

**CHAIRMAN'S ADDRESS TO
VILLAGE ROADSHOW LIMITED
ANNUAL GENERAL MEETING**

25 NOVEMBER, 2005

Ladies & Gentlemen, let me now take this opportunity to give you a summary of the year and current trading and activity in your company.

Our net profit for the year was \$40.7m which was which was down from \$52.2m the previous year. However, total earnings per share increased 5% largely due to the ongoing restructure of our share capital base. This is also reflected in a very pleasing market re-evaluation of Village Roadshow and significantly increased preference and ordinary share prices.

As announced last week, this successful process of share capital restructure will continue with a proposed 10% on-market buy back of ordinary shares. We have also announced a fully franked special dividend of 10.175¢ on preference shares and 7.175¢ on ordinary shares, which will be in your hands next week.

These initiatives are now appropriate because of the strength of the Village Roadshow balance sheet and particularly our current levels of cash reserves.

Let me briefly reflect on the status of each of our businesses.

Cinema exhibition we often call our foundation business; our historical base. We have seen many cycles of challenge and opportunity over the years and certainly this last year has been tough. We know piracy is undermining our cinema market and exacerbated by a disappointing run of film product. We expect a significant up-lift in cinema with the release of very strong summer product, headlined by *KING KONG* and *HARRY POTTER*; followed later in the financial year by the *DA VINCI CODE*, *THE PIRATES OF THE CARRIBEAN 2*, etc.

We remain committed to the future of cinema, especially true entertainment destinations, such as our two new Village World complexes opening in Greece this month. These incorporate Gold Class, art cinemas, Village Bowling and Cafes. We are also actively exploring the opportunity to expand stand alone Gold Class Cinemas. Into the next 3 to 5 years cinema will finally enter the digital age and we will adjust and adapt to these new economics and opportunities.

Film distribution has had a stellar year driven by the DVD phenomenon. Whilst this growth will level out as penetration peaks, it is still impressive. Roadshow is committed to the new avenues of film exploitation; particularly video on demand.

Under Roadshow we are also looking at expanding opportunities in Australian film production. It is our belief that a properly funded Australian film production company that manages the risk reward ratio appropriately, can be very successful. A number of important projects are already under consideration.

In film production we have begun a strategic partnership with the Crescent Group. Your board is confident this fundamental restructure will create new and dynamic opportunities for this successful business.

We are currently investigating an expansion of our production financing as well as looking at the area of lower budget films applying the same portfolio approach.

We have recently enjoyed the world wide success of *CHARLIE AND THE CHOCOLATE FACTORY*, which has grossed \$480m in box office takings so far.

The theme parks are undergoing a transformation. Here at Warner Bros. Movie World the Shrek 4D film and the sensational Superman Coaster (opening in December) will give this park a massive boost in 2006. Wet'n'Wild is already Australia's largest water park, and our recent enormous investment in the world's best new rides and facilities will ensure its continued growth.

An exciting and most eagerly awaited night-time attraction, the Australian Outback Spectacular, is expected to open in April next year. This venture has been on the drawing board for some 8 years. While it will appeal to a large number of international visitors as a quintessential Australian experience, surveys of the domestic market indicate even stronger potential visitation by Australians. I am sure you, our shareholders, will enjoy and be proud of this Australian entertainment experience.

We are also looking to take our successful format to the international world and are exploring a number of opportunities off shore, including Singapore and Athens. In fact I am pleased to announce that we are one of only four companies on the Government short list for the next phase of the Athens tender.

Radio has continued to trade with strength in a very complex competitive market. The current ratings are excellent and it is particularly pleasing we have retained dominance in the revenue critical market of Sydney. Austereo has reinforced its national leadership attracting the largest radio audiences Australia wide.

Finally, on a routine corporate governance matter, let me note that the Company has changed the scope of its "close window" trading period for shares for directors and executives of the Company to one month. This updates our policy as reflected on page 39 of the Annual Report and is considered an acceptable and appropriate limit without being unduly restrictive. Of course, all directors and "designated officers" will continue to be subject to the Company's mandatory practice of not trading in the Company's shares when they are potentially in possession of materially price sensitive information. The revised text of this policy will be put up on our website in the usual manner.

Ladies & Gentlemen, your Village Roadshow now faces the future with optimism and opportunity. We know intimately the challenges of our businesses; we know our assets and strengths. We have the best and absolutely world class people within our group. Our clear focus is on the next five years. Watch this space and you will see new engines of growth driving the value of Village Roadshow forward.