

22 September 2010

MARKET UPDATE

Village Roadshow Limited ('**VRL**') provides the following update in relation to the shareholders meeting being held on 24 September 2010 and the subsequent buy-back assuming that the resolutions at the shareholders meeting are approved.

VRL has now completed the financing arrangements associated with the buy-back. VRL has signed all the necessary documentation and, apart from standard conditions, upon the successful approval of the resolutions at the shareholders meeting VRL will be able to draw down funds in order to carry out the buy-back of shares.

In the Explanatory Memorandum dated 24 August 2010 VRL stated that its film production and music division, Village Roadshow Entertainment Group (BVI) Limited ('**VREG**'), was pursuing a number of strategic initiatives aimed at strengthening its balance sheet and augmenting its long term ability to continue to fund future films and music projects. VREG is currently focusing on one of those strategic initiatives, being the possibility of VREG being listed on an international stock exchange and raising additional equity. VREG continues to take steps to pursue this initiative. If VREG is successful in raising new equity and listing on an international stock exchange then VRL may receive repayment of some or all of its May 2009 loan to VREG. The balance outstanding under that loan is currently approximately US\$60 million. If a stock exchange listing occurs then VRL's interest in VREG may become more liquid, although it is possible that VRL may be prevented from disposing of any of its shares for a period of time after such listing. Any such equity raising would also dilute VRL's interest in VREG and may result in VRL's interest falling below 30%.

There can be no assurance that VREG will be able to achieve a stock exchange listing or raise additional equity and there can be no assurance that VRL's loan will be repaid as a result.*

** This announcement is not an offer of securities for sale in any country, and securities may not be offered or sold in any country absent registration or an exemption from registration in the particular country. Any public offering of securities to be made in any country will be made by means of a prospectus, which will contain detailed information about VREG and its management, as well as financial statements of VREG.*