



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

## CIE Reports Third Quarter 2014 Results

**Mexico City, D.F., October 28, 2014 - 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 third quarter of 2014, presented according to International Financial Reporting Standards (IFRS).

- ✓ During the quarter, the Group’s consolidated revenues fell 4% to Ps.1,416, in comparison with Ps.1,479 the same period in the previous year.
- ✓ The Group’s EBITDA increased 32%, rising to Ps.174 during the period, in comparison with Ps.131 recorded in the same quarter of the prior year.
- ✓ During the period, Net Income was Ps.26, in comparison with a loss of Ps.25 in the same period of the prior year.
- ✓ During the quarter, the Controlling Stake in Net Income was Ps. 10, in comparison with a loss of Ps. 55 in the same quarter of the prior year.

### Consolidated Key Figures

	3Q 2014	3Q 2013	% Var.	Accum. 9M2014	Accum. 9M2013	% Var.
<b>Revenues</b>	1,416	1,479	-4%	4,431	4,835	-8%
<b>EBITDA</b>	174	131	+32%	479	571	-16%
<b>EBITDA margin</b>	12.3%	8.9%		10.8%	11.8%	
<b>Net Income (Loss)</b>	26	(25)	N.A.	55	191	-71%
<b>Controlling Stake in Net Income</b>	10	(55)	N.A.	5	115	-96%
<b>Total Interest-Bearing Debt</b>	1,486	1,276	+16%			

The numbers throughout this document are stated in millions of nominal Mexican pesos. Number may vary due to rounding.  
EBITDA means Operating Income before Other Net Revenues, plus Depreciation and Amortization.  
N.A. means Not Applicable.



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

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

	3Q 2014	3Q 2013	% Var.	Accum. 9M 2014	Accum. 9M 2013	% Var.
<b>CIE Entertainment</b>						
Revenues	921	1,026	-10%	3,008	3,438	-12%
EBITDA	85	54	+58%	249	305	-19%
% EBITDA Margin	9.3%	5.3%		8.3%	8.9%	
<b>CIE Commercial</b>						
Revenues	445	401	+11%	1,279	1,244	+3%
EBITDA	67	55	+23%	185	214	-14%
% EBITDA Margin	15.1%	13.6%		14.5%	17.2%	
<b>Other Businesses</b>						
Revenues	49	52	-4%	143	153	-6%
EBITDA	21	22	-6%	46	51	-11%
% EBITDA Margin	42.5%	43.4%		32.0%	33.5%	
<b>CONSOLIDATED</b>						
Revenues	<b>1,416</b>	<b>1,479</b>	<b>-4%</b>	<b>4,431</b>	<b>4,835</b>	<b>-8%</b>
EBITDA	<b>174</b>	<b>131</b>	<b>+32%</b>	<b>479</b>	<b>571</b>	<b>-16%</b>
% EBITDA Margin	<b>12.3%</b>	<b>8.9%</b>		<b>10.8%</b>	<b>11.8%</b>	

**REVENUES AND EBITDA**

At **CIE Entertainment**, revenues during the quarter were Ps.921, compared with Ps.1,026 in the same quarter of the prior year. During the period, the following presentations were especially noteworthy: 1) Fifteen presentations of the show Michael Jackson The Immortal World Tour, in Mexico City and in Guadalajara; 2) Latin artists such as Emmanuel & Mijares, Alejandro Fernández, and Alejandra Guzmán, who had concerts in the National Auditorium in Mexico City; 3) Shows by international artists such as One Republic and Def Leppard in Palacio de los Deportes. These events were smaller in size in comparison with the events presented during the same period of the prior year, when there were 52 performances of “Varekai” by Cirque du Soleil in Mexico City and Guadalajara, and shows with international talent such as Bon Jovi and Iron Maiden, in Foro Sol in Mexico City, among others.



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

The EBITDA of CIE Entertainment increased 58%, rising to Ps. 85 during the period, in comparison with Ps. 54 recorded in the same quarter of the prior year. This increase is the result of the following: 1) The mix of events promoted during the quarter recorded a higher profit margin than the events during the same period of the prior year despite their size; and 2) During the third quarter of the prior year, some non-recurring charges were recorded in relation to ending operations at Teatros Telmex in Mexico City.

The revenues of **CIE Commercial** were Ps. 445, rising 11% over the same quarter in the prior year. This growth was mainly due to an increase in the staging of special events, notably the Corona Music Fest tour through several cities in Mexico, and Entrepreneur’s Week promoted by the National Institute of the Entrepreneur, including the launching of GM vehicles and various events for the brands Hyundai, Banorte, Teléfonos de México and Jafra, among many others.

During the period, EBITDA for CIE Commercial was Ps.67, which is 23% higher than EBITDA during the same quarter of last year. The increase is due to the higher revenues explained previously.

Revenues in **Other Businesses** were Ps.49, which is 4% lower than the number recorded in the same period in the previous year. This decrease is mainly a consequence of a drop in attendance at the amusement parks in Colombia due to World Cup Soccer. EBITDA in Other Businesses decreased by Ps.1, in comparison with the same quarter of the previous year, closing at Ps.21.

**NET FINANCIAL REVENUES (EXPENSES)**

During the quarter, net financial expenses were Ps.18, which was the same number reported in the same period of the prior year. The following table shows the breakdown:

<b>Net Financial Revenues (Expenses)</b>	<b>3Q 2014</b>	<b>3Q 2013</b>	<b>% Var.</b>	<b>9M 2014</b>	<b>9M 2013</b>	<b>% Var.</b>
Net interest earned (paid)	(24)	(25)	+4%	(66)	(119)	+45%
Exchange rate gain (loss), net	6	6	-14%	(4)	21	N.A.
Other net financial revenues (expenses)	0	0	N.A.	0	7	N.A.
<b>Net Financial Revenues (Expenses)</b>	<b>(18)</b>	<b>(18)</b>	<b>+0%</b>	<b>(70)</b>	<b>(91)</b>	<b>+23%</b>



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

### **INCOME TAX**

During the quarter, provisions for income tax, the flat-rate corporate tax incurred, and deferred income tax were Ps.26, in comparison with Ps.45 in the third quarter of 2013. This decrease is mainly a consequence of an increase in the Deferred Asset Tax in the amount of Ps. 20 during the period, in comparison with a Deferred Asset Tax of Ps. 6 recorded during the same period of the prior year.

### **NET INCOME**

Net income in the period was Ps.26, compared with a net loss of Ps.25 recorded in the same period of 2013. This increase is mainly due to a higher level of operating income, and to a lesser degree, to a lower level of taxes on earnings during 2014.

### **TOTAL INTEREST-BEARING DEBT**

At September 30, 2014, the Company's total interest-bearing debt was Ps.1,486, compared with Ps.1,288 recorded at the close of 2013. Additional indebtedness, which is fully denominated in Mexican pesos, was assumed in order to pay for the Company's working capital needs.

<b>Maturity</b>	<b>3Q 2014</b>	<b>%</b>	<b>4Q 2013</b>	<b>%</b>	<b>% Var.</b>
<b>Short Term</b>	362	24%	100	8%	+262%
<b>Long Term</b>	1,124	76%	1,188	92%	-5%
<b>TOTAL</b>	<b>1,486</b>	<b>100%</b>	<b>1,288</b>	<b>100%</b>	<b>+15%</b>

### **ABOUT CIE**

Formed in 1990, CIE considers itself to be 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.



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

It offers a wide gamut 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 gamut of options includes concerts, theatrical productions, sporting events, family events and cultural events, among 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 Centro Banamex in Mexico City, which is one of the largest and most important international exposition and convention centers. 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 well-known call centers in Mexico.

Corporación Interamericana de Entretenimiento is a publicly owned company whose shares have been listed on the Mexican Stock Exchange since 1995 under the ticker symbol "CIE."

#### **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 against the United States dollar.

The use of registered trademarks or commercial trademarks in this document is exclusively for illustrative purposes and is 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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Corporación Interamericana de Entretenimiento, S.A.B. DE C.V.

**CONSOLIDATED INCOME STATEMENT**

	3Q14	3Q13	% Var.	9M 2014	9M 2013	% Var.
Sales	1,416	1,479	-4%	4,431	4,835	-8%
Cost of sales	1,165	1,327	-12%	3,725	4,026	-7%
<b>Gross Income</b>	<b>251</b>	<b>152</b>	<b>+65%</b>	<b>706</b>	<b>809</b>	<b>-13%</b>
Operating expenses	177	118	+50%	494	482	+3%
<b>Operating Income</b>	<b>74</b>	<b>34</b>	<b>+118%</b>	<b>212</b>	<b>327</b>	<b>-35%</b>
Other revenues (expenses) net	(6)	3	N.A.	(6)	173	N.A.
<b>Net Financial Revenues (Expenses)</b>						
Interest earned (paid), net	(24)	(25)	+4%	(66)	(119)	+45%
Exchange rate gain (loss)	6	6	-14%	(4)	21	N.A.
Other financial revenues (expenses)	-	-	N.A.	-	7	N.A.
<b>Net Financial Revenues (Expenses)</b>	<b>(18)</b>	<b>(18)</b>	<b>+0%</b>	<b>(70)</b>	<b>(91)</b>	<b>+23%</b>
Stake in the results of associated	2	1	+75%	5	(12)	N.A.
<b>Income before taxes</b>	<b>52</b>	<b>20</b>	<b>+162%</b>	<b>140</b>	<b>397</b>	<b>-65%</b>
Income tax	26	45	-43%	86	207	-59%
<b>Earnings after Taxes</b>	<b>26</b>	<b>(25)</b>	<b>N.A.</b>	<b>55</b>	<b>191</b>	<b>-71%</b>
Discontinued operations	-	-	N.A.	-	-	N.A.
<b>Net Income (Loss)</b>	<b>26</b>	<b>(25)</b>	<b>N.A.</b>	<b>55</b>	<b>191</b>	<b>-71%</b>
Non-controlling stake in net income	16	29	-46%	50	75	-34%
<b>Controlling Stake in Net Income</b>	<b>10</b>	<b>(55)</b>	<b>N.A.</b>	<b>5</b>	<b>115</b>	<b>-96%</b>
Depreciation and amortization	100	97	+3%	268	243	+10%
<b>EBITDA</b>	<b>174</b>	<b>131</b>	<b>+32%</b>	<b>479</b>	<b>571</b>	<b>-16%</b>



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**BALANCE SHEET**

	Sep. 30, 2014	Dec. 31 2013	% Var.
<b>Current Assets</b>	<b>5,201</b>	<b>4,158</b>	<b>+25%</b>
Cash	1,162	784	+48%
Clients receivable, net	2,431	2,001	+22%
Other accounts receivable, net	384	313	+23%
Inventory	16	15	+11%
Other current assets	1,207	1,046	+15%
<b>Non-Current Assets</b>	<b>2,846</b>	<b>2,825</b>	<b>+1%</b>
Accounts receivable, net	14	14	-2%
Investments in associated companies and joint ventures	912	920	-1%
Property, plant and equipment, net	1,047	1,032	+1%
Intangible assets	93	79	+19%
Assets from deferred taxes	679	604	+12%
Other non-current assets	100	176	-43%
<b>Total Assets</b>	<b>8,047</b>	<b>6,983</b>	<b>+15%</b>
<b>Current Liabilities</b>	<b>3,283</b>	<b>2,119</b>	<b>+55%</b>
Providers	1,195	872	+37%
Short-term interest-bearing debt	362	100	+262%
Other current liabilities	1,725	1,146	+50%
<b>Non-Current Liabilities</b>	<b>1,546</b>	<b>1,609</b>	<b>-4%</b>
Long-term interest-bearing debt	1,124	1,188	-5%
Liabilities from deferred taxes	231	237	-3%
Other non-current liabilities	191	185	+4%
<b>Total Liabilities</b>	<b>4,828</b>	<b>3,728</b>	<b>+30%</b>
<b>Shareholders' Equity</b>	<b>3,218</b>	<b>3,255</b>	<b>-1%</b>
Minority stake	424	454	-7%
<b>Majority Stake</b>	<b>2,795</b>	<b>2,801</b>	<b>-0%</b>
Paid-in capital	3,399	3,399	+0%
Capital gained (lost)	(604)	(597)	+1%
<b>Total Liabilities + Shareholders' Equity</b>	<b>8,047</b>	<b>6,983</b>	<b>+15%</b>