VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

15 February 2011

To: Company Announcements Office
Australian Securities Exchange

By: Electronic lodgement

Announcement of Half-Year Results – December 2010

Half-year information given to ASX under Listing Rule 4.2A

Attached are the following documents for the Company's results for the half-year ended 31 December 2010:

- ASX Appendix 4D – Half-Year Report;
- ASX Release on Half-Year Report; and
- Financial Report and Directors' Report for the half-year ended 31 December 2010 together with the Independent Review Report.

This information should be read in conjunction with the most recent Annual Report of the Company for the financial year ended 30 June 2010.

RULE 4.2A.3

APPENDIX 4D

Half-Year Report

Introduced 1/1/2003.

Name of entity:

VILLAGE ROADSHOW LIMITED

ABN:

43 010 672 054

1. Reporting period

Half-year ended ('reporting period'):

31 December 2010

Previous half-year ended ('previous corresponding period'):

31 December 2009

2. Results for announcement to the market

					$A'000
2.1	Revenues from continuing operations	Up	1%	To	626,047
2.2	Profit (loss) after tax from continuing operations	Down	4%	To	48,986
2.3	Net profit (loss) for the period attributable to members	Down	50%	To	33,747

Dividends (distributions)		Amount per security	Franked amount per security
2.4	Interim dividend declared – Ordinary shares	--	--
	– Preference shares	--	--
2.5	+Record date for determining entitlements to the dividend	N/A	

2.6 Brief explanation of any of the figures reported above:

Refer attached ASX Release on Half-Year Report for further details.

3. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per +ordinary security	($1.98)	($1.97)

Note: Net tangible asset backing shown above excludes the value of Radio Licences. Including these assets, the NTA per ordinary security is $1.04 (2009: $0.77).

4. Entities over which control has been gained or lost

Control gained over entities

4.1	Name of entity (or group of entities)	N/A
4.2	Date from which control was gained	
4.3	Where material, profit (loss) from ordinary activities after tax of the controlled entity (or a group of entities) from the date control was gained to the end of the current period	
4.4	Where material, profit (loss) from ordinary activities after tax of the controlled entity (or a group of entities) for the whole of the previous corresponding period	

Loss of control of entities

4.5	Name of entity (or group of entities)	N/A (but refer to Notes 9 and 10 in the Half-Year Financial Report)
4.6	Date from which control was lost	
4.7	Where material, profit (loss) from ordinary activities after tax of the controlled entity (or a group of entities) from the beginning of the current period to the date control was lost	
4.8	Where material, profit (loss) from ordinary activities after tax of the controlled entity (or a group of entities) for the whole of the previous corresponding period	

5. Dividends

5.1 Dividends paid - Previous Corresponding Period

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend:	Ordinary shares	3.75 cents	3.75 cents	Nil
(Paid July 2009)	Preference shares	3.75cents	3.75 cents	Nil
Final dividend:	Ordinary shares	6.0 cents	6.0 cents	Nil
(Paid December 2009)	Preference shares	9.0 cents	9.0 cents	Nil

	Current period $A'000	Previous corresponding Period $A'000
+Ordinary securities *(each class separately)*	--	11,612
Preference +securities *(each class separately)*	--	11,761
Total	**--**	**23,373**

6. Dividend reinvestment plans

Dividend reinvestment plans in operation	N/A
The last date(s) for receipt of election notices for participation in any +dividend reinvestment plans	N/A

7. Details of associates and joint venture entities

Equity accounted associates and joint venture entities ***Name of entity***	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) after tax	
	Current period	Previous corresponding period	Current Period A$'000	Previous corresponding period A$'000
Associates:				
Dartina Development Ltd.	50.00%	50.00%	1,927	2,631
Radio Newcastle Pty Ltd	50.00%	50.00%	1,232	1,074
Village Roadshow Entertainment Group Ltd [1,2]	40.44%	40.89%	--	--
IPic Gold Class Entertainment LLC [3]	30.00%	N/A	(1,272)	--
Other [4]	N/A	N/A	(12)	78
			1,875	**3,783**
Joint venture entities/partnerships:				
VRGCC Holdings LLC [3]	50.00%	50.00%	(527)	(5,783)
Other [4]	N/A	N/A	48	520
			(479)	**(5,263)**
Total			**1,396**	**(1,480)**
Other Material Interests			N/A	N/A
Total			**N/A**	**N/A**

Notes:

1. Previously called Village Roadshow Entertainment Group (BVI) Limited.
2. The VRL group loan to VREG of US$45 million, which was made in May 2009, was restructured in the half-year ended 31 December 2010 into preference shares (VL Class shares) in VREG on similar terms to the original loan. In addition, a further class of preference shares were issued at the same time in recognition of certain priority distributions VRL group are entitled to (V Class shares). The VL Class and V Class shares may only be converted to ordinary shares or redeemed in certain circumstances prescribed by the VREG Shareholders Agreement. The VL Class and V Class shares, together with the VRL group's existing 40.44% holding, represent more than 50% of the total voting shares on issue in VREG. As a result of the Shareholders Agreement, the VL Class and V Class shares do not deliver control of VREG to the VRL group in accordance with AASB 127: *Consolidated and Separate Financial Statements*, therefore the VRL group has continued to account for VREG in accordance with AASB 128: *Investments in Associates.*
3. During the current period, as detailed in Note 28(a) of the VRL group accounts for the year ended 30 June 2010, the restructured Gold Class USA operations were transferred from VRGCC Holdings LLC to IPic Gold Class Entertainment LLC.
4. In relation to 'other' associates referred to above, there have been no significant changes in the state of affairs during the period.

VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

15 February 2011

Stable Trading in a Turbulent Period

Normalised operating profit after tax of $33.0 million.
Operating EBITDA of $126.1 million.

Village Roadshow Limited ('VRL') today announced a net operating profit after tax before material items and discontinued operations for the half year ended 31 December 2010 of $33.0 million, compared to $38.1 million for the prior period.

EBITDA from operations of $126.1 million was marginally down on the prior period result of $128.1 million reflecting the impact of one of the wettest periods on the Gold Coast with 87 days of rain over the six months and weaker film product in the Cinema Exhibition division, partly offset by improved sales revenue in the Radio division.

Attributable net profit after tax amounted to $33.7 million compared to $67.6 million in the prior period, after including material items and discontinued operations. The prior period result included $25.6 million profit after tax relating to the sale of international Cinema Exhibition operations.

Major Items

- Successful share buyback and capital restructure culminating in one class of share;
- Sale of the Sydney Attractions Group and Kelly Tarlton's Antarctic Encounter and Underwater World;
- Gold Coast Theme Parks results negatively impacted by significant Queensland rainfall during the period but still recorded an EBITDA result of $37.6 million for the period down only 11.5% on the prior period;
- Reduced Cinema Exhibition earnings due to weaker film product compared to record breaking prior year with anticipated stronger product leading into the last quarter;
- The Company's VRP production division in its joint venture with Warner Bros. has arguably the two top films for Christmas 2011 in *Happy Feet 2 3D* and *Sherlock Holmes 2*;
- Radio sales revenues up 11.9% on the prior period showing outstanding recovery in the media and advertising sector and strong audience share;
- Announcement of intention to accept Southern Cross Media's bid for VRL's majority shareholding in Austereo for cash;
- Announcement of a proposed new Wet'n'Wild water park in Sydney, subject to planning permits and financing;
- Intention to declare an 8cps partly franked interim dividend and a 12cps partly franked special dividend on receipt of the Sydney Attractions Group sale proceeds.

VILLAGE ROADSHOW LIMITED ABN 43 010 672 054
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Announcing the result, VRL Chairman Mr Robert Kirby said: "The last few months have seen some unprecedented climatic conditions which have not only impacted our trading results but also the lives and livelihoods of many throughout Australia. Our businesses in Queensland have been lucky not to have sustained any physical damage but tourism numbers have been significantly impacted.

All VRL divisions pulled together to raise significant funds for those impacted by the terrible flooding. It is a testament to the robustness of operations and strength of cashflow that our trading result has not sustained a more severe impact.

The finalisation of the recently announced Sydney Attractions Group sale and potential sale of our shareholding in Austereo will enable significant pay down of debt and underpin the VRL Board's objective of paying regular dividends. It will also provide VRL with options and opportunities, including acquisitions, development projects and possibly distributions to shareholders."

VRL CEO Mr Graham Burke noted: "During this period of re-engineering VRL's direction with sale of assets and reduction of debt our businesses have performed strongly considering adverse weather in the Theme Parks and weaker product in Cinema Exhibition. Additionally, the divisions have continued to perform solidly through innovation in their product offerings, controlling costs and maintaining a high customer experience. We are poised for better weather in the Theme Parks and anticipate stronger product in Cinema Exhibition during the final quarter."

The Cinema Exhibition business performed solidly over the period, when compared to the prior period taking into account the outstanding performance of *Avatar* last year.

Following a record-setting performance by the Theme Parks division in FY2010, the group's EBITDA performance in the first half of FY2011 was negatively impacted by poor weather conditions. The three major parks on the Gold Coast were particularly impacted by extended periods of rain during crucial school holiday periods (as also was Hawaii Wet'n'Wild) and the early stages of the terrible Queensland floods in late December.

Following the signing in September 2010 of a conditional agreement with the New South Wales Government to build and operate a Wet'n'Wild water park in Sydney, the focus has been on finalising the conceptual design and lodging documentation for development approvals. It is anticipated that the development approvals will be in place by the end of the fiscal year.

Good product and innovative marketing assisted the Film Distribution business in maintaining the business performance in line with the prior period. Consumer confidence and access to good product continues to be a challenge to the division.

Austereo's sales revenues for the half grew by 11.9%, outpacing the capital city radio industry growth of 8.6%.

The full year net operating profit before material items and discontinued operations for the VRL group (excluding the impact of any sale of Austereo shares) is currently forecast to not materially vary from the prior year, assuming return to normal weather patterns and based on predicted film product.

For further information contact:

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Julie Raffe
CFO
03 9829 0667

A copy of this release can also be found at **www.villageroadshow.com.au**

OPERATIONAL OVERVIEW

Cinema Exhibition

The Cinema Exhibition division operates in Australia, Singapore and the United States, through joint ventures with Greater Union and other cinema operators.

EBITDA before discontinued operations and material items for the period of $21.8 million compared to $22.5 million for the prior period, due to lower admissions in the current year partially offset by higher average spend. Total admissions for all territories were 17.3 million, down from 18.9 million in the prior year.

	EBITDA		NPBT	
VRL Share of Results	FHY2011 $'m	FHY2010 $'m	FHY2011 $'m	FHY2010 $'m
Australian Cinema Exhibition	20.2	24.2	11.7	16.7
Other Cinema Exhibition	1.6	(1.7)	1.3	(1.7)
Total	**$21.8**	**$22.5**	**$13.0**	**$15.0**

The Australian cinema business declined in the first half due to a drop in admissions and lower box office receipts. The prior period results include part of the record results of the hugely successful *Avatar* which has further impacted this comparison. On the positive, Cinema Exhibition achieved a higher average ticket price and higher average spends at the candy bar. In the final quarter we are anticipating one of the strongest line ups in recent history with blockbuster films including *Pirates of the Caribbean: On Stranger Tides*, *Thor 3D*, *The Hangover Part II*, *Green Lantern* 3D *Kung Fu Panda 2*, *Cars 2* 3D and VRL's own *Red Dog*.

Singapore performed solidly within a challenging market, achieving EBITDA in line with the prior period. After a successful restructure, the United States Gold Class circuit has begun to recover and it is expected that this business will reach breakeven trading in the next six months. The Intencity games business also traded solidly in the period.

During the period, the 50% interest in Ballarat Cinemas in regional Victoria was sold and (in conjunction with Greater Union) a new site in Top Ryde in New South Wales was opened. Overall the number of sites and screens in the Australian division remained unchanged during the period.

In the US circuit, a new site in Scottsdale, Arizona was opened. As part of the restructure of this division, a site in Bayshore, Wisconsin was acquired.

List of Sites & Screens – Cinema Exhibition Division [1]

	As at June 2010		Opened/ (Closed/Sold) Jul – Dec 2010		As at December 2010	
	Sites	Screens	Sites	Screens	Sites	Screens
Australia	50	506	-	-	50	506
Singapore	9	73	-	-	9	73
USA	6	45	2	14	8	59
Total	**65**	**624**	**2**	**14**	**67**	**638**

1. Includes all screens in which Village Roadshow has an economic interest, taking no account of ownership structure.

The deployment of digital technology throughout the circuit has continued in this half taking the total digital screens to 193 across Australia which equates to approx 38% of all screens across Australia. It is expected that 50% of the circuit's screens will be converted by 30 June 2011.

Theme Parks

In December 2010 the Theme Parks division successfully refinanced its $275 million debt facility for a further four years. This outcome will ensure continued funding into the medium term future and enable the management of the Theme Park division to continue to focus their efforts on optimising the current businesses under management and developing new revenue opportunities.

EBITDA for the Theme Parks division, which includes the Gold Coast Theme Parks and USA Water Parks, was $40.1 million, excluding material items, compared to $46.1 million for the prior period. Operating profit before tax and material items for the Theme Parks division was $13.9 million, compared to $20.6 million for the prior period.

	EBITDA		NPBT	
	FHY2011 $'m	FHY2010 $'m	FHY2011 $'m	FHY2010 $'m
Theme Parks – Gold Coast	37.6	42.5	14.6	20.1
USA Water Parks	2.5	3.6	(0.7)	0.5
Total	**$40.1**	**$46.1**	**$13.9**	**$20.6**

Gold Coast Operations

The Gold Coast Theme Parks division includes Warner Bros. Movie World, Sea World, Wet'n'Wild Water World, Australian Outback Spectacular, Paradise Country, Village Roadshow Studios, Sea World Resort & Water Park and Sea World Helicopters.

Before material items, EBITDA for the half year was $37.6 million, down $4.9 million or 11.5% on the prior period. Despite the poor weather conditions, strong unit sales and customer usage of the group's popular VIP Pass helped minimise the EBITDA shortfall, and underpin attendance growth at Warner Bros. Movie World and Sea World.

The success of the VIP Pass offering however did not completely offset the downturn experienced in other ticket types on rain-impacted operating days. Wet 'n' Wild Water World was particularly impacted by the inclement weather.

Increased visitation from the core and regional markets, combined with stable International tour groups and International attendance enabled Paradise Country to produce a strong first half, with EBITDA up 400% on the prior period. Australian Outback Spectacular maintained its attendance levels and achieved revenue growth from its new premium pricing ticketing strategy, Top Rail, and its new show introduced in October 2009. Village Roadshow Studios' had a reasonable year in line with the prior period, whilst the EBITDA result for Sea World Resort and Water Park was down 4.5%.

The six months to December 2010 saw the opening of both Castaway Bay at Sea World and the Aqua Loop at Wet'n'Wild Water World during the October school holiday period, both attractions having been well received by patrons. The Flow Rider, in the pay per ride Adventure Park themed area of Wet'n'Wild Water World, opened successfully in October 2010. The new Sky Coaster and Zipline attractions will open at Wet 'n' Wild Water World by the 4th quarter of this financial year.

The new Penguin Encounter exhibit at Sea World featuring King and Gentoo Penguins opened in late December to a very positive response.

In addition to the opening of our new attractions, evening special events at Warner Bros. Movie World, Halloween and White Christmas, have proven to be very popular with our consumers. It is anticipated that both special event programs will become annual events in the operating calendar of the park.

January trading was impacted by the severe flooding in our core and regional markets, however proving the robustness of the Division, EBITDA for the month was $14.5 million compared to $17 million for January 2010.

Management's continued commitment to cost efficiency is clearly reflected in the reduction in labour hours that was achieved across the Division compared to the prior period.

USA Water Parks

The USA Water Parks division includes two water parks, Phoenix Wet'n'Wild located in Phoenix, Arizona, and Hawaii Wet'n'Wild located on the island of Oahu, Hawaii.

Despite poor economic conditions, Phoenix Wet'n'Wild enjoyed another strong summer season. Season Pass sales rose 44% to over 46,000 passes in total underpinning the season's results. The Phoenix park only operates during the warmer months and is currently closed during the winter period. The park is set to reopen for its second season in March 2011.

Economic issues in the core market and a slow to recover Tour and Travel market continue to challenge Hawaii Wet'n'Wild. In response, management has reduced the number of operating days, and implemented a bus service to and from key tourist areas to accommodate visitors to the island that also wish to attend the park. Expenses have been tightly managed.

Film Distribution

The Film Distribution division includes Roadshow Films, Roadshow Entertainment, Roadshow Distribution, Roadshow Television and Roadshow Live, with operations in Australia and New Zealand.

EBITDA excluding discontinued operations and material items for the half-year was $32.3 million, consistent with the prior period of $32.7 million. Operating profit before tax and material items of $24.4 million was slightly down on the prior period result of $25.5 million mainly as a result of increased interest costs.

Roadshow Films performed solidly off the back of good film product and strong theatrical demand in the earlier part of the half year. Roadshow Entertainment began the half slower than predicted but recovered well in December. Roadshow Distribution was impacted by reducing volumes and distribution rates with Roadshow Television and Roadshow Live maintaining ground.

Theatrical demand was strong over the half with Roadshow related Box Office up 10% on the same time last year. This solid result was supported by the outstanding performance of *Inception* and *The Expendables* in July and August and successful releases during the half year including *Harry Potter And The Deathly Hallows Part 1*, *The Town*, *Life As We Know It* and *Due Date*. There were limited locally produced releases during the period with *Legend Of The Guardians*: *The Owls Of Ga'hool* being one of the few Australian produced productions. Upcoming Australian productions include *Red Dog* and *The Cup*.

The home entertainment business, Roadshow Entertainment, started the period slowly as it continued to be affected by the general economic downturn in the retail sector. Close monitoring of costs and increased sales leading up to Christmas with the release of *Inception* and *The Expendables* resulted in a solid result for the half year. Television titles continue to be strong over the half with excellent success with *Underbelly: The Golden Mile*, Fremantle's *Merlin* and *BBC's Top Gear* and *Dr Who* series. This market continues to be challenging with pricing being a key factor in driving market share. Roadshow continues to be market leader with Christmas sales assisted by the release of special packages, including *Top Gear* and *Walking with Dinosaurs.*

Roadshow Digital pay-per-view and video-on-demand revenue continues to provide some growth opportunities with i-Tunes movie download service performing well together with other digital platforms. These include Fetch, Telstra's T-Box and the Sony Playstation platforms which are starting to generate additional revenue streams.

Roadshow Live, in conjunction with the Dainty Corporation, opened the highly acclaimed *Hairspray* musical in Melbourne on 2nd October. The reviews have been outstanding reflecting the quality of the production, with results continuing to build momentum.

Radio

The Radio division comprises VRL's majority shareholding in Austereo Group Limited ('Austereo'). VRL ownership percentage of the listed group is 52.52%.

EBITDA before material items for the period was $53.5 million, up on the prior period of $49.4 million, mainly resulting from an increase in overall sales revenue of 11.9%.

In the final survey of the half year, Austereo won number one FM place in Sydney, Melbourne, Brisbane and Perth, number two place in Adelaide and also retained number one place in the Canberra and Newcastle joint ventures.

Austereo's digital operations recorded further growth in the half. Monthly unique browsers of online sites rose by 24% over the last half to 1.43 million and more than 30,000 mobile phone apps were downloaded monthly.

Austereo's ASX results release can be viewed at: www.austereo.com.au

Film Production and Music

The Film Production and Music division is held via the VRL Group's equity accounted investment in Village Roadshow Entertainment Group Limited ('VREG'), which consists of Village Roadshow Pictures ('VRP') and Concord Music Group. No profit or loss has been recorded in the VRL group results in relation to VREG.

During the period Film Production released three films, *Cats and Dogs: The Revenge of Kitty Galore*, *Legend Of The Guardians: The Owls of Ga'hool* and *Life As We Know It*, resulting in a total worldwide box office of US$366m. This takes the total number of films released by VRP to 68 since 1999.

In August 2010, VREG refinanced two of its debt facilities and repaid the loans made by the VRL group from May 2010 onwards under one of those facilities. VRL was also released from its obligations under the guarantee it had provided in May 2010.

VRP's future line up of films either in production or development include:

- *Happy Feet 2 3D* – George Miller is preparing the sequel to the much loved and very successful *Happy Feet* which was released in 2006 and grossed US$385 million;
- *Sherlock Holmes 2* – Starring Robert Downey Jr and Jude Law, this sequel to the highly successful *Sherlock Holmes,* which was released in December 2009 and grossed US$523 million;
- *Lucky One* – Directed by Scott Hicks and starring Zac Efron who plays a marine who returns to North Carolina after serving three tours in Iraq and searches for the unknown woman he believes was his good luck charm during the war;
- *Dark Shadows* – Directed by Tim Burton and starring Johnny Deep, this highly anticipated action adventure film centres on the life of vampire, Barnabas Collins and is based on the popular "Dark Shadow" television series; and
- *Fury Road* – Directed by George Miller and set in Australia. This is the next instalment of the popular Mad Max franchise starring Tom Hardy and Charlize Theron

As previously advised to the market VREG continues to pursue a number of strategic initiatives to strengthen its balance sheet and augmenting its long term ability to continue to fund future film and music projects. This includes the potential to be listed on an international stock exchange and raising further equity.

Corporate

The VRL Board is intending to declare an interim dividend of 8 cents per share and a special dividend of 12 cents per share on receipt of the Sydney Attractions Group sale proceeds. Both dividends will be partly-franked.

We expect the conditions precedent relating to the sale of Sydney Attractions Group to be completed, and the proceeds to be received, shortly.

VRL in its announcement to the market on 31 January advised of its intention to accept the Southern Cross Media ("SCM") offer in respect to its shareholding in Austereo Ltd ("AEO"), in the absence of a superior proposal being made for all the shares in AEO. The takeover offer is subject to a number of conditions, including regulatory approvals. If VRL accepts the SCM offer, it will elect to receive all cash consideration.

A copy of this release can also be found at **www.villageroadshow.com.au**

This release may contain forward looking statements. Any such forward looking statements reflect the position only as at the date of this release. Such forward looking statements are subject to known and unknown risks and uncertainties and changes in circumstances that could cause actual results, performance or achievements to differ materially from those contained in such statements.

ADDITIONAL INFORMATION: RECONCILIATION OF OPERATING RESULT AND REPORTED EBITDA ANALYSIS – CONTINUING OPERATIONS

	Operating result excluding material items		Reported EBITDA excluding material items	
	Current period $A'000	Previous corresp. period $A'000	Current period $A'000	Previous corresp. period $A'000
Theme Parks	13,894	20,638	40,097	46,125
Film Distribution	24,387	25,489	32,348	32,662
Cinema Exhibition	13,012	15,047	21,836	22,508
Radio	42,714	39,338	53,473	49,371
Other (includes corporate overheads)	(28,209)	(30,244)	(21,642)	(22,602)
Total	**65,798**	**70,268**	**126,112**	**128,064**
Calculation of Reported EBITDA				
Profit from continuing operations before material items and tax			65,798	70,268
Add (Subtract):				
Depreciation and amortisation			29,937	29,906
Finance costs before fair value change on derivatives			33,398	30,175
Interest income			(3,021)	(2,285)
Reported EBITDA (before non-controlling interest)			**126,112**	**128,064**

VILLAGE ROADSHOW LIMITED
ABN 43 010 672 054

CONDENSED
HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2010

VILLAGE ROADSHOW LIMITED ABN 43 010 672 054
HALF-YEAR FINANCIAL REPORT
DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2010.

DIRECTORS

The names of the directors of Village Roadshow Limited ("the Company" or "VRL") in office during the half-year and until the date of this report are:

Robert G Kirby: B. Comm. – Chairman
John R Kirby: B.Ec., CPA – Deputy Chairman
Graham W Burke: - Managing Director
Peter M Harvie
Peter D. Jonson: B. Comm., MA, Ph. D.
D. Barry Reardon: B. Arts, MBA
David J. Evans
Robert Le Tet: B. Ec.
Tim M. Antonie (appointed 1 December 2010)

REVIEW AND RESULTS OF OPERATIONS

For continuing operations, total revenue for the Village Roadshow Limited group ("the Group" or "VRL group") was $626.0 million compared to $620.6 million for the previous corresponding period, total expenses excluding finance costs were $539.4 million (2009: $534.1 million), and finance costs were $31.0 million (2009: $25.5 million). Profit from continuing operations after tax was $49.0 million, compared to a profit of $51.0 million for the previous corresponding period.

The loss from discontinued operations after tax was $1.0 million (2009: profit after tax of $29.7 million). After accounting for the non-controlling interest and discontinued operations, the net profit attributable to members of VRL was $33.7 million, compared to a profit of $67.6 million in the previous corresponding period.

The attributable net profit excluding material items of income and expense and discontinued operations for the period was $33.0 million (2009: $38.1 million).

No dividends were declared in the half-year to 31 December 2010. In the previous corresponding period, a fully-franked interim dividend totalling $8.4 million was paid in July 2009, and a fully-franked final dividend totalling $15.0 million was paid in December 2009.

In the half-year to 31 December 2010, VRL bought back approximately 7.3 million ordinary shares and 7.7 million preference shares, for a total amount including related costs of $41.4 million, and subsequently converted all remaining preference shares into ordinary shares. In the half-year to 31 December 2009, VRL bought back approximately 12.7 million ordinary shares and 45 million preference shares, for a total amount, including related costs, of $109.9 million.

Total assets of the Group decreased by $18.2 million to $2,009.6 million compared to 30 June 2010, and total liabilities of the Group decreased by $4.5 million to $1,337.1 million compared to 30 June 2010.

As a result of the agreement to sell the VRL group's investments in the Attractions businesses (refer Notes 9 and 10 in the Half-Year Financial Report), the total assets and liabilities of this division have been disclosed as held for sale, instead of in the underlying asset and liability line items.

Basic earnings per share were 27.70 cents (2009: 48.05 cents), and total earnings per share before material items and discontinued operations were 20.71 cents (2009: 18.03 cents), based on a weighted average total of 159,549,748 (2009: 211,568,220) ordinary and preference shares.

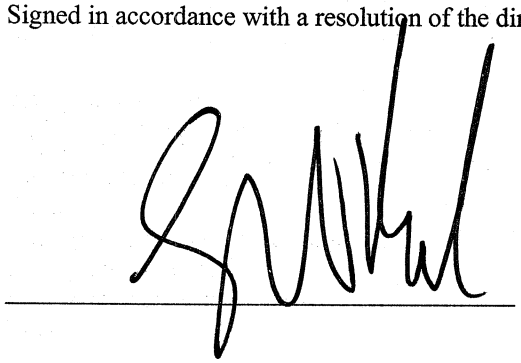
REVIEW AND RESULTS OF OPERATIONS (continued)
Summarised results are as follows (excluding material items of income and expense and discontinued operations):

	Revenues $'000	Profit (Loss) before Tax $'000
Theme Parks	142,984	13,894
Film Distribution	228,473	24,387
Cinema Exhibition	116,705	13,012
Radio	144,607	42,714
Total segment revenue / results	632,769	94,007
Inter-segment revenue	(11,926)	--
Non-segment revenue / results (incl. Corporate)	5,204	(28,209)
Totals	626,047	65,798

ROUNDING
The amounts contained in this report and in the half-year financial report have been rounded to the nearest $1,000 (where rounding is applicable) upon the option available to the company under ASIC Class Order 98/100. The Company is an entity to which this Class Order applies.

AUDITOR INDEPENDENCE
The Auditor's Independence Declaration to the Directors of Village Roadshow Limited is attached on page 4.

Signed in accordance with a resolution of the directors at Melbourne this 15th day of February 2011.



G.W. Burke
Director

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Auditor's Independence Declaration to the Directors of Village Roadshow Limited

In relation to our review of the financial report of Village Roadshow Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Rodney Piltz
Partner
15 February 2011

Liability limited by a scheme approved
under Professional Standards Legislation

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000
Continuing operations			
Income			
Revenues		626,047	620,596
Other income		11,120	11,902
Expenses excluding finance costs		(539,430)	(534,135)
Finance costs	(2(b))	(30,971)	(25,463)
Share of net profits (losses) of associates and joint venture entities accounted for using the equity method		1,396	(1,480)
Profit from continuing operations before income tax expense		68,162	71,420
Income tax (expense) benefit		(19,176)	(20,391)
Profit after tax from continuing operations		48,986	51,029
Discontinued operations			
Profit (loss) after tax from discontinued operations	(9)	(952)	29,673
NET PROFIT FOR THE PERIOD		48,034	80,702
Profit for the period is attributable to:			
Non-controlling interest		14,287	13,150
Owners of the parent		33,747	67,552
		48,034	80,702
Other comprehensive income			
Cash flow hedges taken directly to equity		(103)	3,756
Foreign currency translation		(15,080)	(12,714)
Income tax expense on items of other comprehensive income		31	(1,127)
Other comprehensive income (expense) for the period, net of tax		(15,152)	(10,085)
Total comprehensive income for the period		32,882	70,617
Total comprehensive income for the period is attributable to:			
Non-controlling interest		14,684	13,150
Owners of the parent		18,198	57,467
		32,882	70,617
Earnings per share (cents per share)			
For profit for the half-year attributable to ordinary equity holders of Village Roadshow Limited:			
Basic and diluted earnings per share		27.70c	48.05c
For profit from continuing operations for the half-year attributable to ordinary equity holders of Village Roadshow Limited:			
Basic and diluted earnings per share		28.49c	24.07c

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
BALANCE SHEET
AS AT 31 DECEMBER 2010

	Notes	Consolidated 31 December 2010 $'000	Consolidated 30 June 2010 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		89,906	101,720
Trade and other receivables		195,850	163,566
Inventories		19,240	19,600
Current tax assets		72	218
Film distribution royalties		23,244	28,310
Derivatives		123	687
Other		10,241	7,857
		338,676	321,958
Assets classified as held for sale	9	202,173	--
Total Current Assets		540,849	321,958
Non-Current Assets			
Trade and other receivables		44,452	76,420
Intangible assets: Radio licences		457,901	457,901
Goodwill		239,450	330,882
Other		45,792	58,640
Investments in associates and joint ventures accounted for using the equity method		28,255	28,217
Available-for-sale investments		843	843
Property, plant & equipment		591,013	662,576
Deferred tax assets		10,298	34,693
Film distribution royalties		45,247	51,283
Derivatives		926	--
Other		4,607	4,407
Total Non-Current Assets		1,468,784	1,705,862
Total Assets		**2,009,633**	**2,027,820**
LIABILITIES			
Current Liabilities			
Trade and other payables		232,240	226,358
Interest bearing loans and borrowings		56,699	66,451
Income tax payable		8,449	4,657
Provisions		29,365	27,633
Derivatives		2,814	3,419
Other		45,463	30,100
		375,030	358,618
Liabilities directly associated with assets classified as held for sale	9	87,345	--
Total Current Liabilities		462,375	358,618
Non-Current Liabilities			
Payables		33,924	31,988
Interest bearing loans and borrowings		781,039	862,362
Deferred & other income tax liabilities		49,097	63,486
Provisions		7,769	21,385
Derivatives		105	1,710
Other		2,791	2,010
Total Non-Current Liabilities		874,725	982,941
Total Liabilities		**1,337,100**	**1,341,559**
Net Assets		**672,533**	**686,261**
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity		242,624	280,316
Reserves		304,506	319,655
Accumulated losses		(8,427)	(42,174)
Parent interest		538,703	557,797
Non-controlling interest		133,830	128,464
Total Equity		**672,533**	**686,261**

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		651,316	653,106
Payments to suppliers and employees		(516,308)	(504,759)
Dividends and distributions received		3,628	5,933
Interest and other items of similar nature received		3,156	2,358
Finance costs		(34,561)	(31,245)
Income taxes paid		(8,794)	(8,987)
Net cash flows from (used in) operating activities		98,437	116,406
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant, equipment and intangibles		(53,200)	(37,354)
Proceeds from sale of property, plant & equipment		1,141	55
Purchase of equity investments		(9,377)	--
Proceeds from sale of equity investments		9,075	76,354
Loans to (or repaid to) other entities		(5,240)	(7,059)
Loans from (or repaid by) other entities		23,590	12,480
Other		--	(588)
Net cash flows from (used in) investing activities		(34,011)	43,888
CASH FLOWS FROM FINANCING ACTIVITIES			
Buyback of shares		(41,372)	(109,896)
Proceeds from borrowings		107,300	231,500
Repayment of borrowings		(129,954)	(225,113)
Dividends paid		(9,331)	(31,722)
Net cash flows from (used in) financing activities		(73,357)	(135,231)
Net increase (decrease) in cash and cash equivalents		(8,931)	25,063
Cash and cash equivalents at beginning of period		101,720	79,626
Effects of exchange rate changes on cash		(860)	(11)
Cash and cash equivalents at end of period	(3)	91,929	104,678
Total cash classified as:			
Cash and cash equivalents - continuing operations		89,906	104,678
Bank overdraft – continuing operations		(2,114)	--
Cash and cash equivalents – discontinued operations		4,137	--
Total Cash and cash equivalents at the end of the period		91,929	104,678

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

HALF-YEAR ENDED 31 DECEMBER 2010	ATTRIBUTABLE TO EQUITY HOLDERS OF VILLAGE ROADSHOW LIMITED				NON-CONTROLLING INTEREST	TOTAL EQUITY
CONSOLIDATED	ISSUED CAPITAL $ '000	ACCUMULATED LOSSES $ '000	OTHER RESERVES $ '000	TOTAL $ '000	$ '000	$ '000
Balances as at 1 July 2010	280,316	(42,174)	319,655	557,797	128,464	686,261
Profit for the period	--	33,747	--	33,747	14,287	48,034
Other comprehensive income (expense)	--	--	(15,549)	(15,549)	397	(15,152)
Total comprehensive income (expense) for the period	--	33,747	(15,549)	18,198	14,684	32,882
Share-based payment movements	2,830	--	407	3,237	13	3,250
Buyback of shares – ordinary & A class preference shares	(40,522)	--	--	(40,522)	--	(40,522)
Dividend paid to non-controlling interest	--	--	--	--	(9,331)	(9,331)
Other changes in equity	--	--	(7)	(7)	--	(7)
Balances as at 31 December 2010	242,624	(8,427)	304,506	538,703	133,830	672,533

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF CHANGES IN EQUITY (Continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

HALF-YEAR ENDED 31 DECEMBER 2009	ATTRIBUTABLE TO EQUITY HOLDERS OF VILLAGE ROADSHOW LIMITED				NON-CONTROLLING INTEREST	TOTAL EQUITY
CONSOLIDATED	ISSUED CAPITAL $ '000	ACCUMULATED LOSSES $ '000	OTHER RESERVES $ '000	TOTAL $ '000	$ '000	$ '000
Balances as at 1 July 2009	388,739	(123,189)	323,434	588,984	120,097	709,081
Profit for the period	--	67,552	--	67,552	13,150	80,702
Other comprehensive income (expense)	--	--	(10,085)	(10,085)	--	(10,085)
Total comprehensive income (expense) for the period	--	67,552	(10,085)	57,467	13,150	70,617
Share-based payment movements	658	--	553	1,211	25	1,236
Buyback of shares – ordinary & A class preference shares	(108,742)	--	--	(108,742)	--	(108,742)
Equity dividends	--	(14,952)	--	(14,952)	--	(14,952)
Dividend paid to non-controlling interest	--	--	--	--	(8,349)	(8,349)
Disposals	--	--	(410)	(410)	--	(410)
Movement resulting from changes in controlled entity buyback reserve and non-controlling interest	--	--	(1,126)	(1,126)	1,126	--
Transfers between reserves	--	7,593	(7,593)	--	--	--
Balances as at 31 December 2009	280,655	(62,996)	304,773	522,432	126,049	648,481

1. Basis of Preparation and Accounting Policies

(a) Basis of preparation

The condensed half-year financial report is a general-purpose financial report, which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by Village Roadshow Limited ("the Company" or "VRL") during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the Australian Securities Exchange listing rules.

Apart from the changes in accounting policy as noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. The presentation and classification of comparative items in the financial report have been adjusted where appropriate to ensure that the disclosures are consistent with the current period.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Village Roadshow Limited and its subsidiaries ("the Group" or "VRL group") as at 31 December 2010.

(c) Changes in accounting policies

The Group has adopted the following amended accounting standards in the current financial year:

From 1 July 2010, the Group has adopted AASB 5: *Non-current Assets Held for Sale and Discontinued Operations*, AASB 101: *Presentation of Financial Statements*, AASB 107: *Statement of Cash Flows,* AASB 117: Leases, AASB 136: *Impairment of Assets*, AASB 139: *Financial Instruments: Recognition and Measurement,* AASB 3: *Business Combinations* and AASB 127: *Consolidated and Separate Financial Statements*, all of which are mandatory for the annual periods beginning on or after 1 January 2010. Adoption of these Accounting Standards did not have any impact on the financial position or performance of the Group, with the main changes being as follows:

AASB 5: *Non-current Assets Held for Sale and Discontinued Operations.* The standard clarifies the disclosures required in respect of non-current assets held for sale and discontinued operations are only those set out in the standard.
AASB 101: *Presentation of Financial Statements.* The update to this standard deals with current / non-current classification of convertible instruments. The terms of a liability that could at any time result in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.
AASB 107: *Statement of Cash Flows.* Only expenditure that results in a recognised asset can be classified as a cash flow from investing activities.
AASB 117: *Leases.* Classification of land and buildings. The specific guidance on classifying land as a lease has been removed and only the general guidance remains.
AASB 136: *Impairment of Assets.* The largest unit permitted for allocating goodwill acquired in a business combination is the operating segment before aggregation for reporting purposes.
AASB 139: *Financial Instruments: Recognition and Measurement.* Gains or losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges or recognised financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss.
AASB 3: *Business Combinations* (Revised). This standard became applicable during the 2010 financial year, but as the Group has not acquired any businesses in the current period, this standard has not had any impact.
AASB 127: *Consolidated and Separate Financial Statements.* The change clarifies that the amendments made impacting AASB 121: *The Effect of Changes in Foreign Exchange Rates*, AASB 128: *Investments in Associates* and AASB 131: *Interests in Joint Ventures* apply prospectively for annual periods beginning on or after 1 July 2009.

	Consolidated 2010 $'000	Consolidated 2009 $'000
2. Income and Expenses		
(a) Reconciliation of operating profit		
Profit before income tax expense	67,709	99,090
Less: Discontinued operations profit (loss) before tax	(453)	27,670
Less: Material items of income and expense profit (loss) before tax	2,364	1,152
Profit before tax excluding discontinued operations & material items of income and expense	65,798	70,268
Income tax expense excluding discontinued operations & material items of income and expense	(18,467)	(18,978)
Profit attributable to non-controlling interest excluding discontinued operations & material items of income and expense	(14,287)	(13,150)
Net profit attributable to members excluding discontinued operations and material items of income and expense	33,044	38,140
(b) Finance costs – continuing operations		
Total finance costs before fair value change on derivatives	33,398	30,175
Fair value change on interest rate derivatives not designated in a hedging relationship (included in Note 2(c))	(2,427)	(4,712)
Total finance costs	30,971	25,463
(c) Material items of income and expense		
The following material items of income and expense, which are included in the results shown in the Statement of Comprehensive Income, are relevant in explaining the financial performance of the Group.		
Unrealised mark to market profits (losses) on interest rate and foreign currency derivatives not designated in hedging relationships	2,364	4,712
Write-downs and provisions re: non-current assets	--	(3,560)
Total profit (loss) from material items of income and expense before tax	2,364	1,152
Income tax (expense) benefit	(709)	(1,413)
Total profit (loss) from material items of income and expense after tax	1,655	(261)
3. Cash and Cash Equivalents		
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following:		
Cash on hand and at bank – continuing operations	56,509	75,674
Deposits at call – continuing operations	33,397	29,004
Total cash and cash equivalents – continuing operations	89,906	104,678
Cash on hand and at bank – discontinued operations	4,137	--
Bank overdraft – continuing operations	(2,114)	--
	91,929	104,678

4. Major Changes in Debt and Equity Securities

During the six months ended 31 December 2010, VRL bought back approximately 7.3 million ordinary shares and 7.7 million preference shares, for a total cash outflow, including related costs, of $41.4 million. Following this buyback, as approved by shareholders at an Extraordinary General Meeting, the preference shares were varied to become ordinary shares.

Subsequent to 31 December 2010, there have been no major changes to debt and equity securities of the Group, other than scheduled amortisation payments under the VRL group's facilities.

5. Changes to Composition of Entity

Other than as described in Note 9, there were no changes in composition to the consolidated entity which had a material impact during the half-year ended 31 December 2010.

6. Dividends Paid and Proposed

	Consolidated 2010 $'000	Consolidated 2009 $'000
(a) Declared previously, but paid during the half-year		
Interim dividend on ordinary shares of Nil cents per share (2009: 3.75 cents fully franked)	--	4,759
Interim dividend on preference shares of Nil cents per share (2009: 3.75 cents fully franked)	--	3,662
	--	8,421
(b) Declared and paid during the half-year		
Final dividend on ordinary shares of Nil cents per share (2009: 6.0 cents per share fully franked)	--	6,853
Final dividend on preference shares of Nil cents per share (2009: 9.0 cents per share fully franked)	--	8,099
	--	14,952

In November 2010, Austereo Group Limited ("Austereo"), a controlled entity of the VRL group, paid a fully-franked final dividend for 30 June 2010 of 5.7 cents per share. Subsequent to 31 December 2010, Austereo declared a fully-franked dividend of 5.0 cents per share.

7. Contingencies

(a) Contingent Liabilities

Contingent liabilities are not materially different from those disclosed in the 30 June 2010 accounts.

The following contingent liabilities are not materially different to the position as disclosed in the 30 June 2010 accounts, but the latest information is as follows:

(i) Other contingent liabilities and restructuring of loan - Film Production and Music:
As disclosed in Note 22(a)(v) in the 30 June 2010 accounts, VRL's guarantee relating to amounts owing by Village Roadshow Entertainment Group ("VREG") to Warner Bros. remains in place, however VRL does not believe that any future payment will be required under this guarantee.

The VRL group loan to VREG of US$45 million, which was made in May 2009, was restructured in the half-year ended 31 December 2010 into preference shares (VL Class shares) in VREG on similar terms to the original loan. In addition, a further class of preference shares were issued at the same time in recognition of certain priority distributions VRL group are entitled to (V Class shares). The VL Class and V Class shares may only be converted to ordinary shares or redeemed in certain circumstances prescribed by the VREG Shareholders Agreement. The VL Class and V Class shares, together with the VRL group's existing 40.44% holding, represent more than 50% of the total voting shares on issue in VREG. As a result of the Shareholders Agreement, the VL Class and V Class shares do not deliver control of VREG to the VRL group in accordance with AASB 127: *Consolidated and Separate Financial Statements*, therefore the VRL group has continued to account for VREG in accordance with AASB 128: *Investments in Associates*.

7. Contingencies (continued)

(a) Contingent Liabilities (continued)

(ii) Other contingent liabilities - Belfast Rent Dispute:

As disclosed in Note 22(a)(vii) in the 30 June 2010 accounts, an appeal was in progress in relation to a judgement delivered by the High Court in Northern Ireland in February 2010 relating to litigation between Village Theatres 3 Limited ("VT3"), a wholly-owned subsidiary in the Village Roadshow Limited group ("VRL group"), VT3's landlord and its sub-tenant.

The judgement stated that the sub-lease could not be rescinded, but that the sub-tenant could apply for damages, and that VT3 could also apply for damages against the landlord under the head lease. The sub-tenant appealed that decision, which was heard in May 2010. The majority of the appeal was dismissed, but one issue was referred back to the trial judge. A further hearing was held in September 2010, which determined the damages due by VT3 to the sub-tenant.

This damages amount reduced the outstanding amount owing to VT3 by the sub-tenant for unpaid rent and associated amounts, and VT3 is currently in the process of taking action to recover the net amount owing by the sub-tenant. VRL believes that it has made appropriate provisioning in its accounts for this matter, based on the information available to date.

(b) Contingent Assets

Contingent assets are not materially different from those disclosed in the 30 June 2010 accounts.

8. Reporting by Operating Segments

	Consolidated 2010 $'000	Consolidated 2009 $'000
Segment revenue:		
Theme Parks	142,984	156,282
Film Distribution	228,473	221,971
Cinema Exhibition	116,705	118,103
Radio	144,607	128,495
Total segment revenue	632,769	624,851
Less: Inter-segment revenue	(11,926)	(8,777)
Plus: Non-segment revenue	5,204	4,522
Total revenue	626,047	620,596
Segment result:		
Theme Parks	13,894	20,638
Film Distribution	24,387	25,489
Cinema Exhibition	13,012	15,047
Radio	42,714	39,338
Total segment result	94,007	100,512
Non-segment result (Corporate)	(28,209)	(30,244)
Operating profit before tax and material items of income and expense:	65,798	70,268
Material items of income and expense profit (loss) before tax	2,364	1,152
Profit from continuing operations before income tax expense	68,162	71,420

9. Discontinued Operations

In the half-year ended 31 December 2010, as advised to the Australian Securities Exchange ("ASX") on 17 December 2010, the VRL group has agreed to sell its Attractions businesses, being the Sydney Attractions Group and Kelly Tarlton's in New Zealand. The assets and liabilities of these businesses as at 31 December 2010 have been disclosed as held for sale, and the net investing cash flows for 2010 shown below include a deposit of $2.0 million received prior to 31 December 2010.

In the half-year ended 31 December 2009, as advised to the Australian Securities Exchange on 10 August 2009, the VRL group disposed of its Cinema Exhibition and Film Distribution operations in Greece, and also disposed of its Cinema Exhibition operations in the Czech Republic. The main amounts included in the 2009 figures below were profit before tax of $22.2 million, profit after tax of $25.6 million, and net investing cash flows of $72.7 million.

Details of the composition of the operating profit from the discontinued operations for the current and previous corresponding period is as follows:

	Consolidated 2010 $'000	Consolidated 2009 $'000
(i) Income Statement Information:		
Total income	29,429	104,911
Total expenses	(29,882)	(77,242)
Operating profit (loss) from discontinued operations before tax	(453)	27,669
Income tax benefit (expense)	(499)	2,004
Operating profit (loss) from discontinued operations after tax	(952)	29,673
(ii) Cash Flow Extract Information		
Net operating cash flows	7,511	7,146
Net investing cash flows	(6,720)	67,451
Net financing cash flows	(1,172)	(2,300)
Total net cash flows	(381)	72,297
(iii) Balance Sheet / Other Information:		
Assets – carrying amount at balance date:		
Cash	4,137	--
Property, plant & equipment	84,240	--
Intangible assets – Goodwill	87,052	--
Deferred tax assets	12,906	--
Other	13,838	--
Total assets at balance date	202,173	--
Liabilities at balance date:		
Interest-bearing loans and borrowings	(58,000)	--
Provisions (non-current)	(13,981)	--
Other	(15,364)	--
Total liabilities at balance date	(87,345)	--
Net assets at balance date	114,828	--
Net assets disposed	--	61,634
Selling price of net assets disposed	--	83,839
Profit on disposal	--	22,205
Tax benefit relating to disposal	--	3,345

10. Events after Balance Sheet Date

Other than the following, there have been no material transactions which significantly affect the financial or operational position of the VRL group since the end of the financial half-year.

(a) Agreement to sell Attractions businesses:

As advised to ASX on 17 December 2010, the VRL group has agreed to sell its Attractions businesses, being the Sydney Attractions Group, which includes Sydney Aquarium and Sydney Wildlife World, and Kelly Tarlton's Antarctic Adventure & Underwater World in New Zealand. The assets and liabilities of these businesses as at 31 December 2010 have been disclosed as held for sale, and the estimated loss on disposal has been taken up in the 31 December 2010 accounts.

The sale was subject to a number of conditions, including regulatory approvals, and as at the date of these accounts, all regulatory approvals have been received, and third party consents are in the process of being obtained.

On settlement of this transaction, which will result in cash proceeds of approximately $115 million, an amount of $104.3 million of the VRL group's Corporate secured debt will be repayable from the sales proceeds, of which only $20 million has been included in current liabilities in the VRL group balance sheet as at 31 December 2010.

(b) Intention to Accept Proposed Takeover of Austereo Group Limited ("Austereo"):

As advised to ASX on 31 January 2011, in the absence of a superior proposal being made for all of the shares in Austereo, the VRL group intends to accept in cash the takeover offer proposed to be made by a subsidiary of Southern Cross Media Group Limited, for its 52.52% shareholding in Austereo. The takeover offer is subject to a number of conditions, including regulatory approvals.

The Bidder's Statement is expected to be sent to Austereo shareholders by the end of February 2011, and if the takeover offer proceeds as announced, the VRL group will receive cash consideration of approximately $362 - $380 million pre-tax, based on the offer prices of $2.00 or $2.10 per share (with the higher price based on the offeror achieving at least a 90% shareholding in Austereo).

In addition, Austereo has declared a fully-franked interim dividend of 5 cents per share, payable in March 2011, which Austereo shareholders will receive regardless of the takeover offer.

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
DIRECTORS' DECLARATION
31 DECEMBER 2010

In accordance with a resolution of the directors of Village Roadshow Limited, I state that:

In the opinion of the directors -

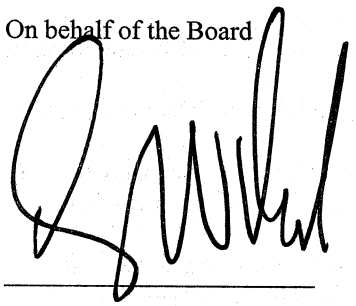
a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

   i) Giving a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity

   ii) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*

b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



G.W. Burke
Director

Melbourne, 15 February 2011

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To the members of Village Roadshow Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Village Roadshow Limited, which comprises the balance sheet as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Village Roadshow Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which follows the Directors' Report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Village Roadshow Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Rodney Piltz
Partner
Melbourne
15 February 2011