Not for release over US newswire services

FOR IMMEDIATE RELEASE

CINEPLEX GALAXY INCOME FUND
Reports Fourth Quarter and Record Full Year Results

TORONTO, **CANADA**, February 7, 2008 (TSX: CGX.UN) – Cineplex Galaxy Income Fund (the "Fund") today released the financial results of Cineplex Entertainment Limited Partnership (the "Partnership") for the fourth quarter and full year of 2007.

Full Year Results

	2007	2006	Year Over Year Change
Total Revenues	$805.0 million	$740.2 million	+8.8%
Attendance	61.1 million	57.4 million	+ 6.5%
Other Revenue	$81.0 million	$67.9 million	+ 19.4%
Net Income	$26.5 million	$7.8 million	+ 237.8%
Adjusted EBITDA	$137.2 million	$117.6 million	+ 16.6%
Adjusted EBITDA Margin	17.0%	15.9%	+ 6.9%
Distributable Cash Per Unit	$1.7217	$1.4330	+ 20.1%

"2007 was a record setting year for Cineplex Entertainment," said President and CEO, Ellis Jacob. "We generated record-setting results in all our key metrics including total revenues, other revenue, attendance and adjusted EBITDA which culminated in a net income increase of 238% versus a year ago despite disappointing fourth quarter box office results," said Jacob who went on to say. "Our focus on driving attendance via selected pricing programs and our SCENE loyalty program was successful and resulted in Cineplex increasing 2007 annualized attendance by 6.5% compared to the North American industry reporting flat attendance levels versus 2006."

Jacob said, "We have diversified our business beyond the traditional movie exhibition model to include our SCENE loyalty program, cineplex.com and Cineplex Media. Each of these activities is essentially a different way to reach our guests. We will continue to grow our SCENE loyalty program and will further engage our members by adding new reward and redemption partners to the program. We will maximize opportunities on our cineplex.com website via expanded advertising and online sales. Cineplex Media, which currently reaches more than 90% of Canada's movie-going audience, will continue to grow and offer advertisers fully integrated marketing campaigns. Finally we will continue to focus on our core exhibition business incorporating special pricing strategies, promotions and a variety of alternative programming choices to drive attendance."

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.

Total revenues for 2007 increased 8.8% to $805.0 million and adjusted EBITDA increased 16.6% to $137.2 million.

Box office revenues for the year ended December 31, 2007 increased $30.0 million, or 6.5%, to $488.9. Canadian industry box office was up approximately 1.3% (source: Motion Picture Theatre Associations of Canada) for 2007 due to stronger overall film product during the first three quarters of 2007 versus 2006, partially offset by weaker film product in the fourth quarter of 2007 compared to the same period in 2006. Box office revenues are primarily dependent on paid attendance to the Partnership's theatres, which was 61.1 million patrons in 2007, an increase of 6.5% over 2006. The average box office revenue per patron of the Partnership was $7.99 for both 2007 and 2006. The acquisition of the three Cinema City branded locations, which employ a discounted ticket price strategy, reduced the Partnership's average box office revenue per patron for 2007. Excluding the three Cinema City locations, the average box office per patron of the Partnership was $8.06. The increase in box office revenues was due to increased same store attendance levels ($15.1 million), an increase due to new and acquired theatres ($15.8 million) and higher average ticket prices at same-store locations ($3.8 million), partially offset by the impact of disposed theatres ($4.7 million). Further impacting the box office per patron was the introduction of the “Big Ticket Tuesday” program in the second quarter of 2007, 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 year ended December 31, 2007 increased $21.6 million, or 10.1%, to $235.1 million. The increase was due to increased same store attendance levels ($7.0 million), additional revenues from the operation of new and acquired theatres ($9.5 million) and increased average concession revenues per patron ($7.2 million), partially offset by the impact of disposed theatres ($2.1 million). The average concession revenue per patron of the Partnership increased from $3.72 in 2006 to $3.84 in 2007. Excluding the three Cinema City locations, the average concession revenue per patron was $3.86. Concession revenue per patron has been impacted by the introduction of the “Big Ticket Tuesday” program in the second quarter of 2007, the Partnership's discounted admission and concession offering available in certain markets, as well as the 10% discount offered to members of the SCENE loyalty program that has reduced the concession revenue per patron by $0.02 for the year. Management believes concession revenue has increased due to the higher attendance associated with the introduction of the “Big Ticket Tuesday” program as well as the 10% discount offered to members of the SCENE loyalty program.

Other revenues for the year ended December 31, 2007 increased $13.1 million over 2006, or 19.4%, to $81.0 million. Media revenue includes in-theatre advertising, print magazines, website advertising, and theatre naming rights. Games revenue arises from games available at theatre locations. Other revenue includes theatre rental income, management fee income, and breakage on unredeemed gift certificates and corporate coupons as well as other miscellaneous revenues. Media revenue increased 19% in 2007 over the prior year primarily as a result of the incremental contribution of the digital pre-show program which was implemented throughout 2006 and revenue enhancement initiatives, including the sale of theatre naming rights for five flagship theatres across Canada, and the sale of advertising on the cineplex.com website. Games revenues increased 10% primarily due to increased attendance. Other revenue increased principally due to higher breakage revenue in 2007. The SCENE loyalty program was created during 2007 to drive incremental attendance and concession purchase incidence. Benefits of the program are reflected in 2007 box office and concession revenue respectively. Membership in the SCENE loyalty program as at December 31, 2007 was approximately 618,000 people.

Film cost for the year ended December 31, 2007 increased $17.4 million to $253.9 million. Film cost varies primarily with box office revenue. As a percentage of box office revenue, film cost increased slightly to 51.9% for the year ended December 31, 2007 from 51.5% for 2006.

Cost of concessions for the year ended December 31, 2007 increased $5.1 million to $48.6 million. Cost of concessions varies primarily with theatre attendance as well as the quantity and mix of concession offerings sold. The increase in cost of concessions was due to increased same-store concession sales ($1.4 million), additional costs from the operation of new and acquired theatres ($2.1 million) and increased same-store purchase incidence ($1.9 million) offset by the impact of disposed theatres ($0.3 million). As a percentage of concession revenues, cost of concessions increased slightly from 20.4% for the year ended December 31, 2006, to 20.7% in 2007. The higher cost of concessions in 2007 was mainly due to expanded product offerings.

Occupancy expense for the year ended December 31, 2007 increased $6.9 million to $151.8 million. The increase was primarily due to incremental costs associated with new and acquired theatres ($4.5 million), a one-time theatre shutdown expense for a theatre closed on September 30, 2007 ($2.8 million) and higher rent, realty taxes and common-area maintenance expenses ($1.0 million), partially offset by the impact of disposed theatres ($1.4 million).

Other operating expenses for the year ended December 31, 2007 increased $13.3 million to $177.8 million. The overall increase in other operating expenses was due to the incremental impact of costs associated with new and acquired theatres ($5.5 million) and increased operating costs ($9.2 million) due to variable costs and inflationary increases, increased business volumes, launch and operating costs associated with the SCENE loyalty program and development costs of the Partnership's interactive business, partially offset by the impact of disposed theatres ($1.4 million).

General and administrative costs increased $2.6 million to $35.7 million for the year ended December 31, 2007, primarily as a result of increased costs under the Partnership's Long Term Incentive Plan ("LTIP") ($3.4 million), offset by decreased direct costs ($0.8 million).

As a result of the factors discussed above, the Partnership reported adjusted EBITDA of $137.2 million, an increase of 16.6% over the prior year. In addition, the Partnership reported net income of $26.5 million as compared to $7.8 million in the prior year.

Fourth Quarter Results

	2007	**2006**	**Year Over Year Change**
Total Revenues	$182.6 million	$195.0 million	- 6.3%
Attendance	13.1 million	14.4 million	- 9.0%
Other Revenue	$26.5 million	$24.8 million	+ 6.7%
Net (Loss)/Income	($2.8 million)	$4.6 million	NM
Adjusted EBITDA	$25.8 million	$36.4 million	- 29.1%
Adjusted EBITDA Margin	14.1%	18.7%	- 24.6%
Distributable Cash Per Unit	$0.2597	$0.4421	- 41.3%

NM = Not meaningful.

Total revenues for the fourth quarter decreased 6.3% to $182.6 million and adjusted EBITDA decreased 29.1% to $25.8 million.

Box office revenues for the three months ended December 31, 2007 decreased $11.9 million, or 10.1%, to $105.5 million compared to the same period in 2006. Canadian industry box office was down approximately 15.7% for the fourth quarter of 2007 due to weaker overall film product in the fourth quarter of 2007 versus the same quarter in 2006 (source: Motion Picture Theatre Associations of Canada). Box office revenues are primarily dependent on paid attendance to the Partnership's theatres, which was 13.1 million patrons in the fourth quarter of 2007, a decrease of 9.0% from the fourth quarter of 2006. The average box office revenue per patron of the Partnership decreased from $8.17 to $8.07 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 $8.19. The decrease in box office revenues was due to an 11.5% decrease in same store attendance levels ($13.0 million) and the impact of disposed theatres ($0.9 million), offset by an increase due to new and acquired theatres ($2.0 million). Box office revenues were impacted due to the regional differences in the performance of certain films.

Concession revenues for the three months ended December 31, 2007 decreased $2.1 million to $50.6 million compared to the same period in 2006. The decrease was due to decreased same store attendance levels ($5.8 million) and the impact of disposed theatres ($0.4 million), partially offset by increased average concession revenues per patron ($2.5 million) and additional revenues from operation of new and acquired theatres ($1.6 million). The average concession revenue per patron of the Partnership increased from $3.67 to $3.87. Excluding the three Cinema City locations, the average concession revenue per patron was $3.88.

Other revenues for the three months ended December 31, 2007 increased $1.7 million, or 6.7% to $26.5 million. Media revenue increased 10% versus the same period in 2006 primarily as a result of revenue enhancement initiatives, including the sale of theatre naming rights for five flagship theatres across Canada, as well as the sale of advertising on the cineplex.com website. Games revenues were flat against the prior period primarily due to decreased attendance, offset by an increase in game machine utilization. Other revenue decreased marginally due to decreased miscellaneous revenue as a result of non-recurring items recognized in 2006.

Film cost for the three months ended December 31, 2007 decreased $6.6 million from the fourth quarter of 2006, to $53.5 million. As a percentage of box office revenue, film cost decreased to 50.7% for the three months ended December 31, 2007 from 51.2% for the three months ended December 31, 2006 due to fewer blockbuster movies in the fourth quarter of 2007 as compared to the fourth quarter of 2006.

Cost of concessions for the three months ended December 31, 2007 decreased $0.4 million to $10.4 million. The decrease in cost of concessions was due to decreased same-store attendance ($1.2 million) and the impact of disposed theatres ($0.1 million), partially offset by additional costs from the operation of new and acquired theatres ($0.3 million) and increased purchase incidence ($0.6 million). As a percentage of concession revenues, cost of concessions increased from 20.4% for the three months ended December 31, 2006, to 20.5% for the three months ended December 31, 2007. The 10% discount available to members of the SCENE loyalty program on all concession purchases resulted in a 0.2% increase in concession costs in the fourth quarter of 2007 of 2006.

Occupancy expense for the three months ended December 31, 2007 increased $1.3 million to $37.0 million. The increase was primarily due to the incremental costs associated with new and acquired theatres ($0.8 million), lower benefits related to the settlement of lease-related amounts during the period ($0.7 million) and higher rent, realty taxes and common-area maintenance expenses ($0.5 million), partially offset by the impact of disposed theatres ($0.7 million).

Other operating expenses for the three months ended December 31, 2007 increased $3.2 million to $46.9 million. The overall increase in other theatre operating expenses was due to the incremental impact of costs associated with new theatres ($1.2 million) and increased operating costs due to variable costs and inflationary increases including expenditures relating to the SCENE loyalty program ($2.5 million), partially offset by the impact of disposed theatres ($0.4 million).

General and administrative costs increased from $8.3 million for the three months ended December 31, 2006 to $9.0 million for the three months ended December 31, 2007 as a result of increased costs under the Partnership's LTIP ($0.2 million) and increased direct costs ($0.5 million).

As a result of the factors discussed above, the Partnership reported adjusted EBITDA of $25.8 million, a decrease of 29.1% over the prior year. In addition, the Partnership reported a net loss of $2.8 million as compared to net income of $4.6 million in the prior year.

Distributable Cash

For the fourth quarter, distributable cash per unit was $0.2597 as compared to $0.4421 reported in the prior year. The declared distributions per unit for this period were $0.3000. For the 12 months ending December 31, 2007, distributable cash per unit amounted to $1.72 compared to declared distributions per unit of $1.18.

About Cineplex Entertainment

Headquartered in Toronto, Canada, Cineplex Entertainment LP owns, leases or has a joint-venture interest in 131 theatres with 1,327 screens serving approximately 61 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 fourth quarter. **Ellis Jacob, Chief Executive Officer** and **Gord Nelson, Chief Financial Officer**, will host the call. The teleconference call is scheduled for:

Thursday, February 7th, 2008
10:00 a.m. Eastern Time

In order to participate in the conference call, **please dial (416) 644-3419 or outside of Toronto dial 1-800-732-0232** at least five to ten minutes prior to 10:00 a.m. Eastern Time on Thursday, February 7, 2008.

- 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 21259878#. The replay will begin at 12:00 p.m. ET on Thursday, February 7, 2008 and end at 11:59 p.m. ET on Thursday, February 14, 2008.

- Note that media will be participating in the call in listen – only mode.

- Thank you in advance for your interest and participation.

- 30 -

For further information:

Gord Nelson
Chief Financial Officer
(416) 323-6602

Pat Marshall
Vice President Communications and Investor Relations
(416) 323-6648

Cineplex Entertainment Limited Partnership
Consolidated Supplemental Information
(Unaudited)
(expressed in thousands of Canadian dollars)

Reconciliation to Adjusted EBITDA

	Three months ended December 31, 2007	Three months ended December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2006
Net (loss) income	**$ (2,773)**	$ 4,563	**$ 26,471**	$ 7,836
Amortization	**18,061**	17,081	**67,211**	64,493
Interest on long-term debt and capital lease obligations	**6,371**	7,912	**27,129**	31,354
Interest on loan from Cineplex Galaxy Trust	**3,500**	3,500	**14,000**	14,000
Interest income	**(131)**	(248)	**(969)**	(745)
Income tax expense (recovery)	**281**	(112)	**342**	(1,264)
EBITDA	**25,309**	32,696	**134,184**	115,674
Non-controlling interest	**-**	106	**(561)**	(273)
Loss from discontinued operations	**-**	2,830	**-**	2,073
Loss on disposal of theatre assets	**521**	793	**3,539**	148
Adjusted EBITDA	**$ 25,830**	$ 36,425	**$ 137,162**	$ 117,622

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 December 31, 2007	2006	For the year ended December 31, 2007	2006
Cash provided by operating activities	**$ 51,879**	$ 79,639	**$ 97,438**	$ 101,044
Less: Total capital expenditures	**(7,660)**	(13,971)	**(27,592)**	(71,290)
Standardized distributable cash	**44,219**	65,668	**69,846**	29,754
Less:				
Changes in operating assets and liabilities (i)	**(34,779)**	(46,995)	**2,922**	(5,023)
Tenant inducements (ii)	**(1,820)**	(6,829)	**(5,904)**	(21,314)
Principal component of capital lease obligations	**(377)**	(347)	**(1,469)**	(1,358)
Dividends paid by subsidiary to non-controlling interest	**-**	-	**-**	(196)
Add:				
New build capital expenditures and other (iii)	**3,637**	9,932	**17,207**	63,440
Interest on loan from Cineplex Galaxy Trust (iv)	**3,500**	3,500	**14,000**	14,000
Non cash components in operating assets and liabilities (v)	**457**	320	**1,747**	1,285
Expenses funded through integration and restructuring reserve (vi)	**5**	20	**47**	123
Distributable cash	**$ 14,842**	$ 25,269	**$ 98,396**	$ 80,711
Number of LP Units outstanding (vii)	**57,150,594**	57,150,421	**57,150,465**	56,323,024
Distributable cash per LP Unit	**$ 0.2597**	$ 0.4421	**$ 1.7217**	$ 1.4330

(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) New build capital expenditures and other represent expenditures on Board approved projects, and excludes maintenance capital expenditures. The Partnership's revolving credit facility is available for use to fund Board approved projects. Certain integration related capital expenditures are funded out of reserve funds established on November 26, 2003 and July 22, 2005.
(iv) Subject to "Catch-up Payment" provision and is considered part of distributable cash.
(v) Certain non-cash components of other assets and liabilities are indirectly excluded from distributable cash to the extent they reflect permanent, not timing differences. Such items include the accretion of the liability component of the Class C LP Units and amortization of deferred gains on sale-leaseback transactions (2006 – amortization of swap on extinguishment of debt).
(vi) Amounts financed by the $25.0 million reserve set up upon completion of the acquisition of Famous Players are not considered a use of distributable cash.
(vii) Excluding the unconverted Class C LP Units. LP Units outstanding reflect the issuance on July 22, 2005 of 6,835,000 Class A LP Units and 748,447 Class D LP Units to fund the acquisition of Famous Players and the June 20, 2006 issuance of 2,000,000 Class A LP Units.

Cineplex Entertainment Limited Partnership
Consolidated Balance Sheets
As at December 31, 2007 and 2006
(expressed in thousands of Canadian dollars)

		2007		2006
Assets				
Current assets				
Cash and cash equivalents	$	42,906	$	56,383
Accounts receivable		45,322		35,500
Inventories		3,026		3,193
Prepaid expenses and other current assets		4,584		4,297
Income taxes receivable		-		34
Due from related parties		6		11
		95,844		99,418
Property, equipment and leaseholds		420,884		447,932
Fair value of interest rate swap agreements		1,523		-
Future income taxes		5,825		6,156
Deferred charges		1,085		7,329
Intangible assets		52,815		57,946
Goodwill		200,037		200,910
	$	778,013	$	819,691

Cineplex Entertainment Limited Partnership
Consolidated Balance Sheets … *continued*
As at December 31, 2007 and 2006
(expressed in thousands of Canadian dollars)

		2007		2006
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	$	**80,779**	$	90,596
Distributions payable		**4,548**		4,308
Due to related parties		**-**		3,143
Income taxes payable		**65**		-
Deferred revenue		**64,610**		50,184
Capital lease obligations - current portion		**1,581**		1,470
		151,583		149,701
Long-term debt		**232,265**		248,000
Capital lease obligations – long-term portion		**34,831**		36,426
Due to Cineplex Galaxy Trust		**100,000**		100,000
Accrued pension benefit liability		**1,109**		3,840
Other liabilities		**150,162**		146,791
Class C Limited Partnership units – liability component		**102,231**		100,037
		772,181		784,795
Non-controlling interest		**-**		561
Partners' Equity		**5,832**		34,335
	$	**778,013**	$	819,691

Cineplex Entertainment Limited Partnership
Consolidated Statements of Operations
For the years ended December 31, 2007 and 2006
(expressed in thousands of Canadian dollars)

	2007	2006
Revenue		
Box office	$ **488,871**	$ 458,842
Concessions	**235,102**	213,542
Other	**81,046**	67,860
	805,019	740,244
Expenses		
Film cost	**253,864**	236,469
Cost of concessions	**48,599**	43,527
Occupancy	**151,843**	144,991
Other operating expenses	**177,822**	164,518
General and administrative	**35,729**	33,117
	667,857	622,622
Income before undernoted	**137,162**	117,622
Amortization	**67,211**	64,493
Loss on disposal of theatre assets	**3,539**	148
Interest on long-term debt and capital lease obligations	**27,129**	31,354
Interest on loan from Cineplex Galaxy Trust	**14,000**	14,000
Interest income	**(969)**	(745)
Income before income taxes, non-controlling interest and discontinued operations	**26,252**	8,372
Provision for (recovery of) income taxes		
Current	**11**	(647)
Future	**331**	(617)
	342	(1,264)
Income before non-controlling interest and discontinued operations	**25,910**	9,636
Non-controlling interest	**(561)**	(273)
Income from continuing operations	**26,471**	9,909
Loss from discontinued operations	**-**	(2,073)
Net income	$ **26,471**	$ 7,836

Cineplex Entertainment Limited Partnership
Consolidated Statements of Partners' Equity and Comprehensive Income
For the years ended December 31, 2007 and 2006
(expressed in thousands of Canadian dollars)

2007

	Accumulated income	Accumulated distributions	Accumulated distributions in excess of accumulated income	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	-	(53,621)	**(53,621)**	-	-	-	**(53,621)**	-
Investment in Cineplex Galaxy Income Fund units	-	-	**-**	-	(1,677)	-	**(1,677)**	-
Exchange of Class C LP units	-	-	**-**	-	5	-	**5**	-
LTIP compensation obligation	-	-	**-**	-	1,239	-	**1,239**	-
Net income	26,471	-	**26,471**	-	-	-	**26,471**	**26,471**
Other comprehensive income - interest rate swap agreements	-	-	**-**	(1,453)	-	-	**(1,453)**	**(1,453)**
Comprehensive income	-	-	**-**	-	-	-	**-**	**$ 25,018**
Balance – December 31, 2007	$ 84,338	$ (194,026)	**$ (109,688)**	$ 974	$ 262,341	$ (147,795)	**$ 5,832**	

The sum of accumulated distributions in excess of accumulated income and accumulated other comprehensive income as at December 31, 2007 is $108,714.

2006

	Accumulated income	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	-	(50,741)	**(50,741)**	-	-	**(50,741)**
Issuance of Partnership units	-	-	**-**	30,210	-	**30,210**
Other issuance costs	-	-	**-**	(466)	-	**(466)**
Vesting of Fund units	-	-	**-**	142	-	**142**
LTIP compensation obligation	-	-	**-**	(87)	-	**(87)**
Net income	7,836	-	**7,836**	-	-	**7,836**
Balance – December 31, 2006	$ 59,761	$ (140,405)	**$ (80,644)**	$ 262,774	$ (147,795)	**$ 34,335**

Cineplex Entertainment Limited Partnership
Consolidated Statements of Cash Flows
For the years ended December 31, 2007 and 2006
(expressed in thousands of Canadian dollars)

	2007	2006
Cash provided by (used in)		
Operating activities		
Net income	**$ 26,471**	$ 7,836
Adjustments to reconcile net income to net cash used in operating activities		
Amortization of property, equipment and leaseholds, deferred charges and intangible assets	**67,211**	64,493
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilites	**(2,307)**	(1,130)
Amortization of debt issuance costs	**749**	2,637
Future income taxes	**331**	(617)
Cash flow hedges - non cash interest	**(977)**	-
Loss on disposal of theatre assets	**3,539**	1,761
Non-controlling interest	**(561)**	(273)
Tenant inducements	**5,904**	21,314
Changes in operating assets and liabilities	**(2,922)**	5,023
	97,438	101,044
Investing activities		
Proceeds from sale of theatre assets	**2,510**	572
Proceeds from sale of discontinued operations	**-**	350
Purchases of property, equipment and leasholds	**(27,592)**	(71,290)
Theatre shutdown payment	**(2,195)**	(1,400)
Lease guarantee payment and acquisition of theatre assets	**(4,500)**	-
Acquisition of Famous branded magazines	**(406)**	(1,100)
Acquisition of businesses	**(7,602)**	-
	(39,785)	(72,868)
Financing activities		
Distributions paid	**(53,381)**	(50,550)
Dividends paid to non-controlling interest	-	(196)
Borrowings under credit facility	**72,000**	95,000
Repayment of credit facility	**(85,000)**	(90,535)
Payments under capital leases	**(1,469)**	(1,358)
Deferred financing fees	**(578)**	(115)
Issuance of Partnership units – net of issuance costs	-	30,166
Investment in Cineplex Galaxy Income Fund units	**(2,702)**	-
	(71,130)	(17,588)
(Decrease) increase in cash and cash equivalents during the year	**(13,477)**	10,588
Cash and cash equivalents - Beginning of year	**56,383**	45,795
Cash and cash equivalents - End of year	**$ 42,906**	$ 56,383
Supplemental Information		
Cash paid for interest	**$ 31,875**	**$** 34,998
Class C LP distributions paid and classified as interest	**6,321**	6,321
Cash paid for income taxes - net	**11**	68