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Village Sells its Interest in Staging Connections

Village Roadshow Limited announced today the sale of its interest in Staging Connections, Australia's largest event staging company, to a syndicate of private equity investors, led by Macquarie Direct Investment and MGB Equity Growth.

Over the last two years Village has embarked on a major restructuring program to sharpen its strategic focus, improve the utilisation of its capital resources and thereby enhance shareholder value. Initiatives completed or currently underway as part of this program have included:

- the sale of Daydream Island;
- the sale of Laguna Quays;
- the sale of Warner Bros. Studio Stores;
- the sale of the group's interest in Golden Harvest;
- the sale of the Hong Kong cinema circuit;
- the sale of the German cinema circuit;
- the restructuring of the exhibition division; and just announced
- the float of Austereo Group Limited.

Managing Director Graham Burke commented 'Staging Connections is a quality business, generating good returns but it does not fit naturally under our portfolio of core media and entertainment businesses.

'We are particularly pleased that Gary Hackett, Village's key partner in Staging Connections for the past 19 years, will retain his involvement. We are confident that Mr Hackett, together with MGB Equity Growth and Macquarie Direct Investment will build on Staging Connections' leading position in Australian event logistics' Mr Burke added.

The sale will see Village Roadshow exit its various investments in the regional Staging Connections operations for a total consideration of \$9 million, which is above the current book value of the assets.

For further information please contact:

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