

MITTLEMAN BROTHERS
INVESTMENT MANAGEMENT

22 May 2020

Contact
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Market Announcements Platform
ASX Limited

Dear Sir/Madam

Village Roadshow Limited
Notice of Initial Substantial Holder

In accordance with the section 671B *Corporations Act 2001* (Cth), we **attach** a Form 603 (Notice of initial substantial holder) on behalf by Mittleman Brothers, LLC (**Mittleman**) and its associates in relation to Village Roadshow Limited ACN 010 672 054 (the **Company**).

As long-term shareholders, having endured the difficulties of both the aftermath of the Dreamworld accident and now the disruption of COVID-19, we are greatly concerned that the Board of Directors of Village Roadshow Limited have determined to engage with BGH Capital Pty Ltd (**BGH**) in respect of their non-binding proposal for the Company, which if successful, would seek to deprive minority shareholders of their equity interests at a price range of \$2.20 to \$2.40 per share, a 45% to 40% discount to the \$4.00 per share indicative proposal made by BGH on January 23, 2020, less than four months ago.

In our view, the offer is highly conditional, unusually complex, and blatantly opportunistic. It is also unfairly discriminatory against minority shareholders. As such, we are surprised that the “careful consideration” the Board states that it has given this proposal has resulted in something other than a polite “no thank you.” Instead, this Board has signed a Transaction Process Deed granting BGH four weeks of exclusive talks. We therefore remind independent directors of the Board of their fiduciary duties to act in the interests of all shareholders, and of the consequences of dereliction of that duty.

The tragedy of COVID-19 and its unprecedented economic consequences are well known, but the event is likely transitory, and any effort to acquire the shares of minority shareholders at a massively marked-down price in its wake would be a shameful act under the circumstances. Mittleman intends to engage with the board of the Company in relation to its views on the fair value of the Company, and to share its views with other shareholders of the Company.

Yours faithfully,

Christopher P. Mittleman

Chief Investment Officer

Mittleman Brothers LLC

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