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**VILLAGE ROADSHOW ACQUIRES WARNER BROS.'
AUSTRALIAN THEME PARKS INTERESTS**

Village Roadshow Limited (VRL) today announced that it had signed an agreement with Warner Bros. to acquire all of Warner Bros.' interests in their jointly owned Australian Theme Parks for a payment of A\$254m. The transaction will involve VRL acquiring the companies which hold those interests and Warner's share of associated bank debt (A\$64.5m). The acquisition will be funded by a drawdown on VRL bank facilities and from its existing cash reserves. As a result of the transaction VRL will own 100% of:

- Warner Bros. Movie World
- Sea World
- Wet 'n' Wild Water World
- Australian Outback Spectacular
- Paradise Country
- Sea World Aviation
- Warner Roadshow Studios

VRL will also move to a 50% ultimate ownership interest in the Sea World Nara Hotel.

VRL will continue to partner with Warner Bros. in theme parks in Australia now via a long term licensing agreement. The transaction also provides for VRL to explore with Warner Bros. theme park opportunities in Asia. 100% control of the assets means VRL will be able to pursue marketing synergies and consolidation savings.

VRL advises that overall it expects the transaction to be incrementally cash flow positive after all interest and reinvestment costs. Due to depreciation changes within the Warner Bros. entities to be acquired however, the acquisition will initially be EPS negative on the group. It is anticipated that the transaction will close in early July.

Chairman of Village Roadshow Mr Robert Kirby said “This deal is ultimately about growth. Over the medium to long term this transaction will strengthen our partnership with our friends at Warner Bros. as we explore the exciting potential for Warner branded parks in Asia. These and other growth opportunities will become possible by the fact that there is no one better than our team in building and operating theme park attractions in the world.”

Mr Barry Meyer Chairman of Warner Bros. said, “This transaction makes perfect sense for us. Through our ongoing licensing deal with Village Roadshow, we’ll be able to continue to benefit from their experience and expertise in the theme park arena and maintain a presence in the business. It’s a win-win situation for both of our companies.”

Warner Bros. is VRL’s most important partner and VRL has a long term pact with Warner and its production group and has already produced 45 films together including *THE MATRIX* series, *CHARLIE AND THE CHOCOLATE FACTORY* and currently producing George Miller’s *HAPPY FEET* in Sydney.