



18 November 2003

## VILLAGE ROADSHOW LIMITED PREFERENCE SHARE SCHEME

On 14 November 2003 Justice Mandie of the Supreme Court of Victoria declined to approve the Scheme because of concerns, in his judgment, with one of the three resolutions put to shareholders (Resolution 2.1 of the General Meeting – the Buyback Approval).

Today, Justice Mandie further declined to re-convene the General Meeting to allow Resolution 2.1 to be put to shareholders afresh.

Based on Justice Mandie's judgment, Resolution 2.1 would require a 75% approval by shareholders but with a maximum of only approximately 140 million shares able to vote in favour of the Resolution (based on the share register as at 1 November 2003, the record date for the previous meeting) and approximately 485 million shares able to vote against. This approach raises difficulties not just for Village Roadshow Limited but for any Australian company with preference shares on issue wishing to buy back shares.

Despite the overwhelming support of all resolutions by Village Roadshow's shareholders at the meetings on 3 November 2003, the proposed scheme has been subject to vigorous objection by Boswell Filmgesellschaft mbH, which acquired 1,000 ordinary shares and 1,000 preference shares approximately one week before the scheme meeting. Village Roadshow is unaware of Boswell's motivations.

Village Roadshow intends to appeal Justice Mandie's decision. In the meantime the Company will consider re-submitting the Scheme of Arrangement to shareholders subject to market conditions and subject to being satisfied that there is a very strong likelihood that shareholders will again support all resolutions.