

19 October 2004

SALE OF INTERESTS IN CINEMA JOINT VENTURE – TAIWAN

Village Roadshow Limited announced that legally binding agreements for the sale of the Company's interest in the cinema joint venture in Taiwan ("Taiwan Sale") were entered into late yesterday, 18 October 2004.

The sale by the Company and its joint venture partner, Warner Bros., is to a consortium of buyers, including Golden Harvest of Hong Kong and local Taiwan buyers. The sale is subject to a number of conditions, including regulatory approvals in Taiwan and Golden Harvest shareholder approval. These approvals are anticipated to be obtained over the next three months, with completion of the transaction scheduled for January 2005.

The Taiwan Sale has been effected on the terms envisaged by the Company's announcement of 18 October 2004 and, in particular:

- the Company will, based on current exchange rates, realise proceeds of US\$19 million (approximately A\$26.4 million) and a pre-tax profit of approximately A\$2.64 million;
- a non-refundable cash and security deposit of US\$11.4 million has been provided by the purchasers with approximately US\$3.42 million in cash (approximately A\$4.75 million) due to be released shortly to each of Village and Warner Bros.; and
- the balance of the proceeds payable to the Company are to be released at closing, expected for January 2005.

The pro forma statement of financial position of the Company as at 30 June 2004 attached to the Company's announcement of 18 October 2004 was prepared on the assumption that the Taiwan Sale was entered into. As a result, the Taiwan Sale will have no effect on this pro forma statement of financial position.

Similarly, the estimate of the Group's net profit after tax for the year ending 30 June 2005 of approximately \$43m referred to in page 6 of the 18 October 2004 announcement assumed the Taiwan Sale was effected. Accordingly, the Company's estimate of such profit remains unchanged.

ENQUIRIES: Peter Foo
Finance Director

03 9667 6666