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FOR IMMEDIATE RELEASE

CINEPLEX INC. ANNOUNCES THE COMPLETION OF THE CONVERSION OF CINEPLEX GALAXY INCOME FUND TO A CORPORATION AND EXECUTION OF AMENDED AND RESTATED CREDIT AGREEMENT

TORONTO, Ontario, January 1, 2011 – Cineplex Inc. ("**Cineplex**") announced today that it has received the requisite regulatory approvals and third-party consents required to complete the reorganization (the "**Reorganization**") of Cineplex Galaxy Income Fund (the "**Fund**") from an income trust structure into a public corporation named Cineplex Inc. The Reorganization was approved by the Ontario Superior Court of Justice on December 8, 2010.

Cineplex now directly and indirectly operates the businesses which were previously operated by the Fund and its subsidiaries. The management and trustees of the Fund are now the management and directors of Cineplex.

Prior to the Reorganization, holders of exchangeable class B limited partnership units (the "**LP Units**") of Cineplex Entertainment Limited Partnership ("**Cineplex Entertainment LP**"), a subsidiary of the Fund, received common shares in the capital of Cineplex (the "**Shares**") in exchange for their LP Units, on a one-for-one basis. Additionally, pursuant to the Reorganization, holders of Fund units (the "**Units**") received Shares in exchange for their Units, on a one-for-one basis. Cineplex also assumed all of the covenants and obligations of the Fund under its outstanding convertible debentures (the "**Debentures**") and entered into a supplemental trust indenture. On conversion of the Debentures, debentureholders are now entitled to receive Shares, rather than Units, on the basis of one Share in lieu of each Unit which the holder was previously entitled to receive. Cineplex now has 57,430,834 Shares outstanding. The Shares will be listed on the Toronto Stock Exchange under the symbol "CGX". The Debentures continue to be listed on the TSX under the symbol "CGX.DB".

Cineplex also announced that Cineplex Entertainment LP has also entered into an amended and restated credit agreement effective January 1, 2011 reflecting the changes in its corporate structure implemented by virtue of the Reorganization. The terms of the amended and restated credit agreement are otherwise substantially similar to those contained in the credit agreement previously entered into by Cineplex Entertainment LP with the same lending syndicate.

About Cineplex Inc.

Cineplex Inc. ("Cineplex") is the largest motion picture exhibitor in Canada and owns leases or has a joint-venture interest in 131 theatres with 1,362 screens serving approximately 70 million guests annually. Headquartered in Toronto, Canada, Cineplex 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. Cineplex shares trade on the Toronto Stock Exchange (TSX) under the symbol "CGX". The Debentures are listed on the TSX under the symbol "CGX.DB". For more information, visit www.cineplex.com. Further information can be found in the disclosure documents filed by Cineplex Galaxy Income Fund with the securities regulatory authorities, available at www.sedar.com.

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