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## **VILLAGE ROADSHOW EXPANDS DIGITAL BUSINESS INTO UK**

Village Roadshow Limited ('VRL') today announced that a UK subsidiary has acquired 80% of the UK-based Opia business. Existing senior management will retain a 20% holding in Opia.

Opia is a fast-growing sales promotion consultancy business and market leader that creates brand sales promotion campaigns for leading international consumer electronic brands with established long term relationships with major blue chip companies. Opia was privately-owned with a large customer service centre in north-east England and operations in UK, Europe and US.

Opia will become part of VRL's Digital Division, together with Edge Loyalty Systems Pty Ltd ('Edge'). Edge was acquired by VRL in July 2012 and has grown to be an important division of the VRL group, with FY2015 EBITDA of \$3.0 million, a 64% like for like increase on the prior year.

The UK-based Opia business operates under a similar business model to Edge and this strategic acquisition provides the opportunity to leverage the networks and expertise of both businesses. This transaction will broaden the scope, size and suite of promotional products and enhance the value proposition of tailored solutions for Edge and Opia customers. The acquisition of Opia is expected to be earnings accretive and contribute positive cash-flow to VRL from acquisition date and synergies from the combined Edge/Opia businesses are expected to generate incremental revenue. This transaction will be the springboard from which Edge can seek further expansion in both existing and new markets, especially Asia, leveraging VRL's presence in the region.

The purchase price for the 80% interest is GBP24 million, adjusted for surplus cash, with deferred consideration payable if future earnings targets are met. The transaction is being funded from VRL's existing cash and debt facilities. Opia's EBITDA is expected to be approximately GBP6 million per annum in the first full year of acquisition and VRL's share of this will be 80%. The net profit after tax contribution from Opia in the first full year of consolidation is expected to be approximately GBP2.6 million (A\$5.8 million).

In a joint statement VRL Co-Executive Chairmen and Co-CEOs, Mr. Robert Kirby and Mr. Graham Burke, said: "We are delighted to announce this acquisition which provides Edge with significant growth opportunities and brings scale to this emerging VRL division. We are harnessing our proven expertise in this unique space and the plan is to grow this business so it will, along with theme parks, cinema exhibition, film production and distribution, be a significant business for the VRL group."

For further information contact:

Graham Burke  
Co-Executive Chairman and Co-CEO  
03 9829 0667

Julie Raffe  
Finance Director  
03 9667 6511