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CINEPLEX ENTERTAINMENT COMPLETES SALE OF 7 QUEBEC DIVESTITURE THEATRES TO FORTUNE CINEMA INC.

Toronto, Ontario, March 31, 2006 (TSX: CGX.UN) - Cineplex Entertainment announced today that it has completed the sale of seven theatres with 78 screens located in the province of Quebec to Fortune Cinema Inc., based in Chelsea, Quebec. The transaction is valued at approximately \$2 million.

“Our acquisition of Famous Players last year necessitated the divestiture of 34 theatres in the regions of Quebec, Ontario and Western Canada pursuant to a consent agreement with Canada’s Commissioner of Competition,” said Ellis Jacob, President and CEO, Cineplex Entertainment. “We sold 27 theatres with 202 screens to Empire theatres Ltd of Stellerton, Nova Scotia this past September. The total proceeds of approximately \$85 million from the divestiture of the 34 theatres are in line with our expectations.”

Robert Sudermann, President, Fortune Cinema Inc. said “We are very pleased with this acquisition as it enables us to expand our portfolio of businesses to include entertainment offerings. We believe these theatres will be a great addition to Camp Fortune and Mont Ste. Marie ski resorts offering us great cross promotional opportunities.” As part of the agreement, Fortune Cinema Inc. will offer employment to all staff currently employed in these theatres.

Cineplex Entertainment and Fortune Cinema Inc. have also agreed to enter into a Screen Advertising Agreement under which Cineplex Media, a wholly owned division of Cineplex Entertainment, will act as Fortune Cinema Inc.’s sales agent for in-theatre and on-screen advertising for these theatres.

A complete listing of the theatres being sold is attached to this press release.

About Cineplex Entertainment LP: Cineplex Entertainment LP owns leases or has a joint venture interest in 129 theatres with 1,269 screens and is the largest motion picture exhibitor in Canada. Headquartered in Toronto, Canada, the Partnership operates theatres with the following six top-tier brands: Cineplex Odeon, Galaxy and Famous Players including: Coliseum, Colossus and SilverCity. Proudly Canadian, the units of Cineplex Galaxy Income Fund, which owns approximately 50.6% of Cineplex

Entertainment LP, are traded on the Toronto Stock Exchange under Cineplex Galaxy Income Fund (symbol CGX.UN). More information can be found at www.cineplex.com.

About Fortune Cinema Inc:

Fortune Cinema Inc. is a private company dedicated to the presenting of first run film and is owned and operated by Robert and Peter Sudermann. Headquartered in Chelsea, Quebec the Sudermann's are also owners of two of Western Quebec's most popular ski resorts Camp Fortune and Mont Ste-Marie, which have more than 300,000 skier visits annually. The Sudermann's also own one of the National Capital Regions best golf courses, Aerial Adventure Park and a variety of food, beverage and catering operations. The Sudermann's are also involved in several real estate and condominium projects at Mont Ste-Marie. More information can be found at www.campfortune.com and www.montstemarie.com.

Quebec Region

Famous Players StarCité Hull
115, boul. du Plateau
Gatineau, PQ

Famous Players StarCité Ste. Foy
1150 boul. Duplessis
Ste-Foy, PQ

Famous Players Parisien
480 rue St. Catherine Ouest
Montreal, PQ

Cineplex Odeon Cavendish Mall Cinemas
5800 boul. Cavendish
Cote St. Luc, PQ

Famous Players Les Galeries de la Capitale
5401 boul. de Galeries
Quebec City, PQ

Cineplex Odeon Cote des Neiges Cinemas
6700, chemin de la Cote-ses-Neiges
Montreal, PQ

Famous Players Carrefour Angrignon Cinemas
7077 Newman Boulevard
Lasalle, PQ

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For more information contact:

Pat Marshall
Cineplex Entertainment LP
Vice President Communications and
Investor Relations
T: 416-323-6648
E: pat.marshall@cineplex.com

Robert A. Sudermann
President
Fortune Cinema Inc.
300 Dunlop Road
Chelsea, Quebec
T: 613-612-6355
E: suderman@istar.ca