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CINEPLEX GALAXY COMPLETES ACQUISITION OF FAMOUS PLAYERS

Toronto (Ontario), July 22, 2005 – Cineplex Galaxy announced today that it has completed the acquisition of the Famous Players theatre exhibition business from Viacom Inc. (NYSE: VIA and VIA.B). The transaction is valued at \$500 million, inclusive of approximately \$36 million in capital lease obligations.

"We are thrilled with this unique opportunity to bring together two great businesses into one exceptional company," said Ellis Jacob. "Through the strength of our combined management teams and industry leading theatre brands, we are well positioned for continued growth," he said.

The transaction makes Cineplex Galaxy the largest theatre exhibition company in Canada operating a total of 132 theatres and 1,278 screens (after giving effect to the theatre divestitures described below). "We believe the transaction will create significant value for unit holders through both operating synergies and our ability to grow revenue and distributable cash, in addition, an expanded and enhanced digital advertising network and new offerings for our theatre guests will enhance revenue growth," said Jacob.

Financing

The acquisition was financed in part through the public offering of 6,835,000 trust units at \$16.10 per unit and \$105 million principal amount of unsecured subordinated debentures, convertible into units at \$18.75 per unit for aggregate net proceeds of approximately \$205 million. The offering was co-led by RBC Capital Markets, Scotia Capital and National Bank Financial and included BMO Nesbitt Burns, TD Securities, Westwind Partners, Wellington West Capital, Genuity Capital Markets and Raymond James. Debt financing for the balance of the purchase price was provided by a syndicate led by Scotia Capital, RBC Capital Markets and National Bank Financial.

Cineplex Galaxy has previously announced that it had entered into a letter of intent to sell real estate interests in four theatre locations for \$67 million to RioCan Real Estate Investment Trust (TSX: REI.UN). The proceeds of the sale will be used to repay a portion of the debt financing incurred in connection with the Famous Players acquisition. The transaction with RioCan is expected to close by the end of July 2005.

Divestiture of Theatres

The consent agreement entered into by Cineplex Galaxy and Canada's Commissioner of Competition in connection with the Famous Players transaction requires the sale of 34 theatres with a total of 282 screens. In addition, Cineplex Galaxy and Movie Distribution LP are soliciting offers for the five theatres jointly owned by them and operated under the Alliance Atlantis brand. The sale process is underway and is expected to be completed by the end of the third quarter. All proceeds from the sales are expected to be used to pay down debt.

About Cineplex Galaxy LP

Cineplex Galaxy LP is the largest motion picture exhibitor in Canada. Headquartered in Toronto, Ontario, Cineplex Galaxy owns 132 theatres with a total of 1,278 screens (after giving effect to the theatre divestitures mentioned above), in six provinces across Canada. The company owns and operates the following top-tier cinema entertainment brands: Cineplex Odeon, Galaxy, Coliseum, SilverCity and Colossus. 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.

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