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CINEPLEX GALAXY LP ANNOUNCES NEW DIGITAL ADVERTISING NETWORK

TORONTO, ONTARIO. August 13, 2004 (TSX: CGX.UN). Cineplex Galaxy LP is very pleased to announce its plans to move forward with the launch of a digital advertising network in its 21 Toronto extended market (TEM) area theatres. Digital projectors will be installed in 215 theatre auditoriums later this year with the capability of projecting high definition, full motion, crystal clear images onto its giant screens. Each auditorium will be fully automated and integrated into a broader system-wide network thus providing maximum flexibility and operating efficiency.

“We are extremely pleased to be making this announcement today,” said Pat Marshall, Vice President Communications. “The digital network will enable us to offer our theatre guests an extraordinary number of new entertainment options that had previously not been available to us using our existing technology. This will also give our advertising clients far greater choices and incredible flexibility and creativity in their marketing initiatives” said Marshall.

“The digital network offers us an extensive new array of programming choices within our theatres including the ability to project events live, via satellite. Currently, we have a select number of theatres across the country showing World Wrestling Entertainment (WWE) and National Hockey League (NHL) events via satellite on a pay-per-view basis. This technology opens the doors to other events such as concerts, sporting events and untold numbers of new entertainment options. From a corporate perspective, we can offer distance learning programs and extraordinary new and creative programs to our meeting and facility rental clients” Marshall said.

Installations are planned for this fall starting in the TEM area. The program may be expanded outside of the TEM to a total of approximately 600 screens if successful. If the program is expanded to this extent, the total cost is expected to be in the range of \$7 million to \$9 million over the next two years. A detailed review of the TEM area results will occur before a decision to expand is made.

Cineplex Galaxy LP is a leading exhibitor of motion pictures in the entertainment industry. Headquartered in Toronto, Canada, Cineplex Galaxy LP currently operates 84 theatres with a total of 758 screens in 6 provinces across Canada. Cineplex Odeon Cinemas, Galaxy Cinemas and the associated brands are owned and operated by Cineplex Galaxy LP. There

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are 63 Cineplex Odeon Cinemas located in the major urban centres and 21 Galaxy Cinemas featured in mid-size markets. Proudly Canadian, Cineplex Galaxy LP is a public company traded on the Toronto Stock Exchange under Cineplex Galaxy Income Fund (symbol CGX.UN).

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