



VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

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VILLAGE FORCE AND HOYTS UNWIND NEW ZEALAND ALLIANCE

Force Corporation and Village Roadshow announced today that their Village Force New Zealand joint venture with Hoyts Cinemas is to unwind effective 1 July 2000.

While unwinding their operations, the parties will retain their joint venture interests (2/3 Village Force, 1/3 Hoyts) in the Queen Street multiplex within the Force Entertainment Centre. The new structure is conditional on the approval of the New Zealand Overseas Investment Commission.

While the participants believe the New Zealand joint venture could be supported under current law, the management time and costs involved in a protracted legal battle with the New Zealand Commerce Commission would negate any benefits to be derived from the merger. Accordingly, the parties felt it would be in the best interests of their shareholders not to have - other than in respect of the Force Entertainment Centre - any operating alliance.

Since the proposed merger was announced Village Force and Hoyts Cinemas have continued to maintain separate operations in the key areas, including ownership of the relevant cinema sites, whilst the discussions with the New Zealand Commerce Commission proceeded. There has only been some pooling of resources at the central administration level. The unwinding of the joint venture and any final resolution of the proceedings issued by the Commerce Commission are not expected to have a material impact on the financial statements of the participants.

Village Roadshow and Force Corporation will now resume their successful nine-year Village Force partnership operating 76 screens at 12 sites across both the North and South Islands.

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