

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to how to deal with this document or the Offer contained in it please consult your financial or other professional advisor.

CASH OFFER OF \$0.72 PER UNIT

to acquire all of your units in



SEA WORLD PROPERTY TRUST

ARSN 092 492 094

by



Warner Sea World Units Pty Ltd

ACN 056 225 015

*(a wholly owned subsidiary of
Time Warner Entertainment Company, L.P.)*



VILLAGE ROADSHOW LIMITED

DEG Holdings Pty Ltd

ACN 003 124 221

*(a wholly owned subsidiary of
Village Roadshow Limited)*

**THIS OFFER IS DATED 27 APRIL 2001 AND WILL EXPIRE AT 5.00PM
MELBOURNE TIME ON 28 MAY 2001 UNLESS WITHDRAWN OR EXTENDED.**

HOW TO ACCEPT

Acceptances must be received before the close of the Offer Period. There are several ways to accept the Offer depending on the nature and type of your holding.

For CHESS Holdings of Trust Units – Please instruct your stockbroker or CHESS Controlling Participant to initiate acceptance of the Offer on your behalf.

For Issuer Sponsored Holdings of Trust Units – Please complete and execute the enclosed Acceptance Form in accordance with the instructions and return it to Computershare Investor Services Pty Limited at the following addresses:

By post: GPO Box 52A
Melbourne Vic 3001

By delivery: Level 12
565 Bourke Street
Melbourne Vic 3000

Further details on how to accept this Offer are contained in Section 4.5 of this booklet.

IF YOU HAVE ANY QUESTIONS REGARDING THE OFFER OR HOW TO ACCEPT, PLEASE CALL THE SEA WORLD PROPERTY TRUST UNIT HOLDERS HOTLINE ON 1800 555 012

FOR QUESTIONS REGARDING YOUR UNIT HOLDING, PLEASE CALL THE TRUST UNIT REGISTRY ON (07) 3237 2173

LETTER FROM THE BIDDERS



Warner Sea World Units Pty Ltd
(a wholly owned subsidiary of
Time Warner Entertainment Company, L.P.)



VILLAGE ROADSHOW LIMITED

DEG Holdings Pty Ltd
(a wholly owned subsidiary of
Village Roadshow Limited)

27 April 2001

Dear Sea World Property Trust unit holder

We are pleased to enclose an Offer by Warner Bros. and Village Roadshow of \$0.72 per unit for all of your units in Sea World Property Trust ('Trust'). The Offer is being made jointly through Warner Bros.' and Village Roadshow's respective wholly owned subsidiaries Warner Sea World Units Pty Ltd and DEG Holdings Pty Ltd.

Warner Bros. and Village Roadshow have had a strong association with the Trust since 1992 when the two parties jointly acquired a majority interest in the Trust. Warner Bros. and Village Roadshow together hold an interest of 68.41% through wholly owned subsidiaries, and now wish to obtain 100% ownership to simplify and consolidate their theme park investments in Australia.

The Offer price of \$0.72 for each Trust unit represents a substantial premium to the market price of Trust units, being a:

- 16% premium to the closing Trust unit price on the last trading day before the Offer was announced; and
- 32% premium to the weighted average Trust unit price during the 3 months prior to the announcement of the Offer.

We believe that in the absence of this Offer, the price that you could expect to receive from selling your Trust units would be significantly less than the price which Warner Bros. and Village Roadshow are now offering you.

The Offer is scheduled to close at 5.00pm (Melbourne time) on 28 May 2001, unless extended.

A summary of how to accept the Offer is contained in Section 4.5 of this booklet.

We are pleased to be able to extend this attractive offer to you and encourage you to accept as soon as possible.

Yours sincerely

A handwritten signature in black ink, appearing to read 'W S Prentice'.

W S Prentice

Warner Sea World Units Pty Ltd

A handwritten signature in black ink, appearing to read 'P S Leggo'.

P S Leggo

DEG Holdings Pty Ltd

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1. SUMMARY OF THE OFFER

THE OFFER

The Bidders are offering to acquire all your units in the Trust.

OFFER PRICE

The Bidders are offering cash consideration of \$0.72 for each of your units in the Trust.

CONDITIONS OF THE OFFER

The Offer is subject to the conditions set out in section 4.6 including:

1. During, or at the end of, the Offer Period the Bidders and their associates have relevant interests in at least 90% (by number) of all Trust units and have acquired at least 75% (by number) of the Trust units in which they do not already have a relevant interest;
2. Foreign Investment Review Board approval;
3. No regulatory action occurs that would materially impact on the making of this Offer;
and
4. No Prescribed Occurrence occurs.

Except for Foreign Investment Review Board approval, the Bidders can waive any of the conditions.

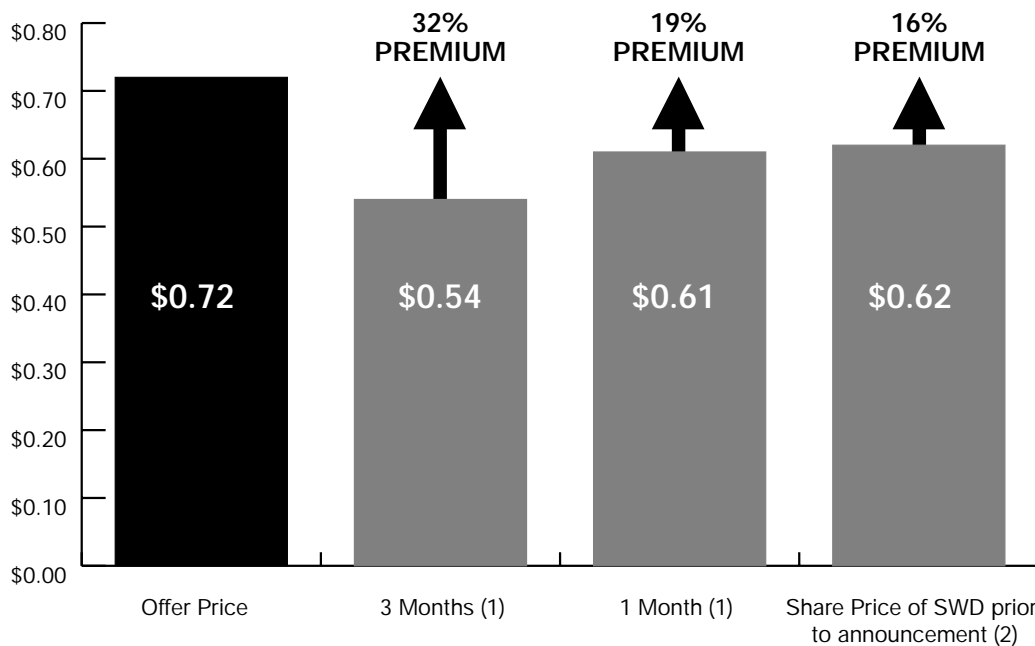
Key Dates

| | |
|--|---------------|
| Announcement Date | 9 April 2001 |
| Bidders' Statement lodged with ASIC | 12 April 2001 |
| Date of Offer | 27 April 2001 |
| Earliest date for Close of Offer (unless extended or withdrawn) | 28 May 2001 |

2. WHY YOU SHOULD ACCEPT THE OFFER

YOU WILL RECEIVE A SUBSTANTIAL CASH PREMIUM

- You will receive cash for your Trust units.
- The Bidders' Offer is \$0.72 per Trust unit. This represents a substantial premium to the Trust's recent trading range on ASX.



Notes:

1. Weighted average unit price for the period noted to the last ASX trading day prior to the announcement on 9 April 2001 of the Bidders' intention to make a takeover offer for the Trust.
2. Closing unit price on 6 April 2001, the last ASX trading day preceding the announcement on 9 April 2001 of the Bidders' intention to make a takeover offer for the Trust.

MIXED HISTORICAL PERFORMANCE AND UNCERTAIN OUTLOOK FOR THE TRUST

- Unlike the majority of listed property trusts, which earn income by leasing office or retail properties to long term secure tenants, the financial performance of the Trust is dependent on domestic and international visitor levels at the Trust's theme park and hotel assets.
 - Historical performance has been mixed:
 - The Trust's operating profit has fallen from \$16.6 million in 1998 to \$13.8 million in 2000.
 - An improved start to 2001 has been reported by the Trust at two of the Trust's three theme parks. The Chairman of the Trust stated at the Trust's Annual General Meeting in March 2001 that "... trading over the peak summer season has been very encouraging with strong gains over the previous year."
- "The bears [the new polar bear attraction at Sea World] are the obvious influence on Sea

World. Wet'n'Wild has benefited from a long, hot and largely dry summer which maximised the attendance from the new Mammoth Falls slides which opened in September last year. Trading at Warner Bros. Movie World has been more subdued.”

- The performance of the Trust for the current financial year is not certain. The Chairman of the Trust stated in his Annual General Meeting address “. there is some way to go before the end of the year and with talk of economic downturns and the forthcoming federal elections I would caution against getting carried away with year to date results. Suffice to say we expect 2001 profits to be stronger than last year and the last few years.”

Notes: The full text of the address by the Chairman of the Trust to the Annual General Meeting of the Trust is set out in Appendix 1.

ILLIQUIDITY

- Due to the Bidders' controlling interest in the Trust, trading in Trust units is relatively illiquid. The Offer represents an opportunity to exit a relatively illiquid investment at a significant premium to the recent trading price of Trust units.

THE PROSPECT OF ANOTHER OFFER IS LOW

- Given that the Bidders already together own 68.41% of the Trust, the Bidders believe it is unlikely that another offer will emerge for the Trust.

YOU WILL NOT INCUR BROKERAGE OR STAMP DUTY CHARGES

- If you were to sell your Trust units through a broker, you would incur brokerage fees and stamp duty.
- No brokerage fees or stamp duty will be payable if you accept the Offer.

3. IMPORTANT INFORMATION

A copy of this Bidders' Statement has been lodged with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for the content of this Bidders' Statement. The Bidders' Statement is dated 12 April 2001, which is the date on which it was lodged with ASIC.

4. TERMS AND CONDITIONS OF THE OFFER

4.1 Offer

- (a) The Bidders hereby offer to acquire all of your units in the Trust. You may only accept this Offer for all of your units in the Trust.
- (b) The consideration offered is \$0.72 cash for each unit.
- (c) The Offer is dated 27 April 2001 ('Offer Date'), being the date on which the first Bidders' Statement (including the Offer) was sent to Trust unit holders.

4.2 Distributions

- (a) The Bidders will be entitled to all Rights declared, paid or made by the Trust or which arise or accrue after the date of the Bidders' Statement in respect of the units which the Bidders acquire pursuant to this Offer.
- (b) If for any reason whatsoever the Bidders do not receive any such Rights, the Bidders will be entitled to reduce the amount of the cash consideration to which you would otherwise be entitled in accordance with this Offer by the amount or value (as reasonably assessed by the Bidders) of the Rights.

4.3 Offerees

- (a) An Offer in this form is being made to all the holders of units at 9.00 am Melbourne time on the Record Date.
- (b) A person who is able during the Offer Period to give good title to a parcel of units may, in accordance with section 653B of the Corporations Law, accept an Offer as if an Offer on terms identical with the other Offers had been made to that person in relation to those units.
- (c) If you hold all or any of the units that are the subject of this Offer as trustee or nominee for, or otherwise on behalf of or on account of, another person, you may follow the procedure set out in section 653B of the Corporations Law.

4.4 Offer Period

- (a) This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer and ending at 5.00 pm Melbourne time on:
 - (i) 28 May 2001; or
 - (ii) any date to which the period of this Offer is extended in accordance with the Corporations Law, whichever is the later (which period is referred to as the Offer Period).
- (b) This Offer may be withdrawn with the written consent of ASIC, which may consent subject to conditions. If the Bidders withdraw the Offer, all contracts resulting from acceptance will automatically be void.

4.5 Acceptance of Offer

(a) Issuer sponsored units

If your units are held on the Trust's issuer sponsored subregister when you accept, you must:

- (i) complete and sign the accompanying Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (ii) ensure that the Acceptance Form and any documents required by the terms of this Offer and the instructions on the Acceptance Form are received before the expiry of the Offer Period at the following address:

Computershare Investor Services Pty Limited
GPO Box 52A
Melbourne Vic 3001

or, if by hand delivery:

Computershare Investor Services Pty Limited
Level 12
565 Bourke Street
Melbourne Vic 3000

(b) CHESS Holdings

If your units are in a CHESS Holding, as defined in the SCH Business Rules, when you accept you must comply with the SCH Business Rules. Accordingly, to accept this Offer in respect of those units, you should:

- (i) instruct your Controlling Participant to initiate acceptance of this Offer in accordance with Rule 16.3 of the SCH Business Rules before the end of the Offer Period; or
- (ii) if you are a broker or a Non Broker Participant, initiate acceptance of this Offer in accordance with Rule 16.3 of the SCH Business Rules before the end of the Offer Period.

Alternatively, you may sign and complete the accompanying Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form and ensure that it is received before the expiry of the Offer Period at the address specified in **section 4.5(a)**. In that case, you will be deemed to have authorised the Bidders to accept the Offer on your behalf during the Offer Period in accordance with the SCH Business Rules and the Corporations Law.

- (c) The return of the Acceptance Form by facsimile does not satisfy the requirements of **section 4.5(a)** or **(b)** (unless you have made prior arrangements with the Bidders). If your Acceptance Form is returned by post, it will be deemed to be received in time if the envelope in which it is sent is post-marked before the expiry of the Offer Period (even if it is received after that date).
- (d) Subject to **section 4.3**, your acceptance of this Offer must be in respect of all the Trust units registered in your name.
- (e) The Bidders may, in their sole discretion, at any time deem any Acceptance Form they receive to be a valid acceptance in respect of your units even if a requirement for acceptance has not been complied with.
- (f) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to **section 4.6** and section 650E of the Corporations Law.

4.6 Conditions

Subject to **sections 4.6** and **4.7**, this Offer and any contract that results from your acceptance of this Offer is subject to the following conditions:

(a) Minimum acceptance condition

That during, or at the end of, the Offer Period each of the following conditions is satisfied:

- (i) the Bidders and their associates have relevant interests in at least 90% (by number) of the units in the Trust then on issue; and
- (ii) the Bidders and their associates have acquired at least 75% (by number) of the units in the Trust that the Bidders offered to acquire under the Offer (whether or not the acquisitions happened under the Offer or otherwise) excluding any units in which the Bidders have a relevant interest at the date of the Offer (refer Appendix 2 for ASIC Instruments).

(b) Regulatory actions

Between the date that this Offer was announced (namely 9 April 2001) and the end of the Offer Period:

- (i) there is not introduced into effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted or threatened by any Public Authority with respect to the Trust; and
- (iii) no application is made to any Public Authority (other than by the Bidders), in consequence of or in connection with the Offer, which restrains or prohibits or threatens to restrain or prohibit, or otherwise materially adversely impacts, the making of the Offer or the completion of any transaction contemplated by this Bidders' Statement (including implementation of the intentions expressed in section 9 of the Bidders' Statement) or seeks to require the divestiture by the Bidders of any units in the Trust, or the divestiture of any assets of the Trust.

(c) Approval by Treasurer

One of the following occurs prior to the end of the Offer Period:

- (i) the Bidders receiving notice from the Australian Treasurer or his or her agent to the effect that there is no objection under the Commonwealth Government's foreign investment policy or under the *Foreign Acquisitions and Takeovers Act 1975* (as amended) to the acquisition by way of takeover offers by the Bidders of the remaining units in the Trust or any transaction contemplated by this Bidders' Statement; or
- (ii) the period provided under the *Foreign Acquisitions and Takeovers Act 1975* (as amended) during which the Australian Treasurer may make an order under section 18 or an interim order under section 22 of the Act prohibiting the acquisition has elapsed, without such an order being made; or
- (iii) if an interim order prohibiting the acquisition is made, the subsequent period for making a final order prohibiting the acquisition has elapsed, without such a final order being made.

This condition is a condition precedent and cannot be waived by the Bidders. No contract resulting from acceptance of this Offer will become binding until this condition is fulfilled.

Each of the Bidders will use its best efforts to ensure that this condition is fulfilled as soon as possible after the date of lodgement of this Bidders' Statement with ASIC. The Bidders will, before this Offer is sent to you, apply to the Australian Treasurer for approval pursuant to the *Foreign Acquisitions and Takeovers Act 1975* (as amended).

(d) Prescribed Occurrences

None of the following events (each a '**Prescribed Occurrence**') happens between the date that this Offer was announced (namely 9 April 2001) and the end of the Offer Period:

- (i) the Trust converts all or any of its units into a larger or smaller number of units;
- (ii) the Trust resolves to distribute to its unit holders any of its capital in any way;
- (iii) the Trust enters into a redemption agreement or resolves to approve the terms of a redemption agreement for units in the Trust;
- (iv) the Trust issues units, or grants an option over its units, or agrees to make such an issue or grant such an option;
- (v) the Trust issues, or agrees to issue, convertible notes;
- (vi) the Trust disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) the Trust charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) the Trust resolves to be wound up;
- (ix) a court makes an order for the winding up of the Trust;
- (x) the Trust executes a deed of arrangement or other similar deed or arrangement compromising its debts; or
- (xi) a receiver, or other external administrator, is appointed in relation to the whole, or a substantial part, of the property of the Trust.

4.7 Application of conditions

No condition which applies to this Offer shall be taken to limit the meaning or effect of any other condition.

The condition relating to Foreign Investment Review Board approval (refer **section 4.6(c)**) is a condition precedent and cannot be waived by the Bidders. No contract resulting from acceptance of the Offer will become binding unless this condition is fulfilled.

Each of the other conditions which apply to this Offer is a condition subsequent and shall not prevent a contract to sell your units in the Trust resulting from acceptance of this Offer, but any breach or non-fulfillment of them shall entitle the Bidders, by notice in writing to you, to rescind a contract that results from your acceptance of this Offer as if that contract had not been formed.

Each of the conditions in each paragraph and each sub-paragraph which apply to this Offer shall constitute and be construed as a separate, several and distinct condition.

The Bidders alone shall be entitled to the benefit of the conditions which apply to this Offer and any breach or non-fulfillment of any such condition may be relied on only by the Bidders who may at any time and from time to time at their sole discretion waive (generally, or in respect of a particular event) the breach or non-fulfillment of any such condition (except for the condition relating to Foreign Investment Review Board approval - refer to **section 4.6(c)**).

Subject to the Corporations Law, the Bidders may at any time not less than seven days before the end of the Offer Period (or in the case of the Prescribed Occurrence condition (refer to **section 4.6(d)**), not more than 3 Business Days after the end of the Offer Period) (by notice in writing to the Trust) declare the Offer and all other Offers and all contracts resulting from acceptance of Offers to be free from any or all of the conditions (other than the condition relating to Foreign Investment Review Board approval – refer to **section 4.6 (c)**) to which this Offer relates. All contracts resulting from acceptance of the Offers, and all acceptances that have not resulted in binding contracts, will be automatically void if:

- (a) any of the conditions under **section 4.6** has not been fulfilled:
 - (i) except as provided in (ii) below, at the end of the Offer Period; or
 - (ii) in the case of the condition under **section 4.6(d)**, within 3 business days after the end of the Offer Period; and
- (b) the Bidders have not declared the Offers to be free from the condition in accordance with section 650F of the Corporations Law (as modified by ASIC – see **Appendix 2**).

The date for giving notice as to the status of the Offer conditions required by subsection 630(1) of the Corporations Law is **21 May 2001**, subject to variation in accordance with subsection 630(2) of the Corporations Law if the Offer Period is extended.

4.8 Effect of acceptance

By completing or initiating acceptance of this Offer through CHESS in accordance with **section 4.5(b)** or signing and returning an Acceptance Form in accordance with **section 4.5**, you will have:

- (a) accepted this Offer (and each variation of the Offer (if any) permitted by the Corporations Law) in respect of all of your units in the Trust and agreed to sell those units in the Trust to the Bidders;
- (b) subject to the Offer being declared free from the conditions set out in **section 4.6** or those conditions being fulfilled, agreed to transfer those units in the Trust to the Bidders in accordance with the terms set out in this Offer;
- (c) irrevocably authorised the Bidders (by their respective directors, servants or agents) to complete the Acceptance Form by inserting such details as are omitted and to rectify any errors in or omissions from the Acceptance Form (including, without limiting the generality of the foregoing, altering the number of units in the Trust stated to be held by you if it is otherwise than as set out in the Acceptance Form) as may be necessary to make the form an effective acceptance of this Offer or to enable registration of the transfer the relevant number of your units in the Trust to the Bidders;
- (d) represented and warranted to the Bidders that your units in the Trust for which you have accepted the Offer will, at the date of the transfer of them to the Bidders, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that you have full power and capacity to sell and to transfer your units in the Trust;
- (e) irrevocably appointed the Bidders and each of their respective directors, secretaries and officers severally as your attorney, with effect from the date that this Offer, or any contract resulting from acceptance of this Offer, becomes free from its conditions or such conditions are satisfied or waived, with power to do all things which you could lawfully do in relation to your units in the Trust or in exercise of any right derived from the holding of your units in the Trust, including (without limiting the generality of the foregoing):

- (i) attending and voting at any meeting of the unit holders of the Trust;
- (ii) demanding a poll for any vote to be taken at any meeting of the Trust;
- (iii) proposing or seconding any resolution to be considered at any meeting of the Trust;
- (iv) requisitioning the convening of any meeting of the unit holders of the Trust and convening a meeting pursuant to any such requisition;
- (v) notifying the Trust that your address in the records of the Trust for all purposes, including the despatch of notices of meeting, annual reports and distributions, should be altered to an address nominated by the Bidders;
- (vi) signing any forms, notices or instruments relating to your units in the Trust; and
- (vii) doing all things incidental or ancillary to any of the foregoing, and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of the Bidders as the intended registered holder and beneficial holder of your units in the Trust.

The Bidders will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might otherwise be incurred or undertaken as a result of the exercise by an attorney of any powers under this paragraph. This appointment, being given for valuable consideration to secure the interest acquired in your units in the Trust, is irrevocable, and terminates upon registration of a transfer to the Bidders of your units in the Trust;

- (f) irrevocably authorised and directed the Trust to pay the Bidders or to account to the Bidders for all Rights in respect of your units in the Trust subject, however, to any such Rights received by the Bidders being accounted for by the Bidders to you if this Offer is withdrawn or the contract formed by your acceptance of this Offer is rescinded or rendered void in accordance with **section 4.7**;
- (g) except where Rights have been paid or accounted for under (f) above, irrevocably agreed that you will owe as a debt to the Bidders the amount of all Rights referred to in (f) above or any amount equal to the value of those Rights as reasonably assessed by the Bidders (or, if there is a dispute, the Chairman of ASX or his nominee); and
- (h) notwithstanding the instructions in **section 4.5(b)**, if you signed the Acceptance Form in respect of any of your units in the Trust in a CHESS Holding, irrevocably authorised the Bidders:
 - (i) to instruct your CHESS Controlling Participant to initiate acceptance of the Offer in respect of all such units in the Trust in accordance with the SCH Business Rules; and
 - (ii) to give any other instructions in relation to those units in the Trust to your CHESS Controlling Participant on your behalf under the sponsorship agreement between you and the CHESS Controlling Participant.

4.9 The Bidders' obligations

- (a) Subject to **sections 4.9(c)** and **(d)** and to the Corporations Law, the Bidders will provide the consideration for your units by the end of whichever of the following periods ends earlier:
 - (i) one month after the Offer is accepted or, if the Offer is subject to a defeating condition when accepted, within one month after the Offer becomes unconditional; or
 - (ii) 21 days after the end of the Offer Period.

- (b) A cheque in Australian dollars for the cash amount to which you are entitled by accepting this Offer will be posted to you at your risk by ordinary mail at your address shown on the Acceptance Form;
- (c) Subject to **section 4.9(d)**, where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is given with your acceptance, the Bidders will provide the consideration in accordance with paragraph (a); or
 - (ii) if that document is given after acceptance and before the end of the Offer Period while the Offer is subject to a Defeating Condition, the Bidders will provide the consideration by the end of whichever of the following period ends earlier:
 - (A) within one month after the Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if that document is given after acceptance and before the end of the Offer Period while the Offer is not subject to a Defeating Condition, the Bidders will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) one month after that document is given; or
 - (B) 21 days after the end of the Offer Period;
 - (iv) if that document is given after the end of the Offer Period, the Bidders will provide the consideration within 21 days after that document is given; and
- (d) The Bidders may avoid any contract resulting from your acceptance of the Offer if the Bidders are not given all necessary transfer documents in respect of your units in the Trust within one month after the end of the Offer Period. For the avoidance of doubt all irregularities will not be deemed to have been resolved and all documents required to procure registration will not be deemed to have been received by the Bidders until all documents needed to irrevocably authorise and direct to the Bidders and to account to the Bidders for all Rights in respect of your units in the Trust have been received by the Bidders.

4.10 Foreign holders of units in the Trust

If you are resident in any place specified by the Australian Prudential Regulatory Authority as being a place in which a resident is not entitled to receive the consideration, in the absence of any necessary authority of the Australian Prudential Regulatory Authority and the Australian Taxation Office, acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until any necessary authority of the Australian Prudential Regulatory Authority and the Australian Taxation Office has been obtained by you.

4.11 Variation

The Bidders may at any time vary this Offer as permitted by the Corporations Law.

4.12 Costs and Expenses of the Offer

All costs and expenses of the preparation of the Bidders' Statement and of the preparation and circulation of the Offer, and all stamp duty payable on transfer of your units in the Trust in respect of which the Offer is accepted, will be paid by the Bidders.

5. IDENTITY OF THE BIDDERS AND DETAILS OF THEIR RELATIONSHIP

5.1 Bidders

The Bidders are:

- Warner Sea World Units Pty Ltd
(a wholly owned subsidiary of Time Warner Entertainment Company, L.P.); and
- DEG Holdings Pty Ltd
(a wholly owned subsidiary of Village Roadshow Limited).

5.2 Parent Entities

Time Warner Entertainment Company, L.P. ('TWE')

Warner Bros. is a division of TWE.

TWE is a Delaware limited partnership formed in 1992 to own and operate substantially all of the business of Warner Bros., Home Box Office and the cable television businesses owned and operated by Time Warner Inc. prior to such date.

TWE is approximately 75% owned by AOL Time Warner Inc., a major company listed on the New York Stock Exchange, and approximately 25% owned by MediaOne TWE Holdings, Inc., a subsidiary of AT&T Corp, also listed on the New York Stock Exchange.

TWE is engaged principally in three main areas:

- Cable, consisting principally of interests in cable television systems;
- Filmed entertainment, consisting principally of interests in filmed entertainment and television production; and
- Networks, consisting principally of interests in pay cable television programming and broadcast television networks.

TWE's Filmed Entertainment businesses produce and distribute theatrical motion pictures, television shows, animation and other programming, distribute home video products, license rights to TWE's programs and characters and operate motion picture theatres.

All of the previously specified filmed entertainment businesses are principally conducted by Warner Bros., as a division of TWE.

Further information about AOL Time Warner Inc. is available at its website www.aoltimewarner.com.

Village Roadshow Limited ('Village Roadshow')

Village Roadshow is an Australian public company listed on ASX with an equity market capitalisation as at 11 April 2001 of approximately \$540 million. Village Roadshow owns and operates a portfolio of complementary media and entertainment businesses. In addition to its interests in theme parks, Village Roadshow's businesses include:

- Film – the film division includes operations in cinema exhibition, movie production and movie distribution; and
- Radio – Village Roadshow is the majority shareholder in Austereo Group Limited, an Australian public company listed on ASX that owns the Triple M and Today national radio networks.

Further information on Village Roadshow is available at its website www.villageroadshow.com.au

5.3 Relationship between the Bidders

- **Bidders' acquisition of units in the Trust**

In July 1992 the Bidders acquired interests in the Trust from Pivot Group Limited which together represented approximately 66% of the total issued units in the Trust. At this time, the Bidders agreed to exercise the voting rights attached to their units as a voting block and also granted each other pre-emptive rights over their respective units. This agreement continues to be operative.

- **Bidding Agreement**

Immediately prior to the announcement of the intention to make a takeover offer, the Bidders entered into a Bidding Agreement. The Bidding Agreement is supplemental to, and not in replacement of, the Unitholders' Agreement entered into by the Bidders in July 1992.

The Bidding Agreement records the intention of the parties to make an off-market takeover offer for all issued units in the Trust and sets out the manner in which the parties will conduct the Offer. While the intention of the Bidding Agreement is that each Bidder, on successful completion of the Offer, will hold 50% of the Trust units, the Bidding Agreement provides that each Bidder will be jointly and severally liable for the purchase consideration due to accepting unit holders and for the expenses generally of the Offer. A summary of the Bidding Agreement is provided in Appendix 3.

As indicated above, the intention of the Bidders is that, on completion of the Offer, each Bidder will hold 50% of the Trust units. Accordingly, and subject only to the first 32,003 units acquired under the Offer being acquired by DEG Holdings Pty Ltd, all units acquired under the Offer will be acquired by one of the Bidders only on the basis that, on completion of the Offer, each Bidder will hold an equal number of units in the Trust. If, on completion of the Offer, the Bidders' combined unit holdings total an odd number of units, either one unit will be issued or one unit redeemed to achieve equal unit holdings for the Bidders.

6. BIDDERS' ENTITLEMENT TO UNITS IN THE TRUST

The total number of units in the Trust on issue as at the date of this Bidders' Statement is 208,002,863.

No securities other than ordinary units have been issued by the Trust.

As at the date of this Bidders' Statement and the Offer Date, each of the Bidders has a relevant interest in 142,296,337 units in the Trust. In the case of each Bidder, the relevant interests of the Bidder comprise a relevant interest in the units held by that Bidder and, as a consequence of the Unitholders' Agreement, a relevant interest in the units held by the other Bidder. In aggregate, the Bidders hold 142,296,337 units which represents a combined voting power (as at the date of the Bidders' Statement and the Offer Date) of 68.41% in the Trust.

Note: A director of DEG Holdings Pty Ltd and Village Roadshow Limited, Mr Peter Foo, is the holder of 138,611 units in the Trust. Neither Bidder has entered into any agreement, arrangement or understanding in relation to these units and these units are not included in the total number of units in respect of which either Bidder has a relevant interest.

7. DEALINGS IN TRUST UNITS

7.1 Dealings in previous four months

In the period of four months ending on the Offer Date neither of the Bidders nor any associate of either Bidder has:

- (i) provided, or agreed to provide, consideration for a unit in the Trust under a purchase or agreement; or
- (ii) accepted, or agreed to accept, consideration for a unit in the Trust under a sale or agreement.

7.2 Benefits to Trust Unit holders in the last four months

During the period of four months ending on the Offer Date neither of the Bidders nor an associate of either Bidder gave, offered to give or agreed to give a benefit to another person which was likely to induce the other person or an associate to:

- (a) accept the Offer; or
- (b) dispose of units in the Offer class (namely units in the Trust), which benefit was not offered to all unit holders.

8. FUNDING

8.1 Cash required if all Offers accepted

The consideration for the Offer and the acquisition of the units in the Trust to which the Offer relates will be satisfied in whole by the payment of cash. The maximum amount payable under the Offer to unit holders will be approximately \$47.3 million if the Bidders acquire all the units (other than the 68.41% of units already held by the Bidders).

As neither of the Bidders intends to accept the Offer in respect of the units held by them, the maximum amount likely to be payable under the Offer represents the amount that will be required to be paid if the Bidders acquire all the units other than those already held by them.

8.2 Sources of Cash

Each Bidder intends to fund acceptances under the Offer using cash obtained from within the corporate group of its Parent.

The funds available to each Bidder from this source are sufficient to fund acceptances under the Offer together with all transaction costs (including fees, expenses and duties relating to the acquisition of the units in the Trust).

8.3 Facility from the Parents to the Bidders

Each Bidder has a bid facility from its Parent under which its Parent has agreed to provide to the Bidder (by way of inter-company loan) such amounts as may be required by the Bidder to pay for the units in the Trust to be acquired by it (whether under the Offer or otherwise) and to pay its share of all fees, expenses and duties relating to the acquisition of units in the Trust.

There are no conditions precedent to the availability of the funds under the respective bid facilities other than the provision of a draw down notice which specifies the amount of the draw down.

The other material terms and conditions applicable to the bid facility (as set out in a letter between each Bidder and its Parent dated 12 April 2001) are:

- (a) Parent will ensure that the funds are available to the Bidder before the Bidder is required to pay for any units in the Trust to be acquired by it or to pay any fees, expenses and duties relating to the acquisition;
- (b) Parent will ensure that the funds remain available while the Bidder has any outstanding obligation to pay for units in the Trust to be acquired by it or to pay any fees, expenses and duties relating to the acquisition; and
- (c) the Bidder must repay the principal outstanding on the loan on demand by the Parent. However, the Parent cannot make a demand for repayment while the Offer remains open, or while the Bidder has any outstanding obligation to pay for units in the Trust acquired by it under the Offer or pursuant to an exercise of rights of compulsory acquisition of units in the Trust under the Corporations Law or any obligation to pay fees, expenses and duties relating to the acquisition.

8.4 Joint and Several Obligations

Whilst each Bidder is jointly and severally liable under any contracts formed on acceptance of the Offers, each Bidder and each Parent has a reasonable basis for expecting that the other Bidder (and its Parent) will meet its obligations arising under the Offer and any acceptances and contracts resulting from it.

9. BIDDERS' INTENTIONS REGARDING THE TRUST

9.1 Introduction

This **section 9** sets out the Bidders' intentions for the Trust and the Trust's businesses and assets on the basis of facts and information concerning the Trust which are known to the Bidders as at the date of this Bidders' Statement.

9.2 Compulsory acquisition

If the Bidders become entitled to acquire compulsorily units in the Trust under Part 6A.1 or Part 6A.2 of the Corporations Law (as a result of the acquisition of units in the Trust under the Offer or otherwise), they intend to exercise those rights and to have the Responsible Entity of the Trust apply for removal of the Trust from the official list of ASX.

9.3 Intentions for the Trust as an entity wholly owned by the Bidders

- (a) Consolidation of Ownership Structure

Warner Bros. and Village Roadshow will undertake a review of the Trust's structure and activities to determine how best their ownership interests in theme park investments in Australia can be consolidated and simplified.

- (b) Corporate and management functions of the Trust

If the Bidders complete compulsory acquisition of the minority interests, the Trust will cease to be required to be a registered managed investment scheme under Part 5C.1 of the Corporations Law. In those circumstances, the Bidders will consider changes to the constitution of the Trust and the function and responsibilities of the Responsible Entity which changes may include cessation of the Trust's status as a registered managed investment scheme and replacement of the Responsible Entity.

The Bidders will also review the roles of those employees currently employed by the Responsible Entity to support the Trust's status as a public listed trust and registered managed investment scheme. There may be redundancies of employees who cannot be otherwise employed in the management of the Trust or its operations.

The Bidders will also consider the removal of the existing independent directors of the Responsible Entity.

9.4 Intentions if the Bidders do not acquire 100% of the Trust

The Bidders' current intention is that they will not proceed with the Offer unless, during the Offer Period, the Bidders become entitled under section 661A of the Corporations Law to compulsorily acquire those units in the Trust in respect of which the Bidders do not receive valid acceptances (except for the units held by the respective Bidders).

If the Bidders free the Offer from the conditions of the Offer (except for the condition relating to Foreign Investment Review Board approval, which cannot be waived) but do not proceed to compulsory acquisition, the Bidders intend to pursue additional efficiencies in the conduct of the Trust's operations as set out above. However, the Bidders recognise that their ability to do so will be dependent on the level of their unit holding in the Trust and the circumstances at the time (including legal, regulatory and ASX requirements).

If required by law, the Bidders will seek any necessary approval of the remaining unit holders of the Trust to the implementation of those steps. Any steps to alter the structure of the Trust, its constitution or the role/functions of the Responsible Entity, or to replace the Responsible Entity or seek delisting of the units of the Trust, will depend on the spread of unit holders at that time, the Corporations Law and the listing requirements of ASX.

9.5 Other intentions

Subject to the foregoing, it is the present intention of the Bidders:

- (a) to continue the operations of the Trust;
- (b) not to make any major changes to the operation of the Trust or to redeploy any of the Trust's property;
- (c) not to remove the current Responsible Entity or appoint a new Responsible Entity; and
- (d) to continue the employment of the present employees of the Trust.

10. OTHER MATERIAL INFORMATION

There is no information material to the making of a decision by a person whether or not to accept the Offer, being information that is known to the Bidders and has not previously been disclosed to the holders of units in the Trust, other than as set out in section 10 of this Bidders' Statement.

10.1 Financial position of Trust

The Chairman of the Trust indicated in his address at the Annual General Meeting in March 2001 that year to date attendances at two of the Trust's three theme parks have shown an improvement on the prior corresponding period.

| Year to date attendances To February 28 (2 months) | 2001 | 2000 | % Change |
|---|-------------|-------------|---------------------|
| Sea World | 279,897 | 238,416 | 17% |
| Movie World | 217,174 | 241,140 | -10% |
| Wet'n'Wild | 222,461 | 149,523 | 49% |

The Chairman in his Annual General Meeting address noted that a number of factors have contributed to the strong year to date attendance levels. Some of the contributing factors highlighted by the Chairman include:

- "The bears are the obvious influence on Sea World."
- "Trading at Warner Bros Movie World has been more subdued. Numbers are below those of last year due to the overwhelming dominance of the bears in the domestic market."
- "Wet'n'Wild has benefited from a long, hot and largely dry summer."
- "We have just seen the best sustained period of summer theme park weather for a very long time."
- "The introduction of cheaper airfares on domestic routes within Australia which gave us a good holiday period."
- "Improving international visitor numbers to Australia following the Sydney Olympics."

As the operating performance of each of the parks impacts directly on the financial performance of the Trust, the improved attendance levels have contributed to year to date profit (per unaudited management accounts for the two months 28 February 2001), which is \$2.8 million higher than for the same period in the 2000 financial year. Full year reported profit in 2000 was \$13.8 million.

The improvement in the year to date results is partially attributable to factors that may not be sustainable throughout the year, including:

- the unusually good weather;
- increase in attendances at Sea World generated by the 26 December 2000 launch of the polar bears attraction at Sea World, which may abate over time particularly as the 'novelty value' declines and competitive theme parks introduce new attractions in a market which has been flat, or declining, for some years (see table below); and
- a reduction in advertising and promotions expenditure of approximately \$0.4 million compared to the same period in the 2000 financial year (per unaudited management accounts).

| Full Year Attendances | 2000 | 1999 | 1998 | 1997 | 1996 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Sea World | 1,180 | 1,157 | 1,195 | 1,349 | 1,404 |
| Movie World | 1,169 | 1,251 | 1,220 | 1,299 | 1,411 |
| Dreamworld ¹ | 1,037 | 1,100 | 1,114 | 1,118 | 1,014 |
| Subtotal | 3,386 | 3,508 | 3,529 | 3,766 | 3,829 |
| Wet'n'Wild ² | 576 | 555 | 541 | 508 | 486 |
| Total | 3,962 | 4,063 | 4,070 | 4,274 | 4,315 |

¹Dreamworld attendances relate to a June year end. Sea World, Movie World and Wet'n'Wild refer to a November year end (as reported in accordance with the Warner Bros. year end for this investment). They have been added for illustrative purposes.
²Wet 'n' Wild is separated from the other theme parks as its attendances are more heavily skewed towards domestic visitors.

Sources: Warner Village Theme Parks Management Accounts
Macquarie Leisure Trust Annual Reports

The Chairman of the Trust commented at the Annual General Meeting on other broader factors that may impact on Trust performance during 2001:

“Trading for the first quarter is up on last year but there is some way to go before the end of the year and with talk of economic downturns and the forthcoming federal elections, I would caution against getting carried away with year to date results. Suffice to say we expect 2001 profits to be stronger than last year and the last few years.”

Note: The full text of the address of the Chairman of the Trust to the Annual General Meeting of the Trust is set out in Appendix 1. For other information concerning the inclusion of the above statements in this Bidders' Statement, refer to section 11.3.

The Trust's latest annual report was despatched to unit holders on 28 February 2001. A copy of the annual report can be obtained by calling the Sea World Property Trust unit holder hotline on 1800 555 012.

10.2 ASX announcements made by the Trust

Copies of all announcements made by the Trust to ASX since 31 December 2000 which the Bidders consider to be material are contained in **Appendix 1**.

10.3 Modifications to Corporations Law

The Bidders have obtained from ASIC certain exemptions from, and modifications to, the Corporations Law under sections 655A, 669 and 673 of the Corporations Law:

- (a) to clarify the application of the definition of 'associates' under the Corporations Law;
- (b) to clarify that the events referred to in section 611(2)(d)(ii) of the Corporations Law may operate as conditions;
- (c) to confirm the payment obligations owed to persons who do not tender the necessary transfer documents at the time of acceptance to the general payment obligations under the Offer;
- (d) to permit the copy of this Bidders' Statement lodged with ASIC and given to the Trust and ASX to omit the names and addresses of Trust unit holders, the date of the Offers and dates that relate to, or depend on, that date;
- (e) to permit the copy of this Bidders' Statement lodged with ASIC and given to the Trust to omit details required to be disclosed under:
 - (i) section 636(1)(h) in relation to acquisitions or disposals of units in the Trust by the

- Bidders or their associates in the previous four months;
- (ii) section 636(1)(i) in relation to benefits to Trust unit holders in the previous four months;
 - (iii) section 636(1)(k)(ii) in relation to the Bidders' relevant interest in units of the Trust; and
 - (iv) section 636(1)(l) in relation to the Bidder's voting power in the Trust;
- for the period between the date of the Bidders' Statement and the Offer Date,
- (f) if the Offers are varied by improving the consideration, to entitle a person who has already accepted an Offer to receive that improved consideration within the same period as specified in the Offers;
 - (g) to enable the conditions expressed in section 650F of the Corporations Law to be satisfied within the time period specified in that section, even if that time is after the expiry of the Offer Period;
 - (h) to clarify the operation of section 650G of the Corporations Law insofar as it provides that takeover contracts and acceptances are void if defeating conditions remain unfulfilled and are not waived within the specified periods; and
 - (i) to clarify the operation of Parts 6A.1 and 6A.2 in the context of the joint Bid by the Bidders by modifying subparagraph 661A(1)(b)(ii) of the Corporations Law such that units in which the Bidders have a relevant interest at the date of the Offer are excluded from the securities for which the Bidders made an Offer to acquire under the Offer for the purposes of that subparagraphs; and
 - (j) to provide the Bidders with relief from the requirements of section 636(3) of the Corporations Law, which, subject to the conditions of that relief, permits the Bidders to include in the Bidders' Statement statements made, or based on, statements made in any announcement to the ASX by the Trust or any other person in relation to the Trust, its assets, operations or issued units.

Copies of the exemptions and modifications are attached as **Appendix 2**.

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

In this Bidders' Statement unless the context otherwise requires:

'Acceptance Form' means the form of acceptance and transfer enclosed with this Bidders Statement and which forms part of this Offer;

'ASIC' means the Australian Securities & Investments Commission;

'ASX' means the Australian Stock Exchange Limited;

'Bid' means the off-market bid constituted by the Offer;

'Bidders' means DEG Holdings Pty Ltd and Warner Sea World Units Pty Ltd and **'Bidder'** means either one of them (as the case may be);

'Bidding Agreement' means the agreement entered into by the Bidders on 7 April 2001, a summary of which agreement is set out in Appendix 3.

‘Business Day’ has the meaning given in the ASX Listing Rules;

‘CHESS Holding’ means a holding of units on the CHESS Subregister of the Trust (usually a CHESS holding will be through a Controlling Participant);

‘Controlling Participant’ means the broker or Non-Broker Participant in CHESS who is designated as the Controlling Participant for units in a CHESS Holding in accordance with the SCH Business Rules (eg your sponsoring broker). For non institutional unit holders, your Controlling Participant will normally be the broker through whom you either bought your units or through whom you ordinarily trade shares/units on ASX.

‘Defeating Condition’ means a condition that:

- (a) will, in the circumstances referred to in the condition, result in the rescission of, or entitle the Bidders to rescind, a contract; or
- (b) prevents a contract from resulting from an acceptance of the Offer unless or until the condition is fulfilled;

‘Issuer Sponsored Holding’ means a holding of units on the Trust’s issuer sponsored subregister (ie where there is no Controlling Participant);

‘Melbourne Time’ means Australian Eastern Standard Time;

‘Non Broker Participant’ means CHESS participants who are not brokers (eg. institutions, custodians, trustees, etc).

‘Offer’ means the offer contained in section 4.1 and ‘Offers’ has a corresponding meaning;

‘Offer Date’ means the date referred to in section 4.1(c);

‘Offer Period’ means the period referred to in section 4.4

‘Parent’ means, in the case of: DEG Holdings Pty Ltd, Village Roadshow Limited; and Warner Sea World Units Pty Ltd, Time Warner Entertainment Company, L.P.;

‘Prescribed Occurrence’ has the meaning given in section 4.6(d);

‘Public Authority’ means any government or any government, semi-government, statutory or judicial entity or authority, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute or any stock exchange;

‘Record Date’ means 19 April 2001.

‘Related Body Corporate’ has the same meaning in the Corporations Law;

‘Responsible Entity’ means the single responsible entity (within the meaning of that term in the Corporations Law) of the Trust, which entity is presently Sea World Management Limited;

‘Rights’ means all accretions and rights which accrue to or arise from units in the Trust after the date of lodgement of this Bidders’ Statement with ASIC, including all rights to receive distributions, to receive or subscribe for units, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by the Trust after that date;

‘SCH’ means the securities clearing house that administers the CHESS system in Australia;

‘SCH Business Rules’ means the rules of SCH;

‘Trust’ means the Sea World Property Trust established under a Trust Deed dated 27 November 1984 for a term of 80 years from that date (which Deed was replaced by a Constitution approved by the unit holders on 31 January 2000 and effective 12 May 2000);

‘Unitholders’ Agreement’ means the agreement entered into by the Bidders on 2 July 1992 relating to exercise of the certain rights and entitlements (including the right to vote and dispose of the units) attaching to the Trust units held by each of the Bidders;

‘unit holder’ means a holder of units in the Trust; and

‘units’ means fully paid ordinary units issued by the Trust.

11.2 Interpretation

In this Bidders’ Statement:

- headings are for convenience only and do not affect the interpretation of this Bidders’ Statement or the Offer;
- the singular includes the plural and vice versa;
- words importing a gender include all other genders;
- references to persons include corporations;
- references in this Bidders’ Statement to clauses, paragraphs and sections are to clauses, paragraphs and sections of this Bidders’ Statement;
- references to ‘dollars’ or ‘\$’ or ‘cents’ or ‘¢’ are to Australian currency;
- words or phrases to which a meaning is given by the Corporations Law, the ASX Listing Rules or the SCH Business Rules have the same meaning when used in this Bidders’ Statement, unless that meaning is inconsistent with the context in which the word or phrase is used; and
- annexures and appendices to this Bidders’ Statement form part of this Bidders’ Statement.

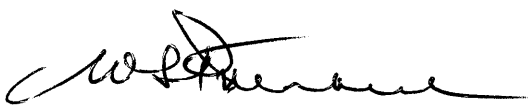
11.3 Statements of the Chairman of the Trust

In respect of the statements included in this Bidders’ Statement that are attributed to, or based on statements made by, the Chairman of the Trust, the Chairman has not consented to those statements being included in, or accompanying, the Bidders’ Statement in the form and context in which those statements are included.

The Bidders have obtained relief from the requirement of section 636(3) of the Corporations Law (as set out in Appendix 2) permitting them to include the statements of the Chairman of the Trust, or statements based on those statements, in the Bidders’ Statement without first obtaining the consent of the Chairman of the Trust.

DATED: 12 April 2001

Signed on behalf of each Bidder pursuant to resolutions of the respective boards of directors of the Bidders, which resolutions are dated 12 April 2001.



W S Prentice
Director
Warner Sea World Units Pty Ltd



P S Leggo
Director
DEG Holdings Pty Ltd

APPENDIX 1

TRUST'S ANNOUNCEMENTS TO ASX AFTER 31 DECEMBER 2000



ANNUAL GENERAL MEETING ADDRESS TO UNITHOLDERS OF SEA WORLD PROPERTY TRUST

Comments made by Mr Terry Jackman, the Chairman of Sea World Management Limited at today's Annual General Meeting of Sea World Property Trust unitholders are reported below for release to the market.

Results for the Year Ended 31 December 2000

Mr Jackman advised the unitholders that the 2000 operating profit was largely in line with the previous year at around \$14 million. Pleasingly the distribution to unitholders at 6.1 cents per unit was 9% higher than that of the previous year of 5.6 cents. As detailed in our review of operations our three theme park properties entertained close to 3 million visitors over the course of the last year. The strength of Sea World, Warner Bros. Movie World and Wet 'n' Wild lies in the different experiences available at each of them central to the core themes of marine mammals, movies and interactive water rides.

Accounts

The accounts also show that we are beginning to deliver on our promises of savings for management of the Trust's affairs following the replacement of the previous independent trustee with Sea World Management Limited's appointment as Responsible Entity. Our expenses in this area are down some \$160,000 for the year although our legal costs were still high with some compliance costs still being incurred in the lead up to and following the change on 12 May 2000.

Also disclosed in the accounts is the impact of the June 2000 independent valuation of assets which saw a drop in our asset value of some \$37.5 million. This reduction in value of our properties and our 50% investment of Sea World Nara since the earlier 1997 independent valuation can be largely attributed to the decline in attendances arising from the Asian economic crisis - 250,000 down. As at the end of the year the net tangible asset backing stands at \$0.96 down from \$1.14 in the previous year.

Challenges

Last year also brought with it a number of one-off challenges in a difficult year including:

- Y2K
- GST
- The Olympics which although good for Sydney was disastrous for the local market but in the longer term should prove positive
- The ongoing construction of the highway.

None of these challenges are present in 2001 and so we look forward to a less eventful and perhaps better year. Certainly those of you who travelled down from Brisbane this morning will have experienced first-hand the benefits from the new highway and this is manifested in strong local attendances in the first quarter.

Trading

Whilst the front cover of the report features Sea World's new attraction, Polar Bear Shores, the facility only opened on 26 December and so the real impact was not reflected in last year's results.

However, trading over the peak summer season has been very encouraging with strong gains over the previous year, particularly from Sea World and Wet 'n' Wild. The bears are the obvious influence on Sea World. Wet 'n' Wild has benefited from a long, hot and largely dry summer which maximised the attendance draw from the new Mammoth Falls slides which opened in September last year. For those of you who have not been to Wet 'n' Wild in the last 10 years, I strongly recommend it.

Trading at Warner Bros. Movie World has been more subdued. Numbers are below those of last year due to the overwhelming dominance of the bears in the domestic market. We are confident that we will come in on budget by the end of the year.

Benefits

We are seeing benefits from:

- the introduction of cheaper airfares on domestic routes within Australia which gave us a good holiday period; our numbers from South Australia for example have increased and this is reflected in the increase in the strong traffic at Brisbane airport which we hope will continue; and
- improving international visitor numbers to Australia following the Sydney Olympics. Although recovery is patchy, we believe these numbers are on the way back and have a long way to go to reach pre-Asian crisis levels. Japanese numbers are still a problem due to their economy and competition with other locations.

Whilst last year presented unprecedented challenges, likewise we have just seen the best sustained period of summer theme park weather for a very long time. Trading for the first quarter is up on last year but there is some way to go before the end of the year and with talk of economic downturns and the forthcoming federal elections, I would caution against getting carried away with year to date results. Suffice to say, we expect 2001 profits to be stronger than last year and the last few years.

T Jackman

Chairman - 27 March 2001

The only other material announcements of the Trust to ASX since 31 December 2000 relate to notification of the resignation of Mr Stephen Ross as a director of Sea World Management Limited and confirmation to the ASX of the approval of the unit holders of the resolution that the financial report, directors' report and independent audit report be approved, which resolution was put to unit holders of the Trust at the Annual General Meeting of the Trust on 27 March 2001.

APPENDIX 2

ASIC INSTRUMENTS

Australian Securities And Investments Commission Corporations Law - Subsections 655A(1), 669(1) and 673(1) - Declarations

Pursuant to subsections 655A(1), 669(1) and 673(1) of the Corporations Law (**‘the Law’**) the Australian Securities and Investments Commission (**‘ASIC’**) declares that Chapters 6, 6A and 6C of the Law apply in relation to the persons specified in Schedule A in relation to the class of securities specified in Schedule B for the period of 6 months after the date of this instrument as if:

1. the definition of ‘associate’ in section 9 was modified by:
 - (a) omitting the words:
‘The following are the associates of a bidder making a takeover offer, a substantial holder or a 90% holder’
and substituting the following:
‘when used in relation to a person in Chapters 6, 6A and 6C means’;
 - (b) replacing the references to ‘bidder or holder’ with the word ‘person’ wherever they appear; and
 - (c) replacing the references to ‘a person’ in paragraphs (b) and (c) with the words ‘another person’;
 - (d) inserting after paragraph (c) the sentence: ‘But another person is not an associate of the person merely because of one or more of the circumstances in paragraphs 16(1)(a) to (d).’;
2. subsection 10(1) was modified or varied by omitting the word ‘This’ and substituting ‘Unless the definition of associate in section 9 applies, this’;
3. subsection 10(2) was omitted; and
4. subsection 12(1) was omitted.

SCHEDULE A

Any person having a relevant interest in ordinary units in Sea World Property Trust
ARSN 092 492 094.

SCHEDULE B

Ordinary units in the Sea World Property Trust ARSN 092 492 094.

Dated this 12th day of April 2001

Signed:

Gadi Bloch, as a delegate of the Australian Securities and Investments Commission

**Australian Securities & Investments Commission
Corporations Law - Subsection 655A(1) - Exemption**

Pursuant to subsection 655A(1) of the Corporations Law (**'the Law'**) the Australian Securities and Investments Commission (**'Commission'**) hereby exempts the persons specified in Schedule A from subsection 636(3) of the Law in the case referred to in Schedule B on the conditions specified in Schedule C in relation to a statement which is included in, or accompanies, the Bidders' Statement referred to in Schedule B (**'Bidders' Statement'**), where the statement was made in an announcement to the Australian Stock Exchange Limited.

SCHEDULE A

DEG Holdings Pty Ltd ACN 003 124 221 and Warner Sea World Units Pty Ltd ACN 056 225 015 (**'Bidders'**) and the directors of the Bidders.

SCHEDULE B

The takeover bid by the Bidders for all of the ordinary units in Sea World Property Trust ARSN 092 492 094 in respect of which a Bidders' Statement is to be lodged with ASIC on or about the date of this instrument.

SCHEDULE C

1. The Bidders' Statement either:
 - (a) informs people of their right to obtain a copy of an announcement referred to in this instrument; or
 - (b) includes a copy of the announcement.
2. If the Bidders' Statement informs people of their right to obtain a copy of an announcement, the Bidder gives a copy of the announcement free of charge to anyone who asks for it during the offer period.
3. The Bidders' Statement states that a person who has made a statement referred to in this instrument has not consented to the statement being included in, or accompanying, the Bidder's Statement in the form and context in which it is included.

Dated this 12th day of April 2001.

Signed:

Gadi Bloch, a delegate of the Australian Securities and Investments Commission

**Australian Securities And Investments Commission
Corporations Law - Subsection 669(1) - Declaration**

Pursuant to subsection 669(1) of the Corporations Law (**'the Law'**) the Australian Securities and Investments Commission (**'ASIC'**) declares that Chapter 6 of the Law applies to the person specified in Schedule A in the case specified in Schedule B as if subparagraph 661A(1)(b)(ii) of the Law were modified or varied by inserting after the word 'bid' where first occurring the words:

'excluding from the securities for which the bidder made an offer to acquire under the bid any securities in which the bidder had a relevant interest at the date of the offer.'

SCHEDULE A

DEG Holdings Pty Ltd ACN 003 124 221 and Warner Sea World Units Pty Ltd ACN 056 225 015 (**'Bidders'**).

SCHEDULE B

The takeover bid by the Bidders for all of the ordinary units in Sea World Property Trust ARSN 092 492 094 in respect of which a Bidders' Statement is to be lodged with ASIC on or about the date of this instrument.

Dated this 12th day of April 2001

Signed:

Gadi Bloch, as a delegate of the Australian Securities and Investments Commission

Australian Securities & Investments Commission
Corporations Law - Subsection 655A(1) - Declaration

Pursuant to subsection 655A(1) of the Corporations Law (**‘the Law’**) the Australian Securities and Investments Commission (**‘Commission’**) declares that Chapter 6 of the Law applies to the person specified in Schedule A in the case referred to in Schedule B as if:

1. item 2(d)(ii) of section 611 was omitted and the following paragraph substituted:
 - ‘(ii) subject only to one or both of the following:
 - (A) any conditions that relate only to the occurrence of an event or circumstance referred to in subsection 652C(1) or (2);
 - (B) the condition referred to in paragraph 625(3)(c)’
2. item 3(d)(ii) of section 611 was omitted and the following paragraph substituted:

‘(ii) subject only to any conditions that relate only to the occurrence of an event or circumstance referred to in subsection 652C(1) or (2).’
3. paragraph 617(2) was modified by omitting the words:

‘the bid may extend to securities that come to be in the bid class during the offer period due to a conversion or exercise of the rights.’

and substituting the words:

‘the bid may extend to securities that come to be in the bid class during the period from the date set by the bidder under subsection 633(2) to the end of the offer period due to a conversion or exercise of the rights.’
4. subsection 619(3) were modified or varied by:
 - (a) in paragraph (a), omitting the words ‘foreign holders’ and substituting the words ‘all foreign holders, or certain foreign holders specified in the bidder’s statement,’; and
 - (b) in subparagraph (b)(i), omitting the words ‘foreign holders’ and substituting the words ‘those foreign holders referred to in paragraph (a)’.
5. paragraph 620(2)(b) was omitted and the following paragraph substituted:

‘(ba)if the bidder is given the necessary transfer documents after the acceptance and before the end of the bid period and the offer is subject to a defeating condition at the time that the bidder is given the necessary transfer documents - by the end of whichever of the following periods ends earlier:
 - (i) within one month after the takeover contract becomes unconditional;
 - (ii) 21 days after the end of the offer period; or

(bb) if the bidder is given the necessary transfer documents after the acceptance and before the end of the bid period and the offer is unconditional at the time that the bidder is given the necessary transfer documents - by the end of whichever of the following periods ends earlier:
 - (i) one month after the bidder is given the necessary transfer documents;
 - (ii) 21 days after the end of the offer period; or’

6. paragraph 620(2)(c) was modified by adding at the end of the paragraph the following words:
‘but if at the time the bidder is given the necessary transfer documents the takeover contract is still subject to a condition which relates to the occurrence of an event or circumstance referred to in subsection 652C(1), 652C(2) or 625(3)(c), within 21 days after the takeover contract becomes unconditional.’
7. subsection 625(3) was modified by adding at the end of the subsection the following words:
‘The condition referred to in this subsection is not a defeating condition.’
8. items 2, 3 and 5 of the table contained in subsection 633(1) were modified by adding at the end of the entry in the left hand column for each item the following words:
‘The bidder’s statement and offer document need not include the name and address of the holders of bid class securities, the date of the proposed offer or any other date that is related to or dependent on that date, or the details referred to in subparagraphs 636(1)(k)(ii) and 636(1)(l)(ii) or details of transactions required to be disclosed under subparagraphs 636(1)(h) and 636(1)(i) from the period between the date of the bidder’s statement and the date of the bid.

If this information is not included in the bidder’s statement and offer document, the bidder must:

- include this information in the bidder’s statement and offer document sent under item 6; and
 - send to the target a copy of the bidder’s statement sent under item 6.’
9. paragraph 630(4) was modified by omitting the words ‘publishing’ and ‘publish’ and substituting in their place ‘giving’ and ‘give’ respectively;
 10. paragraph 636(1)(j) was modified by omitting the words ‘during the offer period’ and substituting ‘during the period from the date set by the bidder under subsection 633(2) to the end of the offer period’;
 11. paragraph 636(1)(k) was modified by the insertion of the following subparagraph after subparagraph 636(1)(k)(ii):
‘(iii) the number of securities in the class that the bidder had a relevant interest in immediately before the bidder’s statement is lodged with ASIC (expressed as a number of securities or as a percentage of the total number of securities in the class)’.
 12. paragraph 636(1)(l) was omitted and the following paragraph substituted:
‘(l) for an off-market bid - the bidder’s voting power in the target:
 - (i) as at the date of the bidder’s statement; and
 - (ii) as at the date immediately before the first offer is sent.’
 13. subsection 650B(2) was modified by omitting the words:
‘The person is entitled to receive the improved consideration immediately, or immediately after the exercise of the election.’
and substituting the following:
‘The person is entitled to receive the improved consideration immediately, except:
 - (a) if the time for payment of the consideration in accordance with subsection 620(2) has not yet occurred, the person is not entitled to receive the improved consideration until that time;

- (b) if the person has to make an election before being entitled to the improved consideration, the person is not entitled to receive the improved consideration until the later of:
 - (i) the time when the person makes the election and returns any consideration under s651B(2);
 - (ii) the time applicable under paragraph (a).'
- 14. the first sentence of paragraph 650C(2) was omitted and the following sentence substituted:

'If the bid is subject to a defeating condition, the bidder may only extend the offer period after the notice under subsection 630(3) has been given if one of the following happens after the notice has been given:'.
- 15. paragraph 650F(1)(a) was omitted and the following paragraph substituted:

'(a) if the condition relates only to the occurrence of an event or circumstances referred to in subsection 652C(1) or (2) - not later than 3 business days after the end of the offer period; or'
- 16. paragraph 650G(b) was omitted and the following paragraph substituted:

'(b) the bidder has not declared the offers to be free from the condition in accordance with section 650F.'
- 17. paragraph 650G(c) was omitted and the following paragraph substituted:

'(c) the condition has not been fulfilled:
 - (i) except as provided in subparagraph (ii), at the end of the offer period; or
 - (ii) in the case of an event or circumstance referred to in subsection 652C(1) or (2), within 3 business days after the end of the offer period.'

SCHEDULE A

DEG Holdings Pty Ltd ACN 003 124 221 and Warner Sea World Units Pty Ltd ACN 056 225 015
(**'Bidders'**)

SCHEDULE B

The takeover bid by the Bidders for all of the ordinary units in Sea World Property Trust ARSN 092 492 094 in respect of which a bidders statement is to be lodged with ASIC on or about the date of this instrument.

Dated this 12th day of April 2001

Signed:

Gadi Bloch, as a delegate of the Australian Securities and Investments Commission

APPENDIX 3

SUMMARY OF BIDDING AGREEMENT

Immediately prior to the lodgement of this Bidders' Statement with ASIC, the Bidders entered into an agreement. Set out in the following paragraphs is a summary of that agreement.

(a) Agreement

The Bidding Agreement between the Bidders is dated 7 April 2001.

(b) Background

The Bidders are parties to a Unitholders' Agreement dated 2 July 1992 which governs the exercise of the rights attached to and the disposal of all units in the Trust held by them from time to time.

(c) Conduct of the bid

The Bidding Agreement records the intention of the parties to make an off-market bid for all issued units in the Trust and sets out the manner in which the parties will conduct the bid, including:

- (i) the bid structure;
- (ii) the terms of the bid;
- (iii) any alteration to or termination of the bid;
- (iv) the source of funding to satisfy the bid consideration; and
- (v) the responsibilities of the parties and other administrative matters relating to the conduct of the bid.

(d) Objective

- (i) The key objective for the parties recorded in the Bidding Agreement is to conduct the off-market bid such that each bidder, on completion of the bid, holds 50% of all issued units in the Trust. If, upon completion of the bid, the Bidders have not obtained acceptances for 100% of all issued units in the Trust, but have received sufficient acceptances in order to conduct compulsory acquisition pursuant to Chapter 6A of the Corporations Law, the parties agree to proceed to implement the procedure set out in that Chapter in order to obtain full ownership of the Trust.
- (ii) As indicated above, the intention of the Bidders is that, on completion of the Bid, each Bidder will hold 50% of the Trust units. Accordingly, and subject only to the first 32,003 units acquired under the Bid being acquired by DEG Holdings Pty Ltd, all units acquired under the Bid will be acquired by one of the Bidders only on the basis that, on completion of the Bid, each Bidder will hold an equal number of units in the Trust.
- (iii) The agreement sets out the primary terms which are reflected in the Bidders' Statement and the Offer (including that the bid will be open for one month unless an extension of the bid is agreed by both parties).

(e) Exclusivity

Until termination of the Bidding Agreement, each Bidder undertakes that it will not enter into negotiations with, or make any commitment to, any person in respect of the making of any competing bid for the acquisition of the Trust.

(f) Termination

The Bidding Agreement will immediately terminate:

- (i) by mutual agreement in writing by the parties;
- (ii) upon a defeating condition of the bid arising and the bid being withdrawn; or
- (iii) upon successful completion of the bid including (if applicable) compulsory acquisition of all outstanding units in the Trust.

DIRECTORY

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Legal Advisor to the Offer

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**IF YOU HAVE ANY QUESTIONS REGARDING THE OFFER OR HOW
TO ACCEPT, PLEASE CALL THE SEA WORLD UNIT HOLDER
HOTLINE ON 1800 555 012**

**FOR QUESTIONS REGARDING YOUR UNIT HOLDING, PLEASE CALL
THE TRUST UNIT REGISTRY – COMPUTERSHARE INVESTOR
SERVICES PTY LIMITED ON (07) 3237 2173**