

30 September 2009

VILLAGE ROADSHOW LIMITED: LONG TERM COMMITMENT TO FILM PRODUCTION

Village Roadshow Limited ("VRL") refers to its Appendix 4E (Preliminary Final Report) released to the ASX on 27 August 2009. On page 10 of the Appendix 4E, VRL announced that it was in discussions in relation to assigning to a third party its US\$45 million loan to Village Roadshow Entertainment Group (VREG). VRL advises that those discussions have now ceased.

VREG, with a 12 year track record of success, is widely respected as the industry leader in its sector and is one of VRL's core businesses, providing considerable value to VRL and Roadshow Films.

VREG plans to extend the film financing facility which its Village Roadshow Pictures (VRP) division currently has in place and is considering a number of strategic initiatives, including potential new partners. As part of the extension VREG is likely to seek additional funding, including from existing shareholders. VREG is aiming to conclude the finance extension during the first quarter of 2010. Funding of future films is dependent on the successful re-negotiation of the film finance facility, currently expiring in September 2010. VRP is confident a longer term film finance facility will be negotiated which will allow for the financing of the current line up of films in development.

VRL expects to commit in the long term its total combined investment (including its 40.9% equity interest and US\$45 million loan) in VREG in an appropriate form going forward, in order to facilitate the VRP refinancing. The VRL Board will consider any actual funding proposal at the appropriate time.

VRP is due to release *WHERE THE WILD THINGS ARE* in December and future releases include *SHERLOCK HOLMES*, *SEX AND THE CITY 2* and *CATS & DOGS 2*. VRP is currently in production in Australia on *GUARDIANS OF GA'HOOLE* for late 2010 and *HAPPY FEET 2* for 2011.

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