

MEDIA RELEASE

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CINEPLEX GALAXY INCOME FUND ADVISES THE SALE OF US-BASED LOEWS BY ONEX AND OAKTREE CAPITAL MANAGEMENT

TORONTO, ONTARIO--(CCNMatthews – June 21, 2004) - Cineplex Galaxy Income Fund (the “Fund”) (TSX:CGX.UN) today announced that Onex Corporation and Oaktree Capital Management, LLC have entered into an agreement to sell US-based Loews Cineplex Entertainment Corporation (“Loews”). Onex had announced in March that strategic alternatives for the business were being explored. Onex will retain control of US-based Loews’ interest in Cineplex Galaxy Limited Partnership (the “Partnership”), currently held by Loews’ subsidiary Cineplex Odeon Corporation (“COC”). Following the sale, Onex and Oaktree will directly and indirectly continue to own approximately 51% of the Partnership. The Fund owns approximately 41% of the Partnership.

The Partnership has a services agreement with COC under which COC provides the Partnership management information systems support. These services will continue to be provided to the Partnership by Loews following the sale. The sale of US-based Loews is not expected to have an impact on the ongoing operations of the Partnership.

Onex announced that it currently expects the sale of Loews, which is subject to customary regulatory approvals, to be completed in the third quarter.

The Partnership owns, operates or has an interest in 83 theatres with 756 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.

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