

28 May 2010

VILLAGE ROADSHOW PICTURES SECURES US\$1 BILLION FILM PRODUCTION FACILITY IN INDUSTRY'S MOST SIGNIFICANT FINANCE DEAL IN YEARS

Village Roadshow Pictures ("VRP") today announced it had reached agreement with its banking syndicate for a new, three year, US\$1 billion film financing facility. The new facility replaces and extends VRP's current film financing arrangements. Village Roadshow Limited ("VRL"), which owns 40.89% of Village Roadshow Entertainment Group ("VREG"), the parent of VRP, is delighted to announce that the new facility was successfully concluded in New York on 27 May 2010.

VRL Chief Executive Officer Graham Burke said "To obtain such levels of commitment in this market demonstrates the underlying strengths of our motion picture interests and comes at a time when movie attendance is at an all time high as people seek low cost escapes from the worries of the world.

"We again pay tribute to the lead banks Rabobank, JP Morgan Chase and Bank of America who have steered complex negotiations to a successful conclusion in this extremely difficult economic environment. Additionally, this facility could not have been completed without the ongoing loyalty and commitment shown to us by our partners at Warner Bros. and Time Warner.

"Village Roadshow is committed to VREG and our joint venture with Warner. This is a unique partnership established in 1971 and marked by success in distribution, building theatres and theme parks and we have now completed 65 films that have grossed more than US\$10 billion in box office results to date. It is a great alliance and our best years are ahead."

Said Greg Basser, Chief Executive Officer of VREG, the parent of VRP and Concord Music Group, "At a time when capital is at a premium, we've managed to attract the confidence of a diverse group of investors and secure significant financing. We are grateful to all involved with the close of this deal and to our unwavering partners at Warner Bros."

Said Bruce Berman, Chairman and Chief Executive Officer of VRP, "We are in the business of making movies. This new financing enables us to expand upon the solid foundation we've established within the industry and grow our slate of tentpole and star-driven films."

"We have had a long, successful relationship with Village Roadshow, and are very pleased they will continue to be partners in making great movies," added Barry Meyer, Chairman and CEO and Alan Horn, President and Chief Operating Officer, Warner Bros. Entertainment.

Mr Burke said VRL is looking forward to the ongoing successful performance of films within the VRP portfolio, including *Sex and the City 2*, *Cats and Dogs 2* in 3D, *Life As We Know It* and *Legends of the Guardians: The Owls of Ga'Hoole* in 3D, all due for release later in 2010, together with *Happy Feet 2* in 3D in 2011.

The new financing has resulted in VRL being released from its US\$7.5 million guarantee to JP Morgan Chase and also being released from a non-financial guarantee previously provided to VRP's banking syndicate. VRL's guarantee to Warner Bros. remains in place, as does VRL's loan of US\$45 million to VREG, made in May 2009.

Under the financing, VRL has provided the following additional financial support to VREG:

- A new loan of US\$17.5 million, on favourable commercial terms
- A guarantee, together with partial repayment support, in relation to US\$20 million of new financing obtained by VREG.

In light of the additional financial support provided to VREG, VRL's Directors have agreed that unless there is a material change to the Group's financial circumstances (for example, if the new loan is repaid in the next few months), they will not recommend the payment of a final dividend for the 2010 financial year. In accordance with usual practice, the Directors will review the position in August 2010 when the Company's full year results are announced.

Media Contact:

Cosway Australia
Mark Rudder
0411 362 362

About Village Roadshow Limited

Village Roadshow Limited (VRL), a 40.89% shareholder in VREG, is a leading international entertainment and media company with core businesses in Theme Parks, Film Production, Cinema Exhibition, Radio and Film Distribution based in Melbourne, Australia. Village Roadshow was established in 1954 and listed on the Australian Securities Exchange in 1988.

About Village Roadshow Entertainment Group

Village Roadshow Entertainment Group (VREG) is a leading independent global entertainment company that is in the business of building leading, content rich companies within the entertainment industry that employ innovative strategies to develop, acquire and deliver intellectual property rights with timeless appeal, while taking advantage of group wide strategic and operational efficiencies.

About Village Roadshow Pictures Group

Village Roadshow Pictures Group is a leading independent co-producer and co-financier of major Hollywood motions pictures, having produced 65 films since its establishment in 1997 including, as co-productions with Warner Bros., *The Matrix* trilogy, *Sherlock Holmes*, *I Am Legend*, the *Ocean's* series, *Happy Feet*, *Mystic River*, *Gran Torino*, *Analyze This*, *Miss Congeniality*, *Two Weeks' Notice* and *Charlie and the Chocolate Factory*.

About Concord Music Group

Concord Music Group is one of the largest independent record and music publishing companies in the world and is owner of a rich and historically significant catalogue of recordings. Concord Music Group's legendary family of labels include Concord Records, Concord Jazz, Fantasy, Stax, Milestone, Riverside, Specialty, Telarc, Peak, Heads Up, Prestige and several others. They include titles from some of the most admired and enduring names in music, including Ray Charles, John Coltrane, Creedence Clearwater Revival, Miles Davis, Ella Fitzgerald, Isaac Hayes, Little Richard, Thelonious Monk, Oscar Peterson, Rosemary Clooney, George Shearing and Mel Torme. The group's current roster of world-class artists includes George Benson, Chick Corea, Kurt Elling, Will Downing, Kenny G, Ladysmith Black Mambazo, Sergio Mendes, Esperanza Spalding, Macy Gray, Angie Stone and many more. In 2007, Concord partnered with Starbucks Entertainment to form Hear Music, an innovative record label rooted in quality, authenticity and passion. Hear Music works directly with artists, both emerging and established, to bring quality music to the widest possible audience, in both Starbucks locations and music retailers worldwide. Hear Music releases include records from Paul McCartney, Joni Mitchell, James Taylor, John Mellencamp, Elvis Costello and Playing For Change.