

18 February 2011

GENERAL MEETING OF SHAREHOLDERS

Village Roadshow Limited (VRL) today announced that a Notice of General Meeting, Explanatory Statement and proxy form will be sent to shareholders on Monday 21st February 2011.

The General Meeting of shareholders will be held on Thursday 24 March, 2011 at Cinema No. 11, Village Cinemas Jam Factory, 500 Chapel Street, South Yarra, Victoria at 10.00 a.m. AEDT.

The purpose of the meeting will be to seek shareholder approval for:

1. adoption of a new constitution; and
2. a Non-executive Directors Share Plan.

The new constitution will incorporate current legislative and Australian Securities Exchange Listing Rule requirements and reflect current principles of corporate governance.

The Non-executive Directors Share Plan will allow non-executive directors to receive VRL shares in lieu of directors' fees.

Details of the proposals are set out in the enclosed Notice of General Meeting and Explanatory Statement.



This is an important document and requires your attention

If you are in doubt how to deal with it, please consult your financial or other professional adviser.

Notice of General Meeting and Explanatory Statement

Village Roadshow Limited ABN 43 010 672 054

Date: 24 March 2011

Time: 10.00am AEDT

Location: Cinema No. 11, Village Cinemas Jam Factory, 500 Chapel Street,
South Yarra, Victoria

In this document you will find:	Page No.
• A letter from the Chairman recommending how you should vote.	4
• A notice of general meeting.	8
• An explanatory statement containing an explanation of, and information about, the resolutions set out in the accompanying notice of general meeting.	11

Enclosed separately is a proxy form with attendance and registration details.

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Important Dates

Date of this booklet	21 February 2011
Last time by which proxy forms for the General Meeting can be lodged	10.00am AEDT on Tuesday, 22 March 2011
General Meeting	10.00am AEDT on Thursday, 24 March 2011

Important Notice

General

You should read this booklet in its entirety before making a decision on how to vote on the resolutions set out in the Notice of General Meeting. The Notice of General Meeting is contained on page 8 and the Explanatory Statement on page 11. A proxy form for this meeting is enclosed with this document.

Defined terms

Capitalised terms in this document are defined either in the Glossary on page 6 or where the relevant term is first used.

Purposes of the Explanatory Statement

The purposes of the Explanatory Statement are to:

- (a) explain the terms and effect of each proposal to Shareholders;
- (b) explain the manner in which each proposal is to be considered and, if approved, implemented; and
- (c) provide such information as is prescribed by the Corporations Act, Corporations Regulations and ASX Listing Rules or as is otherwise material to the decision of Shareholders whether to pass the resolutions.

Investment decisions

This document does not take into account the investment objectives, financial situation or particular needs of any Shareholder or any other person. This document should not be relied on as the sole basis for any investment decision in relation to Shares. Independent advice should be sought before making any decision in relation to Proposals. VRL is not licensed to provide financial product advice in relation to its shares or any other financial products.

Forward looking statements

Certain statements in this document relate to the future. Such statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of VRL to be materially different from expected future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties and other important factors include among other things, general economic conditions, specific market conditions, exchange rates, interest rates and regulatory changes. These statements reflect the expectations of relevant parties' views only as of the date of this document.

Letter to Shareholders



Web Site: www.villageroadshow.com.au

Dear Shareholder

As announced to ASX on 18 February 2011, VRL has called a general meeting of its shareholders to consider the following 2 proposals:

- (a) the adoption of a new constitution; and
- (b) the introduction of a share plan for non-executive directors under which they may sacrifice all or part of their directors' fees towards the acquisition of fully paid ordinary shares in VRL.

New constitution

The recent elimination of VRL's preference shares as a separate class affords an opportunity for VRL to update its constitution.

The existing constitution of VRL dates from 1996. Since that time there have been significant developments in corporations legislation and principles of corporate governance.

As a result, VRL considers that it is now an opportune time to repeal and replace the constitution with a modern document.

Non-executive Directors' Share Plan

VRL proposes the establishment of the Plan to enable those of its non-executive directors who wish to, to acquire shares by way of sacrifice of all or part of their directors' fees.

Shares will be acquired by way of issue or on-market purchase co-ordinated by VRL. Any shares that are issued will be issued at a 5 day VWAP over the first 5 ASX trading days in the third month of each quarter, starting the quarter ending 31 March 2011.

Any shares purchased on behalf of Participants (rather than issued) will be purchased on-market and allocated to Participants on an average purchase price basis.

As the Plan will be a fee-sacrifice arrangement it does not involve any increase in the remuneration to be provided to VRL's non-executive directors.

General Meeting

Enclosed with this letter are documents setting out details of the two proposals. A meeting of Shareholders has been called for 24 March 2011 to approve the proposals.

You are urged to consider all of this material carefully, determine how you wish to vote and cast your vote accordingly.

Recommendations and voting intentions

Your Directors unanimously recommend the proposal that VRL adopt a new constitution.

Your Directors other than VRL's non-executive directors unanimously recommend the proposal to approve the Plan and the proposed issues of shares under the Plan. VRL's non-executive directors decline to make any recommendation in relation to this proposal.

Each Director with a relevant interest in VRL shares intends to vote the shares in favour of the proposal to adopt a new constitution.

Each Director other than VRL's non-executive directors with a relevant interest in VRL Shares intends to vote their Shares in favour of the Plan proposal. The VRL non-executive directors intend to abstain from voting their Shares in relation to the Plan proposal.

Voting Entitlements

Only holders of Shares registered as such as at the Voting Entitlement Time of 7.00pm (AEDT) on 22 March 2011 are eligible to vote on each proposal, subject to the Voting Exclusion Statement.

Proxies

If you cannot attend the General Meeting, you are strongly urged to complete the proxy form and return it to the share registrar of VRL as soon as possible and in any event before 10.00am AEDT on 22 March 2011. Please note that you may appoint the Chairman of the meeting as your proxy.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Kirby', with a stylized flourish at the end.

Robert Kirby
Chairman

21 February 2011

Glossary

In this booklet, including in the Notice of General Meeting:

AEDT means the legal time in Melbourne, Victoria which as at the date of this booklet is Australian Eastern Daylight Time.

Annexure means the Annexure to, and which forms part of, the Explanatory Statement.

Associate has the meaning given to the term **associate** in section 11 and sections 13 to 17 inclusive of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691 trading as the Australian Securities Exchange.

Board means the board of Directors.

Constitution means the constitution of VRL

Constitution Proposal means the proposal to repeal the Existing Constitution and adopt a new Constitution as provided in resolution 1 in the Notice of General Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of VRL.

Existing Constitution means the Constitution as at the date of the Notice of General Meeting formerly known as the memorandum and articles of association.

Explanatory Statement means the explanatory statement contained in this booklet and which forms part of the Notice of General Meeting.

General Meeting means the general meeting of Shareholders, notice of which is given in the Notice of General Meeting.

Listing Rules means the listing rules of ASX.

Notice of General Meeting means the notice of General Meeting contained in this booklet.

Share means a fully paid ordinary share in VRL.

Shareholder means a holder of at least one Share.

Plan means the proposed VRL Non-executive Directors Share Plan.

Plan Proposal means the proposal to adopt the Plan and approve issues of Shares under the Plan as provided in resolution 2 in the Notice of General Meeting.

Proposal means the Constitution Proposal or the Plan Proposal.

Quarter means a 3 month period ending on a Quarter Day.

Quarter Day means 31 March, 30 June, 30 September or 31 December.

Register of Members means the register of members of VRL maintained by VRL pursuant to the provisions of the Corporations Act.

Relevant Period means the period starting on 1 January 2011 and ending on 31 December 2013.

Voting Entitlement Time means 7.00pm AEDT on Tuesday, 22 March 2011.

Voting Exclusion Statement means the statements set out in the Notice of General Meeting under the heading 'Voting Exclusion Statement'.

VRL or **Company** means Village Roadshow Limited ABN 43 010 672 054.

VWAP in respect of a period means the volume weighted average price of Shares sold on ASX during that period excluding special crossings, overnight sales and exchange traded option exercises.

Notice of General Meeting

Village Roadshow Limited ABN 43 010 672 054

A general meeting of the members of Village Roadshow Limited (**VRL**) will be held on Thursday, 24 March, 2011, at 10.00am AEDT, at Cinema No. 11, Village Cinemas Jam Factory, 500 Chapel Street, South Yarra, Victoria.

Business

Constitution Proposal (Resolution 1)

To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

That the Company adopt as its Constitution the document tabled at the meeting and signed by the chairman of the meeting by way of identification in substitution for and to the exclusion of the Existing Constitution, which is repealed.

Plan Proposal (Resolution 2)

To consider and, if thought fit, to pass (with or without modification) the following resolution which will be proposed as an ordinary resolution:

That:

- (a) *for the purposes of Exception 9 in Listing Rule 7.2 and for all other purposes, Shareholders approve as an exception to Listing Rule 7.1 the issue of Shares under the Plan as contemplated by the notice of this meeting; and*
- (b) *for the purposes of Listing Rule 10.14 and 10.15A and for all other purposes, Shareholders approve the acquisition by the non-executive directors named in the notice of this meeting of Shares under the Plan.*

Voting

Please note that voting will proceed in accordance with the Constitution and only Shareholders registered as such in the Register of Members as at the Voting Entitlement Time will be entitled to vote.

When joint holders are named in the Register of Members only one joint holder may vote. If more than one of the joint holders is present at the General Meeting either personally or by attorney or proxy, the person whose name stands first in the Register of Members will alone be entitled to vote.

Voting Entitlements

VRL has determined that for the purposes of voting at the meeting or adjourned meeting, Shares will be taken to be held by those persons recorded on the Register of Members as at Voting Entitlement Time.

Voting Exclusion Statement

VRL will disregard any votes cast on Resolution 2 (the Plan Proposal) by:

- (a) any director of VRL, except one who is ineligible to participate in any employee incentive scheme in relation to VRL; and
- (b) an associate of any director of VRL, except one who is ineligible to participate in any employee incentive scheme in relation to VRL.

However, VRL need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote and it is cast in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote and it is cast in accordance with a direction on the proxy form to vote as the proxy decides.

Proxies

Appointment

1. A member who is entitled to vote at the General Meeting may appoint:
 - (a) one proxy if the member is only entitled to one vote; or
 - (b) one or two proxies if the member is entitled to more than one vote.
2. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
3. A proxy need not be a member of VRL. The person appointed as the member's proxy may be an individual or a body corporate.

Voting

4. If a member appoints one proxy, that proxy may, subject to the Corporations Act, vote on a show of hands. If a member appoints two proxies, neither proxy may vote on a show of hands, but each may on a poll.
5. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on the item only as directed. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
6. If you require an additional proxy form, VRL will supply it on request.
7. In the case of joint holders all should sign the proxy form.
8. If the abstention box on the proxy form for any item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant Shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not be directed as to how to vote and may vote as he or she sees fit.
9. If the proxy form is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the General Meeting, the Chairman may either act as proxy or complete the proxy by inserting the name of a Director.
10. The Chairman of the General Meeting intends to vote all undirected proxies from members (who are eligible to vote) **in favour of** both the Constitution Proposal and the Plan Proposal. The Chairman will not vote any undirected proxies from Shareholders ineligible to vote on the Plan Proposal.
11. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of such authority) must be received by VRL at its share registry:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067

or returned to the share registry in the reply-paid envelope provided so that it is received not later than 10.00am AEDT on Tuesday, 22 March 2011. Alternatively, the proxy forms and other relevant documents may be lodged by facsimile with the share registry on 1800 783 447 (within Australia) or +613 9473 2555 (outside Australia) if received by the same time.

12. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.
13. Please refer to the other notes appearing on the enclosed proxy form.

Corporate representatives

If a corporate representative is to attend the General Meeting on behalf of a corporate member or proxy, a formal 'Appointment of Corporate Representative' form must be brought to the General Meeting. This form is available from the share registry on request on 1300 850 505.

Recording devices

In the absence of special permission, the Chairman will require that any recording or broadcasting device (including tape recorders, mobile telephones, still cameras and video cameras) and any article which may be dangerous, offensive or liable to cause disruption, be turned off or deposited outside the General Meeting.

Required voting majorities

The passage of the Constitution Proposal requires the approval of at least 75% of the votes cast by Shareholders present and voting at the General Meeting whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative.

The passage of the Plan Proposal requires the approval of a simple majority of votes cast by Shareholders present and voting at the General Meeting, whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative.

Dated: 21 February 2011

By order of the Board



Phil Leggo
Group Company Secretary

Explanatory Statement

1. Important notice

This Explanatory Statement contains an explanation of, and information about, the Constitution and Plan Proposals to be considered at the General Meeting of VRL on 24 March 2011. It is given to Shareholders to help them determine how to vote on the Proposals.

Shareholders should read this Explanatory Statement in full because individual sections do not give a comprehensive review of the Constitution and Plan Proposals contemplated in this Explanatory Statement. This Explanatory Statement forms part of the accompanying Notice of General Meeting and should be read with the Notice of General Meeting.

If you are in doubt what to do in relation to the Proposals, you should consult your financial or other professional adviser immediately.

2. Introduction

This Explanatory Statement and the accompanying Notice of General Meeting set out the details of the Constitution Proposal and the Plan Proposal announced to the ASX on 18 February 2011.

Each Proposal is independent and can proceed if approved even if the other Proposal is not approved.

3. Constitution Proposal (Resolution 1)

3.1 Background to Constitution Proposal

The Board proposes that VRL adopt a new constitution.

Since adoption of the Company's existing Constitution in 1996, previously known as the memorandum and articles of association (Existing Constitution), there have been a number of significant amendments to Australian corporations legislation and to the Listing Rules. As a result of these changes, parts of the Company's Existing Constitution are inconsistent with the current requirements of the Corporations Act (previously the Corporations Law) or the Listing Rules, and some of its provisions have become redundant or outdated. There have also been many developments in corporate governance principles and general corporate practice since 1996, which have been usefully incorporated into an updated draft Constitution.

The Existing Constitution also has a number of redundant provisions in relation to the Company's former preference shares, which it is now appropriate to remove.

Rather than making a large number of small amendments to the Existing Constitution to accommodate these developments, the Board recommends that a new constitution be adopted. The Board is also taking the opportunity to amend the Existing Constitution in some other respects.

Although many changes are being proposed, the structure and effect of the proposed new Constitution (New Constitution) are not materially different from that of the Existing Constitution, except as indicated in the summary set out below. The information provided below is intended to summarise the material differences between the effect of the New Constitution and that of the Existing Constitution. Accordingly, it is not a summary of all provisions of the New Constitution, nor does it refer to all of the differences between the New Constitution and the Existing Constitution.

As mentioned above the special rights attaching to Preference Shares will be removed. There are no preference shares currently on issue and the Board considers it unlikely that any would ever be issued without a separate shareholder vote. Accordingly, the New Constitution does not accommodate an issue of preference shares.

Copies of the New Constitution and the Existing Constitution are available on the Company's website at www.villageroadshow.com.au and one or both can be obtained at any time prior to the meeting by contacting the Company's Investor Relations Department at www.investor_relations@vrl.com.au. A copy of the New Constitution will also be available for inspection at the General Meeting.

3.2 Material differences between the New Constitution and Existing Constitution

Repeal of the Memorandum of Association

On 1 July 1998, the then Corporations Law was amended by the Company Law Review Act 1998 (CLRA). As a result of those amendments, the Company's memorandum and articles of association are now collectively called the 'constitution'.

The Corporations Act provides that a company's internal management may be governed either by 'replaceable rules' set out in the Corporations Act, or by a constitution. In the case of a company that existed before CLRA (such as VRL), the memorandum and articles of association are taken to form the constitution (unless and until a new constitution is adopted).

It is no longer necessary for a company's constitution to deal with some of the matters that were previously set out in a memorandum of association. As a result, certain matters currently contained in the Existing Constitution will not be included in the New Constitution, including the Company's name and initial subscribers, and the amount of authorised capital of the Company and its division into shares with a specified nominal or par value.

3.3 Share capital

CLRA also made significant changes to the provisions of the then Corporations Law concerning share capital. In particular, CLRA:

- (a) abolished the concepts of par value, authorised and nominal capital, issuing shares at a premium or a discount, a share premium account and a capital redemption reserve; and
- (b) removed the need for a company's constitution to authorise an increase or reduction of capital, consolidation or subdivision of shares, and a buy-back of shares.

The New Constitution reflects these changes.

Under the New Constitution, a special resolution of the Company will not be required for the Company to undertake an equal reduction of capital. This reflects the position that, since CLRA, a special resolution is no longer required by the Corporations Act for equal reductions. In contrast, Article 9.3 of the Existing Constitution requires all reductions of capital (whether equal or selective) to be authorised by special resolution of the Company.

3.4 Forfeiture provisions

The New Constitution will update the provisions concerning the forfeiture of partly paid shares following non-payment of a call, and the redemption of forfeited shares, to refer to and reflect the currently applicable provisions of the Corporations Act.

3.5 Members' Meetings

CLRA also amended the provisions of the then Corporations Law dealing with the calling and holding of members' meetings, the content of proxies and the requirements for lodgment of proxies.

Further changes to the provisions relating to notices of meeting and the appointment of proxies were subsequently introduced into the Corporations Act by the Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004 (CLERP 9 Act).

Notices of meeting

The Corporations Act now:

- (a) requires that at least 28 days' notice be given of general meetings of the Company (while it is listed). Prior to 1 July 1998, only 21 days' notice was required for a general meeting at which a special resolution was to be considered and only 14 days notice was required for any other general meeting. The New Constitution incorporates the notice period and other procedural requirements provided under the Corporations Act; and
- (b) enables companies to give notices and reports to members by a range of electronic means, including (for example) by sending a notice of meeting by email or sending an email advising that the notice of meeting is available for viewing or downloading from a company's website. The New Constitution incorporates provisions that allow the Company to serve notice using the range of methods now permitted by the Corporations Act, and that deem service to occur on the date of electronic transmission or electronic notification of the notice.

The New Constitution also changes the provisions for service of notice in other respects, including by allowing for service by courier, deeming the date of service by facsimile transmission to be the date on which the transmission is sent and removing outdated provisions concerning the giving of notice by publication. The New Constitution also deems notice sent by a permitted method to have been served notwithstanding the death of a member.

Where a general meeting is adjourned for more than 30 days, the New Constitution will require notice of the adjourned meeting to be given as if it were an original general meeting. In contrast, the Existing Constitution requires only three clear days' notice to be given where a general meeting is adjourned for more than 21 days.

Proxies, representatives and voting rights

The Corporations Act now:

- (a) provides that a member entitled to cast more than one vote at a meeting may appoint two proxies and where the member fails to specify the proportion of votes each proxy may exercise, each proxy may exercise half of the votes (disregarding any fractions of votes). The New Constitution reflects this rule. In contrast, article 14.5(c) of the Existing Constitution provides that the appointment is of no effect unless each proxy is appointed to represent a specified proportion of the member's voting rights;
- (b) prohibits directors from stipulating what will constitute a valid form of proxy and does not require proxy appointments to be in writing. Instead, a form of proxy will be valid if it contains the information prescribed by section 250A of the Corporations Act. Thus, article 14.9(b) of the Existing Constitution, which requires an appointment of a proxy to be in a form prescribed or accepted by the directors has not been retained in the New Constitution, and the New Constitution does not maintain the requirement that proxy appointments be in writing;
- (c) deems the Company to have received a proxy appointment when the appointment is received at a fax number at the Company's registered office (or any other fax number specified in the notice of meeting). This expands article 14.7 of the Existing Constitution, which only contemplates physical depositing of proxy forms; and

- (d) enables a company to allow proxy appointments to be authenticated by the appointing member in a way permitted by the Corporations Regulations and to be lodged by electronic means made available by the Company. In contrast, before the CLERP 9 Act, proxy appointments needed to be signed by the appointing member and there was doubt as to whether they could be lodged electronically. The Corporations Regulations specify requirements for the authentication of proxy appointments by electronic means (such as email or through an online facility). The New Constitution reflects the current position under the Corporations Act.

In line with developments in corporate practice, the New Constitution also differs from the Existing Constitution in the following respects in relation to proxy appointments:

- (a) where a member lodges a proxy appointment that does not name the proxy in whose favour it is given, the New Constitution will allow the chairperson to act as proxy or to complete the proxy appointment by inserting the name of a director or a secretary to act as proxy; and
- (b) unless otherwise provided in the instrument appointing the proxy or attorney, the New Constitution will have the effect that the appointment of a proxy or attorney will be taken to confer authority to vote on motions moved at the meeting but not referred to in the notice of meeting (including, for example, a motion for amendment of a proposed resolution or that a proposed resolution not be put, and any procedural motion - such as a motion for adjournment of the meeting).

In the New Constitution, the provisions relating to representatives of corporate members have been updated to reflect the position under the Corporations Act, and to provide that appointments or certifications executed by the corporate member in accordance with the Corporations Act are prima facie evidence of the representative's appointment.

In relation to the voting rights of holders of partly paid shares, the New Constitution clarifies that amounts paid on partly paid shares in advance of a call are not to be taken as paid up for the purposes of determining the voting rights of the holders of partly paid shares.

Conduct of meetings

The Corporations Act now permits members with at least 5% of the votes that may be cast at a general meeting to demand a poll. Before CLRA commenced, it was necessary for members to hold at least 10% of the votes to be entitled to call a poll and this is reflected in article 13.6 of the Existing Constitution. The New Constitution mirrors the now applicable '5% rule'. Also, consistent with the post-CLRA position, the New Constitution would no longer permit a poll to be demanded by members holding at least 10% of the total amount paid up on all voting shares. In addition, the New Constitution reflects the position under the Corporations Act that a poll may be demanded before a vote is taken, before the voting results on a show of hands are declared or immediately after the voting results on a show of hands are declared.

The Corporations Act also now enables meetings of members to be held at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate, should the directors choose to avail themselves of this provision. The New Constitution reflects this position.

In light of common corporate practice and legislative developments, the New Constitution also includes various provisions relating to the conduct of meetings of members that are not contained in, or that differ from, the Existing Constitution but are now considered appropriate. In particular, the New Constitution:

- (a) confirms the chairperson's power to determine the general conduct of each general meeting of the Company (including the procedures to be adopted at the meeting for the election of

- directors or otherwise), and to provide that no vote may be taken by the members on the chairperson's determination of any dispute on a question of procedure;
- (b) reinforces the voting exclusion requirements of the Corporations Act or the Listing Rules (which, in broad terms, apply where a member has a personal interest in, or is associated with a person who has a personal interest in, the outcome of a particular resolution), including by providing that a member is not entitled to vote on a resolution where the Corporations Act or Listing Rules have the effect that the member's vote on that resolution must be disregarded and that any vote purportedly cast by a member contrary to these requirements will be invalid;
 - (c) confirms that a personal representative or trustee or administrator of a deceased member (or a member who has become mentally or physically incapacitated) may exercise the member's rights at general meetings of the Company (and that several executors or administrators of a deceased member will be taken to be joint holders);
 - (d) reinforces the statutory rights of shareholders and the Company's auditor (or its representative) to be heard at annual general meetings of the Company;
 - (e) confirms that the chairperson may elect to vacate the chair for any part of a general meeting in favour of any person nominated by the chairperson (who must be a director unless no director is present and willing to act), and provides that the nominee will have all the powers of the chairperson for the relevant part of the meeting (other than the power to adjourn the meeting);
 - (f) provides that a decision of a general meeting may not be impeached or invalidated on the ground that a person voting at the meeting was not entitled to do so;
 - (g) provides that a poll cannot be demanded on any resolution concerning the election of the chairperson, as permitted by the Corporations Act. In contrast, the Existing Constitution allows a poll to be demanded on any such resolution; and
 - (h) extends the chairperson's power to ask a person to leave and not return to a meeting to cover any circumstance where the person causes disruption to the meeting and gives the chairperson the power to delegate his or her powers to refuse a person admission to, or to ask a person to leave, a meeting to any person the chairperson thinks fit.

3.6 Sale of non-marketable parcels of Shares

Consistently with the constitutions of many listed companies, the New Constitution will, subject to certain restrictions, enable the Company to invoke a procedure under which Ordinary Shares held by members who hold less than a 'marketable parcel' of shares (known as a 'non-marketable parcel') may be sold by the Company on their behalf, unless the member gives notice to the Company by a specified date that they wish to keep their shares. The procedure may only be invoked once in any 12 month period.

In addition the procedure may be applied to a non-marketable parcel arising from a transfer of shares registered after the date the New Constitution is adopted (Future Transfer).

Under the ASX Market Rules, a non-marketable parcel of quoted Ordinary Shares is currently a parcel worth less than A\$500 (based on the closing price of the Ordinary Shares).

If the Company wishes to invoke the procedure for sale of non-marketable parcels of Ordinary Shares set out in the New Constitution (Procedure), the Company would be required to give notice to each member (or to each member whose shares are not held in a CHESS holding) who holds a non-marketable parcel of Ordinary Shares. Each member, excluding a member whose non-marketable parcel arises from a Future Transfer, would then have at least six weeks from the date of service of the notice (Relevant Period) to notify the Company that the member wishes to keep its

Ordinary Shares. If a member does not (or is not entitled to) notify the company within the Relevant Period that the member wishes to keep its Ordinary Shares, then the Company may:

- (a) in the case of CHESS holdings, move the Ordinary Shares from the CHESS holding to an issuer-sponsored holding in accordance with the ASX Settlement Operating Rules for the purpose of divestment by the Company in accordance with the Procedure; and
- (b) in any case, sell the member's Ordinary Shares as agent for and on behalf of the member in accordance with the Procedure,

but only if the member's holding remains a non-marketable parcel at the end of the Relevant Period.

Any Ordinary Shares sold on a member's behalf in accordance with the Procedure are to be sold on their behalf on the terms, in the manner (whether on-market, by private treaty or otherwise) and at the time or times determined by the Directors. The proceeds of the sale (less any unpaid calls and interests) would be paid to the relevant member or as the member directs. Subject to the Corporations Act, the Company or the purchaser will bear any costs of sale.

3.7 Transfer of Shares

The New Constitution will not retain the provision in the Existing Constitution (article 7.7) that permits the Company to close its transfer books and register of members for up to 30 days in each year. This provision is considered unnecessary given that trading and settlement of the Company's shares occurs electronically through the CHESS system and that the record date for determining members' entitlements to vote at a meeting, or to participate in a corporate action, are now determined in accordance with specific provisions of the Corporations Regulations and the ASX Settlement Operating Rules.

The New Constitution will give the Directors the discretion to refuse to register a transfer of Shares or other securities that are not quoted by ASX. In contrast, article 7.2 of the Existing Constitution may limit the scope of the Directors' discretion to refuse registration of unquoted securities to circumstances where the transfer is not in registrable form or to the limited circumstances in which the Listing Rules would permit refusal to register a transfer if the securities were quoted. The New Constitution will also confirm that the Directors may refuse to register a transfer of quoted securities in the circumstances permitted by the Listing Rules.

The New Constitution will also recognise the Company's flexibility to participate in any clearing and settlement facility for transactions in its Shares that is approved by regulation from time to time (in addition to the approved facility known as CHESS and operated by ASX Settlement) in accordance with the provisions of the Corporations Act. The Company's participation in any such facility will be required to comply with the operating rules of the facility.

3.8 Shareholder disclosure

The New Constitution will require a member to provide information to the Company, within a specified timeframe, where the member has entered into any arrangement restricting the transfer or other disposal of Shares that is of a kind required to be disclosed by the Company under the Corporations Act or the Listing Rules. By way of example, disclosure is required of the forthcoming release of any restricted securities not less than ten business days before they are released (Listing Rule 3.10A) as disclosure is required to be made in the Company's Annual Report of details of securities subject to escrow (Listing Rule 4.10.14).

3.9 Nomination of Directors

Since adoption of the Existing Constitution, ASX changed the default deadline for depositing notices of nomination for election as a director with a listed company from at least 30 business days before the general meeting at which directors are to be elected to at least 35 business days before

the meeting. This change reflected the increased notice period for general meetings of public listed companies after 1 July 1998. The New Constitution reflects this change. In light of the extended notice period for nomination of candidates for election as directors, it is expected that all candidates will usually be referred to in the Company's notice of meeting.

3.10 Suspension of Directors

The New Constitution includes provisions that will enable a Director to be suspended from office where a majority of the Directors at a meeting consider that the conduct or position of the Director is such that his or her continuance in office is prejudicial to the interests of the Company. Within 14 days of the suspension, the Directors must call a general meeting at which members may consider a motion to remove the director from office. If the motion is not carried, the Director's office is reinstated.

3.11 Directors' remuneration

The New Constitution would ensure that the Company may provide remuneration to the executive and non-executive Directors in any non-cash form (including, for example, by provision of shares under a share plan introduced by the Company), provided that, in the case of the non-executive Directors, the total value of their remuneration in aggregate must not exceed the cap approved by shareholders from time to time (currently \$800,000 per annum).

3.12 Directors' interests

Since the commencement of the Corporate Law Economic Reform Program Act 1999 (CLERPA) on 13 March 2000, directors of public companies have been subject to a statutory obligation to disclose any material personal interest in a matter that relates to the affairs of the company, with limited exceptions. Given the introduction of this statutory duty of disclosure, it is considered unnecessary for the Directors to be subject to separate, and to some extent inconsistent, additional disclosure obligations under the general law and the constitution. Accordingly, the New Constitution refers to the Corporations Act disclosure obligations and limits the Directors' disclosure obligations to those imposed under the Corporations Act.

Where the Corporations Act so requires, Directors having an interest in a matter being considered at a Directors' meeting will be prohibited from being present at that meeting or voting on the matter (and from being counted in a quorum in relation to consideration of that matter). Where the Corporations Act does not prevent a Director from voting on a matter in which they have an interest, the Director will be able to vote on the matter.

The New Constitution will ensure that voting contrary to the requirements of the Corporations Act will not render any contract or arrangement in which the Director has an interest void or voidable, and nor will the fact of the Director's interest or the fact that the Director holds office as a director and has fiduciary obligations arising from that office.

The New Constitution will also ensure that a Director may be or become a director or other officer of, or otherwise be interested in, any related body corporate of the Company or any other body corporate promoted by the Company or in which the Company has an interest, and that the Director will be entitled to keep any remuneration or other benefits received by the Director as a result of such office or interest.

3.13 Delegation

CLERPA introduced a statutory provision that permits the directors of a company to delegate their powers to any person, unless the Company's constitution provides otherwise. The New Constitution ensures that the Directors have the broad delegation powers now permitted by the Corporations Act.

3.14 Directors' meetings and resolutions

The Corporations Act permits directors of a company to call and hold directors' meetings using any technology consented to by all directors of the company and allows each director to give a standing consent for this purpose. The New Constitution reflects this position.

3.15 Indemnities

Article 35 of the Existing Constitution currently indemnifies officers of the Company in the specific circumstances in which companies were permitted to indemnify their officers prior to the commencement of CLERPA in 2000. CLERPA amended the provisions of the then Corporations Law that dealt with a company's ability to indemnify its officers (including directors) to address some recognised deficiencies in the scope and drafting of those provisions. Primarily, the CLERPA amendments modified the circumstances in which a company is permitted to indemnify its officers for legal costs. Under the previous statutory provisions (and, therefore, article 35 of the Existing Constitution), a company was permitted to indemnify its officers for costs incurred in defending proceedings only if the officer was acquitted of the charge or judgment awarded in his or her favour. As a result of the CLERPA amendments, a company may now give an indemnity for legal costs incurred by an officer in defending proceedings that are withdrawn or settled. This is significant as before the CLERPA amendments, an officer was not entitled to be indemnified until the Court proceedings were finalised. If proceedings are withdrawn or settled or continued for a long period, this has the potential to cause substantial hardship to officers in the form of on-going legal costs. Potentially, lack of access to funds can also prejudice an officer's ability to adequately defend proceedings.

In addition to providing officers with indemnity for legal costs incurred by an officer in defending proceedings that are withdrawn or settled, under the CLERPA amendments a company may be able to give an officer a loan or advance for such legal costs as described below. The officer advanced funds is obliged to repay the loan if once the outcome of the proceedings is known the person is not entitled to indemnification (namely, where the outcome is adverse to the officer).

The Directors consider it appropriate for the Company to change the scope of the indemnities currently given to officers so as to reflect the maximum extent of indemnification now permitted by the Corporations Act. Accordingly, under the New Constitution, the Company may indemnify the current and former directors and company secretaries of the Company, to the extent permitted by law, against any liability (other than for legal costs) incurred in their capacity as an officer of the Company, and against reasonable legal costs incurred in defending an action for a liability allegedly incurred by that person as an officer of the Company (including for liabilities and legal costs, respectively, incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment).

The New Constitution will also ensure that the Company may advance amounts to a current or former officer to assist them to fund their legal costs in defending proceedings brought against them in their capacity as a current or former officer, before the outcome of the proceedings (and their entitlement to indemnification) is known. Once the outcome is known, amounts advanced to the officer will be repayable if the officer would not be entitled to indemnification for the relevant legal costs.

The New Constitution will also permit the Company to enter into a deed with any person to give effect to the rights conferred by the indemnification provisions of the New Constitution on such terms as the Directors think fit and which are not more favourable to the person than permitted under the New Constitution.

3.16 Dividends

The Existing Constitution (article 28.5) gives the Ordinary Shareholders in general meeting power to declare final dividends up to the amount recommended by the Directors and the Directors power to authorise payment of interim dividends. As a result of CLRA, the Corporations Act currently permits a company (by its directors) to either declare a dividend or to determine that any dividend is to be paid, whether final or interim, and to fix the amount, time and method of payment of that dividend without having to first obtain shareholder approval in general meeting before making payment of a final dividend. The New Constitution reflects this position. This is significant as it will enable final dividends to be declared and paid within a shorter time frame from the end of a financial year as there will be no need to first obtain the approval of Ordinary Shareholders in general meeting to declare a final dividend. The New Constitution also enables the Directors to revoke or amend a decision to pay a dividend, before the date scheduled for payment, as now permitted by the Corporations Act. This may occur, for example, where the Company's financial position no longer justifies the payment.

The New Constitution is consistent with the prohibition in section 254T of the Corporations Act on a company paying a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors,

and, unlike the Existing Constitution, does not expressly require dividends to be paid or payable out of profits.

In line with the practice of many other listed companies, the New Constitution will also ensure that the Company may pay dividends and other amounts payable to a shareholder not only by cheque but by electronic funds transfer (or other electronic means) to an account with a bank or other financial institution nominated by a shareholder (or a joint holder) and acceptable to the Company, or by any other means determined by the Directors (rather than only by cheque). Dividends or other payments made by a permitted method will be made at the risk of the relevant shareholder (or joint holders).

A debt owing to a member will not arise unless a dividend has been declared or the time specified for payment of a dividend has passed.

The New Constitution includes provisions reflecting the position under the Corporations Act that a person is not entitled to a dividend on a Share if a call has been made on the share and is due and unpaid.

3.17 Sale of main undertaking

The Existing Constitution (article 23.2) expressly requires the sale of the Company's main undertaking to be approved by shareholders. The New Constitution will not replicate this requirement leaving regulation of this area to the Listing Rules. In broad terms, the Listing Rules require shareholder approval for the disposal of a company's main undertaking where this occurs in the context of a significant change in the nature or scale of the company's activities.

3.18 ASX Listing Rules to have priority effect

Unlike the Existing Constitution, the New Constitution includes a provision that reflects Appendix 15A to the Listing Rules. The provision applies while VRL is listed on ASX. The effect of the

provision is to give the operating of the Listing Rules priority where there is a conflict or inconsistency between the Listing Rules and the New Constitution.

3.19 Miscellaneous

The New Constitution includes 'boilerplate' interpretation provisions of a kind commonly included in company constitutions.

To the extent permitted by law, the New Constitution will displace the 'replaceable rules' under the Corporations Act in their entirety.

The terminology in the New Constitution has been updated to reflect current terminology in the Corporations Act and Listing Rules, and references in the Existing Constitution to superseded provisions of the law or listing rules have been updated to refer to the currently applicable provisions.

3.20 Direct voting

The Existing Constitution presently permits members to appoint proxies to attend general meetings and vote on the appointing member's behalf. An appointment may specify how the member wishes their proxy to vote. However, those wishes may not be given effect unless the proxy actually votes on behalf of the member.

To reduce the risk of members' wishes being ineffective, the New Constitution will allow members, in certain circumstances, to have a direct vote.

Direct votes will be cast by appointing a proxy in the usual way, but indicating on the proxy form that directions on the proxy form are to be regarded as direct votes. Members casting direct votes will be counted for the purpose of determining whether there is a quorum present at the meeting.

The directors intend that direct voting will apply to all future general meetings of the Company and propose to add wording to future proxy forms so that all directions will give rise to direct votes. You will be free, however, to indicate on the proxy form that you do not wish to cast a direct vote and that your proxy is appointed to vote on your behalf.

Direct votes will not necessarily apply to all future votes. For direct votes to be cast, the proxy form must indicate that directions are to be regarded as direct votes (as above). In addition, the Directors will be given the power to prevent direct voting in relation to particular resolutions. The Directors have no present intention to use this power but may do so if, for example, there is a future legal challenge to the validity of direct voting or if they believe that votes on a particular resolution should only be cast after consideration of the discussion at the general meeting.

Direct votes will not be counted on a show of hands but only on a poll. However, to ensure that members' wishes are carried out, the New Constitution will also place a duty on the chairperson to call a poll if the chairperson is aware that direct votes and directions to proxies could change the outcome of a vote.

Direct votes will apply to the primary resolution as amended by the meeting. However, on the question of whether to amend a primary resolution, a proxy form would normally give no direction and, therefore, the proxy you appoint in order to give effect to your direct vote would be authorised to vote on your behalf as the proxy thinks fit. (The proxy would also be authorised to vote on all procedural motions in these circumstances.)

Members' wishes in relation to amendment of direct votes will be protected by the chairperson's discretion to reject amendments which change the fundamental nature of the resolution.

3.21 Voting requirements

The resolution adopting the New Constitution and repealing the Existing Constitution is required by the Corporations Act to be passed by a special resolution. A special resolution must be passed by at least 75% of the votes cast by members who are present (whether in person, or by proxy, attorney or representative) and entitled to vote at the meeting.

Please note that voting will proceed in accordance with the Existing Constitution and only Shareholders named in the Register of Members as at the Voting Entitlement Time will be entitled to vote.

When joint holders are named in the Register of Members only one joint holder may vote. If more than one of the joint holders is present at the General Meeting either personally or by attorney or proxy, the person whose name stands first in the Register of Members will alone be entitled to vote.

3.22 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of the resolution.

4. Plan Proposal (Resolution 2)

4.1 Introduction

The Board believes the acquisition of Shares by non-executive directors by fee sacrifice is appropriate.

Under Listing Rule 10.11, the Company must obtain the approval of its shareholders by resolution before it can issue securities to a related party or a person whose relationship with the Company or a related party is, in ASX's opinion, such that shareholder approval should be obtained. As a director of the Company, each non-executive Director is a related party of the Company, and therefore any issue of Shares under the Plan requires shareholder approval under Listing Rule 10.11 unless an exception applies.

Exception 4 in Listing Rule 10.12 to Listing Rule 10.11 applies to acquisitions of Shares by a director or associate under an employee incentive scheme which have been approved for the purposes of Listing Rule 10.14. Listing Rule 10.14 prohibits VRL from permitting such acquisitions without Shareholder approval.

Resolution 2 has been proposed to comply with Listing Rule 10.14. It will also have the effect under Exception 9 in Listing Rule 7.2 that issues of Shares under the Plan will not be taken into account for the purposes of the 15% limit on Shares that may be issued under Listing Rule 7.1, with the exception that Shares issued under the Plan will be added to the total number of Shares on issue against which the 15% limit is calculated.

4.2 Detailed Information

Under Listing Rule 10.15A, the Company is required to provide the following information to shareholders to allow them to assess the proposed issue of Shares under the Plan:

Number of securities to be issued

The maximum number of Shares for which approval is being sought under the Plan Proposal is 2,400,000, being 800,000 in any calendar year. This 800,000 maximum number of Shares is not the actual number of shares that will be issued under the Plan but a theoretical maximum required to be specified under the ASX Listing Rules – it is very likely that the number of Shares issued under the Plan in each calendar year will be considerably less than this maximum number.

Assuming the full participation for the Annual Fee Pool of all eligible non-executive directors for the Relevant Period, the maximum number of Shares is calculated as follows:

For each quarter in the Relevant Period (**Relevant Quarter**), Annual Fee Pool divided by four divided by VWAP for the Relevant Quarter, where:

Relevant Period means the period starting 1 January 2011 and ending 31 December 2013.

Annual Fee Pool means the current maximum non-executive directors' fee cap of \$800,000 per annum (approved by VRL shareholders in November 1998).

VWAP for a **Relevant Quarter** means, VWAP over the first 5 ASX Business Days in the third month of the Relevant Quarter.

Price of securities

The price of Shares to be issued under the Plan will be based on the market price. For a Relevant Quarter it will be calculated as the VWAP for the Relevant Quarter.

Shares purchased on market for the purposes of the Plan will be allocated to Participants on an average price basis.

No Previous participants

As the Plan is a new Plan there have been no previous participants.

Eligible directors

The VRL non-executive Directors eligible to participate in the Plan are as follows:

Peter D. Jonson
D. Barry Reardon
David Evans
Robert Le Tet
Timothy Antonie

Subsequently appointed VRL non-executive directors are not covered by resolution 2 and a separate resolution will be required before they will be eligible to participate in the Plan.

No Loan arrangements

Shares will be acquired under the Plan pursuant to fee sacrifice arrangements with relevant Participants. There are not proposed to be any loans in relation to such acquisitions.

Annual report disclosures

Details of any securities issued under the Plan will be published by VRL in each annual report of VRL relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under Listing Rule 10.14.

Any additional persons who become entitled to participate in the Plan after resolution 2 was approved and who are not named in the Notice of General Meeting will not participate until approval is obtained under Listing Rule 10.14.

Date of issue

VRL will issue Shares under the Plan no later than the end of the Relevant Period.

4.3 Summary of the terms of the Plan

The Plan permits each VRL non-executive Director to sacrifice each relevant Quarter up to 100% of the fees that would be payable to the non-executive Director in respect of that Relevant Quarter.

Shares may be acquired by Participants by on-market purchase, off-market transfer or issue. Shares acquired by issue in a Relevant Quarter will be issued at a price equal to the VWAP for the Relevant Quarter. Shares acquired by purchase or transfer will be allocated among Participants on an average cost basis.

Shares acquired under the Plan will be freely disposable on acquisition but will be subject to the Company's securities trading policy.

An election to participate in the Plan will apply for the calendar year in which the election is made and, subject to variation or termination of participation, all subsequent calendar years. A Participant may vary their level of, or terminate, their participation in the Plan at any time.

A copy of the rules of the Plan is available on the Company's website at www.villageroadshow.com.au and can be obtained at any time prior to the meeting by contacting the Company's Investor Relations Department at www.investor_relations@vrl.com.au. A copy of the rules will also be available for inspection at the General Meeting.

5. Voting Rights

Please note that voting on resolution 1 and, unless resolution 1 is passed, resolution 2 will proceed in accordance with the Existing Constitution. If resolution 1 is passed, voting on resolution 2 will proceed in accordance with the New Constitution. In either case, only Shareholders named in the Register of Members as at the Voting Entitlement Time will be entitled to vote.

When joint holders are named in the Register of Members only one joint holder may vote. If more than one of the joint holders is present at the General Meeting either personally or by attorney or proxy, the person whose name stands first in the Register of Members will alone be entitled to vote.

Voting exclusion statement

A voting exclusion statement relating to the Plan Proposal is included in the Notice of General Meeting. No voting exclusion or restriction applies to Shareholders eligible to vote in relation to the Constitution Proposal.

6. Recommendation

Your Directors recommend the Constitution Proposal and your Directors, other than the VRL non-executive directors, recommend the Plan Proposal. Where a recommendation is made by a Director, that Director also recommends that Shareholders vote in favour of the relevant resolutions set out in the accompanying Notice of General Meeting for the reasons set out in this Explanatory Statement.

The non-executive directors refrain from making any recommendation in relation to the Plan Proposal.

7. Proxies

If Shareholders cannot attend the General Meeting, they are urged to complete the proxy form and return it to the Company's share registry (see proxy form for details) as soon as possible and, in any event, by 10.00am AEDT on 22 March 2011.

Corporate Directory

Directors

Robert G. Kirby

Chairman, Executive Director

John R. Kirby

Deputy Chairman, Executive Director

Graham W. Burke

Managing Director and Chief Executive Officer

Peter M. Harvie

Executive Director

Peter D. Jonson

Independent Non-Executive Director

D. Barry Reardon

Independent Non-Executive Director

David Evans

Independent Non-Executive Director

Robert Le Tet

Independent Non-Executive Director

Timothy Antonie

Independent Non-Executive Director

Company Secretaries

Philip S Leggo

Shaun L Driscoll

Share Registry

Computershare Investor Services Pty Ltd

ACN 078 279 277

Yarra Falls

452 Johnston Street

Abbotsford Victoria 3067

Legal advisers

Minter Ellison

Level 23

525 Collins Street

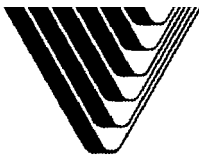
Melbourne Victoria 3000

Registered office

Village Roadshow Studios

Pacific Motorway

Oxenford Queensland 4210



Village Roadshow Limited

ABN 43 010 672 054

000001 000 VRL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form - General Meeting

For your vote to be effective it must be received by 10.00 am (Melbourne time) on Tuesday 22 March 2011

Appointment of Proxies

1. A member who is entitled to vote at the General Meeting may appoint:
 - (a) one proxy if the member is only entitled to one vote; or
 - (b) one or two proxies if the member is entitled to more than one vote.
2. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
3. A proxy need not be a member of VRL. The person appointed as the member's proxy may be an individual or a body corporate.

Voting

4. If a member appoints one proxy, that proxy may, subject to the Corporations Act, vote on a show of hands. If a member appoints two proxies, neither proxy may vote on a show of hands, but each may on a poll.
5. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on the item only as directed. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
6. If the abstention box on the proxy form for any item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant Shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not be directed as to how to vote and may vote as he or she sees fit.
7. If you require an additional proxy form, VRL will supply it on request.
8. In the case of joint holders all should sign the proxy form.
9. If the proxy form is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the General Meeting, the Chairman may either act as proxy or complete the proxy by inserting the name of a Director.
10. The Chairman of the General Meeting intends to vote all undirected proxies from members (who are eligible to vote) **in favour of** both the Constitution Proposal and the Plan Proposal. The Chairman will not vote any undirected proxies from Shareholders ineligible to vote on the Plan Proposal.

Voting continued

11. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of such authority) must be received by VRL at its share registry:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067

or returned to the share registry in the reply-paid envelope provided so that it is received not later than 10.00am AEDT on Tuesday 22 March 2011. Alternatively, the proxy forms and other relevant documents may be lodged by facsimile with the share registry on 1800 783 447 (within Australia) or +613 9473 2555 (outside Australia) if received by the same time.

12. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.

Corporate representatives

If a corporate representative is to attend the General Meeting on behalf of a corporate member or proxy, a formal 'Appointment of Corporate Representative' form must be brought to the General Meeting. This form is available from the share registry on request on 1300 850 505.

Required voting majorities

The passage of the Constitution Proposal requires the approval of at least 75% of the votes cast by Shareholders present and voting at the General Meeting whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative.

The passage of the Plan Proposal requires the approval of a simple majority of votes cast by Shareholders present and voting at the General Meeting, whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative.

Turn over to complete the form →

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a shareholder/s of Village Roadshow Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the General Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of shareholders of VRL to be held at Cinema No. 11, Village Cinemas Jam Factory, 500 Chapel Street, South Yarra, Victoria at 10.00am Melbourne time on Thursday 24 March 2011 and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 1	Constitution Proposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Plan Proposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

VRL

1 2 7 2 0 5 A

Computershare +