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FOR IMMEDIATE RELEASE

**CINEPLEX GALAXY INCOME FUND ANNOUNCES
TREASURY AND SECONDARY OFFERING OF TRUST UNITS**

Toronto, Ontario, June 1, 2006 (TSX: CGX.UN): Cineplex Galaxy Income Fund announced today that it and Onex Corporation have entered into an agreement with a syndicate of underwriters led by RBC Capital Markets, Scotia Capital Inc. and National Bank Financial Inc., for the sale of trust units on a bought deal basis at a price of \$15.90 per trust unit.

The offering will consist of 5.25 million trust units, including the issuance and sale of 2.0 million new trust units by Cineplex Galaxy Income Fund and the sale of 3.25 million units owned or controlled by Onex. The offering will result in gross proceeds of approximately \$83.5 million, of which the Fund will receive approximately \$31.8 million less costs related to the offering. The Fund will not receive any portion of the gross proceeds (approximately \$51.7 million) from the sale of trust units by the Onex group. Following completion of the offering, Onex will continue to control approximately 36% of the outstanding units of Cineplex Galaxy Income Fund (on a fully-diluted basis).

Closing of the transaction is expected to occur on or about June 20, 2006, and is subject to customary regulatory approvals.

The first cash distribution in which purchasers of the trust units offered will be eligible to participate will be for the month of June with a record date of June 30, 2006, which is expected to be payable on or about July 28, 2006.

The net proceeds of the treasury offering will be used to repay indebtedness under the Development Facility of Cineplex Entertainment Limited Partnership's senior secured credit facility.

The trust units will be sold under a short form prospectus in all provinces and territories of Canada. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not

constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Cineplex Entertainment LP:

Cineplex Entertainment LP owns leases or has a joint venture interest in 129 theatres with 1,271 screens and is the largest motion picture exhibitor in Canada. Headquartered in Toronto, Canada, the Partnership operates theatres with the following six top-tier brands: Cineplex Odeon, Galaxy and Famous Players including: Coliseum, Colossus and SilverCity. Proudly Canadian, the units of Cineplex Galaxy Income Fund, which owns approximately 51.3% of Cineplex Entertainment LP, are traded on the Toronto Stock Exchange under the symbol CGX.UN.

Following the closing of the offering and related transactions, Cineplex Galaxy Income Fund's ownership of Cineplex Entertainment LP will increase from 51.3% to 58.7% (on an undiluted basis).

Additional information about Cineplex Galaxy Income Fund is available at www.sedar.com and the Fund's website at www.cineplex.com

About Onex:

Onex Corporation is a diversified company with annual consolidated revenues of approximately \$20 billion and consolidated assets of approximately \$15 billion. Onex is one of Canada's largest companies with global operations in service, manufacturing and technology industries. Its operating companies include Celestica Inc., Spirit AeroSystems, Inc., Emergency Medical Services Corporation, Skilled Healthcare Group, Inc., ClientLogic Corporation, Cineplex Entertainment Limited Partnership, Res-Care, Inc., Cosmetic Essence, Inc., Center for Diagnostic Imaging, Inc., Radian Communication Services Corporation and Onex Real Estate Partners LP. Onex shares trade on the Toronto Stock Exchange under the stock symbol OCX.

FORWARD LOOKING STATEMENTS

Certain statements in this news release are "forward-looking statements", which reflect management's expectations regarding the offering (including the use of proceeds therefrom), and the amount and timing of the payment of distributions of the Fund. All statements other than statements of historical fact contained in this news release are forward-looking statements. Such forward-looking statements involve risks and uncertainties, as they reflect management's current beliefs and are based on information currently available to management. Actual results may differ materially from those anticipated in the statements made. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements are made as of the date of this news release and the Fund assumes no obligation to update or revise them

to reflect new events or circumstances except as expressly required by applicable securities law. Further information regarding the uncertainties and risks can be found in the disclosure documents filed by the Fund with the securities regulatory authorities, available at www.sedar.com.

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