



VILLAGE ROADSHOW LIMITED

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VILLAGE FORCE AND HOYTS ANNOUNCE NZ CINEMA MERGER

Village Roadshow Limited, Force Corporation and Hoyts Cinemas today announced they have completed an agreement to merge their New Zealand cinema exhibition operations, with effect from 30 June 1999.

The new joint venture will acquire and operate the Village, Force and Hoyts' existing New Zealand entertainment complex business interests, including Force and Village's interest in the Rialto cinema complexes.

Village Roadshow and Force will each have a 25% interest in the new joint venture, with Hoyts holding the remaining 50%. Village Roadshow and Force each have a 50% interest in their current joint venture.

John Kirby, Chairman of Village Roadshow, said: "The merger was the result of a logical progression, and will bring about a number of synergies and benefits for the three companies. New Zealand is a market place with 3.6 million people and the merging of two complementary operations makes sound financial sense for the industry as a whole. Future development plans of the companies will continue as before, while the cost savings from merging the two head offices would be quite significant."

Village Force cinemas has the majority of its screens in the Auckland region, while Hoyts operates in Wellington, Christchurch and Dunedin.