

17 October 2005

VILLAGE CINEMAS ARGENTINA

VILLAGE ROADSHOW LIMITED US LEGAL CLAIMS SETTLED

Village Roadshow Ltd ("VRL") announced today that it has agreed to sell its entire investment in Argentina. Settlement for this transaction is expected to occur on Tuesday, 18 October, 2005. Completion of the sale will result in VRL being released from its \$42 million guarantee over the external debt in the Argentine company.

VRL also announced it has settled the US legal claims against VRL and other group companies. The details of these claims have been fully disclosed in the contingent liability notes to the 2005 Statutory Accounts of VRL. The terms of the settlement are confidential.

The combined effect of these two transactions on the group's net profit after tax for the year ending 30 June, 2006 will be a loss of approximately \$10 million.

The net cash outflow of the two transactions is approximately \$14.6 million.

Based on current trading, the Directors now forecast the net profit after tax for the year ending 30 June, 2006 will be approximately \$10 million.