



24 October, 2006

CHAIRMAN'S ADDRESS TO GENERAL MEETING

As shareholders will be aware, the Company has bought out the Warner Bros. and Nara investors in the various theme parks and hotel interests located on the Gold Coast in Queensland.

A subsidiary within the theme parks division of the Company proposes to borrow up to \$350 million on a limited recourse basis which is only secured against the assets of the Village Roadshow theme park division.

A facility agreement is being negotiated with a syndicate of financial institutions, led by the ANZ, which has as one of its requirements that all relevant companies in the theme park group grant cross guarantees and security to the banking syndicate.

As the provision of such security by these theme park subsidiaries may constitute "financial assistance" for the purposes of section 260A of the Corporations Act, the banking syndicate requires that the Company seeks formal approval from its shareholders under the available procedures in the Act.

The granting of the 'financial assistance' by each of the theme park group companies is unanimously recommended by the directors of the Company who recommend that shareholders vote in favour of the resolution as set out in the notice of meeting and in the accompanying explanatory memorandum.