

Corporate Social Responsibility & Sustainability Update

2012 divisional activity

Village Roadshow Theme Parks

Village Roadshow Theme Parks ('VRTP') is committed to being a responsible, sustainable business that positively impacts on society, economy and the environment in which we operate. As part of this approach, VRTP's Sustainability Committee has worked with the business and management team to create systems and processes to help integrate sustainability thinking into the way we work and build internal acceptance of, and commitment to sustainability. Throughout FY2012, VRTP has identified a range of commitments and activities to tackle sustainability challenges within the Theme Park and associated business environments.

Energy Management

VRTP has engaged with Energy Advice to assist the Queensland-based Theme Parks in developing an Energy Management Plan which will also meet the Smart Energy Savings Program ('SESP') requirements. The engagement includes analysis of energy savings opportunities, project analysis, prioritisation methodologies to assist in determining high impact ventures and enhanced energy reporting. The two year engagement with Energy Advice will enable VRTP to gather and report energy consumption data with significant improvements to completeness, accuracy and timeliness. Reliable data is essential for effective decision making. Through this initiative and with the sub-metering which VRTP is now systematically rolling out to better track energy usage by department, VRTP is able to monitor and report business performance internally and to meet our commitments under the National Greenhouse Energy Reporting ('NGER') Act.

Other Energy Management Sustainability initiatives undertaken during the year included:

- Air compressor audits to identify areas where new generation energy efficient machines could potentially save substantial amounts of power.
- Phased replacement of in-park Incandescent and Halogen lighting with lower power consuming equipment such as LED lighting. The recent change out of the Roxy Theatre entry lights at Warner Bros. Movie World (600 globes in total) with LEDs resulted in a 90% reduction in energy use.
- Networked fridge and freezer monitoring across all the Gold Coast theme park sites which not only prevents stock losses but also gives early warning of equipment failure with a consequential reduction in the environmental release potential of refrigerant gas leaks.
- Implementation of an Opportunity Tracker tool to measure proposed energy savings initiatives in terms of both environmental and financial benefits.

VRTP in conjunction with the broader Village Roadshow Group has continued to target some smaller specific interventions to deliver quick wins and demonstrate the benefits of sustainability. Examples of these projects included the replacement of photocopiers and printers with new technology to reduce paper and electricity consumption and the migration to a Windows 7 Managed Operating Environment ('MOE') which sees individual computers automatically shut down overnight, reducing energy consumption.

In 2012, VRTP again participated in Earth Hour. All non-essential lights were turned off across the Gold Coast properties during Earth Hour. Participation in Earth Hour has motivated employees to continue to seek energy saving opportunities and to reduce energy consumption during every day operations.

Waste Management

VRTP continues to exercise the "Reduce, Reuse & Recycle" message by salvaging recyclable materials as much as possible. A warehouse facility is now used to store redundant ride and attraction theming, construction materials as well as serviceable audio, electronic and mechanical equipment.

Where possible these materials are now recycled into new attractions to reduce raw material consumption as well as providing economic benefits. Procedures remain in place for the recycling of ferrous and non-ferrous metals, paper and cardboard, plastics, cans, glass, compact fluorescent light globes, lead acid batteries, copier toner cartridges, electronic office equipment, fluoro tubes, and oil. Green waste is now being mulched on site saving transportation and stocking costs as well as reducing the potential for importation of pests and fungal diseases to site.

Water Management

VRTP continues to operate under the guidelines of the Queensland Water Commission "Water Energy Efficiency Programme" and is constantly looking for methods of reducing water usage by gaining a better understanding of where the key opportunities are to make a difference and reduce our overall environmental impact. Treated backwash water at Wet'n'Wild is now being recycled through the toilet cisterns which has resulted in substantial waste water reductions.

Compliance

VRTP continues to imbue a compliance culture in the workplace with a strong commitment to meeting, and where possible exceeding compliance standards. This includes providing data for the Village Roadshow Group's reporting under the National Greenhouse Energy Reporting (NGER) Act as well as the Environmentally Relevant Activities (EPA registration). VRTP continues to comply with all regional and local licensing and monitoring requirements.

VRTP continued its long standing culture of the businesses undergoing a series of self initiated and routine audits at all park properties pertaining to ride safety, water safety, health and safety, food sanitation, animal husbandry, and numerous other matters, with any issues pertaining to the safety of VRTP's customers or employees addressed immediately.

Social Responsibility

On Friday 9 December 2011 Warner Bros. Movie World, in conjunction with the Gold Coast Community Fund, the Gold Coast Suns and the Gold Coast Bulletin, hosted 3,000 disadvantaged Gold Coasters for a magical White Christmas event within the park. The evening was free of charge for the guests and included rides, food and beverage and entertainment all under a glistening snowy white sky. In addition to the charity night, a 'White Christmas Stocking Fund' was also established with more than \$50,000 raised for needy Gold Coasters.

In addition to the above, VRTP supports a number of organisations and charities with the donation of more than 400 Theme Park tickets and over 60 nights of accommodation each year, including to the Starlight Foundation, Ronald McDonald House and many local community organisations.

The Sea World Research and Rescue Foundation Incorporated ('SWRRFI') receives approximately 500 phone calls each year from the community related to sightings of injured and stressed animals. The animal rescues range from whale and shark net entanglements, beached dolphins and orphaned seal pups to injured seabirds, turtles and sea snakes. All calls are answered and, wherever possible, SWRRFI will assist in a rescue or provide medical attention. VRTP contributes approximately \$190,000 each year to the SWRRFI which is then used to fund numerous research projects incorporating the protection and preservation of the marine environment. VRTP contributes to SWRRFI over 600 hours of staff time each year to assist in the rescue efforts as well as meeting the ongoing maintenance costs of the Sea World 1 Research Marine Vessel.

Our commitment to sustainability will continue to underpin our activities in FY2013 and beyond. With this approach, we believe VRTP is well on the way to becoming an Industry Leader for sustainable Theme Park Operators.

Cinema Exhibition

Village Cinemas Australia ('VCA') has spent the past year undertaking the full-deployment of Digital Cinema, phasing out the use of 35mm projection equipment. Looking past the consistently high quality on-screen presentation, the improved technologies have allowed for greater automation of lighting and interfacing with air-conditioning systems (in turn reducing the amount of energy consumed). However the real environmental benefits have come from a transition away for the use and distribution of 35mm film.

During the FY2012 financial year, VCA accepted more than two thousand digital versions of feature films. In doing so, the manufacture of 4,000km of polyester film was avoided, along with the chemicals required for its processing and subsequent disposal and, most significantly, the pollution owing to air-freighting 25kg film prints around the globe. The flexibility of Digital Cinema equipment has also opened up new opportunities for regional businesses to advertise within, and present at their local cinema, and for schools and community groups to undertake their own film festivals, putting their own creative works up on the silver screen.

VCA continues its successful 3D Glasses recycling programming, providing a cost effective source of glasses while diverting useful materials from land-fill, and enjoys annual participation in the World Wildlife Fund's Earth Hour. VCA also provides ongoing support to the Peter MacCallum Cancer Centre as well as many local community organisations and charities.

Film Distribution

Roadshow Films continues to operate within a responsible environmental and social framework, driving for increased efficiencies and sustainability results. The integration of environmental sustainability into business operations continues to deliver improvements to Roadshow's carbon footprint, the cultural shift in employee behaviour playing a large part in delivering these results.

Having put in place a number of initiatives in FY2011, Roadshow has continued to improve on these during FY2012 as employees embrace the message of sustainability and the behavioural changes take hold. These initiatives included reduction in electricity usage through changes to lighting (bulbs), reconfigurations of out-of-hours timers and changes in circuit boards to isolate areas that don't require constant lighting. Behavioural change has also driven results by monitoring and measuring power usage of individual IT usage, encouraging staff to switch-off PCs at the end of the day / week. A new initiative during FY2012 included the division's participation in the photocopier project, aimed at improving the overall efficiency of office photocopiers through altering settings to have the machines "power down" and defaulting to double sided printing.

Roadshow remains committed to continual improvement in its waste and recycling management having previously introduced initiatives to reduce print usage through greater visibility of print volumes (monitoring) and plastic waste reduction (plastic water bottles). Both initiatives have proven to be cost effective as well as being key drivers for behavioural change in support of sustainability. Roadshow also participates in a programme for the ethical destruction of film prints, ending with the production of recyclable materials used in products such as tyres and carpet backing. In previous times these film prints would have ended as land fill. This process is not only cost neutral for the division but also a more secure means of junking these no longer required film prints.

A major change within the film distribution industry, commencing in FY2012, has been the move to digitise cinemas with the major exhibitors, including VCA, having transitioned during FY2012 and the independents to follow in coming years. This digital era will see a significant reduction in the raw material inputs required for the production of film prints (25 million feet plus per annum is currently produced for Roadshow in Australia). In addition the hard drives required to distribute the digital files will be recycled, further reducing the carbon footprint.

For FY2013 Roadshow is committed to ongoing change and improvement and anticipates being able to achieve further positive results and initiatives to drive sustainability improvements in the division.