

VILLAGE ROADSHOW ANNOUNCES SALE OF KOREAN CINEMA INTERESTS

20 September 2002

As part of Village Roadshow's ongoing strategy of restructuring its Exhibition Division, Village today announced the sale of its 50% interest in its Korean cinema circuit, CGV. The consideration is approximately 100 billion Korean won (A\$150 million) for the sale of Village's shares in CGV, rights to cinema intellectual property and ongoing consulting services. This represents a profit of approximately A\$90 million on Village's carrying value.

The sale has been made to Asia Cinema Holdings, a Dutch company formed by funds which are advised by CVC Asia Pacific Ltd., a leading private equity firm. Additional funds were provided by 3i Group plc and Intermediate Capital Group. Village's partner in Korea, CJ Entertainment, retains its 50% interest in CGV.

Village recognises that Korea has been a significant contributor to the profitability of the Exhibition Division. However, Village believes that exiting the territory and redeploying the bulk of those funds into other Exhibition assets where Village can control management and consolidate revenues, will better suit the group's long term objectives. Village recognises the need for more transparency of its ownership interests in cash flows and net profits and believes this will be another step in the right direction. The company believes that reallocating capital from a 50% equity accounted associate to a consolidated accounting environment with management control, will ultimately benefit shareholders. Village advises that whilst it is working on several fronts, it has not finalised where the bulk of these funds will be redeployed in Exhibition but would be hopeful to complete a consolidation in this financial year so as to maintain EPS for the group overall.

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