



FOR IMMEDIATE RELEASE

CINEPLEX GALAXY INCOME FUND Reports Record Third Quarter Results

TORONTO, CANADA, November 2, 2007 (TSX: CGX.UN) – Cineplex Galaxy Income Fund (the “Fund”) today released the financial results of Cineplex Entertainment Limited Partnership (the “Partnership”) for the third quarter of 2007.

Third Quarter Highlights Featuring New Quarterly Records:

	2007	2006	Year Over Year Change
Total Revenues	\$243.9 million	\$199.0 million	22.6%
Attendance	19.1 million	15.4 million	24.4%
Other revenue	\$21.1 million	\$16.6 million	26.7%
Adjusted EBITDA	\$51.6 million	\$35.7 million	44.6%
Net Income	\$24.8 million	\$9.3 million	166.1%
Adjusted EBITDA Margin	21.2%	17.9%	18.4%
Distributable Cash Per Unit	\$0.7489	\$0.4628	61.8%

“This is the best quarter on record for Cineplex Entertainment,” said Ellis Jacob, President and CEO, Cineplex Entertainment. “The strength of the film product during the quarter and our focus on driving attendance to our theatres through strategic pricing initiatives is generating strong results. In addition, Cineplex Media continues to deliver double-digit growth generating a new quarterly record increase in revenues of 22%.”

Strategically, the Partnership is focused on increasing the frequency of visits at our theatres and identifying and realizing other revenue growth opportunities. As a result, key areas of focus include maximizing the benefits of the recently announced SCENE loyalty program, continued expansion of the media business, diversifying and growing alternative programming and web-based initiatives. The Partnership was successful in driving additional frequency of visits during the third quarter as total box office revenues increased 20.9% exceeding the Canadian industry increase of 16.5%. The Partnership’s attendance increased 24.4% reflecting an effective pricing strategy which included the introduction of “Big Ticket Tuesday”, a discounted admission and concession offering in selected markets and the impact of the SCENE loyalty program which has now reached 440,000 members.

EBITDA and distributable cash are not measures recognized by generally accepted accounting principles (“GAAP”) and do not have standardized meanings in accordance with such principles. Therefore, EBITDA and distributable cash may not be comparable to similar measures presented by other issuers. 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 non-controlling interests, gains or losses on disposal of theatre assets and income or losses from discontinued operations. Distributable cash is a non-GAAP measure generally used in Canadian open-ended trusts, 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. Management uses adjusted EBITDA and distributable cash 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. For a detailed reconciliation of net income to EBITDA and adjusted EBITDA and from cash used in operating activities to distributable cash, please refer to Cineplex’s management’s discussion and analysis filed on www.sedar.com.

Third Quarter Results

The Partnership reported its highest quarterly total revenue and adjusted EBITDA amounts since its inception. Total revenues for the third quarter increased 22.6% to \$243.9 million and adjusted EBITDA increased 44.6% to \$51.6 million.

Box office revenues for the three months ended September 30, 2007 increased \$26.0 million, or 20.9%, to \$150.4 million compared to the same period in 2006. Canadian industry box office was up approximately 16.5% (source: Motion Picture Theatre Associations of Canada) for the third quarter of 2007 due to stronger overall film product versus the same quarter in 2006. The increase in box office revenues was due to increased same store attendance levels (\$24.1 million) and an increase due to new and acquired theatres (\$4.9 million), partially offset by reduced average ticket prices (\$2.1 million) and the impact of disposed theatres (\$0.9 million). The average box office revenue per patron of the Partnership decreased from \$8.09 to \$7.86 due to the acquisition of the three Cinema City branded locations which employ a discounted ticket price strategy. Excluding the three Cinema City locations, the average box office per patron of the Partnership was \$7.97. The reduction in average box office revenue per patron was also driven by the strong slate of films that appealed to children during the quarter, such as *Harry Potter and the Order of the Phoenix*, *The Simpsons Movie* and *Ratatouille*. Further impacting the box office per patron was the introduction of the "Big Ticket Tuesday" program, the Partnership's discounted admission and concession offering available in certain markets, as well as the offering of reward admissions under the SCENE loyalty program.

Concession revenues for the three months ended September 30, 2007 increased \$14.4 million, or 24.9%, to \$72.4 million compared to the same period in 2006. The increase was due to increased same store attendance levels (\$11.2 million), additional revenues from the operation of new and acquired theatres (\$3.1 million) and increased average concession revenues per patron (\$0.6 million) offset by the impact of disposed theatres (\$0.5 million). The average concession revenue per patron of the Partnership increased from \$3.77 to \$3.79. Excluding the three Cinema City locations, the average concession revenue per patron was \$3.81. Film product during the three months ended September 30, 2007 resulted in higher concession revenues, as top performing films such as *Harry Potter and the Order of the Phoenix*, *Transformers*, *The Simpsons Movie*, and *Ratatouille* attracted audiences that are strong concession spenders. Concession revenue growth has been impacted by the introduction of the "Big Ticket Tuesday" program, the Partnership's discounted admission and concession offering available in certain markets as well as the ten percent discount offered to members of the SCENE loyalty program that has negatively impacted the concession revenue per patron by \$0.03 during the three months ended September 30, 2007.

Other revenues for the three months ended September 30, 2007 increased \$4.5 million, or 26.7% to \$21.1 million. Media revenue increased 22% versus the same period in 2006 primarily as a result of revenue enhancement initiatives. Games revenues increased 7% as a result of the increased attendance during the quarter. The Other component increased principally due to breakage revenue for the third quarter of 2006 being adversely impacted by the standardization and net extension of expiry dates on the Partnership's gift certificate and discount ticket programs implemented in November 2005.

Film cost for the three months ended September 30, 2007 increased \$15.4 million to \$80.1 million. As a percentage of box office revenue, film cost increased to 53.2% for the three months ended September 30, 2007 from 52.0% for the three months ended September 30, 2006.

Cost of concessions for the three months ended September 30, 2007 increased \$3.6 million to \$14.8 million. The increase in cost of concessions was due to increased same-store attendance (\$2.9 million), additional costs from the operation of new and acquired theatres (\$0.7 million) and increased same-store purchase incidence (\$0.1 million) offset by the impact of disposed theatres (\$0.1 million). As a percentage of concession revenues, cost of concessions increased from 19.5% for the three months ended September 30, 2006, to 20.5% for the three months ended September 30, 2007. The ten percent discount available to members of the SCENE loyalty program on all concession purchases and the discount concession offerings under the "Big Ticket Tuesday" program resulted in a 0.4% increase in concession costs in the third quarter of 2007.

Occupancy expense for the three months ended September 30, 2007 increased \$4.8 million to \$41.2 million. The increase was primarily due to incremental costs associated with new and acquired theatres that were opened (\$1.2 million), a one-time theatre shutdown expense for a theatre closed on September 30, 2007 (\$2.8 million), lower benefits related to the settlement of lease-related amounts during the period (\$0.6 million) and higher rent expenses (\$0.5 million), partially offset by the impact of disposed theatres (\$0.3 million).

Other operating expenses for the three months ended September 30, 2007 increased \$3.6 million to \$46.2 million. The overall increase in other operating expenses was due to the incremental impact of costs associated with new and

acquired theatres that were opened (\$1.4 million) and increased operating costs (\$2.5 million) due to variable costs and inflationary increases, increased business volumes, launch costs associated with the SCENE loyalty program and development costs of the Partnership's interactive business, partially offset by the impact of disposed theatres (\$0.3 million).

General and administrative costs increased \$1.6 million to \$9.9 million for the three months ended September 30, 2007 as a result of increased costs under the Partnership's Long Term Incentive Plan ("LTIP") (\$2.0 million), offset by decreased direct costs (\$0.4 million).

As a result of the factors discussed above, the Partnership reported adjusted EBITDA of \$51.6 million, an increase of 44.6% over the prior year. In addition, the Partnership reported net income of \$24.8 million, an increase of 166.1% over the prior year.

Distributable Cash

For the third quarter, distributable cash per unit established a new quarterly record of \$0.7489, increasing 61.8% as compared to \$0.4628 reported in the prior year. The declared distributions per unit for this period were \$0.3000. For the 12 months ending September 30, 2007, distributable cash per unit amounted to \$1.90 compared to declared distributions per unit of \$1.17.

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; changes in income tax legislation; the risks associated with national and world events, including war, terrorism, international conflicts, natural disasters, extreme weather conditions and infectious diseases; and general economic conditions. Many of these risks and uncertainties can affect the actual results and could cause the 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 Entertainment, its financial or operating results or its securities.

About Cineplex Entertainment

Headquartered in Toronto, Canada, Cineplex Entertainment LP owns, leases or has a joint-venture interest in 130 theatres with 1,315 screens serving approximately 60 million guests annually. Cineplex Entertainment LP is the largest motion picture exhibitor in Canada operating theatres with the following brands: Cineplex Odeon, Galaxy and Famous Players (including Coliseum, Colossus and SilverCity), Cinema City and Scotiabank Theatres. The units of Cineplex Galaxy Income Fund, which owns approximately 75.7% of Cineplex Entertainment LP, are traded on the Toronto Stock Exchange (symbol CGX.UN). For more information, visit us at www.cineplex.com.

Further information can be found in the disclosure documents filed by the Fund with the Canadian securities regulatory authorities, available at www.sedar.com.

You are cordially invited to participate in a teleconference call with the management of the Partnership (TSX: CGX.UN) to review our third quarter. **Ellis Jacob, Chief Executive Officer and Gord Nelson, Chief Financial Officer**, will host the call. The teleconference call is scheduled for:

**Friday, November 2nd, 2007
10:00 a.m. Eastern Time**

In order to participate in the conference call, **please dial (416) 644-3421 or outside of Toronto dial 1-800-595-8550** at least five to ten minutes prior to 10:00 a.m. Eastern Time on Friday, November 2, 2007.

- 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 21250450#. The replay will begin at 12:00 p.m. ET on Friday, November 2, 2007 and end at 11:59 p.m. ET on Friday, November 9, 2007.
- 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 Entertainment Limited Partnership

Consolidated Supplemental Information

(Unaudited)

(expressed in thousands of Canadian dollars, except number of units and per unit data)

Reconciliation to Adjusted EBITDA

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Net income	\$ 24,755	\$ 9,302	\$ 29,244	\$ 3,273
Amortization	16,398	16,340	49,150	47,412
Interest on long-term debt and capital lease obligations	6,648	8,002	20,758	23,442
Interest on loan from Cineplex Galaxy Trust	3,500	3,500	10,500	10,500
Interest income	(363)	(237)	(838)	(497)
Income tax expense (recovery)	546	(1,450)	61	(1,152)
EBITDA	51,484	35,457	108,875	82,978
Non-controlling interest	-	10	(561)	(379)
(Income) loss from discontinued operations	-	(108)	-	2,073
Loss (gain) on disposal of theatre assets	149	344	3,018	(3,475)
Adjusted EBITDA	\$ 51,633	\$ 35,703	\$ 111,332	\$ 81,197

Cineplex Entertainment Limited Partnership

Consolidated Supplemental Information

(Unaudited)

(expressed in thousands of Canadian dollars, except number of units and per unit data)

Distributable Cash

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Cash provided by operating activities	\$ 48,111	\$ 30,415	\$ 45,559	\$ 21,405
Less: Changes in operating assets and liabilities (i)	(6,085)	5,027	37,701	41,972
Tenant inducements (ii)	(932)	(10,604)	(4,084)	(14,485)
Principal component of capital lease obligations	(371)	(345)	(1,092)	(1,011)
Dividends paid by subsidiary to non-controlling interest	-	-	-	(196)
Maintenance capital expenditures (iii)	(1,893)	(1,905)	(6,362)	(3,811)
Add: Interest on loan from Cineplex Galaxy Trust (iv)	3,500	3,500	10,500	10,500
Non cash components in operating assets and liabilities (v)	464	333	1,290	965
Expenses funded through integration and restructuring reserve (vi)	5	27	42	103
Distributable cash (vii)	\$ 42,799	\$ 26,448	\$ 83,554	\$ 55,442
Number of LP Units outstanding (viii)	57,150,421	57,150,421	57,150,421	56,044,194
Distributable cash per LP Unit	\$ 0.7489	\$ 0.4628	\$ 1.4620	\$ 0.9893

- (i) Changes in operating assets and liabilities are not considered a source or use of distributable cash.
- (ii) Tenant inducements received are for the purpose of funding new theatre capital expenditures and are not considered a source of distributable cash.
- (iii) Maintenance capital expenditures are funded out of distributable cash. Board approved projects are funded out of the Partnership's revolving facility. Certain integration related capital expenditures are funded out of a reserve fund established on July 22, 2005. Maintenance capital expenditures for both the nine months ended September 30, 2007 and 2006 are not representative of the expected run-rate for the Partnership.
- (iv) Subject to "Catch-up Payment" provision and is considered part of distributable cash.
- (v) Reflects non-cash expenses including accretion on Class C LP Units and amortization of deferred gain on a RioCan Real Estate Investment Trust sale-leaseback transaction. 2006 also includes non-cash amortization of swap on extinguished debt.
- (vi) Amounts financed by the \$25 million reserve set up upon completion of the acquisition of Famous Players are not considered a use of distributable cash.
- (vii) Distributable cash is a non-GAAP measure generally used in Canadian open-ended trusts, 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. The Partnership's distributable cash may differ from similar calculations as reported by other entities and accordingly may not be comparable to distributable cash as reported by such entities.
- (viii) Excluding Class C LP units, LP units outstanding reflect the issuance on June 20, 2006 of 2,000,000 Class A LP units.

Cineplex Entertainment Limited Partnership

Interim Consolidated Balance Sheets

(expressed in thousands of Canadian dollars)

	September 30, 2007	December 31, 2006
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 14,866	\$ 56,383
Accounts receivable	28,658	35,500
Inventories	2,850	3,193
Prepaid expenses and other current assets	8,616	4,297
Income taxes receivable	-	34
Due from related parties	6	11
	<hr/>	
	54,996	99,418
Property, equipment and leaseholds	425,763	447,932
Fair value of interest rate swap agreements	2,840	-
Future income taxes	6,106	6,156
Deferred charges	1,119	7,329
Intangible assets	54,189	57,946
Goodwill	200,807	200,910
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	\$ 745,820	\$ 819,691
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Cineplex Entertainment Limited Partnership

Interim Consolidated Balance Sheets ... *continued*

(expressed in thousands of Canadian dollars)

	September 30, 2007 (Unaudited)	December 31, 2006
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 61,755	\$ 90,596
Distributions payable	4,548	4,308
Income taxes payable	65	-
Due to related parties	1,619	3,143
Deferred revenue	32,705	50,184
Capital lease obligations - current portion	1,564	1,470
	<hr/> 102,256	149,701
Long-term debt	232,109	248,000
Capital lease obligations – long-term portion	35,239	36,426
Due to Cineplex Galaxy Trust	100,000	100,000
Accrued pension benefit liability	2,371	3,840
Other liabilities	148,691	146,791
Class C Limited Partnership units – liability component	101,576	100,037
	<hr/> 722,242	784,795
Non-controlling interest	-	561
Partners' Equity	23,578	34,335
	<hr/> \$ 745,820	\$ 819,691

Cineplex Entertainment Limited Partnership

Interim Consolidated Statements of Operations

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended September 30, 2007	Three months ended September 30, 2006	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Revenue				
Box office	\$ 150,376	\$ 124,382	\$ 383,329	\$ 341,409
Concessions	72,408	57,966	184,524	160,847
Other	21,072	16,628	54,540	43,024
	<u>243,856</u>	<u>198,976</u>	<u>622,393</u>	<u>545,280</u>
Expenses				
Film cost	80,057	64,676	200,379	176,367
Cost of concessions	14,842	11,282	38,220	32,771
Occupancy	41,205	36,391	114,860	109,295
Other operating expenses	46,205	42,628	130,901	120,835
General and administrative	9,914	8,296	26,701	24,815
	<u>192,223</u>	<u>163,273</u>	<u>511,061</u>	<u>464,083</u>
Income before undernoted	51,633	35,703	111,332	81,197
Amortization	16,398	16,340	49,150	47,412
Loss (gain) on disposal of theatre assets	149	344	3,018	(3,475)
Interest on long-term debt and capital lease obligations	6,648	8,002	20,758	23,442
Interest on loan from Cineplex Galaxy Trust	3,500	3,500	10,500	10,500
Interest income	(363)	(237)	(838)	(497)
Income before income taxes, non-controlling interest and discontinued operations	25,301	7,754	28,744	3,815
Provision for (recovery of) income taxes				
Current	-	7	11	(284)
Future	546	(1,457)	50	(868)
	<u>546</u>	<u>(1,450)</u>	<u>61</u>	<u>(1,152)</u>
Income before non-controlling interest and discontinued operations	24,755	9,204	28,683	4,967
Non-controlling interest	-	10	(561)	(379)
Income from continuing operations	24,755	9,194	29,244	5,346
Income (loss) from discontinued operations	-	108	-	(2,073)
Net income for the period	\$ 24,755	\$ 9,302	\$ 29,244	\$ 3,273

Cineplex Entertainment Limited Partnership

Interim Consolidated Statements of Partners' Equity and Comprehensive Income (Unaudited)

(expressed in thousands of Canadian dollars)

For the nine months ended September 30, 2007

	Accumulated earnings	Accumulated distributions	Accumulated distributions in excess of accumulated earnings	Accumulated other comprehensive income	Partners' capital	Formation of Partnership deficit	Total Partners' equity	Comprehensive income
Balance - December 31, 2006	\$ 59,761	\$ (140,405)	\$ (80,644)	\$ -	\$ 262,774	\$ (147,795)	\$ 34,335	\$ -
Adoption of new accounting standards	(1,894)	-	(1,894)	2,427	-	-	533	-
Balance - January 1, 2007	57,867	(140,405)	(82,538)	2,427	262,774	(147,795)	34,868	-
Distributions declared	-	(39,976)	(39,976)	-	-	-	(39,976)	-
Investment in Cineplex Galaxy Income Fund units	-	-	-	-	(1,677)	-	(1,677)	-
LTIP compensation obligation	-	-	-	-	1,070	-	1,070	-
Net income for the period	29,244	-	29,244	-	-	-	29,244	29,244
Other comprehensive income - interest rate swaps	-	-	-	49	-	-	49	49
Comprehensive income for the period								\$ 29,293
Balance - September 30, 2007	\$ 87,111	\$ (180,381)	\$ (93,270)	\$ 2,476	\$ 262,167	\$ (147,795)	\$ 23,578	

The sum of accumulated distributions in excess of accumulated earnings and accumulated other comprehensive income as at September 30, 2007 is \$(90,794).

For the nine months ended September 30, 2006

	Accumulated earnings	Accumulated distributions	Accumulated distributions in excess of accumulated income	Partners' capital	Formation of Partnership deficit	Total Partners' equity
Balance - January 1, 2006	\$ 51,925	\$ (89,664)	\$ (37,739)	\$ 232,975	\$ (147,795)	\$ 47,441
Distributions declared	-	(37,817)	(37,817)	-	-	(37,817)
Issuance of Partnership units - cost	-	-	-	30,210	-	30,210
Other issuance costs	-	-	-	(466)	-	(466)
Vesting of Fund units	-	-	-	142	-	142
LTIP compensation obligation	-	-	-	(96)	-	(96)
Net income for the period	3,273	-	3,273	-	-	3,273
Balance - September 30, 2006	\$ 55,198	\$ (127,481)	\$ (72,283)	\$ 262,765	\$ (147,795)	\$ 42,687

Cineplex Entertainment Limited Partnership

Interim Consolidated Statements of Cash Flows

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended September 30, 2007	Three months ended September 30, 2006	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Cash provided by (used in)				
Operating activities				
Net income for the period	\$ 24,755	\$ 9,302	\$ 29,244	\$ 3,273
Adjustments to reconcile net income to net cash used in operating activities				
Amortization of property, equipment and leaseholds, deferred charges and intangible assets	16,398	16,340	49,150	47,412
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	(558)	(389)	(1,527)	(662)
Amortization of debt issuance costs	143	659	593	1,978
Loss (gain) on disposal of theatre assets	149	373	3,018	(1,862)
Future income taxes	546	(1,457)	50	(868)
Cash flow hedges - interest rate swaps, ineffective portion	(339)	-	(791)	-
Non-controlling interest	-	10	(561)	(379)
Tenant inducements	932	10,604	4,084	14,485
Changes in operating assets and liabilities	6,085	(5,027)	(37,701)	(41,972)
	48,111	30,415	45,559	21,405
Investing activities				
Proceeds from sale of theatre assets	31	-	2,508	70
Proceeds from sale of discontinued operations	-	-	-	652
Purchases of property, equipment and leaseholds	(5,524)	(21,257)	(19,932)	(57,319)
Theatre shutdown payment	-	(500)	(1,445)	(1,400)
Lease guarantee payment and acquisition of theatre assets	-	-	(4,500)	-
Acquisition of Famous branded magazines	-	-	(406)	(1,100)
Acquisition of Cinema City theatre assets	(6,193)	-	(6,193)	-
	(11,686)	(21,757)	(29,968)	(59,097)
Financing activities				
Issuance of Partnership units – net of issuance costs	-	-	-	30,166
Distributions paid	(13,646)	(12,924)	(39,736)	(37,624)
Dividends paid to non-controlling interest	-	-	-	(196)
Borrowings under credit facility	14,000	31,000	52,000	82,000
Repayment of credit facility	(42,000)	(24,509)	(65,000)	(57,626)
Payments under capital leases	(371)	(345)	(1,092)	(1,011)
Investment in Cineplex Galaxy Income Fund units	-	-	(2,702)	-
Deferred financing fees	(578)	-	(578)	(115)
	(42,595)	(6,778)	(57,108)	15,594
(Decrease) increase in cash and cash equivalents during the period	(6,170)	1,880	(41,517)	(22,098)
Cash and cash equivalents - Beginning of period	21,036	21,817	56,383	45,795
Cash and cash equivalents - End of period	\$ 14,866	\$ 23,697	\$ 14,866	\$ 23,697
Supplemental Information				
Cash paid for interest	\$ 7,804	\$ 8,789	\$ 24,292	\$ 26,340
Class C LP distributions paid and classified as interest	-	-	3,161	3,161
Cash paid for income taxes - net	-	5	11	320