



VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

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Village Roadshow Limited Sells Hong Kong Cinema Circuit

Village Roadshow announced today that it had sold its 50% share of its Hong Kong cinema circuit to its joint venture partner Golden Harvest Entertainment Holdings.

The circuit comprising 26 screens across 6 sites was sold for a consideration of around A\$13 million, which is above its book value.

The decision to sell the Hong Kong circuit has been due to the growing and rampant piracy in the territory and is a further initiative aimed at improving the performance of our exhibition division. Other initiatives already completed include:

- the closure of our International head office in London;
- amalgamation of our United Kingdom operations with those of Warner Bros.; and
- an analysis of all development sites and the progression of only those locations with exceptional return characteristics.

Village Roadshow Managing Director Graham Burke commented 'Our focus in exhibition has shifted from aggressively growing the business to enhancing the return on funds employed. The sale of our Hong Kong circuit is a further step along this path, allowing the group to concentrate on a smaller number of territories.'

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