29 November 2013

VILLAGE ROADSHOW LIMITED
CHAIRMAN'S ADDRESS TO 2013 AGM

Ladies and Gentlemen, good morning. My name is Robert Kirby and I am the Chairman of the Board of Directors of Village Roadshow Limited. I would officially like to welcome you to your Company's twenty-fifth Annual General Meeting.

The Secretary has informed me that a quorum is present and I declare the meeting open. I ask that all mobile phones and other electronic devices be turned off.

I would like to introduce my fellow Village Roadshow Limited Directors to you. John Kirby is Deputy Chairman, Graham Burke is our CEO and Managing Director and Julie Raffe, Village Roadshow's Finance Director. The 6 independent, non-executive directors of Village Roadshow Limited are Peter Jonson, Barry Reardon, Peter Harvie, David Evans, Robert Le Tet, and Tim Antonie. There are no apologies.

Before moving to the formal business of today's meeting, I would like to comment on some of the achievements over the past 12 months and update you on the current trading and expectations for the year ahead.

The VRL Group achieved an attributable net profit after tax of $50.9 million for the year ended 30 June 2013, a 50 percent increase on the prior year. Excluding discontinued operations and material items, we recorded an attributable operating profit of $57.2 million, 8.2 percent higher than last year.

Pleasingly our EBITDA, excluding material items and discontinued operations, was up 6 percent on last year to $164 million. Strong cash flows enabled the Board of Directors to pay a fully-franked 13 cents per share dividend in March 2013 and a further fully-franked 13 cents per share dividend in October 2013, with dividends relating to the 2013 financial year totalling $41.5 million.

The Company is proud of our strong share price and we believe this reflects the market's recognition of our solid cash flows, strong management, corporate governance initiatives and our program for growth.

This solid result is a reflection of exemplary leadership by our key executives and the realisation of the Board's strategic objective to achieve consistency of business growth, continuing balance sheet strength and sustainable, ongoing dividends to shareholders. We have also proposed a further distribution of 25 cents per share be paid to shareholders in December 2013. I will talk to this distribution later in the meeting as this payment is subject to shareholder approval.

Let me now comment on each of our divisions.

In Theme Parks, despite some bad weather in key trading periods we produced a near record result in part driven by the strength of the successful VIP pass strategy. Since year end, trading at our Gold Coast parks has been marginally softer than the previous year but with a combination of new attractions and the "Theme Park Capital of Australia" joint marketing campaign with Ardent Leisure and the Queensland Government, we are expecting solid results.

The “Theme Park Capital of Australia” campaign is inspired by the long term success of Orlando which is the theme park destination of America - year in, year out the biggest holiday destination in the world with 60 million visitors a year. The Gold Coast has all these attributes with world class parks giving families and young adults what the research tells us they want, namely lots of things to do. I will shortly show you one of the TV advertisements and I am sure you will agree that you and your family will want to go to the Gold Coast. As the commercial says “Only on the Gold Coast”.

On December 12 we are launching one of the company’s biggest initiatives. The opening of what we are accurately billing as the best water theme park in the entire world. This will include one of the world’s biggest inland seas and over 40 rides that include the best technology available in the world today. Sydney is Australia’s biggest population basin and has no major theme park. Already we have sold in excess of 100,000 season passes to what is a visually spectacular park and again we are bringing to bear Village Roadshow’s strong marketing skills with a great campaign and I will shortly show you one of our commercials.

One-off marketing costs of approximately $8 million, associated with the opening of Wet’n’Wild Sydney and our share of the Queensland joint marketing initiative are, of course, mostly being incurred in this current half-year, but we have no doubt that the pay-off will be significant for the 2014 full-year and beyond.

We have also recently announced our decision to divest two of our US water parks, in Hawaii and in Phoenix, Arizona, whilst still retaining our 51% interest in the recently opened Wet’n’Wild Las Vegas. Further details were provided to the market last week. This change in strategy is because we considered that it was becoming increasingly difficult, with the improving US economy, to acquire additional suitable properties at satisfactory prices, and because we consider that we can achieve better returns in less mature markets, notably in Asia.

The US water park divestment will give rise to a loss of approximately $2 million. Separately, we have also made an additional provision in relation to an adverse court decision relating to our previous ownership of Sydney Attractions Group. The judgement of $4.9 million is currently under appeal. This judgement was previously disclosed as a contingent liability.

We have a management deal for a marine theme park and water park on Hainan Island in China in conjunction with the highly regarded Guangzhou R&F Properties Co. Limited. The parks are under construction and are progressing well with the first phase due to be open in late 2014 or early 2015. We continue to actively amass a number of theme park opportunities across the Asian region.

Moving on to Cinema Exhibition, we enjoyed robust trading during the 2013 financial year with EDITDA from our Australian cinemas 11.7% up on the prior year. Recent film product has proved somewhat weaker compared to the same period last year, however with the explosive opening of *The Hunger Games: Catching Fire,* business has enjoyed a tremendous uplift. We are heading into a strong Christmas with *The Hobbit: The Desolation of Smaug* and the Disney animated feature, *Frozen*. During the year we focussed on expanding our Gold Class and Vmax cinema offerings and we are now focussed on both refurbishing a number of existing sites as well as adding new sites to our Australian cinema circuit.

Our jointly owned Singapore cinemas enjoyed a record twelve months to June 2013 and have continued to achieve strong attendances. In our 30% owned US Gold Class cinemas, which trade as iPic Theaters, attendance continues to grow strongly and overall the circuit is now EBITDA positive. iPic has a number of exciting new sites under construction or development and is on track to build a great asset as a critical mass of sites is reached.

In Film Distribution, building on the success of the June release of *Man of Steel,* we have moved into *The Hunger Games: Catching Fire* with a phenomenal $15.9 million first week’s national gross. Then at Christmas we have *The Hobbit: The Desolation of Smaug* and a strong line up

which includes *The Wolf of Wall Street* and our Warner Village Roadshow Pictures co-production *The Lego Movie* which we will shortly be showing you a preview of.

We also continued to be the leading independent retail distributor of DVDs during the year with other content platforms such as Blu-ray, Ultraviolet and digital film distribution growing with the rise of smart phones and tablet devices. We also took the opportunity to sell our DVD distribution warehouse during the year to streamline our duplication and logistics arrangements.

In our Film Production division through our 47.63% owned Village Roadshow Entertainment Group, Village Roadshow Pictures is well progressed with its plans to increase the number of movies it releases each year. *The Great Gatsby* was a stand-out box office performer during the year for Village Roadshow Pictures. I have already mentioned *The Lego Movie*, but other titles to watch out for include *Edge of Tomorrow, Into The Storm* and *Jupiter Ascending* with a number of others such as *Mad Max Fury Road.*

We also continue to build our Digital businesses, which although currently small, offer promising future growth opportunities.

In a corporate sense we have just renewed our main Cinema Exhibition and Film Distribution finances for 4 years and are currently finalising our Theme Parks financing for 5 years, and our corporate facility for 3 years, providing capital for future growth.

In summary our mantra is simple:

"People will always want to go out."

And we provide superior experiences whether it be in our world class movie theatres or theme parks or in our filmed entertainment. We have strong growth plans both in Theme Parks and Cinema Exhibition. We have also simplified our business structure, including exiting radio and combining share classes, with stable cash flows and growth, but above all, it is about our people. Without doubt we have the finest team of creative, loyal and committed people. It is to their work ethic and contribution I say, thank you, today.

I would also like to advise you that it has been agreed with the Board of Directors for both Mr. Graham Burke and I to become co-CEOs and Co-Executive Chairman of Village Roadshow. Graham and I have worked seamlessly together on all VRL matters for many years, so this arrangement will continue our mutual understanding and clarify and formalise that reality. Importantly, there will be no change to the aggregate remuneration of the two of us and no additional cost to Village Roadshow.

Now to the formal part of today's meeting.