

FOR IMMEDIATE RELEASE



## **CINEPLEX GALAXY ANNOUNCES SALE OF THEATRES TO EMPIRE THEATRES LIMITED**

Toronto, Ontario, August 22, 2005 (TSX: CGX.UN) - Cineplex Galaxy LP ("Cineplex") announced today that it has agreed to sell 27 theatres with 202 screens located in Ontario and Western Canada to Empire Theatres Limited ("Empire Theatres") based in Stellarton, Nova Scotia. The transaction is valued at approximately \$83 million and is expected to close September 30, 2005, subject to satisfaction of customary closing conditions.

"We are delighted to announce that we have an agreement to sell the Ontario and Western Canada locations to Empire Theatres," said Ellis Jacob, President and CEO, Cineplex Galaxy. "The acquisition of Famous Players was completed on July 22, 2005 and we are delighted to have an agreement to sell the vast majority of the theatres that we are required to divest less than 30 days later" said Jacob.

Cineplex entered into a consent agreement with Canada's Commissioner of Competition in connection with the Famous Players acquisition requiring the sale of 34 theatres with a total of 282 screens located in Ontario, Western Canada and Quebec.

Stuart Fraser, President and CEO, Empire Theatres Limited said "we are very pleased with this acquisition as it enables us to further expand our presence across Canada beyond our core group of theatres located in Atlantic Canada. We look forward to operating these theatres and introducing the Empire Theatres brand to Ontario and Western Canada." As part of the agreement, Empire Theatres will offer employment to all staff currently employed in these theatres.

Cineplex and Empire Theatres have also agreed to enter into a Screen Advertising Agreement under which Cineplex Galaxy will act as Empire Theatres' sales agent for in-theatre and on-screen advertising for these acquired theatres.

Proceeds from the transaction will be used to repay a portion of the debt financing incurred in connection with the acquisition of Famous Players. The divestiture process for the remaining seven locations in Quebec continues and is expected to be announced by the end of the third quarter.

A complete listing of the theatres being sold is attached to this press release.

**About Cineplex Galaxy LP:**

Cineplex Galaxy LP owns, operates or has an interest in 132 theatres with 1,278 screens (after giving effect to the 34 theatres and 282 screens to be divested pursuant to a consent agreement with the Canadian Commissioner of Competition) and is the largest motion picture exhibitor in Canada. Headquartered in Toronto, Canada, the company operates theatres with the following five top-tier brands: Cineplex Odeon, Coliseum, Colossus, Galaxy and Silver City. Proudly Canadian, Cineplex Galaxy Income Fund, which owns approximately 50.2% of Cineplex Galaxy LP, is a public company traded on the Toronto Stock Exchange under Cineplex Galaxy Income Fund (symbol CGX.UN). More information can be found at [www.cineplexgalaxy.com](http://www.cineplexgalaxy.com) or at [www.famousplayers.ca](http://www.famousplayers.ca).

**About Empire Theatres Limited:**

Empire Theatres Limited is a 100% owned subsidiary of Empire Company Limited with its corporate headquarters in Stellarton, Nova Scotia. As of August 12, 2005, Empire Theatres currently operates 28 theatres (plus one drive-in) representing 177 screens in Atlantic Canada including one IMAX theatre in Halifax, together with an existing Joint Venture operating 4 theatres and 24 screens in Western Canada. As a result of this acquisition Empire Theatres will operate 59 theatres representing 403 screens across Canada. Empire Company Limited (TSX: EMP.NV.A) is a diversified Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses include food distribution, real estate, theatres and corporate investment activities. More information can be found at [www.empiretheatres.com](http://www.empiretheatres.com) or [www.empireco.ca](http://www.empireco.ca).

**Ontario Region**

Cineplex Odeon Showcase Cinemas  
3325 Harvester Rd.  
Burlington, ON

Famous Players Jackson Square Cinemas  
2 King St. W.  
Hamilton, ON

Cineplex Odeon Orleans Town Centre  
250 Centrum Blvd.  
Orleans, ON

SilverCity Kitchener  
135 Gateway Park Dr.  
Kitchener, ON

Cineplex Odeon Exchange Centre Cinemas  
111 Albert St., 3<sup>rd</sup> Floor  
Ottawa, ON

Famous Players Kings College Cinemas  
262 King St. W.  
Kitchener, ON

Cineplex Odeon Elgin Mills Cinemas  
10909 Yonge St.  
Richmond Hill, ON

Famous Players 8 Wellington  
983 Wellington Rd. S.  
London, ON

Cineplex Odeon Square One Cinemas  
100 City Centre Dr.  
Mississauga, ON

SilverCity St. Catharines  
Pen Centre Shopping Mall  
221 Glendale Ave.  
St. Catharines, ON

Famous Players Capitol Theatre  
223 Princess St.  
Kingston, ON

Famous Players Rideau Centre Cinemas  
50 Rideau St.  
Ottawa, ON

SilverCity North York  
5095 Yonge St.  
North York, ON

## Western Region

Famous Players Capitol 6  
805 Yates St.  
Victoria, BC

Cineplex Odeon Oakridge  
601 – 650 West 41st Ave.  
Vancouver, BC

SilverCity Guildford  
15051 – 101<sup>st</sup> Ave.  
Surrey, BC

SilverCity Country Hills  
388 Country Hills Blvd. N.E.  
Calgary, AB

Cineplex Odeon Clareview Town Centre  
4211 – 139<sup>th</sup> Ave.  
Edmonton, AB

Paramount Theatre Lethbridge  
4<sup>th</sup> Ave. and 8<sup>th</sup> St. S.  
P.O. Box 520  
Lethbridge, AB

Famous Players Capitol 4 Cinemas  
216 1<sup>st</sup> Ave. S.  
Saskatoon, SK

Cineplex Odeon Granville Cinemas  
855 Granville St.  
Vancouver, BC

Famous Players Esplanade  
200 W. Esplanade  
N. Vancouver, BC

Coliseum Calgary  
100 – 16061 Macleod Trail S.E.  
Calgary, AB

Famous Players Gateway 8  
2950 Calgary Trail S.  
Edmonton, AB

Cineplex Odeon Edmonton City Centre Cinemas  
10200-102<sup>nd</sup> Avenue  
Edmonton, AB

Famous Players Westmount Centre Cinemas  
2003 Westmount Shopping Centre  
111 Ave. and Groat Rd.  
Edmonton, AB

Cineplex Odeon Grant Park Cinemas  
1120 Grant Park Ave., Unit 127  
Winnipeg, MB

- 30 -

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