



22 April 2008

## ORDINARY SHARE ON-MARKET BUY BACK

Village Roadshow Ltd ("ASX: VRL") today announced that it will undertake an on - market buy back of up to 10% of its issued Ordinary Share Capital (14.1 million Ordinary shares). In January 2008, VRL completed an on - market buy back of 10% of its issued A Class Preference shares and on 28 February, 2008 VRL confirmed its intention to commence a buy back of Ordinary shares in late April, 2008.

The buy back announced today will be funded utilising current cash reserves and undrawn debt facilities. Based on the closing price of VRL's Ordinary shares on the ASX on 21 April, 2008 of \$2.56, a buy back of 14.1 million Ordinary shares at this price will cost VRL approximately \$36.1 million.

There is an 'interest cost' related to either cash used for the buy back that would otherwise have been earning interest, or debt used to fund the buy back. This 'interest cost' is not expected to exceed (on an after tax basis), \$2.2 million on an annualised basis.

Subject to the risks associated with VRL's businesses and operations, the Independent Directors believe that the only material effect on VRL's financial position as a result of the proposed buy back will be this 'interest cost' and a reduction in net equity of an amount expended by VRL in undertaking the buy back (i.e. a reduction in net equity of approximately \$36.1 million).

The Independent Directors do not believe that there will be any material adverse effect on the prospects of VRL arising from the proposed buy back of Ordinary shares. Further, this positive use of capital will not preclude VRL from taking advantage of appropriate opportunities in the entertainment industry, should they arise.

Village Roadshow Corporation Pty Ltd ("VRC") currently holds approximately 56.4 % of the Ordinary shares in VRL. VRC has advised VRL that it may participate in the buy back up to a maximum of 56.4 % of the Ordinary shares bought back. In the event that 14.1 million Ordinary shares are bought back and VRC sells approximately 8 million Ordinary shares (i.e. 56.4 % of 14.1 million), VRC's relevant interest in VRL's Ordinary shares will remain at approximately 56.4 %.