

Entertainment One Ltd.
c/o Maples Corporate Services Limited
PO Box 309,
Ugland House,
South Church Street,
George Town,
Grand Cayman,
KYI-1104,
Cayman Islands

6 March 2009

Dear Shareholder

Entertainment One Ltd. (the “Company”)

Extraordinary General Meeting

The board of directors of the Company is writing to give you notice of an Extraordinary General Meeting of the Company which will be held at 2.00 p.m. on 26 March 2009 at Surville, La Ruelle Pinel, St Helier JE2 3HF, Jersey, (“EGM”). Enclosed with this letter you will find a formal notice of the EGM (“Notice”) together with a form of proxy (“Proxy Form”) for you to complete if you do not wish to attend the meeting. Please read the instructions on the Notice and the Proxy Form carefully.

Reasons for the EGM

The Company has been notified by a significant shareholder, Marwyn Neptune Fund L.P. (“Marwyn”), that Marwyn (and certain of its affiliates) wish to acquire additional shares in the Company by way of a tender offer to certain of the other shareholders. Marwyn currently holds 27.8 per cent. of the issued ordinary share capital of the Company. Marwyn and its affiliates wish to acquire up to a maximum of 49.8 per cent. of the issued ordinary shares of the Company pursuant to their proposed offer.

Under the terms of the existing articles of association of the Company (“Articles”), an acquisition by a shareholder which has the effect of taking their interest in shares in the Company (whether directly or indirectly, alone or by acting in concert) to 30 per cent. or more of all the voting rights attributable to the issued and outstanding shares of the Company (“Voting Rights”), will trigger an obligation on the part of that shareholder (together with members of their concert party) to make a general offer to all of the shareholders in the Company to acquire their shares. This is set out at Article 11.2(a). A further regulation of the existing Articles provides that any shareholder which has an interest in more than 30 per cent. (but less than 50 per cent.) of the Voting Rights and who then acquires additional interests in shares with Voting Rights, likewise needs to make a general offer to the remaining shareholders to acquire their shares. This provision is set out at Article 11.2(b).

Marwyn has indicated that it is willing to provide a partial cash offer, on a “first come, first served” basis; however it does not wish to make a general offer for all of the shares of the Company. Accordingly, no tender offer will be made and become unconditional unless the proposed amendments to the Articles are approved at the EGM. It is therefore proposed that Article 11.2(a) of the Company is amended to provide that the threshold above which a shareholder is compelled to make a mandatory offer is raised from 30 per cent. to 50 per cent. This would enable Marwyn to make its offer to acquire additional shares up to a maximum of 49.9 per cent. but Marwyn would not be required to make an offer for the remaining shares in the Company. It is also proposed that Article 11.2(b) is deleted so that the provisions regarding an acquisition of shares between 30 per cent. and 50 per cent. no longer apply.

Effect of the Amendments

The proposed amendments to the Articles would have the following effect from the date of the passing of the special resolution:

- (a) an investor would be permitted to acquire up to 50 per cent. of the Voting Rights without triggering a requirement to make an offer for the remainder of the outstanding shares;
- (b) an investor could build up a stake in the Company from a level of 30 per cent. to 50 per cent. without triggering a requirement to make an offer for the remainder of the outstanding shares; and
- (c) Marwyn will be able to acquire up to 49.9 per cent. of the issued shares in the Company without making a general offer to the remaining shareholders to acquire their shares.

Note that the modification to the definition of “affiliate” in the notice of EGM does not amend that definition – the intention with the language in that definition is to keep the meaning of that word the same as it is now.

A special resolution is a resolution passed by a majority of not less than three-fourths of such members of the Company as (being entitled to do so) vote in person or by proxy at the EGM.

Please read the enclosed documents carefully. If you are in any doubt about the EGM or what action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

Finally, if you do not wish to attend the meeting, please return your Proxy Form by 2.00 p.m. on 24 March 2009.

Yours sincerely

Darren Throop
Chief Executive Officer