

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Lions Gate Entertainment Corp.		2 Issuer's employer identification number (EIN) 98-1015221	
3 Name of contact for additional information Michael B. Hainkel	4 Telephone No. of contact (310) 255-3703	5 Email address of contact mhainkel@lionsgate.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2700 Colorado Avenue		7 City, town, or post office, state, and Zip code of contact Santa Monica, California 90404	
8 Date of action December 8, 2016		9 Classification and description Common stock	
10 CUSIP number See 14 below	11 Serial number(s)	12 Ticker symbol NYSE:LGF	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On December 8, 2016, Lions Gate Entertainment Corp. ("LGEC") acquired all of the issued and outstanding stock of Starz pursuant to an Agreement and Plan of Merger, dated June 30, 2016, in a taxable acquisition for US federal income tax purposes. Pursuant to the merger agreement, an indirect subsidiary of LGEC merged with and into Starz, with Starz surviving as an indirect wholly owned subsidiary of LGEC. In exchange for their Starz stock, the shareholders of Starz received a combination of cash and LGEC Class A voting common stock and LGEC Class B non-voting common stock. In addition, each award of Starz restricted stock outstanding immediately prior to the effective time of the merger was converted into an award of restricted LGEC Class B non-voting common stock with the same terms and restrictions as the Starz restricted stock.**

The CUSIP number for the Class A voting common stock is 535919401.
 The CUSIP number for the Class B non-voting common stock is 535919500.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The shareholder's total aggregate tax basis in the shares of unrestricted LGEC Class A voting common stock and LGEC Class B non-voting common stock received in the merger should be equal to the fair market value of the shares at the time of the merger under section 1012. A shareholder's total aggregate tax basis in the shares of restricted LGEC Class B non-voting common stock should be the same as the shareholder's aggregate basis in the Starz restricted stock under section 83.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The shareholder's tax basis in the shares of unrestricted LGEC Class A voting common stock and LGEC Class B non-voting common stock received in the merger should be equal to the fair market value of the shares at the time of the merger under section 1012. The fair market value of the LGEC Class A voting common shares on December 8, 2016 was \$27.00 per share and \$2,003,370,543.00 in the aggregate (i.e., 74,198,909 Class A shares x \$27.00 per share). The fair market value of the LGEC Class B non-voting common shares on December 8, 2016 was \$26.10 per share and \$1,936,591,524.90 in the aggregate (i.e., 74,198,909 Class B shares x \$26.10 per share). A shareholder's aggregate tax basis in the shares of restricted LGEC Class B non-voting common stock received in exchange for Starz restricted stock generally should be the same as the shareholder's aggregate basis in the Starz restricted stock under section 83.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The receipt of cash and unrestricted LGEC Class A voting common stock and LGEC Class B non-voting common stock in exchange for Starz stock is a taxable stock acquisition under section 1001 for US federal income tax purposes. The shareholder will generally recognize taxable gain or loss equal to the difference between (a) the sum of the fair market value of the LGEC Class A voting common stock and LGEC Class B non-voting common stock and the amount of cash received in the merger and (b) the shareholder's tax basis in the shares of Starz stock surrendered in exchange therefor. Such gain or loss must be determined separately for each separate block of shares of Starz stock held by such shareholder. The basis with respect to the LGEC shares received is determined under section 1012.

The receipt of restricted LGEC Class B non-voting common stock in exchange for Starz restricted stock generally should not be a taxable event under section 83.

18 Can any resulting loss be recognized? ▶ Any gain or loss recognized by a shareholder upon the exchange of Starz stock for the merger consideration generally will be capital gain or loss, and will be long-term capital gain or loss if the shareholder's holding period in its Starz stock is more than one year on December 8, 2016. The deductibility of capital losses is subject to limitations.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustment to basis, if any, would be taken into account in the tax year of the shareholder during which the merger occurred (e.g. 2016 for calendar year taxpayers).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature ▶ *James W. Barge* Date ▶ 1/6/17
 Print your name ▶ James W. Barge Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>RYAN REID</u>	<u><i>Ryan Reid</i></u>	<u>01/06/17</u>		<u>P01494808</u>
	Firm's name ▶ <u>ERNST & YOUNG U.S. LLP</u>	Firm's EIN ▶ <u>34-6565596</u>		Phone no. ▶ <u>(213) 977-3200</u>	
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