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GALAXY CINEMAS IN CAMBRIDGE AND WATERLOO
FEATURE WORLD'S BEST DIGITAL CINEMA TECHNOLOGY
AND HAVE 2 OF ONLY 5 DIGITAL PROJECTORS IN CANADA

August 4, 2004, Toronto, ON. Two Galaxy cinemas located in Southern Ontario feature the latest high tech digital projectors currently available in the world today. In a special arrangement made with Christie Digital Systems Inc., Cineplex Galaxy LP has secured two of the most technologically advanced, digital projectors in the world, for their Galaxy cinemas located in Cambridge and Waterloo, Ontario. Given that digital projection of this quality is still relatively new, the intent behind these two installations is best referred to as a "working lab" for the researchers at Christie while simultaneously providing a superb motion picture viewing environment for the guests of these two theatres.

Galaxy Cinemas has two, of a total of only five digital cinema projectors in Canada that enable a Hollywood film to be projected onto the giant screen. These projectors create stunning, crystal clear images that are greater than high-definition quality and the Christie CP2000 particularly offers 2K resolution (greater than 1920 pixels per frame) that combined with the projector's light output, create these unbelievably clear images on our giant screens (up to 75ft wide or 23m screen size). Additionally, unlike film, there is no print degradation in the digital world so every presentation looks 100% as good in the first screening as it does in its 1000th screening.

"Cineplex Galaxy has been working with Christie for the past three years on this project," said Pat Marshall, Vice President, Communications and Specialty Marketing for Cineplex Galaxy LP, owners of the two theatres. "Digital projectors are not all made equal. A digital projector used to show advertising or a pre-show prior to a movie is not anywhere near the same quality as these projectors, and they could not begin to show a Hollywood blockbuster film like *Shrek 2* in the same quality as these projectors" said Marshall. "If you live in the Kitchener/Waterloo/Cambridge area, there is no better movie presentation available to you then at these two Galaxy cinemas," Marshall said.

"At our Galaxy Cinemas in Waterloo, we have the most advanced digital cinema projector on the market today," said Marshall. It's the Christie CP2000. The image on-screen is over 50 feet wide and 26 feet high with this projector and the images are unbelievably clear and sharp. "At our Galaxy Cinemas Cambridge, the predecessor digital projector to the CP2000, called the Christie DCP-H was installed there. Both locations enable us to show all the latest Hollywood blockbuster films available in the digital format today and we do!" said Marshall.

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“Additionally, we are also extremely pleased to announce that Cineplex Galaxy LP had the worldwide exclusive delivery of a Hollywood blockbuster film via satellite transmission to a live audience with paying customers earlier this summer with the film *Shrek 2*,” Marshall said. Generally, digital films are delivered to theatres on specially-encoded DVD’s which are then downloaded directly into a separate, high-end server featuring a large capacity hard drive. This is the first time a film has ever been delivered via satellite for paying customers. “We have now moved from the lab to delivering summer blockbuster movies to a live theatre” said Sam Matheny, Manager of Digital Cinema Development for Microspace, the satellite delivery service used in this historic occasion.

“Digital projection technology is evolving very quickly and it is great to see companies like Cineplex Galaxy LP, DreamWorks, Microspace and our company – Christie – lead the industry by working together to make digital cinema a reality for theatre guests around the world,” said Dave Muscat, Senior Manager, Business Development Canada.

“*Collateral*, starring Tom Cruise, Jamie Foxx and Jada Pinkett Smith opens August 6th and it would be a great film to experience in digital due to the number of action scenes,” said Marshall.

About Cineplex Galaxy LP:

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 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). For more information, visit www.cineplex.com or www.galaxycinemas.com.

About Christie:

Christie is celebrating its 75th anniversary as a leader in visual solutions for world-class organizations, offering diverse applications for business, entertainment, and industry. With expertise in film projection since 1929 and professional projection systems since 1979, Christie has established a global reputation as the world's single source manufacturer of a variety of display technologies and solutions for cinema, large audience environments, control rooms, business presentations, training facilities, 3D and Virtual Reality, simulation, education, media and government. Christie has installed over 50,000 projectors worldwide. For more information, visit www.christiedigital.com.

About Microspace:

Microspace Communications Corporation (Microspace) delivers video, audio, and data services across business networks at up to 98 percent lower costs than such terrestrially based telecommunications carriers. Microspace is the leading provider of point-to-multipoint satellite services and operator of the largest business satellite-broadcasting network in the world. Its Ku-band VELOCITY® satellite service enables reliable and affordable distribution of a broad range of applications from business television to streaming audio/video broadcasting to high-bandwidth data transmission. Founded in 1988, Microspace is a privately held company headquartered in Raleigh, NC and a subsidiary of Capitol Broadcasting Company. For more information, visit www.microspace.com.

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