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FOR IMMEDIATE RELEASE

CINEPLEX INC.
Reports First Quarter Results and Announces Dividend Increase

TORONTO, **CANADA**, May 12, 2011 (TSX: CGX) – Cineplex Inc. ("Cineplex") today released its financial results for the first quarter of 2011.

	First quarter 2011	First quarter 2010	Period over Period Change (i)
Total Revenues	$221.4 million	$255.2 million	-13.3%
Attendance	15.3 million	17.9 million	-14.6%
Other Revenue	$26.3 million	$22.1 million	19.0%
Net (Loss) Income (ii)	$(0.8) million	$3.8 million	NM
Adjusted EBITDA	$31.2 million	$34.7 million	-9.9%
Adjusted EBITDA Margin	14.1%	13.6%	0.5%
Adjusted Free Cash Flow per Share/Distributable Cash Per Unit	$0.392	$0.462	-15.2%

(i) Period over Period change calculated based on thousands of dollars except percentage and per share/unit values.

(ii) Cineplex's results for the first quarter of 2011 were negatively impacted by a one-time deferred tax charge of approximately $6.0 million related to Cineplex's conversion effective January 1, 2011. Cineplex Galaxy Income Fund (the "Fund") converted to Cineplex, an Ontario corporation, for tax and business purposes on that date. Upon conversion, the deferred tax balances were reduced to a carrying value based on a corporate tax rate of 25.8% at January 1, 2011 as compared to the pre-conversion carrying value which was based on the highest Federal and Ontario personal income tax rates effective at December 31, 2010 of 46.4%.

"Although the exhibition industry experienced a box office decline from the record results in Q1 2010 our diversified business model and related revenue streams provided significant other revenue growth over the prior year," said Ellis Jacob, President and CEO, Cineplex Entertainment. "Other revenues increased 19.0% primarily based on the success of our media business which grew 26.6% compared to the prior year. The contributions of these other revenue sources and strong cost control resulted in an increase in our Adjusted EBITDA Margin to 14.1% from 13.6% in the prior year," said Jacob.

"Three new theatres totalling 29 screens were announced during the quarter with openings scheduled to occur beginning later this year. SCENE, our entertainment loyalty program has reached 2.9 million members to date. SCENE announced a broader partnership with Cara Foods this quarter that will enable SCENE's members in British Columbia, Alberta and Ontario the opportunity to earn and redeem SCENE points at Milestones Grill & Bar restaurants. UltraAVX, our enhanced audio visual entertainment experience, expanded adding six locations during the quarter, bringing our total to date to 17 UltraAVX auditoriums across Canada with more planned for later in 2011. We also continued our digital rollout plan installing 51 digital projectors and 14 RealD 3D systems. Subsequent to the quarter end, we announced the formation of the Canadian Digital Cinema Partnership ("CDCP") to manage the conversion to digital cinema. The CDCP plan will oversee equipment procurement, financing arrangements and securing digital deployment agreements with the studios." said Jacob.

EBITDA, adjusted free cash flow 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, adjusted free cash flow 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 gains and losses on disposal of assets and the change in fair value of financial instruments. Adjusted free cash flow is a non-GAAP measure generally used by Canadian corporations, 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. 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, adjusted free cash flow 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 adjusted free cash flow and distributable cash, please refer to Cineplex's management's discussion and analysis filed on www.sedar.com.

Adoption of International Financial Reporting Standards

Cineplex has commenced reporting under International Financial Reporting Standards ("IFRS") with the release of its first quarter 2011 results. Subject to certain transitional elections disclosed in our unaudited interim consolidated financial statements, Cineplex has consistently applied the same accounting policies under IFRS in its opening IFRS balance sheet at January 1, 2010 and throughout all periods presented, as if these accounting policies under IFRS had always been in effect.

A summary of Cineplex's key indicators under IFRS and Canadian generally accepted accounting principles before the adoptions of IFRS ("Canadian GAAP") for the year ended December 31, 2010 are as follows:

	2010 IFRS	2010 Canadian GAAP	Period over Period Change ($)	Period over Period Change (%)(i)
Total Revenues	$1,006.4 million	$1,010.8 million	$(4.4) million	-0.4%
Attendance	69.0 million	69.4 million	(0.4) million	-0.5%
Other Revenue	$113.9 million	$113.7 million	$0.2 million	0.1%
Change in Fair Value of Financial Instruments	$(8.2) million	-	$(8.2) million	NM
Net Income (ii)	$52.0 million	$63.0 million	$(11.0) million	-17.4%
Adjusted EBITDA	$167.9 million	$169.1 million	$(1.2) million	-0.7%
Adjusted EBITDA Margin	16.7%	16.7%	-	-
Total Assets	$1,292.8 million	$1,291.7 million	$1.1 million	0.1%

(i) Period over Period change calculated based on thousands of dollars except percentage values.
(ii) Includes the $8.2 million expense relating to the change in fair value of the conversion right on the convertible debentures and the change in fair value of the liability for exchangeable interests.

In note 4 to its unaudited interim consolidated financial statements, Cineplex discloses the impact of the transition to IFRS on its reported balance sheet, statement of operations and statement of cash flows, including the nature and effect of significant changes in accounting policies from those used in the consolidated financial statements of the Fund for the year ended December 31, 2010.

As noted in the table above, net income for the year ended December 31, 2010 under IFRS of $52.0 million is $11.0 million lower than the amount reported under Canadian GAAP. The most significant item impacting this decrease in net income is the requirement under IFRS to fair value certain debenture conversion rights and liabilities for exchangeable interests while the underlying security was a Fund unit or units of the Cineplex Entertainment Limited Partnership (the "Partnership units"). As a result of this requirement, for the year ended December 31, 2010, Cineplex reported a charge of $8.2 million under IFRS as a "Change in fair value of financial instruments". On January 1, 2011, the exchangeable interests converted Partnership units to Cineplex shares. Also, upon conversion to a corporation, the underlying security for the debenture conversion rights transitioned from Fund units to Cineplex shares. As a result there is no longer a requirement to fair value these items and there is no charge relating to the fair value of financial instruments reflected in the first quarter of 2011.

In addition to the disclosure in the notes to the unaudited interim consolidated financial statements, we have provided a summary of the quarterly results under IFRS in the tables following.

Dividend Increase

The Board of Directors of Cineplex also announces a monthly dividend increase to $0.1075 per share ($1.29 on an annual basis) up from $0.105 per share ($1.26 on an annual basis) effective with the May 2011 dividend which is payable on June 30, 2011 to shareholders of record on May 31, 2011.

First Quarter Results

The results of Cineplex for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 are presented below.

Total revenues

Total revenues for the three months ended March 31, 2011 decreased $33.8 million (13.3%) to $221.4 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 periods 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 (in thousands of Canadian dollars, except attendance reported in thousands of patrons, and per patron amounts, unless otherwise noted):

Box office revenues	First Quarter		
	2011	2010	Change
Box office revenues	$ 129,956	$ 158,792	-18.2%
Attendance	15,272	17,875	-14.6%
Box office revenue per patron	$ 8.51	$ 8.88	-4.2%
Canadian industry revenues (1)			-18.9%
Same store box office revenues	$ 125,621	$ 157,639	-20.3%
Same store attendance	14,798	17,722	-16.5%
% Total box from 3D &IMAX	21.3%	33.8%	-37.0%

(1) The Motion Picture Theatre Associations of Canada ("MPTAC") reported that the Canadian exhibition industry reported a box office decrease of 17.7% for the period from December 31, 2010 to March 31, 2011 as compared to the period from January 1, 2010 to April 1, 2010. On a basis consistent with Cineplex's calendar reporting period (January 1 to March 31), the Canadian industry box office decrease is estimated to be 18.9%.

Box office continuity In thousands	First Quarter Box Office	Attendance
2010 as reported	$ 158,792	17,875
Same store attendance change	(26,014)	(2,925)
Impact of same store BPP change	(6,004)	-
New and acquired theatres	3,537	387
Disposed and closed theatres	(355)	(65)
2011 as reported	$ 129,956	15,272

	Q1 2011 Top Cineplex Films	% Total Box		Q1 2010 Top Cineplex Films	% Total Box
1	The King's Speech	7.0%	1	Avatar (i)(ii)	25.8%
2	The Green Hornet (i)	5.1%	2	Alice in Wonderland (i)(ii)	12.5%
3	Just Go With It	4.8%	3	Shutter Island	4.8%
4	Gnomeo and Juliet (i)	4.2%	4	Sherlock Holmes	4.7%
5	Rango (i)	4.0%	5	Valentines' Day	3.3%

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

Box office revenues decreased $28.8 million, or 18.2%, to $130.0 million during the first quarter of 2011, compared to $158.8 million recorded in the same period in 2010. This decrease was due to a 14.6% decline in attendance as a result of the record-breaking first quarter in 2010. The 2010 period included *Avatar* which became the highest grossing film of all-time during that period, and accounted for 25.8%, or $41.0 million of the Fund's box office revenues during that period, compared to 7.0%, or $9.1 million, for Cineplex's top grossing film during the current period, *The King's Speech*. Revenues for the first quarter of 2011 are in line with revenues from the first quarter of 2009, a year which went on to record the highest North American box office revenues ever, exceeding the total for 2010 North American box office.

BPP decreased $0.37, from $8.88 in the first quarter of 2010 to $8.51 in the same period in 2011. This decrease was primarily due to the decrease in revenues from premium-priced 3D and IMAX film product. These premium-priced offerings accounted for 33.8% of the Fund's box office revenue in the first quarter of 2010, compared to 21.3% in the current period. Of the top five films Cineplex screened in the first quarter of 2011, the second, third and fifth films were screened in 3D and none were screened in IMAX. This compares unfavourably to the first quarter of 2010 in which both *Avatar* and *Alice in Wonderland* were screened in 3D and IMAX.

Cineplex's investment in digital and 3D technology over the last three years, resulting in the highest number of digital and 3D projection screens in Canada, has positioned it to take advantage of the price premiums offered on 3D product. Despite the 18.2% decrease in box office revenues, Cineplex outperformed the Canadian film exhibition industry during the first quarter of 2011.

Concession revenues

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

Concession revenues	First Quarter		
	2011	2010	Change
Concession revenues	$ 65,154	$ 74,329	-12.3%
Attendance	15,272	17,875	-14.6%
Concession revenue per patron	$ 4.27	$ 4.16	2.6%
Same store concession revenues	$ 63,212	$ 73,775	-14.3%
Same store attendance	14,798	17,722	-16.5%

Concession revenue continuity	First Quarter	
In thousands	Concession	Attendance
2010 as reported	$ 74,329	17,875
Same store attendance change	(12,175)	(2,925)
Impact of same store CPP change	1,612	-
New and acquired theatres	1,632	387
Disposed and closed theatres	(244)	(65)
2011 as reported	$ 65,154	15,272

Concession revenues decreased 12.3% as compared to the prior year period, due to the 14.6% decrease in attendance, partially offset by the 2.6% increase in CPP. CPP increased from $4.16 in the first quarter of 2010 to $4.27 in the same period in 2011, and represents a first quarter record for Cineplex. Cineplex believes that revised concession offerings as well as process improvements designed to increase the speed of service that were implemented throughout 2010 contributed to this increased CPP period over period.

While the 10% SCENE discount has a negative impact on CPP, Cineplex believes that this program drives incremental visits and concession purchases, resulting in higher overall concession revenues.

Other revenues

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

Other revenues	First Quarter		
	2011	2010	Change
Media	$ 17,939	$ 14,174	26.6%
Games	1,235	1,181	4.6%
Other	7,108	6,738	5.5%
Total	$ 26,282	$ 22,093	19.0%

Other revenues increased 19.0% from $22.1 million in the first quarter of 2010 to $26.3 million in the same period in 2011. Media revenues for the first quarter of 2011 were $17.9 million, up $3.8 million, or 26.6%, from the prior year period. The increase is primarily due to higher full motion and digital pre-show revenues ($3.5 million increase) as well as higher CDM revenues ($1.2 million). Full motion and preshow revenues were up due to increased spending in the government and electronics/technology sectors, partially offset by a decrease in the telecommunications sector. Telecommunications spending was higher in the prior year period due to increased spending by both existing companies and new market entrants. During the first quarter of 2011, CDM includes the results of CDS which was acquired during the third quarter of 2010 and is not included in the prior period comparative. These increases were partially offset by lower non-cash barter revenues ($0.7 million) compared to the prior year period.

The games revenue increase is due in part to the addition of Cineplex's XSCAPE Entertainment Centre at SilverCity CrossIron Mills Cinemas in Calgary, Alberta, which opened on June 30, 2010. The increase in Other is primarily due to higher breakage revenues associated with increased sales of gift cards and coupons.

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 (in thousands of Canadian dollars, except film cost percentage):

Film cost	**First Quarter**		
	2011	**2010**	**Change**
Film cost	$ 65,544	$ 86,521	-24.2%
Film cost percentage	50.4%	54.5%	-7.5%

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 decrease in the first quarter of 2011 compared to the prior year period was due to the decrease in attendance and the impact of the 7.5% decrease in film cost percentage. The decrease in film cost percentage is primarily due to the settlement rate on certain strong performing titles during the first quarter of 2010 being higher than the average film settlement rate.

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 (in thousands of Canadian dollars, except concession cost percentage and concession margin per patron):

Cost of concessions	**First Quarter**		
	2011	**2010**	**Change**
Concession cost	$ 13,648	$ 16,793	-18.7%
Concession cost percentage	20.9%	22.6%	-7.5%
Concession margin per patron	$ 3.37	$ 3.22	4.7%

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 12.3% decrease in concession revenues, partially offset by the 7.5% decrease in concession cost percentage. The concession margin per patron increased from $3.22 in the first quarter of 2010 to $3.37 in the same period in 2011, reflecting the impact of the higher CPP during the period. The concession cost percentage during the first quarter of 2011 was reduced in part due to the changes in Cineplex's reduced price Tuesday program.

Depreciation and amortization

The following table highlights the movement in depreciation and amortization expenses during the quarter (in thousands of Canadian dollars):

Depreciation and amortization expenses	First Quarter		
	2011	2010	Change
Amortization of property, equipment and leaseholds	$ 15,124	$ 16,402	-7.8%
Amortization of intangible assets and other	2,248	3,475	-35.3%
Amortization expenses as reported	$ 17,372	$ 19,877	-12.6%

The decrease in amortization of property, equipment and leaseholds of $1.3 million primarily relates to certain valuation adjustments that arose as part of Cineplex's acquisition of the Partnership becoming fully amortized subsequent to the first quarter of 2010. The $1.2 million decrease in amortization of intangible assets and other was due to certain intangible assets becoming fully amortized during the second quarter of 2010.

Loss on disposal of assets

The following table shows the movement in the loss on disposal of assets during the periods (in thousands of Canadian dollars):

Loss on disposal of assets	First Quarter		
	2011	2010	Change
Loss on disposal of assets	$ 537	$ 764	-29.7%

The $0.5 million loss on disposal of assets recorded by Cineplex in the first quarter of 2011 and the $0.8 million loss recorded in the first quarter of 2010 relates to assets that were sold or otherwise disposed. This includes the loss recognized on the write off of the net book value of the portion or component of existing equipment that is replaced or improved, with the replacement or improved asset being recorded as a new asset.

Other costs

Other costs include three main sub-categories of expenses, including theatre occupancy expenses, which capture the rent and associated occupancy costs for Cineplex's theatres; other operating expenses, which include the costs related to running Cineplex's theatres; and general and administrative expenses, which includes costs related to managing Cineplex's operations, including the head office expenses. Please see the discussions below for more details on these categories. The following table highlights the movement in other costs for the quarter (in thousands of Canadian dollars):

Other costs	First Quarter		
	2011	2010	Change
Theatre occupancy expenses	$ 41,541	$ 40,618	2.3%
Other operating expenses	56,232	58,421	-3.7%
General and administrative expenses	15,703	17,472	-10.1%
Total other costs	$ 113,476	$ 116,511	-2.6%

Theatre occupancy expenses

The following table highlights the movement in theatre occupancy expenses for the quarter (in thousands of Canadian dollars):

Theatre occupancy expenses	First Quarter		
	2011	2010	Change
Theatre rent	$ 27,576	$ 27,188	1.4%
Other theatre occupancy	14,399	13,818	4.2%
One-time items (i)	(434)	(388)	11.9%
Total	$ 41,541	$ 40,618	2.3%

(i) One-time items include amounts related to both theatre rent and other theatre occupancy costs. They are isolated here to illustrate Cineplex's theatre rent and other theatre occupancy costs net or these one-time, non-recurring items.

Theatre occupancy continuity In thousands		First Quarter Theatre Occupancy
2010 as reported	$	40,618
Impact of new theatres		1,105
Impact of disposed theatres		(132)
Same store rent change		(223)
Non-recurring items		(16)
Other		189
2011 as reported	$	41,541

Theatre occupancy expense increased $0.9 million during the first quarter of 2011 compared to the prior year period. This increase was primarily due to the impact of new theatres ($1.0 million) and higher other theatre occupancy expenses (primarily theatre insurance and common-area maintenance costs, $0.2 million). These increases were partially offset by lower same-store rent costs ($0.2 million), primarily due to lower percentage rent costs due to the lower box office revenues during the quarter, and lower non-cash occupancy costs at same-store locations.

Other operating expenses

The following table highlights the movement in other operating expenses during the quarter (in thousands of Canadian dollars):

Other operating expenses	First Quarter				
		2011		2010	Change
Other operating expenses	$	56,232	$	58,421	-3.7%

Other operating continuity In thousands		First Quarter Other Operating
2010 as reported	$	58,421
Impact of new theatres		1,426
Impact of disposed theatres		(220)
Same store payroll change		(1,724)
Marketing change		(1,307)
Media		1,065
Other		(1,429)
2011 as reported	$	56,232

Other operating expenses decreased $2.2 million during the first quarter of 2011 compared to the prior year period primarily as a result of lower business volumes in the 2011 period. The lower business volumes resulted in reduced payroll costs ($1.7 million) and lower theatre expenses ($1.2 million, included in other). Total theatre payroll accounted for 44.5% of the total expenses in other operating expenses during the first quarter of 2011, as compared to 44.7% for the same period one year earlier. Marketing expenses decreased $1.3 million period over period, due to lower non-cash barter expenses in the first quarter of 2011 compared to the prior year period. These decreases were partially offset by the net impact of new theatres ($1.2 million) and increased costs relating to Cineplex's media business ($1.1 million). The acquisition of CDS during July 2010 contributed to this increase, as CDS expenses are included in the first quarter of 2011 and not included in the comparative period.

General and administrative expenses

The following table highlights the movement in general and administrative ("G&A") expenses during the quarter, including share and unit based compensation costs, and G&A net of these costs (in thousands of Canadian dollars):

G&A expenses	First Quarter				
		2011		2010	Change
G&A excluding LTIP and Option Plan expense	$	10,536	$	10,326	2.0%
LTIP		2,578		4,575	-43.7%
Option plan		2,589		2,571	0.7%
G&A expenses as reported	$	15,703	$	17,472	-10.1%

G&A expenses decreased $1.8 million during the first quarter of 2011 compared to the same period in the prior year. This decrease was primarily due to a $2.0 million decrease in LTIP expense during the period. The LTIP plan prior to 2011 had one-third of the award vest in the first year, with an additional one-third vesting on the second and third anniversaries of the award. The related expense is recognized using a graded vesting method, whereby a higher proportion of the expense is recognized over the first year of the award. The 2011 LTIP plan vests over three years with the entire payout occurring at the end of the three-year period, resulting in a lower proportion of vesting in the first and second years of the award resulting from a straight-line recognition of the overall expense. This difference in vesting has contributed to the lower cost in the first quarter of 2011 compared to the prior year period.

Share of (income) loss of joint ventures

The following table highlights the movement in the share of (income) loss of joint ventures during the quarter, (in thousands of Canadian dollars):

Share of (income) loss of joint ventures	**First Quarter**		
	2011	**2010**	**Change**
Share of (income) loss of joint ventures	$ (2,473)	$ 793	NM

Cineplex's joint ventures in the first quarter of 2011 include its share of one theatre in Quebec, one IMAX screen in Ontario and its interest in SCENE LP. The Fund's joint ventures in the first quarter of 2010 include its share of four theatres in Quebec, one IMAX screen in Ontario and its interest in SCENE LP. The movement from a loss of $0.8 million in the first quarter of 2010 to a profit of $2.5 million in the current period is primarily due to breakage revenue recognized by SCENE LP. Based on an analysis of point issuance and redemption activity during the first three years of the program, SCENE established a breakage rate and recognized revenue relating to breakage for the first time during the first quarter of 2011. This change in its accounting estimate for breakage resulted in a program-to-date adjustment to its outstanding points liability.

Adjusted EBITDA

The following table represents EBITDA and adjusted EBITDA for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 (expressed in thousands of Canadian dollars, except adjusted EBITDA margin):

EBITDA	**First Quarter**		
	2011	**2010**	**Change**
EBITDA	$ 30,701	$ 29,989	2.4%
Adjusted EBITDA	$ 31,238	$ 34,662	-9.9%
Adjusted EBITDA margin	14.1%	13.6%	0.5%

Adjusted EBITDA for the first quarter of 2011 decreased $3.4 million, or 9.9%, as compared to the prior year period. The decrease is primarily due to the lower box office and concession revenues due to the lower theatre attendance during the period. Adjusted EBITDA margin, calculated as adjusted EBITDA divided by total revenues, was 14.1%, up from 13.6% in the prior year period. The increase is due to the higher media revenues in the 2011 period, which generate higher margins than exhibition revenues.

Adjusted Free Cash Flow

For the first quarter of 2011, adjusted free cash flow per share was $0.392 as compared to distributable cash per unit of $0.462 in the first quarter of 2010. The declared dividend per share and the declared distribution per unit were $0.315 in both periods. The payout ratios for these periods were 80% and 68%, respectively.

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, 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 Inc., Cineplex Galaxy Income Fund or Cineplex Entertainment Limited Partnership, their financial or operating results or their securities.

About Cineplex Inc.

Cineplex is the largest motion picture exhibitor in Canada and owns, leases or has a joint-venture interest in 130 theatres with 1,352 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 are traded on the Toronto Stock Exchange (“TSX”) under the symbol “CGX”.

Further information can be found in the disclosure documents filed by Cineplex with the securities regulatory authorities, available at www.sedar.com.

You are cordially invited to participate in a teleconference call with the management of Cineplex (TSX: CGX) 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, May 12, 2011
10:00 a.m. Eastern Time

In order to participate in the conference call, **please dial 416-644-3415 or outside of Toronto dial 1-877-974-0445** at least five to ten minutes prior to 10:00 a.m. Eastern Time. Please quote the conference ID 4433980 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 4433980#. The replay will begin at 12:00 p.m. Eastern Time on Thursday, May 12, 2011 and end at 11:59 p.m. Eastern Time on Thursday, May 19, 2011.

- 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 Inc.

Interim Consolidated Balance Sheets

(Unaudited)

(expressed in thousands of Canadian dollars)

	March 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current assets			
Cash and cash equivalents	**$ 58,374**	$ 85,343	$ 94,646
Trade and other receivables	**32,100**	57,950	53,057
Inventories	**3,821**	3,767	4,240
Prepaid expenses and other current assets	**9,843**	3,848	4,244
	104,138	150,908	156,187
Property, equipment and leaseholds	**411,669**	413,755	428,571
Deferred income taxes	**14,947**	25,689	24,054
Interests in joint ventures	**150**	92	1,256
Intangible assets	**91,145**	93,397	104,540
Goodwill	**608,929**	608,929	600,564
	$ 1,230,978	$ 1,292,770	$ 1,315,172

Cineplex Inc.
Interim Consolidated Balance Sheets … *continued*
(Unaudited)
(expressed in thousands of Canadian dollars)

	March 31, 2011	December 31, 2010	January 1, 2010
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	**$ 65,550**	$ 83,700	$ 96,208
Share or unit-based compensation	**3,281**	14,307	11,684
Dividends and distributions payable	**6,041**	-	6,001
Income taxes payable	**50**	87	11
Deferred revenue	**63,640**	82,027	76,250
Capital lease obligations	**2,283**	2,242	2,004
Fair value of interest rate swap agreements	**5,574**	5,482	6,881
	146,419	187,845	199,039
Non-current liabilities			
Share or unit-based compensation	**3,145**	8,014	5,959
Long-term debt	**233,809**	233,588	233,129
Fair value of interest rate swap agreements	**2,104**	3,298	5,382
Capital lease obligations	**28,299**	28,885	31,127
Post-employment benefit obligation	**4,570**	4,534	3,370
Other liabilities	**99,711**	98,964	107,437
Deficiency interest in joint venture	**9,928**	12,338	8,306
Convertible debentures	**95,497**	116,481	112,038
Liability for exchangeable interests	**-**	3,851	4,576
	623,482	697,798	710,363
Equity			
Share capital	**742,566**	-	-
Unit capital	**-**	708,522	703,706
Deficit	**(130,382)**	(111,423)	(91,396)
Accumulated other comprehensive loss	**(4,688)**	(3,534)	(7,501)
Contributed surplus	**-**	1,407	-
	607,496	594,972	604,809
	$ 1,230,978	$ 1,292,770	$ 1,315,172

Cineplex Inc.

Interim Consolidated Statements of Operations

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended March 31, 2011	Three months ended March 31, 2010
Revenues		
Box office	$ **129,956**	$ 158,792
Concessions	**65,154**	74,329
Other	**26,282**	22,093
	221,392	255,214
Expenses		
Film cost	**65,544**	86,521
Cost of concessions	**13,648**	16,793
Depreciation and amortization	**17,372**	19,877
Loss on disposal of assets	**537**	764
Other costs	**113,476**	116,511
	210,577	240,466
Income before undernoted	**10,815**	14,748
Share of (income) loss of joint ventures	**(2,473)**	793
Change in fair value of financial instruments	**-**	3,909
Interest expense	**5,699**	5,679
Interest income	**(232)**	(84)
Income before income taxes	**7,821**	4,451
Provision for income taxes		
Current	**-**	-
Deferred	**8,669**	659
	8,669	659
Net (loss) income	$ **(848)**	$ 3,792

Cineplex Inc.

Interim Consolidated Statements of Comprehensive (loss) income

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended March 31, 2011	Three months ended March 31, 2010
Net (loss) income	**$ (848)**	$ 3,792
Other comprehensive (loss) income		
Changes in fair value of interest rate contracts, net of $2,073 deferred income taxes (2010 - $73 deferred income taxes recovery)	**(1,154)**	1,307
Other comprehensive (loss) income	**(1,154)**	1,307
Comprehensive (loss) income	**$ (2,002)**	$ 5,099

Cineplex Inc.
Interim Consolidated Statements of Changes in Equity
(Unaudited)
(expressed in thousands of Canadian dollars)

For the three months ended March 31, 2011

	Unit capital	Share capital	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total
Balance - January 1, 2011	$ 708,522	$ -	$ 1,407	$ (3,534)	$ (111,423)	**$ 594,972**
Effect of corporate conversion	(708,522)	743,161	(1,407)	-	-	**33,232**
Net loss	-	-	-	-	(848)	**(848)**
Other comprehensive loss	-	-	-	(1,154)	-	**(1,154)**
Dividends declared	-	-	-	-	(18,111)	**(18,111)**
Long-term incentive plan obligation	-	(4,306)	-	-	-	**(4,306)**
Long-term incentive plan shares	-	1,888	-	-	-	**1,888**
Issuance of shares on conversion of debentures	-	1,823	-	-	-	**1,823**
Balance - March 31, 2011	$ -	$ 742,566	**$ -**	$ (4,688)	$ (130,382)	**$ 607,496**

For the three months ended March 31, 2010

	Unit capital	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance - January 1, 2010	$ 703,706	$ -	$ -	$ (7,501)	$ (91,396)	**$ 604,809**
Net income	-	-	-	-	3,792	**3,792**
Other comprehensive income	-	-	-	1,307	-	**1,307**
Distributions declared	-	-	-	-	(17,924)	**(17,924)**
Long-term incentive plan units	(1,063)	-	1,407	-	-	**344**
debentures	38	-	-	-	-	**38**
Balance - March 31, 2010	$ 702,681	$ -	$ 1,407	$ (6,194)	$ (105,528)	**$ 592,366**

Cineplex Inc.
Interim Consolidated Statements of Cash Flows
(Unaudited)
(expressed in thousands of Canadian dollars)

		Three months ended March 31, 2011		Three months ended March 31, 2010
Cash provided by (used in)				
Operating activities				
Net (loss) income	**$**	**(848)**	$	3,792
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization of property, equipment and leaseholds, deferred charges and intangible assets		**17,372**		19,877
Amortization of tenant inducements, rent averaging liabilities and fair value lease contract liabilities		**(1,050)**		(760)
Amortization of debt issuance costs		**233**		188
Loss on disposal of assets		**537**		764
Deferred income taxes		**8,669**		659
Interest rate swap agreements - non-cash interest		**(96)**		(226)
Non-cash share or unit-based compensation		**218**		1,411
Change in fair value of financial instruments		**-**		3,909
Accretion of convertible debentures		**310**		312
Net change in interests in joint ventures		**(2,468)**		331
Tenant inducements		**2,855**		409
Changes in operating assets and liabilities		**(17,879)**		(9,661)
		7,853		21,005
Investing activities				
Proceeds from sale of assets		**7**		1,350
Purchases of property, equipment and leaseholds		**(12,421)**		(10,192)
		(12,414)		(8,842)
Financing activities				
Dividends or distributions paid		**(12,070)**		(17,924)
Borrowings under credit facility		**15,000**		5,000
Repayment of credit facility		**(15,000)**		(5,000)
Payments under capital leases		**(545)**		(485)
Acquisition of long-term incentive plan shares or units		**(9,793)**		(9,620)
		(22,408)		(28,029)
Decrease in cash and cash equivalents during the period		**(26,969)**		(15,866)
Cash and cash equivalents - Beginning of period		**85,343**		94,646
Cash and cash equivalents - End of period	**$**	**58,374**	$	78,780
Supplemental Information				
Cash paid for interest	**$**	**3,764**	$	3,766

Cineplex Inc.
Consolidated Supplemental Information
(Unaudited)
(expressed in thousands of Canadian dollars)

Reconciliation to Adjusted EBITDA

	Three months ended March 31, 2011	2010
Net income	**$ (848)**	$ 3,792
Depreciation and amortization (i)	**17,413**	19,943
Interest expense	**5,699**	5,679
Interest income	**(232)**	(84)
Deferred income tax expense	**8,669**	659
EBITDA	**30,701**	29,989
Change in fair value of financial instruments	**-**	3,909
Loss on disposal of assets	**537**	764
Adjusted EBITDA	**$ 31,238**	$ 34,662

(i) Includes the depreciation and amortization incurred by the joint ventures (2011 - $41, 2010 - $66)

Components of Other Costs

	Three months ended March 31, 2011	2010
Theatre occupancy expenses	**$ 41,541**	$ 40,618
Other operating expenses	**56,232**	58,421
General and administrative expenses	**15,703**	17,472
Total other costs	**$ 113,476**	$ 116,511

Cineplex Inc.
Consolidated Supplemental Information
(Unaudited)
(expressed in thousands of Canadian dollars, except number of shares/units and per share/unit data)

Adjusted Free Cash Flow and Distributable Cash

	Three months ended March 31, 2011	Three months ended March 31, 2010
Cash provided by operating activities	**$ 7,853**	$ 21,005
Less: Total capital expenditures (i)	**(12,414)**	(10,192)
Standardized free cash flow/Standardized distributable cash	**(4,561)**	10,813
Add/(Less):		
Changes in operating assets and liabilities (ii)	**17,879**	9,661
Changes in operating assets and liabilities of joint ventures (ii)	**(5)**	462
Tenant inducements (iii)	**(2,855)**	(409)
Principal component of capital lease obligations	**(545)**	(485)
New build capital expenditures and other (iv)	**10,090**	7,076
Share of profit (loss) of joint ventures, net of non-cash depreciation	**2,514**	(727)
Adjusted free cash flow/Distributable cash	**$ 22,517**	$ 26,391
Less: Exchangeable interests share of distributable cash	**-**	(115)
Adjusted free cash flow/Distributable cash available to shareholders/unitholders	**$ 22,517**	$ 26,276
Average number of shares/units outstanding	**57,468,588**	56,901,546
Adjusted free cash flow per share/Distributable cash per unit	**$ 0.392**	$ 0.462

(i) For the 2011 adjusted free cash flow calculations, total capital expenditures are shown net of proceeds received on the sale of assets.

(ii) Changes in operating assets and liabilities are not considered a source or use of distributable cash.

(iii) Tenant inducements received are for the purpose of funding new theatre capital expenditures and are not considered a source of distributable cash.

(iv) 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 CDCP, and exclude maintenance capital expenditures. The 2011 figures are net of proceeds on asset sales. The revolving credit facility was available to the Fund and is available to Cineplex to fund Board approved projects.

Cineplex Inc.

2010 IFRS Quarterly Interim Consolidated Balance Sheets

(Unaudited)

(expressed in thousands of Canadian dollars)

		March 31, 2010		June 30, 2010		September 30, 2010		December 31, 2010
Assets								
Current assets								
Cash and cash equivalents	$	78,780	$	67,854	$	75,033	$	85,343
Trade and other receivables		32,700		32,123		36,253		57,950
Inventories		3,588		3,774		3,726		3,767
Prepaid expenses and other current assets		9,066		13,611		10,619		3,848
		124,134		117,362		125,631		150,908
Property, equipment and leaseholds		418,747		417,596		411,849		413,755
Deferred income taxes		23,469		27,185		25,556		25,689
Interests in joint ventures		1,651		808		216		92
Intangible assets		101,054		98,256		95,990		93,397
Goodwill		600,564		601,040		603,263		608,929
	$	1,269,619	$	1,262,247	$	1,262,505	$	1,292,770
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	$	83,066	$	76,099	$	67,272	$	83,700
Share or unit-based compensation		9,030		9,444		12,128		14,307
Dividends and distributions payable		6,001		6,009		6,017		-
Income taxes payable		11		11		87		87
Deferred revenue		58,616		56,083		52,197		82,027
Capital lease obligations		2,064		2,125		2,186		2,242
Fair value of interest rate swap agreements		6,578		6,163		5,742		5,482
		165,366		155,934		145,629		187,845
Non-current liabilities								
Share or unit-based compensation		3,959		4,294		5,848		8,014
Long-term debt		233,308		233,489		233,672		233,588
Fair value of interest rate swap agreements		4,290		5,224		5,039		3,298
Capital lease obligations		30,582		30,026		29,461		28,885
Post-employment benefit obligation		3,441		3,501		4,000		4,534
Other liabilities		106,475		106,334		107,589		98,964
Deficiency interest in joint venture		9,035		9,774		10,716		12,338
Convertible debentures		115,729		110,176		112,371		116,481
Liability for exchangeable interests		5,068		3,351		3,571		3,851
		677,253		662,103		657,896		697,798
Equity								
Unit capital		702,681		704,241		705,806		708,522
Deficit		(105,528)		(99,621)		(97,532)		(111,423)
Accumulated other comprehensive loss		(6,194)		(5,883)		(5,072)		(3,534)
Contributed surplus		1,407		1,407		1,407		1,407
		592,366		600,144		604,609		594,972
	$	1,269,619	$	1,262,247	$	1,262,505	$	1,292,770

Please refer to the 2010 Canadian GAAP quarterly unaudited interim consolidated financial statements of the Fund filed on www.SEDAR.com.

This table should be read in conjunction with the 2011 first quarter unaudited interim consolidated financial statements of Cineplex, in particular note 4 to those financial statements which describes Cineplex's transition to IFRS.

Cineplex Inc.

2010 IFRS Quarterly Interim Consolidated Statements of Operations
(Unaudited)
(expressed in thousands of Canadian dollars)

		Q1 2010		Q2 2010		Q3 2010		Q4 2010
Revenues								
Box office	$	158,792	$	143,608	$	157,330	$	138,097
Concessions		74,329		72,236		79,870		68,292
Other		22,093		26,559		31,061		34,159
		255,214		242,403		268,261		240,548
Expenses								
Film cost		86,521		77,909		81,038		71,254
Cost of concessions		16,793		14,985		16,368		14,101
Depreciation and amortization		19,877		19,716		23,754		19,012
Loss (gain) on disposal of assets		764		745		(95)		990
Other costs		116,511		107,285		115,115		117,233
		240,466		220,640		236,180		222,590
Income before undernoted		14,748		21,763		32,081		17,958
Share of loss of joint ventures		793		892		700		1,271
Change in fair value of financial instruments		3,909		(6,045)		3,629		6,690
Interest expense		5,679		5,793		5,848		5,846
Interest income		(84)		(89)		(162)		(191)
Income before income taxes		4,451		21,212		22,066		4,342
Provision for (recovery of) income taxes								
Current		-		3		-		27
Deferred		659		(2,556)		1,996		(80)
		659		(2,553)		1,996		(53)
Net income	$	3,792	$	23,765	$	20,070	$	4,395
Adjusted EBITDA	$	34,662	$	41,404	$	55,070	$	36,718

Please refer to the 2010 Canadian GAAP quarterly unaudited interim consolidated financial statements of the Fund filed on www.SEDAR.com.

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