

CINEPLEX GALAXY INCOME FUND
Reports Results for Three Months Ended March 31, 2004

TORONTO, CANADA – May 10, 2004 – Cineplex Galaxy Income Fund (the “Fund”) (TSX:CGX.UN) today released the financial results of Cineplex Galaxy Limited Partnership (the “Partnership”), for the three months ended March 31, 2004. 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 40.8% interest in the Partnership. The comparative results for the three months ended March 31, 2003 represent the consolidated results of Cineplex and Galaxy.

Total revenue for the three months ended March 31, 2004 was \$78,551,000 as compared to \$74,855,000 for the three months ended March 31, 2003, representing an increase of 4.9%. Box office revenue, which represents the single largest component of total revenues, was \$53,835,000 for the three months ended March 31, 2004 as compared to \$50,917,000 for the same period in the prior year, representing a 5.7% increase. The average box office ticket price for the three months ended March 31, 2004 increased by 5.4% to \$7.51 when compared to the three months ended March 31, 2003. Concession revenue increased 8.0% from \$19,570,000 for the three months ended March 31, 2003 to \$21,131,000 for the three months ended March 31, 2004. Average concession revenue per patron for the three months ended March 31, 2004 increased by 7.7% to \$2.95 when compared to the three months ended March 31, 2003.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the three months ended March 31, 2004 was \$15,079,000 as compared to \$14,242,000 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 March 31, 2004 was \$15,073,000 as compared to \$14,683,000 for the three months ended March 31, 2003.

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.

For the period from November 26 to March 31, 2004 distributable cash flow per unit was \$0.4898 while the declared distribution per unit for this period was \$0.3992. For the three months ended March 31, 2004 distributable cash flow per unit was \$0.2478 and the declared distribution per unit for this period was \$0.2874, in line with expectations as the first quarter is traditionally the weakest quarter from a cash flow perspective.

The Partnership owns, operates or has an interest in 83 theatres with 752 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 first quarter results for the period ended March 31, 2004. **Ellis Jacob, Chief Executive Officer and Stephen Brown, Chief Financial Officer**, will host the call. The teleconference call is scheduled for:

Monday, May 10, 2004
3:00 p.m. Eastern Time

In order to participate in the conference call, **please dial (416) 640-4127 or outside of Toronto dial 1-800-814-4860** at least ten minutes prior to 3:00 p.m. Eastern Time on Monday, May 10, 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 21048747#. The replay will begin at 5:00 p.m. on Monday, May 10, 2004 and end at 11:59 p.m. ET on Monday, May 17, 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:

Stephen Brown	or	Pat Marshall
Chief Financial Officer		Vice President, Communications and Specialty Marketing
(416) 323-6622		(416) 323-6648

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

	March 31, 2004	December 31, 2003
<u>Assets</u>		
Current assets	46,632	59,076
Property, equipment and leaseholds	232,071	232,184
Intangible and other assets	27,663	27,923
Total Assets	<u>306,366</u>	<u>319,183</u>
<u>Liabilities and Partners' Deficit</u>		
Current liabilities	41,349	54,650
Long-term debt	114,040	110,067
Due to Cineplex Galaxy Trust	100,000	100,000
Other liabilities	89,383	86,969
Partners' deficit	(38,406)	(32,503)
Total Liabilities and Partners' Deficit	<u>306,366</u>	<u>319,183</u>

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

	Three Months Ended	
	March 31, 2004	March 31, 2003
<u>Revenue</u>		
Box office	53,835	50,917
Concessions	21,131	19,570
Other	3,585	4,368
	<u>78,551</u>	<u>74,855</u>
<u>Expenses</u>		
Film cost	26,640	25,475
Cost of concessions	3,792	3,453
Other operating and general and administrative expenses	33,046	33,867
Amortization	5,639	4,356
Interest expense, net	5,203	522
Other	(6)	(2,182)
	<u>74,314</u>	<u>65,491</u>
Income Before Income Taxes and Non-Controlling Interests	4,237	9,364
Income taxes	36	505
Non-controlling interests	-	148
Net Income	<u>4,201</u>	<u>8,711</u>

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

	Three Months Ended March 31	
	2004	2003
Net Income	4,201	8,711
 <u>Add back</u>		
Non-controlling interests	-	148
Amortization	5,639	4,356
Interest expense, net	5,203	522
Income taxes	36	505
EBITDA	15,079	14,242
 <u>Normalized Adjustments</u>		
Foreign exchange gain	-	(2,195)
(Gain)/ loss on disposal of theatre assets	(6)	13
Management fee	-	2,623
ADJUSTED EBITDA	15,073	14,683