

15 November 2012

**VILLAGE ROADSHOW LIMITED
CHAIRMAN'S ADDRESS TO AGM**

Ladies and Gentlemen, I would officially like to welcome you to your company's 2012 Annual General Meeting. Before we commence with our rather full agenda of formalities, I ask you to indulge me briefly as I reflect on some of the achievements over the past 12 months and relay some of the vision and strategic planning your Board has set in motion.

The 2012 financial year saw the strength and resilience of each of our business units showcased in a year of challenging foreign and domestic economic conditions. Operating Profit after Tax before discontinued operations and material items of \$52.8 million represents a significant increase on \$31.3 million the prior year. EBITDA from operations of \$154.7 million tells a similar story, up from \$140.5 million in the previous comparable period.

This solid result is a reflection of exemplary leadership by our key executives and the realisation of the Board's strategic policy objective to achieve consistency of business growth, continuing balance sheet strength and measured growth in dividends to shareholders.

Let me comment on each of our divisions:

The underlying resilience of our theme parks division is evident in the financial performance over the past two years of historically inclement weather. Fortunately (touch wood) this current financial year is benefitting from more normal weather. We are now fast approaching Christmas and the New Year, the critical trading period. We have some fabulous promotions, including our White Christmas and brand new attractions at all parks.

The exciting Sydney Wet'n'Wild is under construction; it will be the only major theme park in a great city of 5 million people! Las Vegas Wet'n'Wild is also underway. We, Village Roadshow, have 51% of this venture and a very strong group of investors, particularly Andre Agassi.

China theme park activity is well advanced as per the recent announcement of our Hainan Island Marine Park (which also includes a Wet'n'Wild park as a separate gate).

We see our theme parks as not only our largest business; it is what we call the new foundation business of VRL: it will be the 'biggest engine of growth' in the coming decade and beyond.

Our main cinema division here in Australia had an excellent financial 2012 year. Whilst the first quarter of this new financial year has been 'soft' into the immediate future we have a strong

product line-up, including the new Bond film, *Skyfall*, which is expected to be the biggest Bond film ever; then we have the phenomenon which will be *The Hobbit* at Christmas.

Our cinema circuit is one of the first in the world to be 100% digital and we remain confident the 'cinema experience' of 'going out' has a strong enduring future in this digital age. In fact, with our super luxury Gold Class and the ∇ max giant screen concepts we continue to revitalise the sophistication of this cinema experience. An example of this is the expansion of the very successful Fountain Gate complex to provide two ∇ max cinemas and more Gold Class cinemas for the expanding market.

In distribution, another good year which included our biggest box-office ever with *Harry Potter and The Deathly Hallows: Part 2*, and the extraordinary success of *Red Dog* in both cinemas and DVD.

It is important to recognise that in theatrical-cinema film distribution we have now re-signed a five year agreement with Warner Bros. Also in our Home Entertainment/DVD Division we have new long term deals with both the BBC and the ABC.

In film production the highlight was of course the injection of US\$275 million into our VREG company. We have now set a course for a totally re-invigorated film production division; and the real value of this expanded agenda will begin to flow in the 2014 calendar year.

Upcoming releases in 2013 will include the Baz Luhrman/Leonardo DiCapro's *The Great Gatsby*, which will be released into the prime American summer. *Gangster Squad*; based on the early 'audience research' reports on this film, it is probably one of the best films we have ever produced.

Our 2014 line-up includes the Tom Cruise *All You Need Is Kill*, *Lego*, and *Mad Max 4...Fury Road*.

Briefly on our general corporate field of activity; firstly, our corporate overhead costs are down and remain under constant scrutiny to achieve further savings. Secondly, we have a new and, I must say, highly active Corporate Governance Committee of all independent directors.

Finally, I re-iterate as we have continuously espoused over 24 years as a public company, and it has been our Roc Kirby philosophy since the beginning of our company in the early 1950's; we recognise and honour the personal commitment of our Village Roadshow world of people. It is always their loyalty, their sheer creativity and often inspiration that makes Village Roadshow survive and thrive.

Thank you.