

24 February 2015

To: Company Announcements Office
Australian Securities Exchange

By: Electronic lodgement

Announcement of Half-Year Results – December 2014

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 2014:

- ASX Appendix 4D – Half-Year Report;
- ASX Release on Half-Year Report; and
- Half-Year Financial Report, including Directors' Report and 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 2014.

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 2014

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

31 December 2013

2. Results for announcement to the market

				\$A'000
2.1	Revenues from continuing operations	Down	1.9%	to 469,570
2.2	Profit after tax from continuing operations	Down	27.0%	to 13,833
2.3	Net profit for the period attributable to members	Down	26.2%	to 13,343
Dividends (distributions)				
		Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
2.4	Interim dividend declared – Ordinary shares	14.0 cents	14.0 cents	Nil
2.5	+Record date for determining entitlements to the dividend	18 March 2015		
2.6	Brief explanation of any of the figures reported above: <i>Refer attached ASX Release on Half-Year Report for further details.</i>			

3. Net tangible assets per security

Net tangible asset backing per ⁺ordinary security

Current period	Previous corresponding period
\$1.05	\$1.30

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
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 & Distributions

5.1 Dividends & Distributions paid - Current Period

		Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
Special Dividend: (Paid July 2014)	Ordinary shares	15.0 cents	15.0 cents	Nil
Final dividend: (Paid October 2014)	Ordinary shares	14.0 cents	14.0 cents	Nil

5.2 Dividends & Distributions paid - Previous Corresponding Period

		Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
Final dividend: (Paid October 2013)	Ordinary shares	13.0 cents	13.0 cents	Nil
Distribution: (Paid December 2013)	Ordinary shares	13.0 cents	13.0 cents	Nil

5. Dividends & Distributions (continued)

5.3 Total Dividends & Distributions paid

+Ordinary securities (each class separately)

Total

Current period \$A'000	Previous corresponding Period \$A'000
46,257	41,467
46,257	41,467

5.4 Dividends declared subsequent to half-year end – Current Period

		Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
Interim dividend (To be paid April 2015)	Ordinary shares	14.0 cents	14.0 cents	Nil

5.5 Dividends declared subsequent to half-year end – Previous Corresponding Period

		Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
Interim dividend (Paid March 2014)	Ordinary shares	13.0 Cents	13.0 Cents	Nil

6. Dividend reinvestment plans

Dividend reinvestment plans in operation

The last date(s) for receipt of election notices for participation in any +dividend
reinvestment plans

N/A
N/A

7. Details of associates

Equity accounted associates <i>Name of entity</i>	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%	3,449	3,703
Village Roadshow Entertainment Group Ltd ¹	47.12%	47.63%	--	--
iPic-Gold Class Entertainment LLC	30.00%	30.00%	--	500
VR iPic Finance LLC	42.86%	42.86%	77	--
Other ²	N/A	N/A	--	1
Total			3,526	4,204
Other Material Interests			N/A	N/A
Total			N/A	N/A

7. Details of associates (continued)

Notes:

1. The Village Roadshow Limited group ("VRL group") is the largest shareholder in Village Roadshow Entertainment Group Limited ("VREG"), with 47.12% (2013: 47.63%) of the ordinary shares of VREG.

The VRL group also holds dividend bearing non-voting redeemable equity shares ("redeemable equity shares"), which are scheduled to be redeemed by 2018 and can be converted into ordinary shares upon an Initial Public Offering of VREG. The redeemable amount, including accrued dividends, as at 31 December 2014 is approximately USD 135.6 million. Partial redemption of the redeemable equity shares is currently not anticipated to commence in the short term. The redeemable equity shares are subordinated to VREG's securitised film financing and mezzanine debt in the event of default or poor film performance.

Subject to the film performance of VREG films and available free cash flow, the VRL group is entitled to receive approximately USD 6.0 million p.a. in cash dividends on the redeemable equity shares, as they earn a 5% p.a. cash dividend (which are accrued if not received in cash) and 9% p.a. payment in kind. In the half year to 31 December 2014, no cash dividends were received from VREG (2013: NIL). The VRL group results only include cash dividends received from VREG.

The VREG Board is the ultimate decision-making body of VREG, however the provisions of the VREG Shareholders Agreement provide that most decisions regarding relevant activities of VREG are recommended to the Board by an advisory committee established under the Shareholders Agreement ("Advisory Committee"). The VRL group does not have control of either the VREG Board or Advisory Committee. Based on this, it has been determined that the VRL group does not control VREG in accordance with AASB 10: *Consolidated Financial Statements*, however the VRL group does have significant influence over VREG in accordance with AASB 128: *Investments in Associates*.

Therefore, the investment in VREG is equity-accounted, and as a result of the significant negative net asset position of VREG, the carrying value of the shareholding, including the redeemable equity shares, is fully provided against, so that the VRL group has no carrying value for accounting purposes. It is noted that VREG's film rights are recorded in its accounts (in non-current assets) at amortised cost, as required under IFRS, which is significantly less than the market value of these film rights.

2. In relation to 'other' associates referred to above, there have been no significant changes in the state of affairs during the period.



24 February 2015

Solid Trading against Adverse Weather, as Building Blocks of Future Growth are put in place

VILLAGE ROADSHOW LIMITED (“VRL”) faced challenging conditions in the first half of FY2015, which were outside VRL’s direct control, in particular the atrocious weather experienced in the Gold Coast and Sydney during the key busy period for the Australian Theme Parks. This, together with film release timing in the Cinema Exhibition and Film Distribution divisions, brought in a first half result below expectations.

VRL’s Theme Parks division started the first quarter of FY2015 on a positive note, trading in line with the corresponding period and positioned well for a promising first half. Unfortunately the weather turned in the lead up to the Christmas holiday season, adversely impacting the second quarter performance in Sydney and Gold Coast parks. Relative to the weather conditions, a solid set of numbers was achieved.

Due to timing of film releases, overall Cinema Exhibition division box office attendances in the first half were marginally down on the corresponding period, however as a result of strategic pricing, continued roll out of the premium Gold Class and **max** concepts and other successful innovative marketing campaigns, Cinema Exhibition was able to grow Average Ticket Price and Spend Per Patron, setting up a more positive second half of the financial year.

VRL today announced an attributable net profit of \$13.3 million for the half-year ended 31 December 2014, compared to the prior corresponding period result of \$18.1 million. This included losses from material items of \$1.8 million after tax in the current period, and \$7.6 million in the previous corresponding period.

Attributable net profit before discontinued operations and material items (“NPAT”) for the half-year ended 31 December 2014 was \$15.2 million, compared to the prior corresponding period result of \$25.6 million (refer attached Reconciliation of Results). As noted in VRL’s 2014 full year presentation, results have been impacted by increased interest expense following the capital return in July 2014 and additional expenses for the digital and Asian expansion initiatives.

VRL’s continued commitment to its shareholders saw an additional special dividend of 15 cents per share paid in July 2014 and final dividend of 14 cents per share paid in October 2014 (both fully-franked). The VRL Board has declared a fully-franked interim dividend of 14 cents per share, with a record date of 18 March 2015, payable on 10 April 2015.

The second half of FY2015 is expected to be significantly stronger than the first half, however due to the results to 31 December 2014, it is estimated that VRL’s attributable net profit, before material items and discontinued operations (“NPAT”) for the full year will be in the range of \$46 million to \$52 million. This compares to a full year FY2014 NPAT result of \$56.5 million.

It remains the intent of the VRL board to pay a fully-franked special dividend of 10 cents per share during the 2016 financial year, however this is dependent on available franking credits, capital commitments and business conditions at the time.

FY2015 Second Half Update

Theme Parks

- Bad weather continued on the Gold Coast, and as widely reported Sydney recorded the wettest summer/January for 50 years. This, together with the first half result, has led management to reduce the projected Theme Parks' division full year EBITDA by approx. \$7 million to \$10 million.
- Actions have already been taken to improve Full Year results through a number of key initiatives including:
 - Scheduling the popular “Carnivale” special event in the Easter school holiday period, and featuring this event as part of new ticketing offers, aiming to attract even bigger attendance than last year;
 - Opening of a new exciting attraction at Sea World, “Creatures of the Deep”, based on a pre-historic sea creatures theme, together with the new Australian Outback Spectacular show “High Country Legends”, which is already generating excellent word of mouth and drawing power from local and international markets;
 - The launch of a new marketing campaign “Everybody is a Winner” incorporating prizes to boost ticket sales; and
 - Management has also implemented a detailed expense reduction program which will see a reduction in expenses below those of the previous year, helping relieve some of the pressure on the top line.

With the successful execution of the above initiatives, and hopefully a more stable weather pattern in the second half of FY2015, management expects to see an increase in attendance and frequency of visitation in the second half of FY2015, to underpin the revised forecast for the parks.

Cinema Exhibition

- The end of January saw an all time record holiday season for the Cinema Exhibition division.
- With the anticipated tremendous line-up of titles scheduled for the remainder of the year, prospects are looking excellent for yet another full year record result. Some of these titles include *The Imitation Game*, *American Sniper*, *Paper Planes*, *50 Shades of Grey*, *The Second Best Exotic Marigold Hotel*, *Insurgent*, *Jurassic World*, *The Avengers: Age of Ultron*, *Mad Max: Fury Road* and *San Andreas*.
- Singapore continues to perform very well and will be further enhanced by the great upcoming slate of film releases together with a full second half trading from Golden Village's new key cinema complex, Suntec City, which opened in November 2014.
- As noted in VRL's December 2014 Investor Update Presentation, the exit of VRL's Belfast cinema is not yet complete and is expected to impact full year earnings by circa \$3 million of operating losses.

Film Distribution

- Results in the second half are expected to be supported by the recent acquisition of a 31.03% equity share in FilmNation, and the distribution deals completed with Warner Bros., Stan and Netflix (see details later in this document). The second half will also see a number of strong theatrical titles released including: *American Sniper*, *Paper Planes*, and *The Imitation Game*, however this will unfortunately be offset in part by the disappointing performance of *Mortdecai*.

Building Blocks of the Future

Theme Parks

The Group's development team is currently ranging over several opportunities in China and South East Asia. Some of these are close to reaching culmination with the expectation of formal announcements within the next 12 months.

Cinema Exhibition

With a continued focus on crucial population growth corridors, the following projects are in train or planned:

- Miranda, Sydney - 10 screens
- Springfield, Brisbane - 8 screens
- North Lakes, Brisbane - 9 screens
- Palmerston, Darwin - 6 screens
- Glenelg, Adelaide - 6 screens
- Westfield Plenty Valley, Melbourne - 9 screens

These developments include:

- 10 new **max** screens - 2 each at Plenty Valley, Miranda, Springfield, North Lakes and Palmerston
- 9 new Gold Class cinemas - 3 at Plenty Valley, 2 each at Miranda, Springfield and North Lakes

iPic Gold Class USA is progressing towards its targeted critical mass of sites in line with the expansion plan, which included the opening of a site at Maryland in November 2014. With a further two new sites currently under construction in North Miami and Houston, planned to be opened in late 2015, management is confident in realising its desired returns in the medium term.

Film Distribution

- The recent acquisition of a 31.03% equity share in FilmNation, an international sales agency business based in New York, will broaden the diversity of earnings channels, as well as adding further depth to a worldwide business.
- The Digital market is gaining steady momentum through the recent number of digital platforms being established in Australia. This has enabled the completion of a landmark content licensing deal in January 2015 between Roadshow Entertainment and Stan, a world-class subscription video-on-demand ("SVOD") platform which is now operating in Australia. The new deal provides access to a selection of Roadshow's broad catalogue of award-winning film titles and TV series, accelerating Roadshow's entry into the growing Digital marketplace. Roadshow has also entered into a multi-year agreement with the dominant global SVOD service provider Netflix, providing access to a substantial volume of its film library and selected TV series.
- The completion of a substantial strategic distribution deal extending the existing Roadshow Films theatrical distribution relationship to include the home entertainment licensing of Warner Bros. content in Australia and New Zealand including all Warner Bros. film, TV and Home Box Office content. This will broaden Roadshow Distribution's existing business and further cement VRL's long standing valued relationship with Warner Bros. The first major DVD releases from this new agreement include *The Hobbit: The Battle of the Five Armies* on 26 March and *Interstellar* on 8 April 2015.

This is expected to add earnings in FY2016, but in the short term Roadshow Films will incur some transition costs.

Edge Loyalty

- VRL's Edge Loyalty division is at the beginning of what VRL believes will be a steep growth curve, which was recently strengthened by the acquisition of Prime Focus, a promotions management business. Management is confident that the Edge Loyalty business in the medium term will be a significant part of VRL's future.

VRL Co-Executive Chairman and Co-Chief Executive Officer Mr. Robert Kirby said: "Our continued dedication and focussed efforts in China and South East Asia have enabled the steady progress of the "Master Plan". I am ever more optimistic that with the combination of our unique management expertise, the strategic partnership with CITIC and the prowess of our chosen partners, we have put in place the building blocks capable of transforming what is currently an extremely promising array of potential projects into reality."

VRL Co-Executive Chairman and Co-Chief Executive Officer Mr. Graham Burke said: "Short of prayer, there is nothing we can do about the weather except take comfort that likely, based on the law of averages, next year should be better. We have over four months of this financial year to go and by extending enormous human energy with dynamic showmanship and rigour in micro focus on all costs, I'm confident of delivering a solid year. Meanwhile the building blocks of our future growth are being put in place. Above all we have inspired CEO's running our business divisions that will ensure we push the parameters both in delivering results and growth."

For further information contact:

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

Conference call details in relation to these results are included in the VRL Results Presentation, which can also be found at www.asx.com.au and www.villageroadshow.com.au

OPERATIONAL OVERVIEW

Theme Parks

	EBITDA		PBT ^(1,2)	
	Dec 2014 \$'m	Dec 2013 ⁽³⁾ \$'m	Dec 2014 \$'m	Dec 2013 ⁽³⁾ \$'m
Gold Coast Theme Parks	35.4	38.4	9.3	11.6
Wet'n'Wild Sydney	4.0	0.6	(0.4)	0.3
USA Water Parks	2.4	6.1	1.0	1.9
Total	41.8	45.1	9.9	13.8

- (1) Profit before tax, excluding material items and discontinued operations ("PBT")
- (2) Before non-controlling interest share of \$0.5 million in Dec 2014 half-year (2013:\$0.9 million)
- (3) 2013 results include \$3.0 million for joint "Theme Park Capital" campaign and \$5.5 million for Sydney pre-opening costs

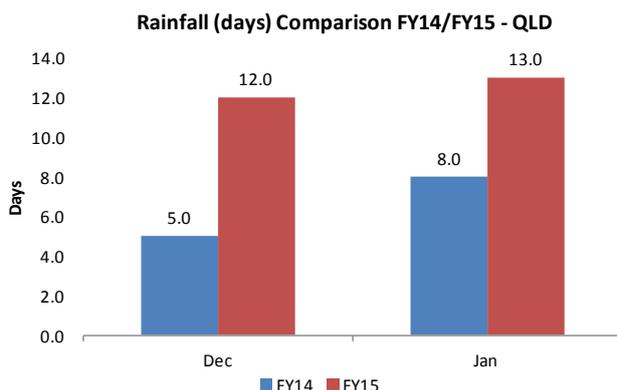
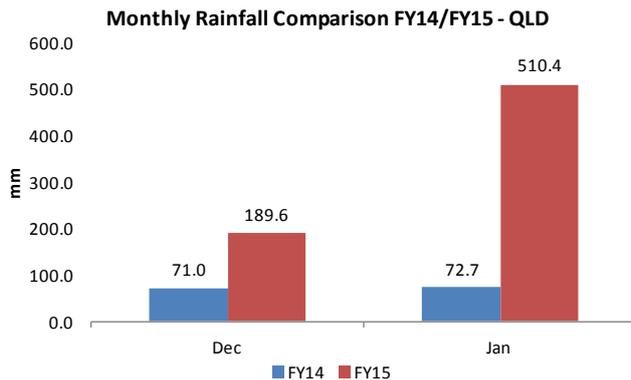
Gold Coast Theme Parks

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

Operational Summary

The first quarter of FY2015 commenced to a promising start, operating in line with the corresponding period and with the anticipation of the forthcoming holiday period and timing of the launch of new junior-focussed attractions including Wet'n'Wild Junior and Warner Bros. Junior Driving School.

Unfortunately, the second quarter results were hampered by record rainfall in the busiest summer trading period, resulting in a softening in attendance on the Gold Coast. This has adversely impacted on Season Pass sales and One Day ticket sales, hence recognition of revenue in the first half.



Warner Bros. Movie World's attendance managed an increase on prior year, assisted by the introduction of a new special event, Carnivale (2 nights in July), Movie World's Junior Driving School which opened in September, and the continued success of Halloween Fright Nights, the most successful Halloween event in its 5 year history. White Christmas once again proved popular with sell-out crowds on six nights and strong attendance on the remaining nights, with total attendance up approximately 22% on the prior period.

Also impacted by inclement weather, Sea World's first half attendance was down approximately 7.5% on the previous year. A slight increase in costs was also incurred associated with necessary maintenance works in a concerted effort to lift presentation standards in preparation for the summer trading period, and increased animal enclosure water treatment requirements.

The first half of FY2015 saw the continued outstanding performance of Sea World Resort with revenue and operating profit up compared to the previous year. In light of the accommodation competition on the Gold Coast, the challenging tourist visitor market, and the poor weather conditions that impacted Sea World visitation, management continues to be very pleased with the Resort's operational and management performance.

Although only representing a small component of the VRTP Gold Coast business, Village Roadshow Studios results improved on last year, aided by the back end of filming of *San Andreas*. The recent securing of the next production of the Disney *Pirates of the Caribbean* series, which is now shaping up to be the biggest production in the studio's history, will help grow earnings in the second half of FY2015.

The new Australian Outback Spectacular ("AOS") show, "*High Country Legends*" successfully opened in December 2014. Word of mouth is excellent and sales have been both solid and consistent since the opening of the new show, giving management reason to believe that the second half of FY2015 will be very good for AOS.

Attendance at Paradise Country ("PC") was pleasingly up 2.4% on prior year, which was a record year for PC mainly due to international visitation.

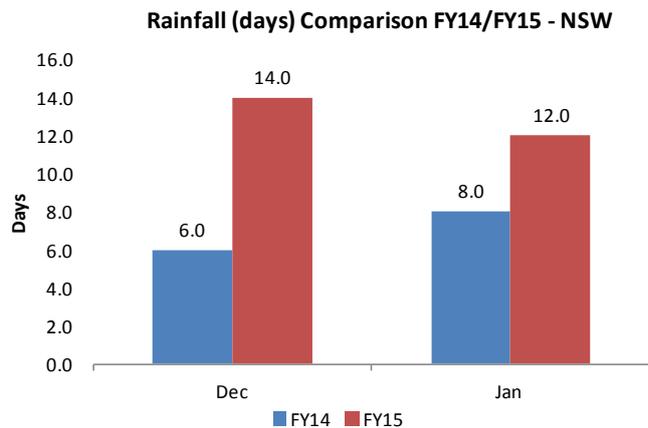
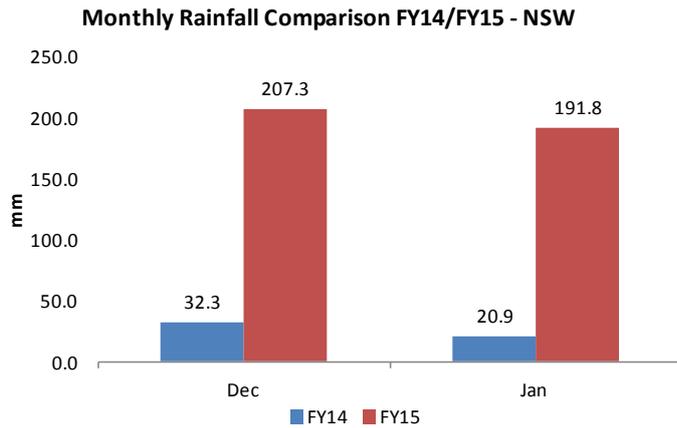
Wet'n'Wild Sydney

Wet'n'Wild Sydney, one of the world's largest and best water parks, features state of the art attractions, including a wide array of spectacular award winning slides, a Lazy River, and Australia's largest Wave Pool.

Subsequent to the successful inaugural season, significant effort was put in during the off-season focussing primarily on rectifying technical related and website enhancement initiatives, and the inclusion of a new Nickelodeon children's attraction. All these initiatives were successfully completed and in place to enhance the customer experience for the much anticipated second season which commenced in late September, 2014.

The second season commenced with a promising start, aided by reasonable weather and tracking to expectations in September through to early November, however as highlighted in VRL's December 2014 Investor Update Presentation, the Christmas school holiday period was always going to be a critical period for this seasonal park. As alluded to earlier, extremely poor weather conditions hit Sydney during late November and December, and continued throughout January, effectively wiping out much of the park's busiest and most profitable trading period.

Against bad weather conditions there was an inevitable impact on the number of season passes sold. The blend of season passes and one day tickets sales, combined with a price increase, has partly mitigated this, with the decline in ticket sales revenue for the park expected to steady at circa 10% for the full year.



Although difficult to regain all lost earnings seen in the first half of FY2015 due to the limited remaining months the park will operate in this season, management will apply a laser focus on the upcoming Easter period, combining various new and innovative promotional and ticketing options, and continue to monitor costs without impacting customer experience. Combining these actions with hopefully improved and more stable weather conditions, VRL is confident of making up some lost ground in the second half.

Las Vegas USA

Wet'n'Wild Las Vegas, in Nevada, USA is 50.09% owned by VRL. VRL exited its interests in Wet'n'Wild Phoenix and Wet'n'Wild Hawaii in late November, 2013.

Wet'n'Wild Las Vegas closed for the season in October 2014. The second season of the park was marked by the opening of the competitor water park in Green Valley during the US summer season. As highlighted in VRL's Investor Update Presentation in December 2014, it was anticipated, primarily driven by the 'curiosity factor', that a second park in the Las Vegas market would impact the performance of VRL's Wet'n'Wild park in Summerlin. As reflected in the trading results, this proved to be the case.

With the opening of the competitor park, VRL aggressively pursued attendance, and though this strategy proved successful, it came at the expense of ticket yield (a factor of selling less higher priced season passes as a percentage of total ticket sales). On that basis, revenues and EBITDA were down on the previous year. Though expenses were well managed, the competitive environment called for an aggressive marketing strategy to maintain market share, similar trading hours to the competitor, and ensuring a superior service offering with the aim of generating positive word of mouth in advance of the third season.

The park will focus on market share, with a particular emphasis on season pass sales and a casino promotional campaign (for season passes) for the forthcoming season.

China and South East Asia Master Plan

VRL continued to make steady progress in the execution of its China and South East Asia Master Plan during the first half of FY2015, with highlights as follows:

CITIC Trust Co. Ltd. (subsidiary of CITIC Group)

- Project teams with representatives of VRL and CITIC have been established and have commenced preliminary investigation and analysis on a small number of exciting potential opportunities in China.

Hainan Island

- Project is under construction, however due to recent changes in local government, progress has slowed with essential infrastructure works behind schedule. This has led to R&F having to delay their construction timetable in an effort to more closely align with the Government's infrastructure works. The park is now not likely to open before FY2017.

SeaWorld Parks and Entertainment Collaboration

- Preliminary site investigations and visits have taken place in China, South Korea and Malaysia.
- The cooperation model has been agreed, with VRL to be the primary point of contact and operator throughout China and South East Asia.

Guangxi Longxianggu Investment Co. ("GLIC") / Mission Hills China

- GLIC are currently dealing with a number of site specific environmental issues that are anticipated to be resolved prior to the conclusion of FY2015.

China Studio Theme Parks Investment Ltd.

- Initial market research and feasibility analysis for this opportunity has been completed and is very positive.
- Work required under the "Consultancy Services Project Coordination" agreement is in progress and will continue throughout FY2015.

Sunway Group Malaysia

- In the final stages of completing market research and feasibility analysis.

Cinema Exhibition

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

VRL Share of Reported Results	EBITDA		PBT	
	Dec 2014 \$'m	Dec 2013 \$'m	Dec 2014 \$'m	Dec 2013 \$'m
Australian Cinema Exhibition	24.0	25.4	15.0	16.2
Singapore	3.4	3.7	3.4	3.7
Other Cinema Exhibition	(1.2)	(0.8)	(1.5)	(1.2)
Total	26.2	28.3	16.9	18.7

List of Sites & Screens – Cinema Exhibition Division¹

Location	As at 30 Jun 2014		Opened / (Closed/Sold) Jul – Dec 2014		As at Dec 2014	
	Sites	Screens	Sites	Screens	Sites	Screens
Australia	52	532	-	-	52	532
Singapore	11	87	-	5	11	92
USA	10	73	1	8	11	81
United Kingdom	1	12	-	-	1	12
Total	74	704	1	13	75	717

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

Some of the best performing films in the first half included: *Dawn of the Planet of The Apes*, *22 Jump Street*, *Lucy*, *Guardians of the Galaxy*, *The Hundred Foot Journey*, *Gone Girl*, *Interstellar*, *The Hunger Games: Mockingjay Part 1*, together with the Boxing Day hit *The Hobbit - The Battle of the Five Armies*, and a strong finish to the half year was provided by the release of *Night at the Museum - Secret of the Tomb*, *The Water Diviner* and *Big Hero 6*.

Australian Cinema Exhibition

With the stronger product only coming through towards the end of the first half of FY2015, Cinema Exhibition has achieved a healthy EBITDA of \$26.2 million, only marginally down on the corresponding period. This result was achieved through continued focus on improving yield via VRL’s premium Gold Class and **max** concepts, and tight overhead expense management.

The strategy for expansion into population growth corridors (see table list of developments on page 3), together with one of the best film slates seen in years for the remainder of 2015 and beyond, places the Cinema Exhibition division well for an outstanding FY2015 set of results, and provides great confidence for continued future growth.

The commencement of the second half has been extraordinary with successful performances from *Penguins of Madagascar*, *The Imitation Game*, *Taken 3*, and *Into the Woods*. The remainder of the year looks terrific with *50 Shades of Grey*, *Kingsman*, *The Second Best Exotic Marigold Hotel*, *Focus*, *Chappie*, *Insurgent*, *Avengers - Age of Ultron*, *Fast and Furious 7*, *Cinderella*, *Mad Max – Fury Road*, *Pitch Perfect 2*, *Tomorrowland*, *Spy*, *Red*, *Jurassic World*, *Minions*, *Inside Out*, *San Andreas* and *Entourage*.

With this great line up, confidence is growing in setting a new circuit record for annual admissions and box office in FY2015.

Singapore Cinema Exhibition

VRL owns 50% of the Golden Village Cinema Exhibition circuit. The Singapore circuit is the number one circuit with a commanding 43% market share. The first half saw the successful opening of Suntec City to rave reviews, and as anticipated is the ‘Jewel in the Crown’ of this great circuit. A strong set of results was achieved to the period ended 31 December 2014 with an EBITDA share of \$3.4 million, down marginally on the previous year. As is the case in Australia, the second half results are also looking promising, aided by the strength of forthcoming titles.

iPic Gold Class USA

With a total of 11 iPic Theaters now in operation in the USA, including the recent successful opening of Maryland, in November 2014, together with two further sites in North Miami and Houston slated for opening in CY2015, the circuit is close to reaching its goal of critical mass. VRL and its partners remain confident, particularly through the great success of the recently opened sites, that this circuit will be a valuable asset in the medium term.

Film Distribution

The first half of FY2015 has been challenging, particularly with the underperformance of a number of theatrical releases in the first half of FY2015, placing pressure on Roadshow's Home Entertainment segment in the second half. EBITDA for the first half of FY2015 was \$20 million, down 14.5% on the prior corresponding period.

The third quarter is looking more favourable, particularly with the release of *The Imitation Game*, *American Sniper*, *Mad Max: Fury Road* and the Australian film *Paper Planes*. Management anticipates that these releases will drive strong upside in revenue and help to reduce the shortfall experienced in the first half.

Roadshow is also very excited by the industry announcement in December, 2014 regarding the acquisition of a 31.03% equity share in the US distribution and production company, FilmNation. Whilst the division anticipates initial returns being modest in FY2015 and FY2016, they are confident that incremental value to the Roadshow Group will be realised in the subsequent years. Since the newly created relationship commenced, Roadshow has successfully released *The Imitation Game*, a film licensed by FilmNation as agent to Roadshow.

A substantial strategic distribution deal with Warner Bros. was completed in early February 2015 for the extension of licensing of Warner Bros. content in Australia and New Zealand. The agreement provides Roadshow with exclusive DVD and Blu-Ray rights as well as exclusive Electronic Sell Through, Pay Per View and Transactional Video on Demand distribution rights for Warner Bros. Film, TV content and HBO – Home Box Office (note no digital rights for HBO). This is expected to add earnings in FY2016, but in the short term, Roadshow will incur some transition costs. The first major releases include *The Hobbit: The Battle of the Five Armies* and *Interstellar*. This extended deal is expected to add earnings in FY2016, but Film Distribution will incur transitional costs in the short term.

Helping grow Roadshow's share of the digital market, Roadshow signed a content licensing agreement with Stan, the joint venture subscription video-on-demand ("SVOD") service owned and operated by Nine Entertainment Co. and Fairfax Media. Roadshow has also embarked on a new content licensing relationship with the leading global SVOD provider Netflix. These deals provide Roadshow with further distribution channels for its high quality recent film releases as well as its commercially valuable back catalogue. Titles committed to Stan include *The LEGO Movie*, *The Hunger Games: Mockingjay Part 1*, *The Wolf of Wall Street*, *Edge of Tomorrow*, *The Inbetweeners 2*, *A Walk Among the Tombstones*, *John Wick*, *The Judge*, and Australian films *Wolf Creek 2* and *Felony*.

Theatrical

Roadshow Films continues as the leading distributor in the market, commanding a market share of 27.1%. As mentioned, the first half was challenged by timing and quality of film releases.

Warner Bros. continues to be a key supplier for the theatrical division releasing, 8 titles in the half year including the musical biography *Jersey Boys* and teenage drama *If I Stay*, followed by the Christopher Nolan adventure *Interstellar* starring Matthew McConaughey and Anne Hathaway, together with the Boxing Day release of the final instalment in *The Hobbit* trilogy.

The newly formed distribution agreement with Sony produced the releases of *The Equalizer*, starring Denzel Washington and *Annie*.

The first half also saw the popular release of *The Hunger Games: Mockingjay - Part 1* which performed well. The worldwide performance of *The Expendables 3*, also released in the first half, was clearly negatively impacted by piracy with online pirated copies being available three weeks ahead of the Theatrical release.

The Australian Film industry experienced below expectation results in the first quarter with the release of *These Final Hours*, but the outlook in the second half looks dramatically more optimistic following the January release of *Paper Planes*.

Roadshow Films continues to be active within the independent film market, recently acquiring the following promising titles: *The DUFF* (Sierra Affinity), *The Choice* (Good Universe) and *Deepwater Horizon* (Summit).

Home Entertainment

Roadshow remained the number one independent distributor in the physical retail market, with a market share of 15.7%. Roadshow continues to represent approximately 9% market share in the digital market.

Physical retail continues to represent a healthy estimated total Australian market of over \$1 billion, approximately 84% from DVD sales and 16% from Blu-ray.

The first half results highlights included *The LEGO Movie*, which continued to sell strongly through Christmas trading, as well as *Expendables 3*, and *Edge of Tomorrow*, which was a strong title with Digital sales. The first half has pleasing results from the *Doctor Who* franchise. Other standout titles in TV product have been *ANZAC Girls* and *Orange Is the New Black*.

Second half FY2015 performance is anticipated to be well supported by titles including *The Hunger Games – Mockingjay Part 1*, *The Imitation Game*, *Paper Planes* and *American Sniper*, together with the major Channel Nine TV series *Gallipoli*.

Digital

The Australian digital market continues to expand and now represents approximately \$160 million in annual revenue.

iTunes continues to be the leading digital platform with more aggressive new release prices and earlier price promotional activity driving movies Electronic Sell Through. Google Play also continues to grow through adding TV content to their service in March, Chromecast in May and their movies service launching in New Zealand in December.

Television

Roadshow TV performed well in the first half FY2015. The full year outlook is expected to be strongly supported through SVOD via the recently signed agreement with Stan.

Stand out titles for the second half of the year include *The Great Gatsby* and *Silver Linings Playbook*, on Channel 9, and *The Wolf of Wall Street* and *The LEGO Movie* through the recent three year renewal of the Foxtel Pay TV contract.

With the increasing establishment of new digital platforms in Australia, content ownership remains the key to success and future growth. Roadshow is placed extremely well in this regard through its current impressive film and TV library, further enhanced into the future by the recently completed agreements with FilmNation and Warner Bros..

Film Production

Village Roadshow Entertainment Group (“VREG”) consists of Village Roadshow Pictures (“VRP”) and Village Roadshow Pictures Asia (“VRP Asia”).

In October 2014, VRP extended its co-production and co-financing agreement with Warner Bros. and incorporated the ability to invest in global film rights as part of that extension. In December 2014, VRP entered an additional global film rights co-production and co-financing agreement with Sony Pictures Entertainment. Both agreements are to the end of 2019, with the Warner Bros. arrangement now extending into its third decade.

VRP has 82 released films in its film library through December 2014.

VRP released five films from July 2014 to January 2015 through its partnerships with Warner Bros. and Sony as follows:

- *Into the Storm* (Warner Bros.) released in August 2014 grossed US\$160 million in worldwide box office;
- *The Equalizer* (Sony) released in September 2014 grossed US\$195 million in worldwide box office;
- *The Judge* (Warner Bros.) released in October 2014 grossed US\$83 million in worldwide box office;
- *Annie* (Sony) released in December 2014 has grossed US\$129 million in worldwide box office to date; and
- *American Sniper* (Warner Bros.) had a limited North America release in December 2014 followed by a wide release in January 2015 and has grossed US\$430 million in worldwide box office to date

VRP's goal of 8-12 film releases per year is close to being realised with a robust slate of titles to be released with its two studio partners in calendar 2015.

Upcoming releases being co-produced with Warner Bros. include:

- *Jupiter Ascending*, released in February 2015, directed by the Wachowskis and starring Channing Tatum and Mila Kunis;
- *Mad Max: Fury Road*, scheduled to be released in May 2015, directed by George Miller and starring Tom Hardy and Charlize Theron;
- *San Andreas*, directed by Brad Peyton and starring Dwayne Johnson and Carla Gugino, scheduled to be released in May 2015; and
- *In the Heart of the Sea*, directed by Ron Howard and starring Chris Hemsworth, scheduled to be released in December 2015.

Upcoming releases being co-produced with Sony include:

- *Goosebumps*, directed by Rob Letterman and starring Jack Black, scheduled to be released in October 2015;
- *Concussion*, directed by Peter Landesman and starring Will Smith, scheduled to be released in December 2015; and
- *Grimsby*, produced by and starring Sacha Baron Cohen, scheduled to be released in February 2016.

VRP Asia continues to build its Chinese film business with the upcoming release *Zhong Kui: Snow Girl and The Dark Crystal*, which has a Chinese New Year release date of 19 February 2015, and two other upcoming calendar 2015 releases later in the year, *Mountain Cry*, and *Hide & Seek*. The continued growth of the Chinese film business will create a valuable portfolio of films to solidify VRP Asia's presence in film production in this region.

Edge Loyalty

The Edge Loyalty Division had a successful first half FY2015 generating a 50% increase in EBITDA compared to the corresponding period. This result is a direct reflection of the continued growth of existing market offerings, together with additional earnings and synergies gained through the acquisition of Prime Focus.

Prime Focus is a behind-the-scenes provider of 'below the line' promotional activities for leading brands and creative agencies. The rationale for the acquisition was to enhance the capabilities of the Edge Loyalty business, thereby boosting Edge's competitiveness and ability to innovate with new products/solutions.

Management is confident of further improving results in the second half and producing a record full year for the division. With plans progressing to enter the overseas markets via a roll-out of products and business models, continued expansion of the division's earnings potential is very real.

The revenues and costs of the Edge Loyalty division are included in the group segment 'Corporate and Other'.

Corporate & Other

	Dec 2014 \$'m	Dec 2013 \$'m
Corporate costs	(16.3)	(15.1)
Asia Development	(2.4)	(0.4)
Digital Development	(1.5)	(0.6)
Edge Loyalty	1.3	0.8
EBITDA	(18.9)	(15.3)
Depreciation	(0.9)	(0.9)
Net Interest Income / (Expense)	(1.6)	0.5
PBT	(21.4)	(15.7)

The increase in this segment was primarily driven by costs associated with progressing VRL's Asia Development Theme Parks "Master Plan" and Digital Development work, as flagged to the market in the FY2014 Full Year results, and a rise in Net Interest Expense due to the lower cash reserves and draw down on debt facilities to fund payment of the shareholder distributions.

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

VILLAGE ROADSHOW LIMITED
ABN 43 010 672 054

CONDENSED
HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2014

**VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
DIRECTORS' REPORT**

Your directors submit their report for the half-year ended 31 December 2014.

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. – Co-Executive Chairman and Co-Chief Executive Officer

Graham W. Burke: – Co-Executive Chairman and Co-Chief Executive Officer

John R. Kirby AM: B.Ec., CPA – Deputy Chairman

Peter M. Harvie

Peter D. Jonson: B. Comm., MA, Ph. D.

D. Barry Reardon: B. Arts, MBA (retired 20 November 2014)

David J. Evans

Robert Le Tet: B. Ec.

Timothy M. Antonie: B. Ec.

Julie E. Raffae (Alternate for Messrs. R.G. Kirby and G.W. Burke, and to 5 September 2014, for Mr. J.R. Kirby)

REVIEW AND RESULTS OF OPERATIONS

The Reconciliation of Results, which forms part of this Directors' Report, is set out on page 4.

For continuing operations, total revenue for the Village Roadshow Limited group (“the Group” or “VRL group”) was \$469.6 million compared to \$478.8 million for the previous corresponding period, total expenses excluding finance costs were \$450.3 million (2013: \$449.2 million), and finance costs were \$15.9 million (2013: \$17.7 million). Profit from continuing operations after tax was \$13.8 million, compared to a profit after tax of \$18.9 million for the previous corresponding period.

There were no results from discontinued operations in the current or previous corresponding periods. Material items in the current period, being legal settlements and expenses, totalled a loss after tax of \$1.8 million, compared to a loss after tax of \$7.6 million in the prior period.

The attributable net profit excluding material items of income and expense for the period was \$15.2 million (2013: \$25.6 million).

A fully-franked special dividend of 15.0 cents per ordinary share, totalling \$23.9 million, was paid in July 2014, and a fully-franked final dividend of 14.0 cents per ordinary share, totalling \$22.3 million, was paid in October 2014. A fully-franked interim dividend of 14.0 cents per ordinary share has been declared, which will be paid in April 2015. This compares to the prior period fully-franked interim dividend of 13.0 cents per share paid in March 2014.

Total assets of the Group increased by \$39.2 million to \$1,452.1 million compared to 30 June 2014, and total liabilities of the Group increased by \$43.0 million to \$934.6 million compared to 30 June 2014. Effective from 24 December 2014, the main financing facilities for the Cinema Exhibition, Film Distribution and Theme Parks divisions were re-priced, resulting in future annual interest savings of approximately \$3.0 million.

Total equity reduced by \$3.8 million compared to 30 June 2014, which was mainly due to the reduction in retained earnings of \$9.9 million, and increases in reserves of \$2.6 million and non-controlling interest of \$2.7 million. The reduction in retained earnings mainly related to the attributable profit of \$13.3 million in the current period, less the fully-franked final dividend of \$22.3 million, and the increase in non-controlling interest mainly related to exchange rate movements.

Basic earnings per share were 8.4 cents (2013: 11.3 cents), and diluted earnings per share were 8.3 cents (2013: 11.2 cents). Diluted earnings per share before material items and discontinued operations were 9.4 cents (2013: 15.9 cents), based on a weighted average total of 161,793,852 ordinary shares (2013: 161,513,060 ordinary shares).

**VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
DIRECTORS' REPORT (Continued)**

ROUNDING

The amounts contained in this report and in the half-year financial report have been rounded where applicable to the nearest thousand dollars (unless stated otherwise) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

AUDITOR INDEPENDENCE

The Auditor's Independence Declaration to the Directors of Village Roadshow Limited, which forms part of this Directors' Report, is attached on page 5.

Signed in accordance with a resolution of the directors at Melbourne this 24th day of February 2015.



A handwritten signature in black ink, appearing to be 'G.W. Burke', is written over a horizontal line. The signature is stylized and cursive.

G.W. Burke
Director

VILLAGE ROADSHOW LIMITED
RECONCILIATION OF RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Theme Parks		Cinema Exhibition		Film Distribution		Other		Total
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000
(i) Reconciliation of results:									
Continuing Operations:									
Earnings before Interest, Tax, Depreciation and Amortisation, excluding material items of income and expense ("EBITDA")	41,793	45,112	26,233	28,271	20,016	23,404	(18,877)	(15,276)	69,165
Depreciation and amortisation	(23,454)	(22,189)	(7,370)	(7,343)	(1,528)	(1,653)	(869)	(864)	(33,221)
Finance costs before fair value change on derivatives and finance restructuring costs	(8,493)	(9,209)	(2,178)	(2,489)	(2,301)	(2,492)	(2,938)	(671)	(15,910)
Interest income	94	69	213	298	911	527	1,328	1,144	2,546
Operating profit (loss) before tax and material items of income and expense ("PBT")	9,940	13,783	16,898	18,737	17,098	19,786	(21,356)	(15,667)	22,580
Income tax (expense) benefit, excluding material items	(2,777)	(3,832)	(4,943)	(5,192)	(5,571)	(6,246)	6,362	5,130	(6,929)
Operating profit (loss) after tax, before material items of income and expense	7,163	9,951	11,955	13,545	11,527	13,540	(14,994)	(10,537)	15,651
Non-controlling interest	(490)	(862)	--	--	--	--	--	--	(490)
Attributable operating profit (loss) after tax, before material items of income and expense ("NPAT")	6,673	9,089	11,955	13,545	11,527	13,540	(14,994)	(10,537)	15,161
Material items of income and expense before tax	(2,597)	(1,622)	--	(551)	--	(316)	--	(6,333)	(2,597)
Income tax (expense) benefit – material items	779	535	--	165	--	95	--	468	779
Material items of income and expense after tax	(1,818)	(1,087)	--	(386)	--	(221)	--	(5,865)	(1,818)
Total profit (loss) before tax from continuing operations	7,343	12,161	16,898	18,186	17,098	19,470	(21,356)	(22,000)	19,983
Total income tax (expense) benefit from continuing operations	(1,998)	(3,297)	(4,943)	(5,027)	(5,571)	(6,151)	6,362	5,598	(6,150)
Total non-controlling interest	(490)	(862)	--	--	--	--	--	--	(490)
Total attributable profit after tax from continuing operations per the statement of comprehensive income	4,855	8,002	11,955	13,159	11,527	13,319	(14,994)	(16,402)	13,343
Discontinued Operations:									
Attributable profit after tax from discontinued operations	--	(188)	--	--	--	223	--	--	--
Net profit attributable to the members of Village Roadshow Limited	(2,597)	--	--	--	--	--	--	(4,774)	(2,597)
(ii) Material items of income and expense from continuing operations:	--	(1,597)	--	(551)	--	(539)	--	(153)	--
Unrealised mark to market profits (losses) on interest rate and foreign currency derivatives	--	163	--	--	--	--	--	(1,406)	--
Legal settlements and expenses	(2,597)	(1,622)	--	(551)	--	(316)	--	(6,333)	(2,597)
Finance restructuring costs	--	535	--	165	--	95	--	468	779
Profit (loss) on disposal of investments/businesses	--	--	--	--	--	--	--	--	--
Total profit (loss) from material items of income and expense before tax	(2,597)	(1,622)	--	(551)	--	(316)	--	(6,333)	(2,597)
Income tax (expense) benefit – material items	779	535	--	165	--	95	--	468	779
Total profit (loss) from material items of income and expense after tax	(1,818)	(1,087)	--	(386)	--	(221)	--	(5,865)	(1,818)
(iii) Earnings Per Share adjusted to eliminate discontinued operations and material items of income and expense from the calculations:									
Basic EPS									9.5c
Diluted EPS									9.4c

Note: The VRL group results are prepared under Australian Accounting Standards, and also comply with International Financial Reporting Standards ("IFRS"). The Reconciliation of Results includes certain non-IFRS measures including EBITDA and operating profit excluding material items of income and expense and discontinued operations. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review, however all items used to calculate these non-IFRS measures have been derived from information used in the preparation of the reviewed financial statements.



Building a better
working world

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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 2014 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

David Shewring
Partner
24 February 2015

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated 2014 \$'000	Consolidated 2013 \$'000
Continuing operations			
Income			
Revenues		469,570	478,829
Other income		13,052	11,608
Expenses excluding finance costs		(450,255)	(449,159)
Finance costs	(2(a))	(15,910)	(17,665)
Share of net profits (losses) of associates		3,526	4,204
Profit from continuing operations before income tax expense		19,983	27,817
Income tax expense		(6,150)	(8,877)
Profit after tax from continuing operations		13,833	18,940
Discontinued operations			
Profit after tax from discontinued operations		--	--
NET PROFIT FOR THE PERIOD		13,833	18,940
Profit for the period is attributable to:			
Non-controlling interest		490	862
Owners of the parent		13,343	18,078
		13,833	18,940
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		1,077	(311)
Foreign currency translation		3,194	2,978
Income tax (expense) benefit on items of other comprehensive income		(3,317)	93
Other comprehensive income (expense) for the period after tax		954	2,760
Total comprehensive income for the period		14,787	21,700
Total comprehensive income for the period is attributable to:			
Non-controlling interest		490	862
Owners of the parent		14,297	20,838
		14,787	21,700
Earnings per share (cents per share)			
For profit for the half-year attributable to ordinary equity holders of Village Roadshow Limited:			
Basic earnings per share		8.4c	11.3c
Diluted earnings per share		8.3c	11.2c

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Consolidated 31 December 2014 \$'000	Consolidated 30 June 2014 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	97,149	130,382
Trade and other receivables	139,494	107,736
Inventories	18,241	17,805
Current tax assets	1	1
Film distribution royalties	51,643	44,233
Derivatives	4,530	254
Other	34,075	20,246
Total Current Assets	345,133	320,657
Non-Current Assets		
Trade and other receivables	10,970	14,071
Goodwill & other intangible assets	332,881	319,234
Investments in associates	17,261	12,125
Available-for-sale investments	373	483
Property, plant & equipment	661,129	656,893
Deferred tax assets	1,005	913
Film distribution royalties	81,755	86,662
Derivatives	696	--
Other	934	1,856
Total Non-Current Assets	1,107,004	1,092,237
Total Assets	1,452,137	1,412,894
LIABILITIES		
Current Liabilities		
Trade and other payables	237,622	195,958
Interest bearing loans and borrowings	29,188	23,106
Income tax payable	1,431	8,573
Provisions	36,575	60,685
Derivatives	2,001	1,416
Unearned revenue	55,316	37,643
Other	305	--
Total Current Liabilities	362,438	327,381
Non-Current Liabilities		
Trade and other payables	34,768	46,197
Interest bearing loans and borrowings	472,076	457,762
Deferred tax liabilities	47,654	43,796
Provisions	12,602	13,668
Derivatives	3,002	541
Other	2,086	2,239
Total Non-Current Liabilities	572,188	564,203
Total Liabilities	934,626	891,584
Net Assets	517,511	521,310
EQUITY		
Equity attributable to equity holders of the parent		
Contributed equity	219,918	219,191
Reserves	99,354	96,750
Retained earnings	180,639	190,504
Parent interest	499,911	506,445
Non-controlling interest	17,600	14,865
Total Equity	517,511	521,310

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Consolidated 2014 \$'000	Consolidated 2013 \$'000
Notes		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	508,890	524,595
Payments to suppliers and employees	(446,006)	(460,875)
Dividends and distributions received	--	9,543
Interest and other items of similar nature received	2,639	2,588
Finance costs	(15,687)	(14,719)
Income taxes paid	(12,792)	(15,949)
Net cash flows from (used in) operating activities	37,044	45,183
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(27,897)	(107,557)
Purchases of software and other intangibles	(8,062)	(7,470)
Proceeds from sale of property, plant & equipment	136	--
Purchase of investments net of cash acquired	(8,149)	(9,083)
Proceeds from sale of investments	--	37,046
Loans from (or repaid by) other entities	836	2,981
Net cash flows from (used in) investing activities	(43,136)	(84,083)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital reduction	--	(19,139)
Proceeds from issue of shares	79	107
Proceeds from borrowings	24,107	126,770
Repayment of borrowings	(5,670)	(34,797)
Dividends and distributions paid	(46,257)	(41,467)
Net cash flows from (used in) financing activities	(27,741)	31,474
Net increase (decrease) in cash and cash equivalents	(33,833)	(7,426)
Cash and cash equivalents at beginning of period	130,382	146,909
Effects of exchange rate changes on cash	600	464
Total cash and cash equivalents at end of period	(3) 97,149	139,947

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	ATTRIBUTABLE TO EQUITY HOLDERS OF VILLAGE ROADSHOW LIMITED			NON- CONTROLLING INTEREST	TOTAL EQUITY
	ISSUED CAPITAL \$ '000	RETAINED EARNINGS \$ '000	OTHER RESERVES \$ '000		
CONSOLIDATED					
Balances as at 1 July 2014	219,191	190,504	96,750	14,865	\$ '000 521,310
Profit for the period	--	13,343	--	490	13,833
Other comprehensive income	--	--	954	--	954
Total comprehensive income for the period	--	13,343	954	490	14,787
Share-based payment movements	648	--	773	--	1,421
Issue of shares under Directors' share plan from Directors' fees	79	--	--	--	79
Equity dividends	--	(22,331)	--	--	(22,331)
Other changes in equity	--	(877)	877	2,245	2,245
Balances as at 31 December 2014	219,918	180,639	99,354	17,600	517,511

Balances as at 1 July 2013	234,345	230,862	95,953	10,918	572,078
Profit for the period	--	18,078	--	862	18,940
Other comprehensive income	--	--	2,760	--	2,760
Total comprehensive income for the period	--	18,078	2,760	862	21,700
Share-based payment movements	2,646	--	782	--	3,428
Issue of shares under Directors' share plan from Directors' fees	107	--	--	--	107
Reduction of share capital	(19,139)	--	--	--	(19,139)
Equity dividends and distributions	--	(41,467)	--	--	(41,467)
Other changes in equity	--	--	--	247	247
Balances as at 31 December 2013	217,959	207,473	99,495	12,027	536,954

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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 2014 and considered together with any public announcements made by Village Roadshow Limited (“the Company” or “VRL”) up to the date of this report in accordance with the continuous disclosure obligations of the Australian Securities Exchange listing rules.

Apart from the changes in accounting standards and interpretations 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”) for the half-year ended 31 December 2014.

(c) Changes in accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year financial report are consistent with those followed in the preparation of the Group's annual financial statements for the period ended 30 June 2014, except for the adoption of new standards and interpretations as of 1 July 2014 as noted below:

- AASB 2012-3: Amendment to AASB 132: *Financial Instruments: Presentation*;
- AASB 2013-4: Amendment to AASB 139: *Financial Instruments: Recognition and Measurement*;
- AASB 2013-9: Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments;
- AASB 1031: *Materiality*;
- AASB 2014-1 Part A: Amendments to Australian Accounting Standards arising from Annual Improvements - 2009-2011 Cycle; and
- AASB 2014-1 Part A: Amendments to Australian Accounting Standards arising from Annual Improvements - 2011-2013 Cycle.

Adoption of these standards and interpretations did not have any material impact on the financial position or performance of the Group.

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Consolidated 2014 \$'000	Consolidated 2013 \$'000
2. Income and Expenses		
(a) Finance costs – continuing operations		
Total finance costs before fair value change on derivatives	15,910	17,700
Fair value change on interest rate derivatives not designated in a hedging relationship (included in material items of income and expense in Reconciliation of Results contained in Directors' Report)	--	(35)
Total finance costs	<u>15,910</u>	<u>17,665</u>
3. Cash and Cash Equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash on hand and at bank	40,923	54,325
Deposits at call	56,226	85,622
Total cash and cash equivalents	<u>97,149</u>	<u>139,947</u>
4. Major Changes in Debt and Equity Securities		
Subsequent to 31 December 2014, there have been no major changes to debt and equity securities of the Group.		
5. Changes to Composition of Entity		
There were no changes in composition to the consolidated entity which had a material impact during the half-year ended 31 December 2014.		
	Consolidated 2014 \$'000	Consolidated 2013 \$'000
6. Dividends & Distributions		
(a) Declared and paid during the half-year		
Special dividend on ordinary shares of 15.0 cents per share fully-franked (2013: Nil)	23,926	--
Final dividend on ordinary shares of 14.0 cents per share fully-franked (2013: 13.0 cents per share fully-franked)	22,331	20,733
Distribution on ordinary shares of Nil (2013: 13.0 cents per share fully-franked)	--	20,734
	<u>46,257</u>	<u>41,467</u>
(b) Declared subsequent to half-year end		
Interim dividend on ordinary shares of 14.0 cents per share fully-franked (2013: 13.0 cents per share fully-franked)	<u>22,333</u>	<u>20,734</u>

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

7. Contingencies

(a) Contingent Liabilities

Contingent liabilities are not materially different from those disclosed in the 30 June 2014 financial report, subject to the updates set out below.

(i) Legal actions relating to ride constructed at Sea World, Gold Coast and cancelled New Year's Eve event at Wet'n'Wild Sydney:

As disclosed in Notes 22(a)(ix) and 22(a)(x) in the 30 June 2014 financial report, a number of legal actions were in progress, relating to the termination of a contract for construction of a new ride at Sea World, and the cancellation of a New Year's Eve event at Wet'n'Wild Sydney which was being organised and promoted by an external party.

In the half-year ended 31 December 2014, both legal actions have been settled, and the relevant settlement amounts and related legal fees paid in the half-year to 31 December 2014, totalling \$2.6 million, have been expensed (refer Material Items of Income and Expense in the Reconciliation of Results, which forms part of the Directors' Report).

(ii) Guarantee issued in relation to Associate:

As disclosed in Note 22(a)(vii) in the 30 June 2014 financial report, VRL has procured a bank guarantee to support the financing of an associated entity, VR iPic Finance LLC ("VRIF"), in which the VRL group has a 42.86% (3/7th) interest.

VRL's guarantee exposure in relation to VRIF, which was expected to increase to approximately USD 11.7 million by around June 2015, has increased to USD 12.0 million as at 31 December 2014.

(b) Contingent Assets

Contingent assets are not materially different from those disclosed in the 30 June 2014 accounts.

8. Events after the end of the Reporting Period

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.

As advised to the Australian Securities Exchange on 17 December 2014, the VRL group's Film Distribution Division has acquired an approximate one-third interest in FilmNation Entertainment LLC, a US-based international film sales and distribution company, effective from 1 January 2015. Roadshow Films will continue as distributor of FilmNation films in Australia and New Zealand.

The transaction involves a wholly owned US subsidiary of VRL subscribing USD 18.0 million of equity into FilmNation in tranches during calendar 2015. The investment in FilmNation will be made from the VRL group's cash reserves.

VILLAGE ROADSHOW LIMITED
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FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

9. Financial Risk Management – Fair Values

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments recognised in the financial statements.

	Total carrying amount as per Consolidated Statement of Financial Position 31 December 2014 \$'000	Aggregate Net Fair Value 31 December 2014 \$'000
<i>Financial assets:</i>		
Cash	97,149	97,149
Trade and other receivables	150,458	150,458
Unsecured advances	6	6
Available for sale investments	373	373
Derivatives	5,226	5,226
Total financial assets	253,212	253,212
<i>Financial liabilities:</i>		
Trade and other payables	272,390	272,390
Secured and unsecured borrowings	501,264	491,938
Derivatives	5,003	5,003
Total financial liabilities	778,657	769,331

The methods and assumptions used to determine the fair values of financial assets and liabilities are the same as those used in the most recent annual financial report.

The Group uses the following methods in calculating or estimating the fair value of a financial instrument:

- Level 1: Fair value is calculated using quoted prices in active markets.
- Level 2: Fair value is estimated using inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: Fair value is estimated using inputs for the asset that are not based on observable market data.

The fair value of the financial instruments, as well as the methods used to estimate the fair value, are summarised in the table below.

	Valuation technique – market observable inputs (Level 2) 31 December 2014 \$'000	Total 31 December 2014 \$'000
<i>Financial assets:</i>		
Derivatives	5,226	5,226
Total financial assets	5,226	5,226
<i>Financial liabilities:</i>		
Derivatives	5,003	5,003
Total financial liabilities	5,003	5,003

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

10. Segment Reporting

	Theme Parks		Cinema Exhibition		Film Distribution		Other		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Reporting by Operating Segments – Continuing Operations:										
Segment revenue – services	108,995	116,436	91,343	94,109	96,888	104,511	--	--	297,226	315,056
Segment revenue – goods	55,020	56,628	35,052	33,589	74,457	75,660	--	--	164,529	165,877
Total segment revenue	164,015	173,064	126,395	127,698	171,345	180,171	--	--	461,755	480,933
Plus: Non-segment revenue	--	--	--	--	--	--	16,350	8,494	16,350	8,494
Less: Inter-segment revenue	--	--	--	--	(8,229)	(9,543)	(306)	(1,055)	(8,535)	(10,598)
Total Revenue									469,570	478,829
Segment results before tax	9,940	13,783	16,898	18,737	17,098	19,786	--	--	43,936	52,306
Non-segment result (Corporate and Other) before tax	--	--	--	--	--	--	(21,356)	(15,667)	(21,356)	(15,667)
Operating profit (loss) before tax – segment purposes	9,940	13,783	16,898	18,737	17,098	19,786	(21,356)	(15,667)	22,580	36,639
Unrealised mark to market profits (losses) on interest rate and foreign currency derivatives									--	35
Legal settlements and expenses									(2,597)	(4,774)
Finance restructuring costs									--	(2,840)
Loss on disposal of investments/businesses									--	(1,243)
Operating profit before tax									19,983	27,817
Income tax expense									(6,150)	(8,877)
Non-controlling interest									(490)	(862)
Total profit after tax from continuing operations per the statement of comprehensive income									13,343	18,078

**VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
DIRECTORS' DECLARATION
31 DECEMBER 2014**

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 2014 and the performance for the half-year ended on that date of the consolidated entity; and
 - ii) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- 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

A handwritten signature in black ink, appearing to read 'G.W. Burke', is written over a horizontal line.

G.W. Burke
Director

Melbourne, 24 February 2015

To the members of Village Roadshow Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Village Roadshow Limited, which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows 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 a Financial Report 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 2014 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 is included in 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 2014 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

David Shewring
Partner
Melbourne
24 February 2015