



Corporación Interamericana de Entretenimiento, S.A.B. DE C.V.

## CIE Reports Second Quarter 2013 Results

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**Mexico City, D.F., July 26, 2013 - Corporación Interamericana de Entretenimiento, S.A.B. de C.V.** (“CIE,” the “Company” or the “Group”) (BMV: CIE), the leading out-of-home entertainment company in Latin America, today announced its financial results for the second quarter of 2013 under International Financial Reporting Standards (IFRS).

- ✓ **On April 30, the Company announced the close of the sale of its Media Unit to América Móvil. Because of this sale, the results for the second quarter 2013 only include one month of operations of the Media Unit, in comparison with three months in the second quarter of 2012.**
- ✓ **During the quarter, consolidated revenues increased 4% over consolidated revenues recorded in the same period of 2012. For the first six months of the year, revenues have increased 12%, with respect to the first six months of the prior year.**
- ✓ **Consolidated EBITDA was Ps. 212, which was a 2% increase over the second quarter of 2012. Growth in EBITDA for the first six months of the year, in comparison with the first half of 2012, is 4%.**
- ✓ **Net income in the period was Ps. 164, compared with Ps. 42 recorded in the same period of the prior year. Net income in the first half of 2013 was Ps. 216, compared with Ps. 77 recorded in the same period of the prior year.**
- ✓ **On April 30, CIE pre-paid Ps. 1,137 of its bank debt, thus decreasing total debt by 49%, which reached Ps. 1,169 at the close of the period.**



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**Consolidated Key Figures**

	<b>2Q 2013</b>	<b>2Q 2012</b>	<b>% Var.</b>	<b>Accum. 2Q 2013</b>	<b>Accum. 2Q 2012</b>	<b>% Var.</b>
<b>Revenues</b>	1,705	1,638	+4%	3,356	3,003	+12%
<b>EBITDA</b>	212	207	+2%	439	421	+4%
<b>EBITDA margin</b>	12.4%	12.6%		13.1%	14.0%	
<b>Revenues (Expenses) Net Financial Revenues</b>	(27)	(33)	+20%	(73)	(71)	-2%
<b>Net Income (Loss)</b>	164	42	N.A.	216	77	N.A.
<b>Majority Income (Loss)</b>	128	30	N.A.	170	9	N.A.
<b>Total Interest-Bearing Debt</b>	1,169	2,284	-49%			

**ANALYSIS OF THE SECOND QUARTER (the “quarter” or the “period”)**

	<b>2Q 2013</b>	<b>2Q 2012</b>	<b>% Var.</b>	<b>Accum. 2Q 2013</b>	<b>Accum. 2Q 2012</b>	<b>% Var.</b>
<b>CIE Entertainment</b>						
Revenues	1,284	1,143	+12%	2,411	1,982	+22%
EBITDA	150	90	+67%	251	182	+38%
<i>% Margin EBITDA</i>	11.6%	7.9%		10.4%	9.2%	
<b>CIE Commercial</b>						
Revenues	369	449	-18%	843	935	-10%
EBITDA	49	111	-56%	160	226	-29%
<i>% Margin EBITDA</i>	13.4%	24.8%		18.9%	24.1%	
<b>Other Businesses</b>						
Revenues	52	46	+12%	102	86	+18%
EBITDA	13	6	+112	29	14	+110%
<i>% Margin EBITDA</i>	24.3%	12.8%		28.5%	16.0%	
<b>CONSOLIDATED</b>						
Revenues	<b>1,705</b>	<b>1,638</b>	<b>+4%</b>	<b>3,356</b>	<b>3,003</b>	<b>+12%</b>
EBITDA	<b>212</b>	<b>207</b>	<b>+2%</b>	<b>439</b>	<b>421</b>	<b>+4%</b>
<i>% Margin EBITDA</i>	<b>12.4%</b>	<b>12.6%</b>		<b>13.1%</b>	<b>14.0%</b>	



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## REVENUES AND EBITDA

At **CIE Entertainment**, revenues were Ps. 1,284, which is 12% higher than revenues during the same quarter of the prior year. The increase in revenues is due to a higher number of events promoted during the quarter, as well as a higher number of tickets sold to those events. During the quarter, the presentations in Colombia and Costa Rica of the family event “Varekai” of Cirque du Soleil are highlighted; there were also concerts by North American artists, mainly One Direction, The Cure and The Killers, who put on shows in Foro Sol in Mexico City; and there were also concerts by Latin artists such as Emmanuel and Mijares, Miguel Bosé, Marco Antonio Solis and Thalía, among many others.

EBITDA at CIE Entertainment increased 67%, rising to Ps. 150 during the period, in comparison with Ps. 90 recorded in the same quarter of the prior year. This increase is the result of a higher number of presentations and tickets sold to the events promoted during the period, commented on above, as well as greater profitability in the mix of events held during the quarter.

At **CIE Commercial**, until April 30, 2013, the results included the operations of the following businesses:

- 1) Media Unit:
  - a) Billboards located on pedestrian overpass structures
  - b) Advertising in airports and public transportation systems
  - c) Advertising on outdoor furniture
  - d) Advertising announcements on digital screens at convenience stores
  - e) Advertising at malls
  - f) Digital agency services (Ad Network)
  - g) Advertising in movie theaters, including announcements on screens and other spaces in movie theaters
  - h) Advertising rights with professional soccer teams and soccer stadiums
- 2) Special and Corporate Events
- 3) Call Centers

With the close of the sale of the Media Unit to América Móvil, as of May 2013, the results of CIE Commercial only include the operations of Special and Corporate Events, and the results of the Call Centers.



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The historical income statement until April 30 have not been redone, excluding the Media Unit, therefore they will not be comparative during the second, third and fourth quarters of 2013, as well as the first quarter of 2014.

The revenues from **CIE Commercial** reached Ps. 369, decreasing 18% with respect to the same quarter in the prior year. This decrease is mainly due to the following: 1) Starting in May 2013, the Company no longer has the Media Unit operations; and 2) During the second quarter of the prior year, through the Special and Corporate Events unit, CIE participated in the logistics of the G-20 Leaders' Summit, and in organization of the event Business 20, or B20, which were partially offset by other Special Events that were smaller in size, such as: the Reventour Tour, inauguration of the Digital Telmex Village, and various activities of corporate clients.

During the period EBITDA for CIE Commercial was Ps. 49, which is 56% lower than EBITDA during the same quarter of last year. This decrease is the result of the decrease in revenues, commented on above.

Revenues in **Other Businesses** were Ps. 52, which is 12% higher than the number recorded in the same period in the previous year. This increase is mainly a consequence of: 1) greater attendance at the amusement park in Colombia; and 2) an increase in the average expenses of park visitors.

EBITDA in Other Businesses was Ps. 13, in comparison with Ps. 6 recorded in the same quarter of the prior year. This increase is mainly a consequence of the increase in revenues commented on previously, as well as efficiencies obtained in certain costs and expenses in the amusement park.

### **NET FINANCIAL REVENUES (EXPENSES)**

During the quarter, net financial revenues (expenses) were (Ps. 27), compared with (Ps. 33) in the same period of the prior year.

According to application of the Effective Interest Rate Method, established in IAS 39, which must be used to show the financial liabilities at amortized cost, and as a consequence of the early debt payment that was made due to the sale of the Media Unit, Ps. 25 related to the issuance expenses of the pre-paid liabilities were recognized in full on the income statement as interest paid during the period. Without considering that impact, the net interest paid during the period would have been Ps. 24, compared with Ps. 43 recorded during the same period of the period year, showing a reduction of 44%.



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During the period the Company retained a higher number of active positions in foreign currency in comparison with its liability positions, thus it recorded exchange rate earnings of Ps. 23 as a result of the variation in the exchange rate, which went from Ps. 12.36 per dollar in March 2013, to Ps. 13.03 pesos per dollar in June 2013.

<b>Net Financial Revenues (Expenses)</b>	<b>2Q 2013</b>	<b>2Q 2012</b>	<b>% Var.</b>	<b>Accum. 2Q 2013</b>	<b>Accum. 2Q 2012</b>	<b>% Var.</b>
Net interest earned (paid)	(50)	(43)	-16%	(95)	(118)	+20%
Exchange rate gain (loss), net	23	9	N.A.	15	42	N.A.
Other Net Financial Revenues (Expenses)	0	0	N.A.	7	5	+53%
<b>Net Financial Revenues (Expenses)</b>	<b>(27)</b>	<b>(33)</b>	<b>+20%</b>	<b>(73)</b>	<b>(71)</b>	<b>-2%</b>

### INCOME TAX

During the quarter, provisions for income tax, the flat-rate corporate tax incurred and deferred income tax amounted to Ps. 98, in comparison with Ps. 77 in the second quarter of 2012. This increase is due to a decline in the deferred assets tax that was created in previous periods.

### NET INCOME

Net income in the period was Ps. 164, compared with income of Ps. 42 recorded in the same period of 2012. This increase is mainly a consequence of the record of Ps. 170 from Other Net Revenues (Expenses), due to the sale of the Media Unit in April 2013.

### MAJORITY NET INCOME

During the quarter, majority net income of Ps. 128 was recorded, in comparison with income of Ps. 11 in the same quarter of 2012. This increase was mainly due to the registration of Other Revenues (Expenses) related to the sale of the Media Unit from the Group, and to a lesser extent to higher Net Financial Revenues.

### TOTAL INTEREST-BEARING DEBT

At June 30, 2013, the Company's total interest-bearing debt was Ps. 1,169, compared with Ps. 2,284 recorded at the close of the year 2012. This decrease is a consequence of early payment



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of the bank debt of the holding company, CIE, which was made during the quarter and discussed previously.

<b>Maturity</b>	<b>2Q 2013</b>	<b>%</b>	<b>4Q 2012</b>	<b>%</b>	<b>% Var.</b>
<b>Short Term</b>	991	85%	943	41%	+5%
<b>Long Term</b>	178	15%	1,341	59%	-87%
<b>TOTAL</b>	<b>1,169</b>	<b>100%</b>	<b>2,284</b>	<b>100%</b>	<b>-49%</b>

<b>Currency</b>	<b>2Q 2013</b>	<b>%</b>	<b>4Q 2012</b>	<b>%</b>	<b>% Var.</b>
<b>Mexican Pesos</b>	991	85%	1,851	80%	-46%
<b>American Dollars</b>	178	15%	422	19%	-58%
<b>Colombian Pesos</b>	0	0%	11	0%	-100%
<b>TOTAL</b>	<b>1,169</b>	<b>100%</b>	<b>2,284</b>	<b>100%</b>	<b>-49%</b>

On July 15, 2013, upon their expiration the Company paid down its unsecured notes for Ps. 991, by means of issuance of 5-year unsecured notes for Ps. 500, a short-term bank loan for Ps. 250, and its own funds. As of the date of this report, CIE's Total Interest-Bearing Debt is Ps. 929, and it is working on a re-profiling plan that will allow it to extend the expiration periods out farther.

## **ABOUT CIE**

With its origins in 1990, CIE believes that it is the leading company in the out-of-home entertainment market in Mexico, and one of the most notable participants in Latin America and worldwide in the entertainment industry.

It offers a wide array of entertainment options to a variety of audiences and budgets in large- and medium-sized cities with high economic potential and population growth in the Mexican market, as well as in Central America and Colombia. That array of alternatives includes concerts, theatrical productions, sporting events, family events and cultural events, among



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others. The Company also operates an amusement park and a water park, which together comprise the El Salitre development in Bogotá, Colombia.

The Company operates the Banamex Center in Mexico City, which is one of the largest and most important exposition and convention centers in the international sphere. It is also the most noteworthy producer and organizer of special and corporate events in the Mexican market, and it operates one of the most professional and recognized call centers in Mexico.

Corporación Interamericana de Entretenimiento, CIE, is a publicly owned company whose shares have been listed on the Mexican Stock Exchange since 1995 under the ticker symbol "CIE." It also has debt securities trading on the stock markets in Mexico and Luxembourg.

#### **LEGAL DISCLAIMER**

As a precautionary note to the investing public, except for the historical information provided herein, certain subjects discussed in this document constitute forward-looking statements. These statements assume that there are risks and uncertainties, including the economic conditions in Mexico and other countries where CIE operates, as well as fluctuations in the value of the Mexican peso compared with the United States dollar.

The use of registered trademarks or commercial trademarks in this document are exclusively for illustrative purposes and are not intended to violate copyrights and/or intellectual property laws applicable in the countries where CIE, its subsidiaries, and those companies with which CIE maintains commercial or business relationships, operate.

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**CONSOLIDATED INCOME STATEMENT**

	2Q 2013	2Q 2012	% Var.	Accum. 2Q 13	Accum. 2Q 12	% Var.
Sales	1,705	1,638	+4%	3,356	3,003	+12%
Cost of sales	1,364	1,282	+6%	2,699	2,336	+16%
<b>Gross Income</b>	<b>340</b>	<b>356</b>	<b>-5%</b>	<b>657</b>	<b>667</b>	<b>-2%</b>
Operating expenses	198	206	-4%	364	377	-39%
<b>Operating Income</b>	<b>142</b>	<b>150</b>	<b>-5%</b>	<b>294</b>	<b>290</b>	<b>+1%</b>
Other revenues (expenses) net	172	0	N.A.	170	(0)	N.A.
<b>Net Financial Revenues (Expenses)</b>						
Interest earned (paid), net	(50)	(43)	-16%	(95)	(118)	+20%
Exchange rate gain (loss)	23	9	N.A.	14	42	N.A.
Other financial revenues (expenses)	0	0	N.A.	7	5	+53%
<b>Net Financial Revenues (Expenses)</b>	<b>(27)</b>	<b>(33)</b>	<b>+20%</b>	<b>(73)</b>	<b>(71)</b>	<b>+2%</b>
Stake in the results of associated companies	(25)	3	N.A.	(14)	5	N.A.
<b>Earnings before Taxes</b>	<b>262</b>	<b>119</b>	<b>N.A.</b>	<b>377</b>	<b>223</b>	<b>+69%</b>
Income Tax	98	77	+28%	161	185	-13%
<b>Earnings after Taxes</b>	<b>164</b>	<b>42</b>	<b>N.A.</b>	<b>216</b>	<b>38</b>	<b>N.A.</b>
Discontinued operations	0	0	N.A.	0	39	N.A.
<b>Net Income (Loss)</b>	<b>164</b>	<b>42</b>	<b>N.A.</b>	<b>216</b>	<b>76</b>	<b>N.A.</b>
Minority Net Income	36	31	+17%	46	68	-32%
<b>Majority Net Income</b>	<b>128</b>	<b>11</b>	<b>N.A.</b>	<b>170</b>	<b>9</b>	<b>N.A.</b>
Depreciation and amortization	70	57	+22%	146	131	+12%
<b>EBITDA</b>	<b>212</b>	<b>207</b>	<b>+2%</b>	<b>439</b>	<b>421</b>	<b>+4%</b>





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**STATEMENT OF FINANCIAL POSITION**

	June 30, 2013	Dec. 31 2012	% Var.
<b>Current Assets</b>	<b>4,216</b>	<b>5,389</b>	<b>-22%</b>
Cash	724	649	+12%
Clients receivable, net	1,805	1,856	-3%
Other accounts receivable, net	385	448	-14%
Inventory	14	6	N.A.
Other current assets	1,288	2,430	-47%
<b>Non-Current Assets</b>	<b>3,033</b>	<b>3,307</b>	<b>-8%</b>
Accounts receivable, net	16	40	-59%
Investments in associated companies and joint ventures	956	1,002	-5%
Property, plant and equipment, net	983	1,025	-4%
Intangible assets	91	116	-21%
Assets from deferred taxes	827	938	-12%
Other non-current assets	159	186	-15%
<b>Total Assets</b>	<b>7,249</b>	<b>8,695</b>	<b>-17%</b>
<b>Current Liabilities</b>	<b>3,300</b>	<b>3,636</b>	<b>-9%</b>
Providers	775	999	-21%
Short-term interest-bearing debt	991	943	+5%
Other current liabilities	1,534	1,694	-9%
<b>Non-Current Liabilities</b>	<b>735</b>	<b>1,925</b>	<b>-62%</b>
Long-term interest-bearing debt	178	1,341	-87%
Liabilities from deferred taxes	420	454	-7%
Other non-current liabilities	137	130	+5%
<b>Total Liabilities</b>	<b>4,035</b>	<b>5,561</b>	<b>-27%</b>
<b>Shareholders' Equity</b>	<b>3,213</b>	<b>3,134</b>	<b>+3%</b>
Minority stake	379	463	-18%
<b>Minority Stake</b>	<b>2,835</b>	<b>2,671</b>	<b>+6%</b>
Paid-in capital	3,489	3,489	0%
Capital gained (lost)	(653)	(818)	+20%
<b>Total Liabilities plus Shareholders' Equity</b>	<b>7,249</b>	<b>8,695</b>	<b>-17%</b>