

CINEPLEX GALAXY INCOME FUND

Reports Third Quarter Results

TORONTO, CANADA – November 3, 2004 – Cineplex Galaxy Income Fund (the “Fund”) (TSX: CGX.UN) today released the financial results of Cineplex Galaxy Limited Partnership (the “Partnership”), for the third quarter ended September 30, 2004.

- **Total revenues for the quarter were \$95.1 million compared to \$89.7 million for the third quarter of 2003 – up 6.0%.**
- **EBITDA for the quarter was \$22.0 million compared to \$17.7 million for the third quarter of 2003 – up 24.7%**
- **Adjusted EBITDA for the quarter was \$22.0 million compared to \$20.4 million for the third quarter of 2003 – up 7.8%. Adjusted EBITDA is EBITDA adjusted for certain items that management believes facilitate the comparison of prior periods.**
- **Adjusted EBITDA margin for the quarter was 23.1% versus 22.7% for the third quarter of 2003.**
- **Distributable cash flow per unit for the quarter was \$0.3835 compared to a declared distribution of \$0.2874.**

“We are pleased with our third quarter performance. July generated the highest box office revenue month to date for the Partnership. Although film product in August and September did not perform as well as industry expectations, we still grew our total revenues by 6.0% and our EBITDA margin for the quarter,” said Ellis Jacob, President and CEO.

EBITDA and Adjusted EBITDA are not earnings measures recognized by generally accepted accounting principles and do not have a standardized meaning in accordance with such principles. Therefore, EBITDA and Adjusted EBITDA may not be comparable to similar measures presented by other corporations. EBITDA is calculated by adding back to net income income tax expense, amortization, interest expense, non-controlling interest and eliminating from net income interest income. Adjusted EBITDA is calculated by eliminating from EBITDA (1) the effects of foreign currency exchange which the Partnership does not expect to incur; (2) the gain or loss on disposal of certain theatre assets; and (3) the impact of management fees that are no longer applicable.

Three Months Ended September 30, 2004

Total revenue for the three months ended September 30, 2004 was \$95,125,000 as compared to \$89,713,000 for the three months ended September 30, 2003, representing an increase of 6.0%. Box office revenue, which represents the single largest component of total revenues, was \$63,913,000 for the three months ended September 30, 2004 as compared to \$60,914,000 for the same period in the prior year, representing a 4.9% increase. The average box office ticket price for the three months ended September 30, 2004 increased by 1.5% to \$7.38 when compared to the three months ended September 30, 2003. Concession revenue was \$25,535,000 for the three months ended September 30, 2004 as compared to \$24,102,000 for the same period in the prior year, representing a 5.9% increase. Average concession revenue per patron for the three months ended

September 30, 2004 increased by 2.5% to \$2.95 when compared to the three months ended September 30, 2003.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the three months ended September 30, 2004 was \$22,043,000 as compared to \$17,683,000 for the same period in the prior year. Adjusted EBITDA, which is EBITDA adjusted for certain items that management believes facilitate the comparison of prior periods, for the three months ended September 30, 2004 was \$21,971,000 as compared to \$20,384,000 for the three months ended September 30, 2003.

Nine Months Ended September 30, 2004

Total revenue for the nine months ended September 30, 2004 was \$266,631,000 as compared to \$241,912,000 for the nine months ended September 30, 2003, representing an increase of 10.2%. Box office revenue, which represents the single largest component of total revenues, was \$180,023,000 for the nine months ended September 30, 2004 as compared to \$163,984,000 for the same period in the prior year, representing a 9.8% increase. The average box office ticket price for the nine months ended September 30, 2004 increased by 2.8% to \$7.42 when compared to the nine months ended September 30, 2003. Concession revenue was \$72,365,000 for the nine months ended September 30, 2004 as compared to \$64,565,000 for the same period in the prior year, representing a 12.1% increase. Average concession revenue per patron for the nine months ended September 30, 2004 increased by 4.9% to \$2.98 when compared to the nine months ended September 30, 2003.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the nine months ended September 30, 2004 was \$56,910,000 as compared to \$45,062,000 for the same period in the prior year. Adjusted EBITDA, which is EBITDA adjusted for certain items that management believes facilitate the comparison of prior periods, for the nine months ended September 30, 2004 was \$56,796,000 as compared to \$49,234,000 for the nine months ended September 30, 2003.

Distributable Cash

For the period from November 26, 2003 to September 30, 2004 distributable cash flow per unit was \$1.2016 while the declared distribution per unit for this period was \$0.9740. For the three months ended September 30, 2004 distributable cash flow per unit was \$0.3835 and the declared distribution per unit for this period was \$0.2874 and for the nine months ended September 30, 2004 distributable cash flow per unit was \$0.9595 and the declared distribution was \$0.8622.

About Cineplex Galaxy

The Partnership acquired substantially all of the assets of Cineplex Odeon Corporation (“Cineplex”), the Canadian film exhibition business of Loews Cineplex Entertainment Corporation, and all the shares of Galaxy Entertainment Inc. (“Galaxy”) on November 26, 2003 in connection with the Fund’s IPO. The Fund has an approximate 41.6%

interest in the Partnership. The comparative results for the three and nine months ended September 30, 2003 represent the consolidated results of Cineplex and Galaxy.

The Partnership owns, operates or has an interest in 84 theatres with 758 screens in Canada, and is the second largest film exhibition company in the country. The Partnership operates the theatres under the Cineplex Odeon and Galaxy brands. Cineplex Odeon has enjoyed an important urban market presence in Canada for over 20 years and Galaxy has become a leading entertainment destination in mid-sized communities.

Further information can be found in the disclosure documents filed by the Fund 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 Galaxy LP (TSX: CGX.UN) to review the Company's third quarter results for the period ended September 30, 2004. **Ellis Jacob, Chief Executive Officer and Gord Nelson, Chief Financial Officer**, will host the call. The teleconference call is scheduled for:

**Thursday, November 4, 2004
11:00 a.m. Eastern Time**

In order to participate in the conference call, **please dial (416) 640-4127 or outside of Toronto dial 1-800-796-7558** at least ten minutes prior to 11:00 a.m. Eastern Time on Thursday, November 4, 2004.

- Please RSVP to Pat Marshall at pmarshall@cineplexgalaxy.com if you wish to participate.
- If you cannot participate in a live mode, a replay will be available. Please dial 416-640-1917 or 1-877-289-8525 and enter code 2109713#. The replay will begin at 1:00 p.m. on Thursday, November 4, 2004 and end at 11:59 p.m. ET on Thursday, November 11, 2004.
- Note that media will be participating in the call in listen – only mode.
- Thank you in advance for your interest and participation.

For further information:

Gord Nelson
Chief Financial Officer
(416) 323-6602
or

Pat Marshall
Vice President, Communications
(416) 323-6648

CINEPLEX GALAXY LIMITED PARTNERSHIP
SUMMARY OF CONSOLIDATED BALANCE SHEETS
(expressed in thousands of Canadian dollars)
(unaudited)

	September 30, 2004	December 31, 2003
<u>Assets</u>		
Current assets	44,845	59,076
Property, equipment and leaseholds	232,721	232,263
Intangible and other assets	27,305	27,923
Total Assets	304,871	319,262
<u>Liabilities and Partners' Deficit</u>		
Current liabilities	36,068	54,650
Long-term debt	121,025	110,067
Due to Cineplex Galaxy Trust	100,000	100,000
Other liabilities	87,698	87,175
Partners' deficit	(39,920)	(32,630)
Total Liabilities and Partners' Deficit	304,871	319,262

CINEPLEX GALAXY LIMITED PARTNERSHIP
SUMMARY OF CONSOLIDATED STATEMENTS OF INCOME
(expressed in thousands of Canadian dollars)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2004	September 30, 2003	September 30, 2004	September 30, 2003
<u>Revenue</u>				
Box office	63,913	60,914	180,023	163,984
Concessions	25,535	24,102	72,365	64,565
Other	5,677	4,697	14,243	13,363
	<u>95,125</u>	<u>89,713</u>	<u>266,631</u>	<u>241,912</u>
<u>Expenses</u>				
Film cost	32,977	31,511	93,024	84,955
Cost of concessions	4,626	4,245	12,990	11,370
Other operating and general and administrative expenses	35,551	36,195	103,821	104,220
Amortization	6,159	4,797	17,201	13,743
Interest expense, net	5,368	604	16,118	1,315
Other	(72)	79	(114)	(3,695)
	<u>84,609</u>	<u>77,431</u>	<u>243,040</u>	<u>211,908</u>
Income Before Income Taxes and Non-Controlling Interests	10,516	12,282	23,591	30,004
Income taxes	74	630	171	1,475
Non-controlling interests	-	506	-	722
Net Income	10,442	11,146	23,420	27,807

CINEPLEX GALAXY LIMITED PARTNERSHIP
RECONCILIATION TO EBITDA AND ADJUSTED EBITDA
(expressed in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
Net Income	10,442	11,146	23,420	27,807
<u>Add back</u>				
Non-controlling interest	-	506	-	722
Amortization	6,159	4,797	17,201	13,743
Interest	5,368	604	16,118	1,315
Taxes	74	630	171	1,475
EBITDA	22,043	17,683	56,910	45,062
<u>Normalized Adjustments</u>				
Foreign exchange gain	-	10	-	(3,779)
(Gain) / loss on disposal	(72)	69	(114)	84
Management fee	-	2,622	-	7,867
ADJUSTED EBITDA	21,971	20,384	56,796	49,234