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CINEPLEX GALAXY INCOME FUND
Reports Record Third Quarter Results

TORONTO, **CANADA**, November 11, 2010 (TSX: CGX.UN) – Cineplex Galaxy Income Fund (the "Fund") today released its financial results for the third quarter of 2010.

Third Quarter Results

	Q3 2010	Q3 2009	Period over Period Change
Total Revenues	$269.0 million	$257.5 million	4.5%
Attendance	18.9 million	18.8 million	0.7%
Other Revenue	$31.1 million	$23.7 million	31.3%
Net Income	$25.2 million	$20.4 million	23.3%
Adjusted EBITDA	$55.2 million	$47.2 million	16.8%
Adjusted EBITDA Margin	20.5%	18.3%	2.2%
Distributable Cash Per Unit	$0.763	$0.670	13.9%

Period over period change calculated based on thousands of dollars except percentage and per unit values.

Year to Date September 30 Results

	Nine months ended September 30, 2010	Nine months ended September 30, 2009	Period over Period Change
Total Revenues	$770.0 million	$717.2 million	7.4%
Attendance	53.6 million	52.9 million	1.4%
Other Revenue	$79.7 million	$64.3 million	23.9%
Net Income	$52.1 million	$44.0 million	18.4%
Adjusted EBITDA	$132.1 million	$121.8 million	8.5%
Adjusted EBITDA Margin	17.2%	17.0%	0.2%
Distributable Cash Per Unit	$1.759	$1.679	4.8%

Period over period change calculated based on thousands of dollars except percentage and per unit values.

"Cineplex's revenues this quarter represent the strongest quarterly revenues ever recorded by the Fund since its inception," said Ellis Jacob, President and CEO, Cineplex Entertainment. "Total Revenues were up 4.5% to $269.0 million which culminated in new highs for Net Income of $25.2 million, up 23.3%, Adjusted EBITDA of $55.2 million, up 16.8%, and Distributable Income, which increased 13.9% to $0.763 per unit. Additionally, Cineplex Media revenue increased 40.4% versus the same period in 2009 resulting primarily from the contribution from Cineplex Digital Media and increased revenue from full motion advertising," said Jacob.

"We continued to install digital and 3D equipment during the quarter enabling us to capitalize on the expanded number of 3D movies available. Today, more than 25% of our screens are equipped with digital projectors and 22% are 3D capable," said Jacob. "SCENE, our loyalty rewards program, continued to grow, reaching more than 2.6 million members at September 30th. At Cineplex, we are committed to evolving the entertainment experience. Subsequent to the quarter end, we installed UltraAVX™, our enhanced audio visual experience, into two theatres in Edmonton. Seven more will be added during the next few weeks, bringing our total UltraAVX installations to eleven by mid-December. Earlier this week, we announced an agreement to add an additional 10 D-Box motion systems into our theatres during the next year," said Jacob.

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, extraordinary gains and gains or losses on disposal of assets. 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 results of the Fund for the three months ended September 30, 2010 as compared to the three months ended September 30, 2009 are presented below.

Total revenues

Total revenues for the three months ended September 30, 2010 increased $11.5 million (4.5%) to $269.0 million as compared to the prior year period. A discussion of the factors affecting the changes in box office, concession and other revenues for the period is provided on the following pages.

Box office revenues

The following table highlights the movement in box office revenues, attendance and BPP for the quarter and the year to date (in thousands of dollars, except attendance reported in thousands of patrons, and per patron amounts, unless otherwise noted):

Box office revenues	Third Quarter			Year to Date September 30		
	2010	2009	Change	2010	2009	Change
Box office revenues	$ 157,877	$ 155,884	1.3%	$ 462,746	$ 437,544	5.8%
Attendance	18,906	18,779	0.7%	53,618	52,901	1.4%
Box office revenue per patron	$ 8.35	$ 8.30	0.6%	$ 8.63	$ 8.27	4.4%
Canadian industry revenues (1)			0.6%			4.2%
Same store box office revenues	$ 152,907	$ 154,313	-0.9%	$ 452,208	$ 433,911	4.2%
Same store attendance	18,339	18,584	-1.3%	52,408	52,411	0.0%
% Total box from IMAX & 3D	25.1%	16.4%	53.0%	28.4%	12.6%	125.4%

(1) The Motion Picture Theatre Associations of Canada ("MPTAC") reported that the Canadian exhibition industry reported a box office increase of 2.1% for the period from July 2, 2010 to September 30, 2010 as compared to the period from July 3, 2009 to October 1, 2009. On a basis consistent with the Fund's calendar reporting period (July 1 to September 30), the Canadian industry box office increase is estimated to be 0.6%. The MPTAC reported a box office increase of 5.0% for the period from January 1, 2010 to September 30, 2010 as compared to the period from January 2, 2009 to October 1, 2009. On a basis consistent with the Fund's calendar reporting period (January 1 to September 30), the Canadian industry box office increase is estimated to be 4.2%.

Box office continuity In thousands	Third Quarter Box Office	Attendance	Year to Date September 30 Box Office	Attendance
2009 as reported	$ 155,884	18,779	$ 437,544	52,901
Same store attendance change	(2,033)	(245)	(19)	(2)
Impact of same store BPP change	628	-	18,316	-
New and acquired theatres	3,786	424	8,466	954
Disposed and closed theatres	(388)	(52)	(1,561)	(235)
2010 as reported	$ 157,877	18,906	$ 462,746	53,618

	Q3 2010 Top Cineplex Films	% Total Box		Q3 2009 Top Cineplex Films	% Total Box
1	Inception (i)	13.0%	1	Harry Potter and the Half-Blood Prince (i)	12.3%
2	Despicable Me (ii)	7.8%	2	Ice Age: Dawn of the Dinosaurs (ii)	7.0%
3	The Twilight Saga: Eclipse (i)	7.4%	3	District 9	6.3%
4	Toy Story 3 (i)(ii)	5.5%	4	Inglourious Basterds	5.9%
5	Salt	4.7%	5	Transformers: Revenge of the Fallen (i)	5.9%

i = Film screened in IMAX.
ii = Film screened in 3D.

Box office revenues increased $2.0 million, or 1.3%, to $157.9 million during the third quarter of 2010, compared to $155.9 million recorded in the same period in 2009. This increase was due to the higher attendance and the higher BPP period over period (0.7% increase and 0.6% increase, respectively). The increase in box office revenue during the third quarter of 2010 as compared to the prior year period was due to the stronger breadth of film product during the 2010 period. While the top 20 films during the third quarter of 2010 were outperformed by the top 20 films during the third quarter of 2009, the performance of the remaining films resulted in the overall box office increase during the period.

BPP increased $0.05, or 0.6%, from $8.30 in the third quarter of 2009 to $8.35 in the same period in 2010. Three of the top five films during the third quarter were shown in IMAX, and two of the top five were screened in 3D, compared to two of the top five in IMAX and one in 3D during the prior year period. The percentage of box office revenues earned from the 3D and IMAX titles represented 25.1% of the Fund's total box office results for the quarter, up from 16.4% from the same period in the prior year. These premium priced offerings as well as select ticket price increases introduced at the end of March 2010 contributed to the increase in the BPP amount. This increased BPP amount was partially offset by the impact of the Fund's reduced price Tuesday program, which features a reduced price movie and concession offering. The program was launched during September 2009 and is therefore not fully reflected in the prior year's comparatives. The Fund believes the program drives incremental attendance on Tuesdays.

The Fund's investment in digital and 3D technology in 2009 and 2010 has allowed it to capitalize on the success of the 3D releases, contributing to the Fund outperforming the Canadian film exhibition industry during the third quarter of 2010.

Concession revenues

The following table highlights the movement in concession revenues, attendance and CPP for the quarter and the year to date (in thousands of dollars, except attendance and same store attendance reported in thousands of patrons, and per patron amounts):

Concession revenues	**Third Quarter**			**Year to Date September 30**		
	2010	**2009**	**Change**	**2010**	**2009**	**Change**
Concession revenues	$ 80,068	$ 77,995	2.7%	$ 227,579	$ 215,346	5.7%
Attendance	18,906	18,779	0.7%	53,618	52,901	1.4%
Concession revenue per patron	$ 4.24	$ 4.15	2.2%	$ 4.24	$ 4.07	4.2%
Same store concession revenues	$ 77,478	$ 77,081	0.5%	$ 222,209	$ 213,262	4.2%
Same store attendance	18,339	18,584	-1.3%	52,408	52,411	0.0%

Concession revenue continuity	**Third Quarter**		**Year to Date September 30**	
In thousands	**Concession**	**Attendance**	**Concession**	**Attendance**
2009 as reported	$ 77,995	18,779	$ 215,346	52,901
Same store attendance change	(1,016)	(245)	(9)	(2)
Impact of same store CPP change	1,413	-	8,956	-
New and acquired theatres	1,867	424	4,076	954
Disposed and closed theatres	(191)	(52)	(790)	(235)
2010 as reported	$ 80,068	18,906	$ 227,579	53,618

Concession revenues increased 2.7% as compared to the prior year quarter, due to the 0.7% increase in attendance and a 2.2% increase in CPP, which increased from $4.15 in the third quarter of 2009 to $4.24 in the third quarter of 2010. The Fund believes that revised concession offerings, as well as process improvements designed to increase speed of service contributed to this period-over-period increase. Nominal concession price increases introduced in May 2010 also contributed to this CPP increase. The reduced price concession offering included in the Tuesday program has a negative impact on CPP however the Fund believes that the program drives incremental concession purchases on Tuesdays, resulting in higher overall concession revenues.

Other revenues

The following table highlights the movement in media, games and other revenues for the quarter and the year to date (in thousands of dollars):

Other revenues	**Third Quarter**			**Year to Date September 30**		
	2010	**2009**	**Change**	**2010**	**2009**	**Change**
Media	$ 23,512	$ 16,751	40.4%	$ 57,105	$ 43,692	30.7%
Games	1,396	1,304	7.1%	3,644	3,639	0.1%
Other	6,167	5,606	10.0%	18,914	16,957	11.5%
Total	$ 31,075	$ 23,661	31.3%	$ 79,663	$ 64,288	23.9%

Other revenues increased 31.3% from $23.7 million in the third quarter of 2009 to $31.1 million in the third quarter of 2010. Media revenues for the third quarter of 2010 were $23.5 million, up $6.8 million, or 40.4%, from the prior year period. The increase continues the trend seen in the first half of 2010 with advertisers returning to the screens after the reduction in full motion and digital pre-show advertising during 2009 due to the challenging economic environment. Increased spending from the automotive and telecommunications sectors were the main reasons for the higher media revenues in the quarter over the prior period. CDM revenue increased $1.9 million period over period, due in part to the third quarter of 2010 including the operations of DDC. The increase in Other is primarily due to higher breakage revenues associated with increased sales of gift cards and coupons. The Games revenue increase is due in part to the addition of the Fund's second XSCAPE entertainment centre at the SilverCity CrossIron Mills Cinemas in Calgary, Alberta, which opened on June 30, 2010.

Film cost

The following table highlights the movement in film cost and film cost as a percentage of box office revenue ("film cost percentage") for the quarter and the year to date (in thousands of dollars, except film cost percentage):

Film cost	**Third Quarter**			**Year to Date September 30**		
	2010	**2009**	**Change**	**2010**	**2009**	**Change**
Film cost	$ 81,323	$ 82,024	-0.9%	$ 247,107	$ 229,336	7.7%
Film cost percentage	51.5%	52.6%	-2.1%	53.4%	52.4%	1.9%

Film cost varies primarily with box office revenue, and can vary from quarter to quarter based on the relative strength of the titles exhibited during the period. The quarterly decrease was due to the 2.1% decrease in the film cost percentage, partially offset by the impact of the 1.3% increase in box office revenue as compared to the prior year period.

Cost of concessions

The following table highlights the movement in concession cost and concession cost as a percentage of concession revenues ("concession cost percentage") for the quarter and the year to date (in thousands of dollars, except concession cost percentage and concession margin per patron):

Cost of concessions	**Third Quarter**			**Year to Date September 30**		
	2010	**2009**	**Change**	**2010**	**2009**	**Change**
Concession cost	$ 16,399	$ 16,517	-0.7%	$ 48,383	$ 44,613	8.5%
Concession cost percentage	20.5%	21.2%	-3.3%	21.3%	20.7%	2.9%
Concession margin per patron	$ 3.37	$ 3.27	3.1%	$ 3.34	$ 3.23	3.4%

Cost of concessions varies primarily with theatre attendance as well as the quantity and mix of concession offerings sold. The decrease in concession cost as compared to the prior year period was due to the 3.3% decrease in concession cost percentage, partially offset by the 2.7% increase in concession revenues.

The decrease in the concession cost percentage period over period was primarily due to the mix of concession products sold, with a higher proportion of core concession offerings (popcorn and fountain drinks, which are lower cost products compared to items sold at the Fund's retail branded outlets) sold in the third quarter of 2010 compared to the prior year period. Price increases introduced during the second quarter of 2010 also contributed to the reduction in cost percentage. This decrease was partially offset by the continued growth of the SCENE loyalty program and the associated 10% discount on concession products, as well as the reduced price Tuesday program. The discounted price of the Tuesday concession offering negatively impacts the Fund's concession cost percentage. The concession margin per patron increased from $3.27 in the third quarter of 2009 to $3.37 in the same period in 2010, reflecting both the higher CPP and the lower concession cost percentage.

Occupancy expenses

The following table highlights the movement in occupancy expenses for the quarter and the year to date (in thousands of dollars):

Occupancy expense	Third Quarter			Year to Date September 30		
	2010	2009	Change	2010	2009	Change
Rent	$ 27,306	$ 26,461	3.2%	$ 82,143	$ 79,677	3.1%
Other occupancy	13,416	13,307	0.8%	40,682	40,051	1.6%
Non-recurring legal contingency	-	-	NM	297	687	-56.8%
One-time items	(367)	$ (614)	-40.2%	(1,336)	$ (2,243)	-40.4%
Total	$ 40,355	$ 39,154	3.1%	$ 121,786	$ 118,172	3.1%

Occupancy continuity In thousands	Third Quarter Occupancy	Year to Date September 30 Occupancy
2009 as reported	$ 39,154	$ 118,172
Impact of new theatres	1,355	3,446
Impact of disposed theatres	(101)	(331)
Same store rent change	52	676
Non-recurring items	247	517
Other	(352)	(694)
2010 as reported	$ 40,355	$ 121,786

Occupancy expense increased $1.2 million during the three months ended September 30, 2010 compared to the prior year period. This increase was primarily due to the impact of new and disposed theatres.

Other operating expenses

The following table highlights the movement in other operating expenses during the quarter and the year to date (in thousands of dollars):

Other operating expenses	Third Quarter			Year to Date September 30		
	2010	2009	Change	2010	2009	Change
Other operating expenses	$ 61,355	$ 58,801	4.3%	$ 177,383	$ 165,317	7.3%

Other operating continuity In thousands	Third Quarter Other Operating	Year to Date September 30 Other Operating
2009 as reported	$ 58,801	$ 165,317
Impact of new theatres	1,406	3,169
Impact of disposed theatres	(269)	(943)
Same store payroll change	(117)	1,939
Marketing change	(650)	299
New business initiatives	1,320	2,538
Other	864	5,064
2010 as reported	$ 61,355	$ 177,383

Other operating expenses increased $2.6 million during the third quarter of 2010 compared to the prior year period primarily as a result of the impact of new theatres net of disposed theatres, as well as new business initiatives. New business initiatives include costs for the Cineplex Store, the cineplex.com website and costs relating to CDM, which includes businesses acquired in the second quarter of 2009 and the third quarter of 2010. Total theatre payroll accounted for 46.0% of the total expenses in other operating expenses during the third quarter of 2010, as compared to 47.1% for the same period one year earlier.

The $0.9 million increase in Other includes increased utility costs due to the summer of 2010 being generally warmer than the prior year ($0.5 million) as well as increased costs relating to the higher business volumes during the period ($0.4 million).

General and administrative expenses

The following table highlights the movement in general and administrative ("G&A") expenses during the quarter and the year to date, including the LTIP and Option Plan costs, and G&A net of these costs (in thousands of dollars):

G&A expenses	Third Quarter			Year to Date September 30		
	2010	2009	Change	2010	2009	Change
G&A excluding LTIP and Option Plan expense	$ 9,847	$ 8,893	10.7%	$ 29,518	$ 27,548	7.2%
LTIP	2,162	2,092	3.3%	7,825	7,068	10.7%
Option plan	2,385	460	418.5%	5,840	938	522.6%
Pension plan settlement	-	2,360	-100.0%	-	2,360	-100.0%
G&A expenses as reported	$ 14,394	$ 13,805	4.3%	$ 43,183	$ 37,914	13.9%

General and administrative costs increased $0.6 million during the third quarter of 2010 compared to the same period in the prior year. This increase was primarily due to increased costs under the Option Plan ($1.9 million) and higher head office payroll. These increases were partially offset by the one-time settlement loss of $2.4 million relating to the retirement plan for salaried employees of Famous Players that was recorded in the third quarter of 2009. The Option Plan has outstanding options with exercise prices of $17.03 and $14.00. The Fund's closing unit price at September 30, 2010 was $20.78, as compared to $19.50 at June 30, 2010. This increased unit price resulted in the $1.9 million increase in the Option Plan expense during the period.

Earnings before interest, income taxes, depreciation and amortization ("EBITDA")

The following table represents the Fund's EBITDA and adjusted EBITDA for the three and nine months ended September 30, 2010 as compared to the three and nine months ended September 30, 2009 (expressed in thousands of dollars, except adjusted EBITDA margin):

EBITDA	Third Quarter			Year to Date September 30		
	2010	2009	Change	2010	2009	Change
EBITDA	$ 55,804	$ 47,242	18.1%	$ 132,226	$ 122,680	7.8%
Adjusted EBITDA	$ 55,194	$ 47,239	16.8%	$ 132,146	$ 121,826	8.5%
Adjusted EBITDA margin	20.5%	18.3%	2.2%	17.2%	17.0%	0.2%

Adjusted EBITDA for the third quarter of 2010 increased $8.0 million, or 16.8%, as compared to the third quarter of 2009. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 20.5%, up from 18.3% in the prior year period. The increase is primarily due to the higher revenues and the lower film cost percentage during the quarter compared to the prior year period. The revenue increase was principally due to the higher media revenues as a result of increased advertising spending due to the improved economic climate in the third quarter of 2010 compared to the prior year period.

Distributable Cash

For the three months ended September 30, 2010, distributable cash per Fund unit was $0.763 as compared to $0.670 for the three months ended September 30, 2009. The declared distributions per Fund unit were $0.315 for both the three months ended September 30, 2010 and 2009. The payout ratios were approximately 41% and 47%, respectively, for each of these periods. During the twelve months ended September 30, 2010 and 2009, the Fund generated distributable cash of $2.222 and $2.131, respectively, as compared to declared distributions of $1.260 for each of these periods. The payout ratios for each of these periods were approximately 57% and 59%, respectively.

Presentation

Prior to 2009, Cineplex presented and discussed the results of Cineplex Entertainment Limited Partnership (the "Partnership") as the Fund equity accounted for its investment in the Partnership prior to Q2 2007 and, as such, the consolidated financial statements of the Fund did not provide comparative results on a line-by-line basis. As a result of the Fund's step acquisitions in the Partnership, there are differences in the valuation bases of certain assets and liabilities between the Fund and the Partnership. These valuation differences give rise to differences in certain non-cash expenses (primarily included in the occupancy category) which result in differences in reported results between the Fund and the Partnership. In its filed Management's Discussion and Analysis, the Fund provides a reconciliation of the Fund's reported results to the Partnership's reported results. For the third quarter of 2010, the Fund reported Adjusted EBITDA of $55.2 million, and the Partnership reported Adjusted EBITDA of $56.2 million.

This news release contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events (including the proposed conversion of the Fund to a corporate form and the ability to maintain the current level of cash distributions to equity holders following conversion), 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 LP

As the largest motion picture exhibitor in Canada, Cineplex Entertainment LP owns, leases or has a joint-venture interest in 129 theatres with 1,342 screens serving approximately 70 million guests annually. Headquartered in Toronto, Canada, Cineplex Entertainment operates theatres from British Columbia to Quebec and is the exclusive provider of UltraAVX and the largest exhibitor of digital, 3D and IMAX projection technologies in the country. Proudly Canadian and with a workforce of approximately 10,000 employees, the company operates the following top tier brands: Cineplex Odeon, Galaxy, Famous Players, Colossus, Coliseum, SilverCity, Cinema City and Scotiabank Theatres. The units of Cineplex Galaxy Income Fund, which owns approximately 99.7% of Cineplex Entertainment LP, are traded on the Toronto Stock Exchange (symbol CGX.UN). For more information, visit 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 quarterly results. **Ellis Jacob, President and Chief Executive Officer** and **Gord Nelson, Chief Financial Officer**, will host the call. The teleconference call is scheduled for:

Thursday, November 11, 2010
10:00 a.m. Eastern Time

In order to participate in the conference call, **please dial 416-644-3418 or outside of Toronto dial 1-800-814-4861** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 4378392 to access the call.

- 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 4378392#. The replay will begin at 12:00 p.m. Eastern Time on Thursday, November 11, 2010 and end at 11:59 p.m. Eastern Time on Thursday, November 18, 2010.

- 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 Galaxy Income Fund
Consolidated Supplemental Information
(Unaudited)
(expressed in thousands of Canadian dollars)

Reconciliation to Adjusted EBITDA

	Three months ended September 30, 2010	2009	Nine months ended September 30, 2010	2009
Net income	**$ 25,160**	$ 20,401	**$ 52,104**	$ 43,996
Amortization	**23,854**	19,739	**62,655**	60,336
Interest and accretion expense on convertible debentures	**1,904**	1,912	**5,604**	5,596
Interest on long-term debt and capital lease obligations	**3,901**	4,088	**11,434**	12,131
Interest income	**(165)**	(60)	**(339)**	(261)
Provision for income taxes	**1,150**	1,162	**768**	882
EBITDA	**55,804**	47,242	**132,226**	122,680
Non-controlling interests	**75**	77	**154**	397
Extraordinary gain	**-**	(67)	**-**	(1,059)
Gain on disposal of assets	**(685)**	(13)	**(234)**	(192)
Adjusted EBITDA	**$ 55,194**	$ 47,239	**$ 132,146**	$ 121,826

Cineplex Galaxy Income Fund
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 September 30, 2010	2009	For the nine months ended September 30, 2010	2009
Cash provided by operating activities	**$ 39,929**	$ 28,611	**$ 86,892**	$ 90,157
Less: Total capital expenditures	**(14,711)**	(10,534)	**(38,289)**	(33,672)
Standardized distributable cash	**25,218**	18,077	**48,603**	56,485
Less:				
Changes in operating assets and liabilities (i)	**10,317**	12,767	**29,312**	22,034
Tenant inducements (ii)	**(1,220)**	-	**(2,227)**	(7,052)
Principal component of capital lease obligations	**(504)**	(428)	**(1,484)**	(1,263)
Add:				
New build capital expenditures and other (iii)	**10,082**	8,037	**27,136**	26,276
Non-cash components in operating assets and liabilities (iv)	**(235)**	(180)	**(704)**	(519)
Distributable cash	**$ 43,658**	$ 38,273	**$ 100,636**	$ 95,961
Less: Non-controlling interests share of distributable cash	**(131)**	(167)	**(383)**	(1,745)
Distributable cash available to Fund unitholders	**$ 43,527**	$ 38,106	**$ 100,253**	$ 94,216
Average number of Fund units outstanding	**57,060,387**	56,900,680	**56,979,233**	56,111,494
Distributable cash per Fund unit	**$ 0.763**	$ 0.670	**$ 1.759**	$ 1.679

(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 as well as any expenditures for digital equipment anticipated to be incorporated into a third-party digital integrator financing structure, and exclude maintenance capital expenditures. The Partnership's revolving credit facility is available to the Fund for use to fund Board approved projects.

(iv) 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 amortization of deferred gains on sale-leaseback transactions and non-cash pension adjustments relating to the Fund's acquisition of the Partnership.

Cineplex Galaxy Income Fund
Consolidated Balance Sheets

(expressed in thousands of Canadian dollars)

		September 30, 2010 (unaudited)		December 31, 2009
Assets				
Current assets				
Cash and cash equivalents	$	**76,591**	$	95,791
Accounts receivable		**37,583**		54,892
Inventories		**3,734**		4,260
Prepaid expenses and other current assets		**10,652**		4,310
		128,560		159,253
Property, equipment and leaseholds		**413,557**		428,253
Future income taxes		**20,391**		20,221
Deferred charges		**725**		820
Intangible assets		**95,250**		103,674
Goodwill		**603,324**		600,564
	$	**1,261,807**	$	1,312,785

Cineplex Galaxy Income Fund
Consolidated Balance Sheets … *continued*

(expressed in thousands of Canadian dollars)

		September 30, 2010 (unaudited)		December 31, 2009
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	**$**	**81,724**	$	109,900
Distributions payable		**6,017**		6,001
Income taxes payable		**50**		34
Deferred revenue		**64,625**		85,501
Capital lease obligations - current portion		**2,186**		2,004
Fair value of interest rate swap agreements		**5,742**		6,881
		160,344		210,321
Long-term debt		**233,906**		233,459
Fair value of interest rate swap agreements		**5,039**		5,382
Capital lease obligations – long-term portion		**29,461**		31,127
Accrued pension benefit liability		**2,338**		2,012
Other liabilities		**115,292**		114,941
Convertible debentures - liability component		**98,999**		100,982
		645,379		698,224
Non-controlling interests		**1,814**		2,669
Unitholders' equity		**614,614**		611,892
	$	**1,261,807**	$	1,312,785

Cineplex Galaxy Income Fund

Consolidated Statements of Operations

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Revenues				
Box office	**$ 157,877**	$ 155,884	**$ 462,746**	$ 437,544
Concessions	**80,068**	77,995	**227,579**	215,346
Other	**31,075**	23,661	**79,663**	64,288
	269,020	257,540	**769,988**	717,178
Expenses				
Film cost	**81,323**	82,024	**247,107**	229,336
Cost of concessions	**16,399**	16,517	**48,383**	44,613
Occupancy	**40,355**	39,154	**121,786**	118,172
Other operating	**61,355**	58,801	**177,383**	165,317
General and administrative	**14,394**	13,805	**43,183**	37,914
	213,826	210,301	**637,842**	595,352
Income before undernoted	**55,194**	47,239	**132,146**	121,826
Amortization	**23,854**	19,739	**62,655**	60,336
Gain on disposal of assets	**(685)**	(13)	**(234)**	(192)
Interest and accretion expense on convertible debentures	**1,904**	1,912	**5,604**	5,596
Interest on long-term debt and capital lease obligations	**3,901**	4,088	**11,434**	12,131
Interest income	**(165)**	(60)	**(339)**	(261)
Income before income taxes, extraordinary gain and non-controlling interests	**26,385**	21,573	**53,026**	44,216
Provision for (recovery of) income taxes				
Current	**(7)**	(2)	**5**	7
Future	**1,157**	1,164	**763**	875
	1,150	1,162	**768**	882
Income before extraordinary gain and non-controlling interests	**25,235**	20,411	**52,258**	43,334
Extraordinary gain	**-**	67	**-**	1,059
Income before non-controlling interests	**25,235**	20,478	**52,258**	44,393
Non-controlling interests	**75**	77	**154**	397
Net income	**$ 25,160**	$ 20,401	**$ 52,104**	$ 43,996

Cineplex Galaxy Income Fund
Consolidated Statements of Unitholders' Equity and Comprehensive Income
(Unaudited)
(expressed in thousands of Canadian dollars)

For the nine months ended September 30, 2010

	Accumulated income	Accumulated distributions	Accumulated distributions in excess of accumulated income	Accumulated other comprehensive loss	Unitholders' capital	Total unitholders' equity	Comprehensive income
Balance - December 31, 2009	$ 155,981	$ (262,094)	**$ (106,113)**	$ (4,852)	$ 722,857	**$ 611,892**	**$ -**
Issuance of Fund units under Exchange Agreement	-	-	**-**	-	833	**833**	-
Issuance of Fund units on conversion of debentures	-	-	**-**	-	2,878	**2,878**	-
LTIP compensation obligation	-	-	**-**	-	98	**98**	-
LTIP Fund units	-	-	**-**	-	(1,063)	**(1,063)**	-
Distributions declared	-	(53,861)	**(53,861)**	-	-	**(53,861)**	-
Net income	52,104	-	**52,104**	-	-	**52,104**	**52,104**
Other comprehensive income - interest rate swap agreements, including $1,052 of future income tax recovery	-	-	**-**	1,733	-	**1,733**	**1,733**
Comprehensive income for the period	-	-	**-**	-	-	**-**	**$ 53,837**
Balance – September 30, 2010	$ 208,085	$ (315,955)	**$ (107,870)**	$ (3,119)	$ 725,603	**$ 614,614**	

The sum of the accumulated distributions in excess of accumulated income and accumulated other comprehensive loss as at September 30, 2010 is $110,989.

For the nine months ended September 30, 2009

	Accumulated income	Accumulated distributions	Accumulated distributions in excess of accumulated income	Accumulated other comprehensive loss	Unitholders' capital	Total unitholders' equity	Comprehensive income
Balance - December 31, 2008	$ 102,535	$ (190,881)	**$ (88,346)**	$ (13,683)	$ 571,401	**$ 469,372**	**$ -**
Issuance of Fund units under exchange agreement	-	-	**-**	-	150,935	**150,935**	-
LTIP compensation obligation	-	-	**-**	-	2,683	**2,683**	-
LTIP Fund units	-	-	**-**	-	(2,912)	**(2,912)**	-
Distributions declared	-	(53,288)	**(53,288)**	-	-	**(53,288)**	-
Net income	43,996	-	**43,996**	-	-	**43,996**	**43,996**
Other comprehensive income - interest rate swap agreements, net of $961 future income tax provision	-	-	**-**	6,251	-	**6,251**	**6,251**
Comprehensive income for the period	-	-	**-**	-	-	**-**	**$ 50,247**
Balance – September 30, 2009	$ 146,531	$ (244,169)	**$ (97,638)**	$ (7,432)	$ 722,107	**$ 617,037**	

The sum of the accumulated distributions in excess of accumulated income and accumulated other comprehensive loss as at September 30, 2009 is $105,070.

Cineplex Galaxy Income Fund
Consolidated Statements of Cash Flows
(Unaudited)
(expressed in thousands of Canadian dollars)

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Cash provided by (used in)				
Operating activities				
Net income	**$ 25,160**	$ 20,401	**$ 52,104**	$ 43,996
Adjustments to reconcile net income to net cash provided by operating activities				
Amortization of property, equipment and leaseholds, deferred charges and intangible assets	**23,854**	19,739	**62,655**	60,336
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities	**(838)**	(462)	**(2,239)**	(631)
Amortization of debt issuance costs	**150**	151	**447**	448
Gain on disposal of assets	**(685)**	(13)	**(234)**	(192)
Future income taxes	**1,157**	1,164	**763**	875
Cash flow hedges - non-cash interest	**(176)**	81	**(568)**	129
Extraordinary gain	**-**	(67)	**-**	(1,059)
Non-controlling interests	**75**	77	**154**	397
Accretion of convertible debentures	**329**	307	**895**	840
Tenant inducements	**1,220**	-	**2,227**	7,052
Changes in operating assets and liabilities	**(10,317)**	(12,767)	**(29,312)**	(22,034)
	39,929	28,611	**86,892**	90,157
Investing activities				
Proceeds from sale of assets	**863**	100	**2,213**	496
Purchases of property, equipment and leaseholds	**(14,711)**	(10,534)	**(38,289)**	(33,672)
Cash acquired in exchanges of LP units	**-**	-	**-**	639
Deposits for business acquisitions	**3,970**	-	**-**	-
Acquisition of businesses, net of cash acquired	**(3,842)**	(42)	**(4,864)**	(1,933)
	(13,720)	(10,476)	**(40,940)**	(34,470)
Financing activities				
Distributions paid	**(17,973)**	(17,921)	**(53,837)**	(51,872)
Distributions paid by the Partnership to non-controlling interests	**(54)**	(82)	**(211)**	(2,136)
Borrowings under credit facility	**22,000**	3,000	**37,000**	30,000
Repayment of credit facility	**(22,000)**	(3,000)	**(37,000)**	(30,000)
Payments under capital leases	**(504)**	(428)	**(1,484)**	(1,263)
Acquisition of long-term incentive plan Fund units	**-**	-	**(9,620)**	(9,163)
	(18,531)	(18,431)	**(65,152)**	(64,434)
Increase (decrease) in cash and cash equivalents during the period	**7,678**	(296)	**(19,200)**	(8,747)
Cash and cash equivalents - Beginning of period	**68,913**	36,134	**95,791**	44,585
Cash and cash equivalents - End of period	**$ 76,591**	$ 35,838	**$ 76,591**	$ 35,838
Supplemental Information				
Cash paid for interest	**$ 3,999**	$ 3,374	**$ 14,710**	$ 12,503
Cash paid for income taxes - net	**$ 17**	$ -	**$ 30**	$ 11
Cash received for interest	**$ 163**	$ 43	**$ 327**	$ 237