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CINEPLEX GALAXY INCOME FUND
Reports Record First Quarter Results and Announces Distribution Increase

TORONTO, **CANADA**, May 8, 2008 (TSX: CGX.UN) – Cineplex Galaxy Income Fund (the "Fund") today released the financial results of Cineplex Entertainment Limited Partnership (the "Partnership") for the first quarter of 2008.

First Quarter Results

	Three months ended March 31, 2008	Three months ended March 31, 2007	Period over Period Change
Total Revenues	$189.8 million	$178.6 million	+6.3%
Attendance	14.6 million	13.9 million	+5.4%
Other Revenue	$16.3 million	$13.4 million	+21.8%
Net Loss	$0.7 million	$3.8 million	-82.6%
Adjusted EBITDA	$26.2 million	$24.7 million	+6.1%
Adjusted EBITDA Margin	13.8%	13.8%	-
Distributable Cash Per Unit	$0.3280	$0.2794	+17.4%

"We begin 2008 with record setting first quarter results," said Ellis Jacob, President and CEO, Cineplex Entertainment. "The Partnership experienced its highest first quarter Adjusted EBITDA at $26.2 million, an increase of 6.1%; and its highest first quarter distributable cash per unit of $0.3280 or an increase of 17.4% versus the same period last year. The total revenue increase of 6.3% was achieved through growth in the exhibition business as evidenced by an increase in attendance of 5.4% versus the first quarter last year. Furthermore, our Cineplex Media group continued to deliver strong results by generating revenue growth of 39.9% versus the first quarter last year." In addition Jacob announced that "as a result of the improvements in operating performance that we have delivered, we are pleased to announce that we will be increasing our annualized distribution amount by $0.06 to $1.26 which represents a 5% increase from our current level of $1.20."

The Board of Trustees approved an increase in cash distributions per unit to an annual rate of $1.26 from the current annual rate of $1.20. This change will be effective for the month of May 2007 to be paid on June 30, 2008 to unitholders of record on May 30, 2008. The new monthly cash distribution rate will be $0.105 per unit, up from $0.10 per unit.

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.

First Quarter Results

Total revenues for the three months ended March 31, 2008 increased $11.2 million to $189.8 million and Adjusted EBITDA increased 6.1% to $26.2 million.

Box office revenues for the three months ended March 31, 2008 increased $3.9 million, or 3.5%, to $116.8 million. Canadian industry box office was up approximately 2.6% (source: Motion Picture Theatre Associations of Canada) for the first quarter of 2008 due to stronger January and February film product in 2008 versus 2007, including such strong performing releases as Juno, 27 Dresses and Jumper, offset by film product in March of 2008 not matching the strong performance of 300 from March of 2007. Box office revenues are primarily dependent on paid attendance to the Partnership's theatres, which was 14.6 million patrons in the first quarter of 2008, an increase of 5.4% over the first quarter of 2007. The average box office revenue per patron of the Partnership decreased $0.15 from $8.13 in the first quarter of 2007 to $7.98 in 2008. 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 the first quarter of 2008. Excluding the three Cinema City locations purchased in July 2007, the average box office per patron of the Partnership was $8.09. The increase in box office revenues was due to increased same store attendance levels ($2.5 million), an increase due to new and acquired theatres ($2.4 million), offset by lower average ticket prices at same-store locations ($0.7 million) and the impact of disposed theatres ($0.3 million). Further impacting the box office per patron was the introduction of the "Big Ticket Tuesday" program in some locations during 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 three months ended March 31, 2008 increased $4.4 million, or 8.4%, to $56.7 million. The increase was due to increased same store attendance levels ($1.2 million), additional revenues from the operation of new and acquired theatres ($1.9 million) and increased average concession revenues per patron ($1.5 million), offset by the impact of disposed theatres ($0.2 million). The average concession revenue per patron of the Partnership increased from $3.77 in the first quarter of 2007 to $3.87 in 2008. This increase was driven by the strong performance of Dr. Seuss' Horton Hears a Who! during the first quarter of 2008, which catered to family audiences who tend to be strong concession purchasers, partially offset by the strength of the Metropolitan Opera concert series and films that attract mature audiences such as Juno, who tend to make less concession purchases. 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. Excluding the three Cinema City locations, and the impact of the SCENE loyalty program, the average concession revenue per patron was $3.93. 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 which drives increased sales incidence among SCENE members.

Other revenues for the three months ended March 31, 2008 increased $2.9 million over the same period in 2007, or 21.8%, to $16.3 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 40% in the first quarter of 2008 over the same period in the prior year primarily as a result of higher digital pre-show and full-motion advertising revenues, the sale of theatre naming rights for five flagship theatres across Canada which was announced during the first quarter of 2007 and increased sales of advertising on the cineplex.com website. In April 2008, the Fund signed an agreement with Landmark Cinemas to add the representation of in-theatre advertising in Landmark's 38 theatres in Western Canada. The SCENE loyalty program was implemented during 2007 to drive incremental attendance and concession purchase incidence. Benefits of the program are reflected in box office and concession revenue respectively. Membership in the SCENE loyalty program as at March 31, 2008 was approximately 760,000 people, an increase of approximately 142,000 people during the quarter.

Film cost for the three months ended March 31, 2008 increased $2.1 million to $58.9 million. Film cost varies primarily with box office revenue. As a percentage of box office revenue, film cost was 50.4% for both the three months ended March 31, 2008 and March 31, 2007.

Cost of concessions for the three months ended March 31, 2008 increased $1.2 million to $11.7 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 ($0.2 million), additional costs from the operation of new and acquired theatres ($0.4 million) and increased same-store purchase incidence ($0.6 million).

As a percentage of concession revenues, cost of concessions increased from 19.9% for the three months ended March 31, 2007, to 20.5% for the three months ended March 31, 2008. The 10% discount offered to members of the SCENE loyalty program accounted for a 0.2% increase in the cost of concessions during the first quarter of 2008.

Occupancy expense for the three months ended March 31, 2008 increased $1.7 million to $38.3 million. The increase was primarily due to incremental costs associated with new and acquired theatres ($1.0 million), lower one-time benefits related to the settlement of lease related amounts during the three months ended March 31, 2008 as compared to 2007 ($0.6 million) and increased rents and real estate taxes ($0.6 million), offset by the impact of disposed theatres ($0.5 million).

Other operating expenses for the three months ended March 31, 2008 increased $3.6 million to $45.2 million. The increase in other operating expenses was due to the incremental impact of costs associated with new and acquired theatres ($1.2 million), operating costs associated with the SCENE loyalty program and development costs of the Partnership's interactive business ($1.1 million) and increased operating costs ($1.6 million) due to variable costs and inflationary increases and increased business volumes, partially offset by the impact of disposed theatres ($0.3 million). The operating costs related to the SCENE loyalty program and the development costs of the Partnership's interactive business were $2.3 million in the first quarter of 2008 as compared to $1.2 million in the first quarter of 2007.

General and administrative costs increased $1.2 million to $9.5 million for the three months ended March 31, 2008, primarily as a result of increased costs under the Partnership's Long Term Incentive Plan ($0.8 million) and increased direct costs ($0.4 million).

Income before undernoted. The Partnership reported income before undernoted for the three months ended March 31, 2008 of $26.2 million as compared to income before undernoted of $24.7 million for the three months ended March 31, 2007. This change was due to the aggregate effect of the factors described above.

As a result of the factors discussed above, the Partnership reported Adjusted EBITDA of $26.2 million, an increase of 6.1% over the same period 2007. In addition, the Partnership reported a net loss of $0.7 million as compared to $3.8 million in 2007.

Distributable Cash

For the first quarter, distributable cash per unit was $0.3280 as compared to $0.2794 reported in the first quarter of 2007. The declared distributions per unit for this period were $0.3000 and $0.2874 for the same period in 2007.

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; the risks associated with national and world events, including war, terrorism, international conflicts, natural disasters, extreme weather conditions and infectious diseases; changes in income tax legislation; and general economic conditions. Many of these risks and uncertainties can affect our actual results and could cause our 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 132 theatres with 1,337 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 76% 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 first quarter. **Ellis Jacob, Chief Executive Officer** and **Gord Nelson, Chief Financial Officer**, will host the call. The teleconference call is scheduled for:

Thursday, May 8th, 2008
10:00 a.m. Eastern Time

In order to participate in the conference call, **please dial (416) 644-3420 or outside of Toronto dial 1-800-595-8550** at least five to ten minutes prior to 10:00 a.m. Eastern Time on Thursday, May 8, 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 21268653#. The replay will begin at 12:00 p.m. ET on Thursday, May 8, 2008 and end at 11:59 p.m. ET on Thursday, May 15, 2008.

- 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)

Reconciliation to Adjusted EBITDA

	Three months ended March 31, 2008	2007
Net loss	**$ (658)**	$ (3,775)
Amortization	**16,874**	16,274
Interest on long-term debt and capital lease obligations	**6,840**	7,506
Interest on loan from Cineplex Galaxy Trust	**3,500**	3,500
Interest income	**(286)**	(252)
Income tax recovery	**(413)**	(465)
EBITDA	**25,857**	22,788
Loss on disposal of theatre assets	**311**	1,867
Adjusted EBITDA	**$ 26,168**	$ 24,655

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 March 31, 2008		March 31, 2007	
Cash provided by (used in) operating activities	**$**	**5,280**	$	(14,091)
Less: Total capital expenditures		**(7,817)**		(4,928)
Standardized distributable cash		**(2,537)**		(19,019)
Less:				
Changes in operating assets and liabilities (i)		**12,558**		28,591
Tenant inducements (ii)		**(1,818)**		(617)
Principal component of capital lease obligations		**(384)**		(357)
Add:				
New build capital expenditures and other (iii)		**6,983**		3,433
Interest on loan from Cineplex Galaxy Trust (iv)		**3,500**		3,500
Non cash components in operating assets and liabilities (v)		**445**		421
Expenses funded through integration and restructuring reserve (vi)		**-**		16
Distributable cash	**$**	**18,747**	$	15,968
Number of LP Units outstanding (vii)		**57,150,687**		57,150,421
Distributable cash per LP Unit	**$**	**0.3280**	$	0.2794

(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.
(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.

Cineplex Entertainment Limited Partnership

Consolidated Balance Sheets

(expressed in thousands of Canadian dollars)

		March 31, 2008 (Unaudited)		December 31, 2007
Assets				
Current assets				
Cash and cash equivalents	$	20,724	$	42,906
Accounts receivable		26,868		45,322
Inventories		3,091		3,026
Prepaid expenses and other current assets		7,634		4,584
Due from related parties		6		6
		58,323		95,844
Property, equipment and leaseholds		413,008		420,884
Fair value of interest rate swap agreements		-		1,523
Future income taxes		6,234		5,825
Deferred charges		1,052		1,085
Intangible assets		51,422		52,815
Goodwill		200,018		200,037
	$	730,057	$	778,013

Cineplex Entertainment Limited Partnership

<u>Consolidated Balance Sheets … *continued*</u>

(expressed in thousands of Canadian dollars)

		March 31, 2008 (Unaudited)		December 31, 2007
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	$	62,535	$	80,779
Distributions payable		4,548		4,548
Due to related parties		1,589		-
Income taxes payable		51		65
Deferred revenue		51,405		64,610
Capital lease obligations - current portion		1,610		1,581
		121,738		151,583
Long-term debt		232,412		232,265
Fair value of interest rate swap agreements		1,685		-
Capital lease obligations – long-term portion		34,418		34,831
Due to Cineplex Galaxy Trust		100,000		100,000
Accrued pension benefit liability		1,230		1,109
Other liabilities		149,117		150,162
Class C Limited Partnership units – liability component		102,892		102,231
		743,492		772,181
Partners' (Deficiency) Equity		(13,435)		5,832
	$	730,057	$	778,013

Cineplex Entertainment Limited Partnership
Consolidated Statements of Operations
(Unaudited)
(expressed in thousands of Canadian dollars)

	Three months ended March 31, 2008	Three months ended March 31, 2007
Revenue		
Box office	$ **116,823**	$ 112,887
Concessions	**56,721**	52,324
Other	**16,297**	13,385
	189,841	178,596
Expenses		
Film cost	**58,932**	56,877
Cost of concessions	**11,653**	10,423
Occupancy	**38,323**	36,632
Other operating	**45,252**	41,654
General and administrative	**9,513**	8,355
	163,673	153,941
Income before undernoted	**26,168**	24,655
Amortization	**16,874**	16,274
Loss on disposal of theatre assets	**311**	1,867
Interest on long-term debt and capital lease obligations	**6,840**	7,506
Interest on loan from Cineplex Galaxy Trust	**3,500**	3,500
Interest income	**(286)**	(252)
Loss before income taxes	**(1,071)**	(4,240)
Provision for (recovery of) income taxes		
Current	**(5)**	6
Future	**(408)**	(471)
	(413)	(465)
Net loss	$ **(658)**	$ (3,775)

Cineplex Entertainment Limited Partnership
Consolidated Statements of Partners' Equity and Comprehensive Loss
(Unaudited)
(expressed in thousands of Canadian dollars)

For the three months ended March 31, 2008

	Accumulated income	Accumulated distributions	Accumulated distributions in excess of accumulated income	Accumulated other comprehensive income (loss)	Partners' capital	Formation of Partnership deficit	Total Partners' deficiency	Comprehensive loss
Balance - December 31, 2007	$ 84,338	$ (194,026)	**$ (109,688)**	$ 974	$ 262,341	$ (147,795)	**$ 5,832**	**$ -**
Distributions declared	-	(13,645)	**(13,645)**	-	-	-	**(13,645)**	-
Investment in Cineplex Galaxy Income Fund units	-	-	**-**	-	(3,691)	-	**(3,691)**	-
LTIP compensation obligation	-	-	**-**	-	1,427	-	**1,427**	-
Net loss	(658)	-	**(658)**	-	-	-	**(658)**	**(658)**
Other comprehensive loss - interest rate swap agreements	-	-	**-**	(2,700)	-	-	**(2,700)**	**(2,700)**
Comprehensive loss for the period	-	-	**-**	-	-	-	**-**	**$ (3,358)**
Balance – March 31, 2008	$ 83,680	$ (207,671)	**$ (123,991)**	$ (1,726)	$ 260,077	$ (147,795)	**$ (13,435)**	

The sum of accumulated distributions in excess of accumulated income and accumulated other comprehensive loss as at March 31, 2008 is $125,717.

For the three months ended March 31, 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 loss
Balance - January 1, 2007	$ 57,867	$ (140,405)	**$ (82,538)**	$ 2,427	$ 262,774	$ (147,795)	**$ 34,868**	**$ -**
Distributions declared	-	(12,925)	**(12,925)**	-	-	-	**(12,925)**	-
Investment in Cineplex Galaxy Income Fund units	-	-	**-**	-	(1,677)	-	**(1,677)**	-
LTIP compensation obligation	-	-	**-**	-	731	-	**731**	-
Net loss	(3,775)	-	**(3,775)**	-	-	-	**(3,775)**	**(3,775)**
Other comprehensive income - interest rate swap agreements	-	-	**-**	370	-	-	**370**	**370**
Comprehensive loss for the period	-	-	**-**	-	-	-	**-**	**$ (3,405)**
Balance – March 31, 2007	$ 54,092	$ (153,330)	**$ (99,238)**	$ 2,797	$ 261,828	$ (147,795)	**$ 17,592**	

The sum of accumulated distributions in excess of accumulated income and accumulated other comprehensive income as at March 31, 2007 is $96,441.

Cineplex Entertainment Limited Partnership
Consolidated Statements of Cash Flows
(Unaudited)
(expressed in thousands of Canadian dollars)

	Three months ended March 31, 2008	Three months ended March 31, 2007
Cash provided by (used in)		
Operating activities		
Net loss	**$ (658)**	$ (3,775)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Amortization of property, equipment and leaseholds, deferred charges and intangible assets	**16,874**	16,274
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilites	**(754)**	(447)
Amortization of debt issuance costs	**147**	186
Loss on disposal of theatre assets	**311**	1,867
Future income taxes	**(408)**	(471)
Cash flow hedges - non cash interest	**508**	249
Tenant inducements	**1,818**	617
Changes in operating assets and liabilities	**(12,558)**	(28,591)
	5,280	(14,091)
Investing activities		
Proceeds from sale of theatre assets	**1,658**	2,475
Purchases of property, equipment and leasholds	**(7,817)**	(4,928)
Theatre shutdown payment	**-**	(1,445)
Lease guarantee payment and acquisition of theatre assets	**-**	(4,500)
Acquisition of Famous branded magazines	**(387)**	(406)
	(6,546)	(8,804)
Financing activities		
Distributions paid	**(13,645)**	(12,925)
Borrowings under credit facility	**-**	21,000
Repayment of credit facility	**-**	(11,000)
Payments under capital leases	**(384)**	(357)
Investment in Cineplex Galaxy Income Fund units	**(6,887)**	(2,702)
	(20,916)	(5,984)
Decrease in cash and cash equivalents during the period	**(22,182)**	(28,879)
Cash and cash equivalents - Beginning of period	**42,906**	56,383
Cash and cash equivalents - End of period	**$ 20,724**	$ 27,504
Supplemental Information		
Cash paid for interest	**$ 6,925**	**$** 8,377
Cash paid for income taxes - net	**$ -**	**$** 6