

11 March 2003

Village Roadshow Increases its Stake in Australian Cinemas

Village Roadshow Ltd ("Village") today announced it had reached in principle agreement with the Greater Union Organisation ("GUO") to jointly acquire Warner Bros.' one-third interest in their Australian multiplex joint venture for approximately A\$100 million.

The original joint venture between these three companies opened its first multiplex cinema in Australia in 1988 and now operates 319 screens in 29 multiplexes across mainland Australia. The acquisition will result in Village and GUO each moving from 33.3% to 50% ownership of the joint venture.

Consideration for the purchase is based on a multiple of cash flow generated by the joint venture with payment on vendor terms. In addition there is a potential performance based payment which will see the full consideration paid over the next 12 months.

Village Roadshow Managing Director, Mr Graham Burke, said "Increasing our stake in the joint venture to 50% represents a further significant move towards our objective of increasing equity and improving transparency in our core cinema exhibition territories. These cinemas are in our own backyard and have been consistently profitable over many years. Together with our partners, we have built a modern state of the art cinema circuit that will continue to produce solid results for years to come. We are delighted to continue our long standing relationship with GUO and look forward to ongoing success in the joint venture".

Mr Burke added "Our relationship with Warner Bros. has never been stronger through the recently restructured production partnership, together with Theme Parks and Cinema Exhibition in other territories. With our new production financing in place we can now look forward to the worldwide release of *The Matrix Reloaded* in May and *The Matrix Revolutions* in November".

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