

20 March 2001

SCAPE to Cease Operations

Network Ten and Village Roadshow announced today that their online company Scape Entertainment Pty. Ltd. (SCAPE) had been placed in voluntary administration and ceased operations.

To efficiently wind-up SCAPE, Mark Korda and Mark Mentha of Arthur Andersen have been appointed as voluntary administrators.

When Network Ten and Village first set out to develop a joint online presence, strict financial and performance criteria were established. Despite the efforts by the SCAPE team, these criteria had not been met and were unlikely to be achieved in the foreseeable future. A key reason for this has been the failure of the online sector globally to develop as expected.

These developments left Ten and Village little choice but to stop funding SCAPE.

Since the commencement of SCAPE, Village and Ten have each contributed \$22 million to their joint online activities. Given their contribution, both Network Ten and Village Roadshow will incur a one-off charge. The full impact of this charge will be finalised following the completion of Arthur Andersen's administration.

Village and Ten will work closely with the administrator to achieve a reasonable outcome for creditors and ensure that employees are treated fairly. In particular, Village and Ten will enter into arrangements with the administrators to make sure current employees are paid promptly.

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