

24 September 2004

**SALE OF INTEREST IN EYE SHOP
FURTHER FILM PRODUCTION UPDATE – YEAR ENDING JUNE 2005**

Village Roadshow Limited today announced the sale of its 50% interest in the mall advertising business Eye Shop to its joint venture partner Network Ten for \$14.9m. The Company will realise a pre-tax profit of \$7.7m on the sale.

As announced on 3 August 2004, although the initial North American results for *CATWOMAN* were below expectations, the Company believed that the film's performance outside of North America would be stronger and closer to its expectations.

Unfortunately, following the release of the film in its 9th major international territory on the weekend, it would now appear highly likely that the film's performance outside of North America will be below the Company's expectations and more in line with the North American results.

As a result, the Company believes, based on its estimates, that this negative performance will reduce expected film exploitation profits recognised for the 2005 financial year.

As previously advised, the Company estimates the performance of its film portfolio, based on historical data, predicated on some movies being successful and others less successful. The Company now believes that the forthcoming potential successful releases in the next 12 months including *OCEANS 12*, *MISS CONGENIALITY - ARMED & FABULOUS*, *CONSTANTINE*, *CHARLIE AND THE CHOCOLATE FACTORY* and *HOUSE OF WAX* will be insufficient to cover the negative financial performance of *CATWOMAN*.

Further, as advised in its 3 August announcement, if these future films do not perform to our budget expectations, the results for the 2005 financial year could be further affected by losses materialising from exploitation.

The Company advises that the profit realised on the sale of Eye Shop has substantially offset the expected negative effect of the performance of *CATWOMAN* for the 2005 financial year.

As a result, the Company confirms that its estimate of the Group's net profit after tax for the year ending 30 June 2005 remains approximately A\$45m.

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