Entertainment and Content, Amusement and Leisure, and Media sectors. As Canada's largest and most innovative film exhibitor, Cineplex welcomes over 70 million guests annually through its circuit of 164 theatres across the country. Cineplex also operates successful businesses in digital commerce (CineplexStore.com), food service, alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media), amusement solutions (Player One Amusement Group) and an online eSports platform for competitive and passionate gamers (WorldGaming.com). Additionally, Cineplex operates a location based entertainment business through Canada's newest destination for 'Eats & Entertainment' (The Rec Room), and will also be opening new complexes specially designed for teens and families (Playdium) as well as exciting new sports and entertainment venues across Canada (Topgolf). Cineplex is a joint venture partner in SCENE, Canada's largest entertainment loyalty program.

Proudly recognized as having one of the country's Most Admired Corporate Cultures, Cineplex employs approximately 13,000 people in its offices across Canada and the United States. To learn more visit Cineplex.com or download the Cineplex App.

You are cordially invited to participate in a conference call with the management of Cineplex (TSX: CGX) to review our First Quarter 2018 results. **Ellis Jacob, President and Chief Executive Officer, Gord Nelson, Chief Financial Officer and Pat Marshall, Investor Relations Officer**, will host the call scheduled for:

**Wednesday May 2, 2018
10:00 am Eastern Time**

In order to participate in the conference call please dial 647-484-0475, or from outside Toronto and from the U.S., dial 1-888-394-8218 at least five to ten minutes prior to 10:00 am ET. Please quote the conference confirmation code 6219020 to access the call.

If you cannot participate in a live mode, a replay will be available. Please dial 647-436-0148, or from outside Toronto and from the U.S., dial 1-888-203-1112. The replay passcode is 6219020.

The replay will begin at 1:00 pm ET on Wednesday May 2, 2018 and end at 1:00 pm ET on Wednesday May 9, 2018.

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

- 30 -

For further information:

Gord Nelson
Chief Financial Officer
(416) 323-6602

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

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

	March 31, 2018	Restated December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 39,538	\$ 40,597
Trade and other receivables	93,217	160,938
Income taxes receivable	1,125	1,344
Inventories	31,139	28,966
Prepaid expenses and other current assets	17,385	13,013
Fair value of interest rate swap agreements	559	314
	182,963	245,172
Non-current assets		
Property, equipment and leaseholds	628,850	628,129
Deferred income taxes	8,085	7,134
Fair value of interest rate swap agreements	3,973	3,880
Interests in joint ventures	35,875	35,353
Intangible assets	116,689	119,011
Goodwill	816,726	816,489
	\$ 1,793,161	\$ 1,855,168

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

	March 31, 2018	Restated December 31, 2017
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 167,684	\$ 189,929
Share-based compensation	2,569	4,732
Dividends payable	8,866	8,866
Income taxes payable	3,873	9,157
Deferred revenue	166,103	195,808
Finance lease obligations	3,483	3,420
Fair value of interest rate swap agreements	910	1,332
Convertible debentures	105,681	105,080
	<u>459,169</u>	<u>518,324</u>
Non-current liabilities		
Share-based compensation	10,921	13,816
Long-term debt	473,952	467,867
Finance lease obligations	4,557	5,451
Post-employment benefit obligations	9,064	9,227
Other liabilities	120,245	117,589
Deferred income taxes	15,260	14,031
	<u>633,999</u>	<u>627,981</u>
Total liabilities	<u>1,093,168</u>	<u>1,146,305</u>
Equity		
Share capital	856,761	856,761
Deficit	(159,433)	(148,060)
Hedging reserves and other	1,897	1,332
Contributed surplus	2,078	1,647
Cumulative translation adjustment	(1,310)	(2,817)
Total equity	<u>699,993</u>	<u>708,863</u>
	<u>\$ 1,793,161</u>	<u>\$ 1,855,168</u>

Cineplex Inc.
Interim Condensed Consolidated Statements of Operations
(Unaudited)
(expressed in thousands of Canadian dollars, except per share amounts)

	Three months ended March 31,	
	2018	2017
Revenues		
Box office	\$ 181,380	\$ 195,354
Food service	116,948	113,935
Media	32,513	33,912
Amusement	49,905	41,401
Other	10,126	9,641
	<u>390,872</u>	<u>394,243</u>
Expenses		
Film cost	95,204	103,289
Cost of food service	24,776	25,654
Depreciation and amortization	31,194	28,267
Loss on disposal of assets	210	26
Other costs	217,454	206,071
Share of income of joint ventures	(897)	(998)
Interest expense	6,484	4,862
Interest income	(87)	(52)
Foreign exchange	(765)	(17)
Change in fair value of financial instrument	—	(987)
	<u>373,573</u>	<u>366,115</u>
Income before income taxes	<u>17,299</u>	<u>28,128</u>
Provision for income taxes		
Current	2,035	4,586
Deferred	38	577
	<u>2,073</u>	<u>5,163</u>
Net income	<u>\$ 15,226</u>	<u>\$ 22,965</u>
Attributable to:		
Owners of Cineplex	\$ 15,226	\$ 23,332
Non-controlling interests	—	(367)
Net income	<u>\$ 15,226</u>	<u>\$ 22,965</u>
Basic net income per share attributable to owners of Cineplex	\$ 0.24	\$ 0.37
Diluted net income per share attributable to owners of Cineplex	\$ 0.24	\$ 0.37

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

	Three months ended March 31,	
	2018	2017
Net income	\$ 15,226	\$ 22,965
Other comprehensive income		
<i>Items that will be reclassified subsequently to net income:</i>		
Income on hedging instruments	776	82
Associated deferred income taxes expense	(211)	(23)
Foreign currency translation adjustment	1,507	(334)
<i>Items that will not be reclassified to net income:</i>		
Actuarial gains of post-employment benefit obligations	—	1,298
Associated deferred income taxes expense	—	(348)
Other comprehensive income	2,072	675
Comprehensive income	\$ 17,298	\$ 23,640
Attributable to:		
Owners of Cineplex	\$ 17,298	\$ 23,996
Non-controlling interests	—	(356)
Comprehensive income	\$ 17,298	\$ 23,640

Cineplex Inc.**Interim Condensed Consolidated Statements of Changes in Equity****(Unaudited)****(expressed in thousands of Canadian dollars)****For the three months ended March 31, 2018 and 2017**

	Share capital	Contributed surplus	Hedging reserves and other	Cumulative translation adjustment	Restated Deficit	Non- controlling interests	Total
January 1, 2018	\$ 856,761	\$ 1,647	\$ 1,332	\$ (2,817)	\$ (148,060)	\$ —	\$ 708,863
Net income	—	—	—	—	15,226	—	15,226
Other comprehensive income	—	—	565	1,507	—	—	2,072
Total comprehensive income	—	—	565	1,507	15,226	—	17,298
Dividends declared	—	—	—	—	(26,599)	—	(26,599)
Share option expense	—	431	—	—	—	—	431
March 31, 2018	\$ 856,761	\$ 2,078	\$ 1,897	\$ (1,310)	\$ (159,433)	\$ —	\$ 699,993
January 1, 2017	\$ 859,351	\$ 81	\$ (3,170)	\$ 1,175	\$ (111,255)	\$ 2,800	\$ 748,982
Net income	—	—	—	—	23,332	(367)	22,965
Other comprehensive income	—	—	59	(345)	950	11	675
Total comprehensive income	—	—	59	(345)	24,282	(356)	23,640
Dividends declared	—	—	—	—	(25,724)	—	(25,724)
Share option expense	—	409	—	—	—	—	409
Issuance of shares on exercise of options	32	(32)	—	—	—	—	—
March 31, 2017	\$ 859,383	\$ 458	\$ (3,111)	\$ 830	\$ (112,697)	\$ 2,444	\$ 747,307

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

	Three months ended March 31,	
	2018	2017
Cash provided by (used in)		
Operating activities		
Net income	\$ 15,226	\$ 22,965
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	31,194	28,267
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(3,085)	(2,653)
Accretion of debt issuance costs and other non-cash interest, net	101	121
Loss on disposal of assets	210	26
Deferred income taxes	38	577
Interest rate swap agreements - non-cash interest	120	(175)
Non-cash share-based compensation	431	409
Change in fair value of financial instruments	—	(987)
Accretion of convertible debentures	601	563
Net change in interests in joint ventures	(1,205)	(2,377)
Tenant inducements	1,876	309
Changes in operating assets and liabilities	919	(61,720)
Net cash provided by (used in) operating activities	46,426	(14,675)
Investing activities		
Proceeds from sale of assets	182	232
Purchases of property, equipment and leaseholds	(25,511)	(25,453)
Acquisition of businesses, net of cash acquired	—	(106)
Intangible assets additions	(1,355)	(1,322)
Net cash received from CDCP	684	684
Net cash used in investing activities	(26,000)	(25,965)
Financing activities		
Dividends paid	(26,599)	(25,724)
Borrowings under credit facilities, net	6,000	75,000
Payments under finance leases	(832)	(773)
Net cash (used in) provided by financing activities	(21,431)	48,503
Effect of exchange rate differences on cash	(54)	(2)
(Decrease) increase in cash and cash equivalents	(1,059)	7,861
Cash and cash equivalents - Beginning of period	40,597	33,553
Cash and cash equivalents - End of period	\$ 39,538	\$ 41,414
Supplemental information		
Cash paid for interest	\$ 6,930	\$ 5,743
Cash paid for income taxes, net	\$ 7,072	\$ 6,338

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

Reconciliation to Adjusted EBITDA

	Three months ended March 31,	
	2018	2017
Net income	\$ 15,226	\$ 22,965
Depreciation and amortization	31,194	28,267
Interest expense	6,484	4,862
Interest income	(87)	(52)
Current income tax expense	2,035	4,586
Deferred income tax expense	38	577
EBITDA	\$ 54,890	\$ 61,205
Loss on disposal of assets	210	26
CDCP equity income (i)	(818)	(967)
Foreign exchange gain	(765)	(17)
Non-controlling interest EBITDA of WGN	—	168
Depreciation and amortization - joint ventures (ii)	2	9
Joint venture taxes and interest (ii)	13	12
Change in fair value of financial instrument	—	(987)
Adjusted EBITDA	\$ 53,532	\$ 59,449

- (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).

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,	
	2018	2017
Cash provided by (used in) operating activities	\$ 46,426	\$ (14,675)
Less: Total capital expenditures net of proceeds on sale of assets	(25,329)	(25,221)
Standardized free cash flow	21,097	(39,896)
Add/(Less):		
Changes in operating assets and liabilities (i)	(919)	61,720
Changes in operating assets and liabilities of joint ventures (i)	308	1,379
Tenant inducements (ii)	(1,876)	(309)
Principal component of finance lease obligations	(832)	(773)
Growth capital expenditures and other (iii)	20,042	20,310
Share of income of joint ventures, net of non-cash depreciation (iv)	94	52
Non-controlling interests of WGN	—	168
Net cash received from CDCP (iv)	684	684
Adjusted free cash flow	\$ 38,598	\$ 43,335
Average number of Shares outstanding	63,330,446	63,516,499
Adjusted free cash flow per Share	\$ 0.609	\$ 0.682
Dividends declared	\$ 0.420	\$ 0.405

- (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, 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.