

**VILLAGE ROADSHOW REDUCES EXECUTIVE DIRECTORS' SALARIES**

20 September 2002

The Remuneration Committee of Village Roadshow Limited today announced it has reduced the base salaries of four Executive Directors effective from 1 July 2002. Annual base salaries of Executive Directors, Robert Kirby, John Kirby, Graham Burke and Peter Foo, have been reduced by 20% from financial year 2002 levels. It should be noted that Peter Harvie, the other Executive Director on the Board, is paid and employed by Austereo and disclosed in the Austereo accounts, his details are disclosed in the VRL Directors remuneration section because of his membership of both company Boards.

In addition to reducing the base salaries, the Company has amended the way it calculates annual bonuses. The annual bonus component for the Executive Directors will now be determined through a mixture of share price performance and cash flow return on investment. This means that the Executive Directors can now only achieve a large portion of their bonus if and when substantive share price increases are achieved. These new arrangements were developed in concert with the views of various external remuneration experts and consultation with several large institutional shareholders in the Company.

The directors believe that they therefore have met their undertaking to align Executive Director remuneration to that of shareholder interests. Robert Kirby, Executive Chairman of Village Roadshow said, "The Company gave an undertaking to have Executive Directors' remuneration packages benchmarked against similar companies in the market. This has now been completed, and whilst the review indicated the existing packages were justified, both the Executive Directors and the Remuneration Committee have responded to recent investor concerns and have now implemented the changes. In the spirit of our prior commitment to our shareholders and to the Company, we have agreed that the new lower base salaries are to take effect from 1 July 2002."

For further information contact:  
Mr Graham Burke, Managing Director  
(03) 9667 6602