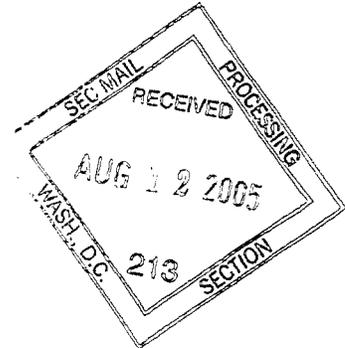


# VILLAGE ROADSHOW LIMITED

Web Site: [www.villageroadshow.com.au](http://www.villageroadshow.com.au)



04 August 2005

Securities and Exchange Commission  
Division of Corporation Finance  
Office of International Corporate Finance  
450 Fifth Street, NW  
Washington DC 20549

SUPPL

Dear Sir/Madam

**Re: Village Roadshow Limited: 12g 3-2(b) Information  
File No. 82-4513**

Enclosed is information which Village Roadshow Limited is required to furnish to the Securities and Exchange Commission pursuant to Rule 12g 3-2(b).

Yours faithfully

**S Hulls**  
**Corporate Administrator**

PROCESSED

AUG 18 2005

THOMSON  
FINANCIAL

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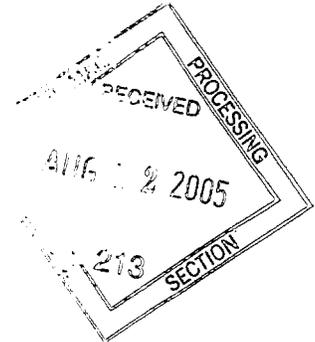
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Web Site: [www.villageroadshow.com.au](http://www.villageroadshow.com.au)

25 July 2005

The Manager  
Australian Stock Exchange  
Riverside Centre  
Level 6  
123 Eagle Street  
BRISBANE QLD 4000  
**Attention: Melissa Grundy**



Dear Ms Grundy

**Request for Trading Halt**

The Company advises that it is in the process of finalising a material transaction over the next 48 hours which, if finalised and approved, will result in an announcement by the Company setting out the details of the transaction and its financial consequences.

The Company hereby requests an immediate trading halt on its securities in order to pre-empt speculation or trading in an uninformed market.

Immediately the transaction has been approved, the Company will issue an announcement to the market, following which the trading halt can be lifted.

The Company is not aware of any reason why the trading halt should not be granted.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Phil Leggo'.

Phil Leggo  
Group Company Secretary



# VILLAGE ROADSHOW LIMITED

Web Site: [www.villageroadshow.com.au](http://www.villageroadshow.com.au)

27 July 2005

## RE-ENGINEERING OF PRODUCTION DIVISION

### BACKGROUND

As previously advised to the market, Village Roadshow Limited ("VRL") has been exploring the possibility of re-engineering its investment in its film production division, Village Roadshow Pictures ("VRP"), with a view to aligning its investment profile so as to be consistent with Village Roadshow's other major operating divisions. Widely respected US Investment Bank, Allen & Co, LLC was retained last year to assist the Company in the examination of the options to meet this objective.

### RESTRUCTURE AGREEMENT

VRL has now reached agreement with Crescent Film Holdings Limited and Crescent Entertainment LLC (together "Crescent"), whose principals include Norman Lear, Hal Gaba and Michael Lambert, for a financial restructure of Village Roadshow Pictures which is consistent with the Company's investment objectives.

The restructure will result in:

- Crescent being granted options to acquire 50% of the shares in the head companies in the entities of VRP which constitute and carry on the "Hollywood" film production and related film distribution business of the VRP group ("VRPG").
- Crescent advancing US\$115m by way of Promissory Note to VRPG to enable it to:
  - repay an inter-company loan of US\$100m owed to VRL; and
  - pay a dividend of US\$15m to VRL.
- The Promissory Note is repayable to Crescent with a coupon of 8% out of the net cash flow of VRPG:
  - there is no recourse to VRL or any other member of the Village Roadshow group outside VRPG for repayment of this Note;
  - based on current VRP management projections, it is expected that VRPG cash flow will see this Note being repaid in the short to medium term.

- Once the Note has been repaid, Village is entitled to receive all of the net cash flow of VRPG until such time as:
  - Village Roadshow receives at least US\$115m together with a coupon of 8% p.a.; and
  - Crescent exercises the options (if ever). (This means that whilst the options remain unexercised Village Roadshow will be entitled to 100% of the net cash flow.)

The Company will remain responsible for the existing clawback in respect of film profits received by VRP prior to 1 July 2005. This contingent liability as at 30 June 2005 was US\$26.5m and will not increase. Based on current projections, the contingent liability is not expected to crystallise.

The transaction, together with the new Letter of Credit Facility set out below, is expected to give rise to an accounting loss before tax (recognised in the 2006 financial year under A-IFRS) of approximately A\$26m (post-tax loss A\$20m). This loss represents transaction costs arising from the re-engineering and a realised net foreign exchange loss of approx. A\$6m. Notwithstanding this loss, the VRL Board firmly believes the transaction is both a strategic necessity and financially prudent having regard to the alignment of its investment profile in VRPG to that of the rest of the VRL operating divisions.

In addition operating profits from VRPG will be reduced in the short to medium term mostly due to the 8% coupon on the Crescent Note, whilst offsetting this to a large extent will be interest income from the proceeds received.

Completion of this transaction is expected to occur in September 2005. The restructure is subject to various conditions precedent. The Company has had preliminary discussions with all parties concerned and believes that it is reasonable to expect that all conditions will be met.

#### **LETTER OF CREDIT FACILITY**

VRP also reached agreement with Dresdner Bank AG, New York Branch for the provision of a US\$70m Letter of Credit Facility to replace the US\$70m cash deposit currently provided by VRP as credit support for its US\$900m film financing facility.

This new facility was executed and closed last week in New York. The US\$70m cash deposit has been released back to VRP which has used the proceeds to repay an outstanding inter-group loan to Village Roadshow Pictures International Pty Ltd, a wholly owned subsidiary of VRL. In addition repayment of an existing third party loan to VRP of US\$20m from CIBC Inc has been completed utilising part of these proceeds.

This Letter of Credit facility is being provided to Village Roadshow Distribution (BVI) Limited ("VRD") and will be serviced by VRD out of its cash flow from operations without any credit support from or recourse to VRL or any other member of VRPG or the Village Roadshow group. It is important to note that this Letter of Credit has been negotiated with Dresdner Bank AG and the banking syndicate, and is independent of the Crescent transaction. This US\$70m credit support is an ongoing requirement for the credit facility that finances VRPG's slate of movies.

#### **EFFECT OF RE-ENGINEERING TRANSACTIONS**

These two transactions, after third party debt repayments and transaction costs of approx US\$15m, are anticipated to result in an inflow of funds of approximately US\$150m (A\$200m) to the parent company, Village Roadshow Limited. This, together with earlier profit distributions from VRPG, has repaid all of the funds (US\$170m) advanced to VRP as part of the credit support required for the February 2003 re-financing.

#### **RESTRUCTURE OF "HOLLYWOOD" PRODUCTION AND DISTRIBUTION BUSINESS**

VRL and Crescent have entered into Governance Agreements relating to the management and operation of VRPG.

Crescent and Village Roadshow have agreed to work together to jointly pursue strategic growth opportunities in filmed entertainment including:

- the expansion of the existing Hollywood production and development business;
- the production and development of specialty (low budget) and direct to video films; and
- the acquisition and distribution of film libraries.

Mr Graham Burke, CEO of Village Roadshow said "These are our type of guys and together we plan to take VRPG to new heights."

Mr Robert Kirby, Chairman of Village Roadshow added "This is the beginning of not only a new expanded vision for Village Roadshow Pictures but also a whole range of expansion opportunities for the Village Roadshow Group."

Crescent Entertainment, LLC, a new venture of Act III Entertainment, LLC and Lambert Entertainment, LLC, is an investment and management company focused on motion picture, television and other media assets. Crescent is affiliated with Act III Communications and Lambert Television, Inc., owners of a major independent record label, a television production and distribution company, as well as television stations in the U.S. and abroad.

Dresdner Kleinwort Wasserstein also assisted the Company in this restructure.

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**FUTURE PROSPECTS**

Following completion of these transactions VRL will, with its new strategic partner Crescent, continue to explore opportunities to further strengthen the film production division.

The highly anticipated *Charlie & The Chocolate Factory* starring Johnny Depp and produced by Tim Burton was released in the US two weeks ago as VRP's 14<sup>th</sup> #1 US opening since 1999 and the 3<sup>rd</sup> biggest opening for all films for 2005. Upcoming releases from Village Roadshow Pictures include the feature film remake of the 1970's iconic TV series, *The Dukes of Hazzard*, starring Johnny Knoxville, Sean William Scott and Jessica Simpson, *Rumor Has It*, a romantic comedy starring Jennifer Aniston and Kevin Costner, and the George Miller helmed *Happy Feet* currently in production in Sydney.