

8 October 2003

**SCHEME OF ARRANGEMENT
CLASS RULING ISSUED BY AUSTRALIAN TAXATION OFFICE**

The Australian Taxation Office ("ATO") has today released Class Ruling CR 2003/87 (Preference Share Buy-Back – Village Roadshow Limited). The Class Ruling can be accessed on the ATO's internet site at <http://law.ato.gov.au/atolaw/view.htm?docid=CLR/CR200387/NAT/ATO/00001>.

This Class Ruling confirms that the \$1.25 Buy Back Consideration under the proposed Scheme of Arrangement between VRL and its A Class Preference Shareholders will consist entirely of a return of capital without any assessable dividend component.

A summary of the Australian taxation consequences for a Preference Shareholder who hold their Preference Shares as capital assets is contained at Section 10 of the Scheme Booklet. However, this summary should not be relied upon as a substitute for professional advice and all Preference Shareholders should ensure that they seek professional advice specific to their circumstances.