27 October 2004

COMPANY UPDATE

BOSWELL DEVELOPMENT

In its announcement of 18 October 2004, Village Roadshow Limited ('VRL") advised that it had received a letter dated 17 October 2004 from Boswell advising that it is working on a proposal (and has apparently been doing so for the past year) to acquire all of the ordinary shares in the Company.

In that letter, Hans Brockmann, Managing Director of Boswell, claimed

> "*Then as now I am serious. I would like to ask that this letter and our efforts to complete a proposal be dealt with on that basis.*
>
> *In this regard Boswell have appointed West LB AG, London Branch as principal banking advisors …*"

The Company has overnight received written advice from West LB AG, London Branch that contradicts Boswell's claims. The correspondence from the Managing Director of West LB AG, London Branch states in its' entirety: "With reference to your recent letters, we confirm that West LB AG is not acting for Boswell with respect to VRL."

The Company will continue to implement its stated capital management objectives in undertaking the buy-back of up to 43 million ordinary shares announced on 18 October 2004.

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