

23 October 2009

ON-MARKET BUY-BACK OF ORDINARY SHARES AND PREFERENCE SHARES

Village Roadshow Limited ("VRL") today announced that it intends to conduct an on-market buy-back of up to 12,690,800 ordinary shares (representing 10.0% of the total number of ordinary shares on issue) and up to 45 million preference shares (representing 46.1% of the total number of preference shares on issue) (the "Buy-Back"). VRL may buy back less than the maximum amount of shares or no shares at all and shares may be bought back at prices, volumes and times determined by VRL.

VRL Chairman, John Kirby said, "The Buy-Back is consistent with VRL's capital management objective of creating a more efficient and effective capital structure and maximising value for all VRL shareholders. It also provides shareholders with an opportunity to sell shares in VRL."

VRL intends to conduct the Buy-Back over a three week period, which is expected to commence on 9 November 2009 and conclude on 30 November 2009. VRL reserves the right to amend this timetable at any time and for any reason.

Participation in the Buy-Back is voluntary. During the Buy-Back period, if shareholders decide to sell their shares on-market, it is possible that VRL will buy back some or all of those shares. Shareholders should contact their broker if they wish to sell their shares during the Buy-Back period. Shareholders who wish to participate in the Buy-Back will not know whether they are selling their shares to VRL in the Buy-Back or to any other buyer.

Shareholders not wishing to participate in the Buy-Back do not need to take any action.

VRL has prepared an explanatory memorandum which contains details of the proposed Buy-Back, the indicative impact of the Buy-Back on VRL and its controlled entities and information to assist shareholders to decide whether or not to sell shares during the Buy-Back period.

The Directors of VRL have also engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare a report containing an independent valuation of VRL's ordinary shares and preference shares and an independent analysis of the issues shareholders should consider when deciding whether to participate in the Buy-Back. The Grant Samuel report is attached to the explanatory memorandum. The explanatory memorandum and the independent valuation report prepared by Grant Samuel are both available on the VRL website at www.villageroadshow.com.au

VRL's major shareholder, Village Roadshow Corporation Pty Ltd ("VRC"), is controlled by John Kirby, Robert Kirby and Graham Burke, each of whom is an Executive Director of VRL (the "Executive Directors"). VRC and the Executive Directors control approximately 61.4% of VRL's ordinary shares on issue and no preference shares. VRC and the Executive Directors have confirmed to VRL that they do not intend to sell any VRL ordinary shares during the Buy-Back

period. If 12,690,800 ordinary shares are bought back, VRC and the Executive Directors' relevant interest in VRL's ordinary shares will increase from approximately 61.4% to 68.2%.

The Buy-Back of ordinary shares and preference shares by VRL will be conducted in the ordinary course of trading on ASX.

Subject to the ASX Listing Rules, shares will be bought back at prices, volumes and times determined by VRL to be appropriate from time to time having regard to:

- market conditions;
- the prevailing share price of VRL's ordinary shares and preference shares;
- liquidity of VRL's ordinary shares and preference shares (ie. volumes traded on ASX);
- alternative uses of funds, such as acquisition opportunities, that may arise during the Buy-Back period; and
- any other matter considered relevant by VRL at the time.

Trading in ordinary shares and preference shares will continue on ASX before, during and after the Buy-Back period. Any shares acquired by VRL will be immediately cancelled.

VRL and the Directors of VRL are not making any recommendation or giving any advice on the value of VRL shares or whether (or how) shareholders should sell their VRL shares. Before shareholders decide whether to sell their shares during the Buy-Back period, they should read the explanatory memorandum (including the Grant Samuel report) and seek professional advice in relation to their particular circumstances.

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