

10 August 2009

APPROACH FROM VILLAGE ROADSHOW CORPORATION PTY LTD

Village Roadshow Limited (**Village**) today announced that it has been approached by its major shareholder, Village Roadshow Corporation Pty Ltd (**VRC**), and informed that VRC is working on a proposal for the potential privatisation of Village (the **Proposal**). If a privatisation of Village occurred, all the ordinary shares and preference shares in Village that are not owned by VRC or its associates would be acquired or cancelled. Any such privatisation would be subject to all necessary shareholder, financier and regulatory approvals.

VRC is controlled by John Kirby, Robert Kirby and Graham Burke, each of whom are executive directors of Village (the **Executive Directors**). VRC and the Executive Directors control approximately 61% of the ordinary shares in Village.

VRC has informed Village that its work on the Proposal is substantially incomplete and that a number of key issues are yet to be finalised, including the terms of any proposal and funding for any proposal.

Village has not received any formal offer or proposal from VRC. There is no assurance that any offer or proposal will be received by Village or put to Village shareholders.

A subcommittee of the independent directors of Village has been established to consider any offer or proposal which may be made by VRC. The Executive Directors will not be involved in the Board's consideration of any offer or proposal which may be made by VRC.

Village has appointed UBS as financial adviser and Minter Ellison as legal adviser to advise the independent directors in relation to any offer or proposal which may be made by VRC.

Village will keep its shareholders informed and will make further announcements in the event of any material developments.

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