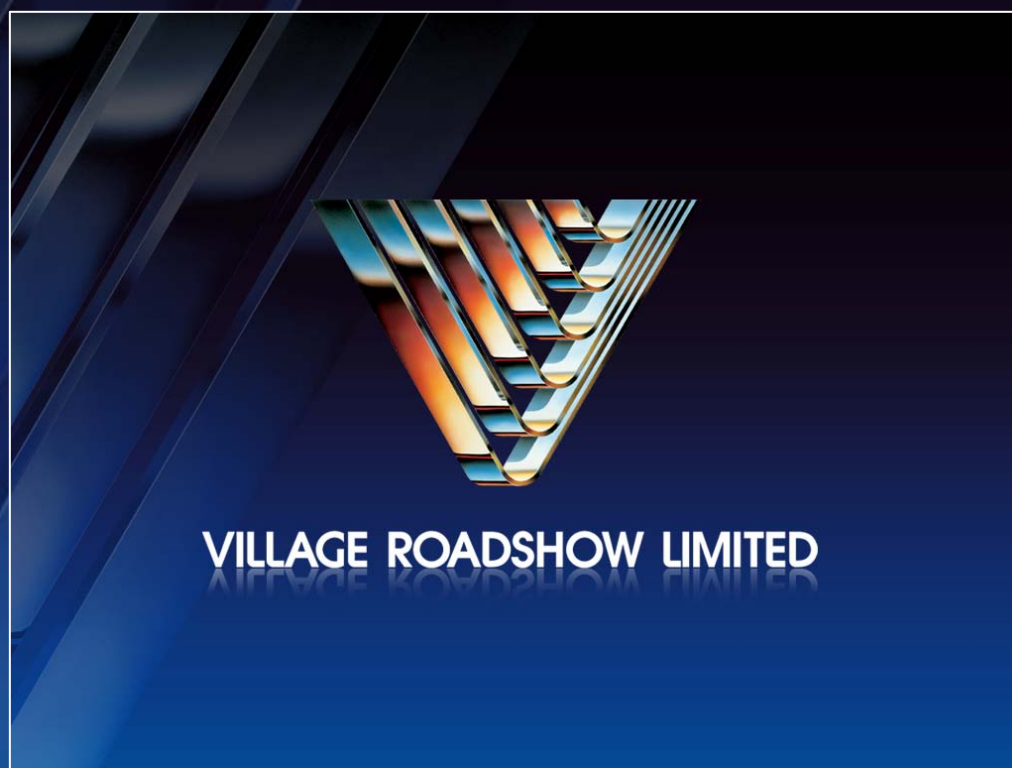


# Results Commentary

For the half year ended 31 December 2008



## Outline

1. Key Drivers
2. VRL Financial Position
3. Theme Parks
4. Film Distribution
5. Cinema Exhibition
6. Radio
7. Film Production & Music
8. Other
9. Summary

# 1. KEY DRIVERS

- i) *Drive EBITDA*
- ii) *Attack Costs*
  - *Divisions*
  - *Central Office*
- iii) *Focus on Debt Control*

*“Keep Growth Options open/flexible for when ‘storm’ passes”*

## 2. Financial Position



Debt Profile <i>(\$A millions)</i>			
	Facility Expiry	December 2008	June 2008
<b>On Balance Sheet Debt</b>			
Theme Parks - Gold Coast	2 <sup>nd</sup> half 2011	317.9	319.1
Theme Parks - Sydney Attractions Group	2 <sup>nd</sup> half 2010	62.5	62.5
Cinema Exhibition*	2 <sup>nd</sup> half 2009	66.5	73.9
Film Distribution	1 <sup>st</sup> half 2011	127.8	136.0
Radio - Austereo	2 <sup>nd</sup> half 2011	230.9	208.0
Corporate/Other*	1 <sup>st</sup> half 2010/2011	163.3	138.4
<b>Total Debt on Balance Sheet</b>		<b>968.9</b>	<b>937.9</b>
Less: Cash On Hand		(76.9)	(65.6)
<b>Net Debt on Balance Sheet</b>		<b>892.0</b>	<b>872.3</b>
<b>Off Balance Sheet Net Debt</b>			
Film Production (reflects 41% ownership)		497.4	418.6
Gold Class USA (reflects ownership %)		6.5	-
<b>Total Net Debt</b>		<b>1,395.9</b>	<b>1,290.6</b>

\*Currently under renegotiation

## 2. Financial Position



### Borrowings Profile

	December 2008 (\$'m)
On Balance Sheet Debt - Current	
Theme Parks	20.2
Film Distribution	25.5
Cinema Exhibition	52.5
Austereo	-
Corporate/Other	0.1
Total Current Debt on Balance Sheet	98.3
On Balance Sheet Debt - Non Current	
Theme Parks	360.2
Film Distribution	102.3
Cinema Exhibition	14.0
Austereo	230.9
Corporate/Other	163.2
Total Non Current Debt on Balance Sheet	870.6

## 2. Financial Position



### Debt & Interest Cover by Division (December 2008)

	Debt / EBITDA* (times)	EBITDA* / Interest (times)
Theme Parks - Gold Coast	4.2	3.2
Theme Parks - Sydney Attractions Group	3.8	4.2
Film Distribution	2.1	5.8
Cinema Exhibition	1.4	9.1
Radio - Austereo	2.5	5.7
Total VRL Group	3.8	4.2

Note: Mark to Market hedge, material item after tax (\$17.2m)

•Based upon calendar year ending 31 December 2008

## 2. Financial Position



### Reconciliation of EBITDA to Operating Cashflows as at 31 December 2008

	EBITDA (\$'m)	Movement in Working Capital (\$'m)	Interest / Tax (\$'m)	Operating Cashflow (\$'m)
Theme Parks	49.0	6.1	(15.2)	39.8
Film Distribution	38.9	(16.4)	(5.3)	17.1
Cinema Exhibition	19.1	26.1	(2.0)	43.1
Radio - Austereo	51.3	(8.5)	(22.8)	20.1
Other	(19.0)	(5.5)	(6.0)	(30.6)
Reported EBITDA	139.2	1.7	(51.3)	89.6

## 2. Financial Position



### Normalised NPBT for the half year ended 31 December 2008

	Reported NPBT	Start up /One off costs	Normalised NPBT
Theme Parks	18.9		
- Gold Coast restructuring costs		1.1	20.0
Film Distribution	28.8		28.8
Cinema Exhibition	7.3		
- Gold Class USA		3.6	10.9
Radio - Austereo	39.9		39.9
Other	(25.9)		(25.9)
Profit before Tax	69.1	4.7	73.8

Earnings per share (cents per share)	Basic Pre Material and Discontinued
Earnings per share 31 December 2008	14.70
Earnings per share 31 December 2007	13.76



## 3. THEME PARKS

- i) *Gold Coast*
- ii) *Sydney and New Zealand Aquariums*
- iii) *USA Theme Parks*



# Financial Performance



## VILLAGE ROADSHOW

### Net Profit before tax as at 31 December 2008

THEME PARKS	31 December 2008 (\$'m)	31 December 2007 (\$'m)
Sales Revenue	171.9	145.3
Other Revenue	1.3	1.2
Expenses	124.2	102.8
EBITDA	49.0	43.7
Amortisation and Depreciation	15.7	11.9
Net interest expense	14.4	13.5
Total Net Profit Before Tax	18.9	18.3

# Theme Parks Performance VILLAGE ROADSHOW

	Gold Coast Theme Parks		US Theme Parks	Aquariums	
	1HY09 (\$'m)	1HY08 (\$'m)	1HY09 (\$'m)	1HY09 (\$'m)	SAQ 1HY08 (\$'m)
Sales Revenue	136.5	145.3	7.8	27.6	27.6
Other Revenue	0.6	1.2	0.0	0.7	0.5
Expenses	97.5	102.8	7.6	19.1	17.8
EBITDA	39.6	43.7	0.2	9.2	10.3
Amortisation and Depreciation	12.2	11.9	0.8	2.7	3.0
Interest	12.2	13.5	0.0	2.2	2.5
Net Profit before tax	15.2	18.3	(0.6)	4.3	4.8

## (i) Gold Coast - Highlights



- New attractions:
  - Hollywood Stunt Driver Show (Dec 2008)
  - Jet Rescue at Sea World (Dec 2008)
  - Kamikaze Double Side Winder (Oct 2008)
  - Water park at the Sea World Resort (Dec 2008)
- Admissions 1.9m for the half year, public waiting for new attractions
- January 2009 EBITDA YTD in line with prior year
- Focus on costs and margins

## (ii) Sydney & New Zealand Aquarium - Highlights



- Admissions 1.3m for the half year, compared with 1.4m in the prior year
- New Dugongs attraction at Sydney Aquarium driving increased attendances and revenue, opened December 2008, January revenues ahead of the same month in the prior year
- New Zealand Aquarium acquired September 2008 and contributed \$0.4 million EBITDA since acquisition
- New Zealand Aquarium successful breeding of penguins for sale to other wildlife attractions

### (iii) US Theme Parks - Highlights



- Development of the new Wet'n'Wild water park in Phoenix
- Relaunch of Phoenix and Hawaii parks as Wet'n'Wild water parks in US Summer 2009.

## 4. FILM DISTRIBUTION





## Film Distribution - Highlights

- Strong start to the 2009 financial year with *The Dark Knight* performing at blockbuster levels
- Roadshow Films/Warner Bros maintained its position as No.1 Distributor with 23.23%\* of the market as at 31 December 2008
- Roadshow Entertainment leading DVD distributor with a 17.8% market share
- Strong representation in the DVD market with 4 out of the top 20 selling DVD's for the 2008 calendar year
- Number 1 selling DVD *Underbelly*

\*Source: MPDAA



# Financial Performance



## VILLAGE ROADSHOW

### Net Profit before tax as at 31 December 2008

FILM DISTRIBUTION	31 December 2008 (\$'m)	31 December 2007 (\$'m)
Sales Revenue	252.7	218.7
Other Revenue	2.2	3.5
Expenses	216.0	189.4
EBITDA	38.9	32.8
Amortisation and Depreciation	6.2	6.3
Net interest expense	3.9	0.7
Total Net Profit Before Tax	28.8	25.8

## Film Distribution - Outlook





- Solid performance from *Yes Man* and *Gran Torino*
- Forward line up including *Harry Potter and the Half Blood Prince*
- Future DVD releases include *Underbelly – A Tale of Two Cities*, *Nights in Rodanthe*, *Journey to the Centre of the Earth*, *Yes Man* and *He's Just Not That Into You*
- Upcoming key Australian releases include *Mao's Last Dancer* and *Beautiful Kate*
- Continued focus on cost reduction and improved unit volumes

## 5. CINEMA EXHIBITION

## Cinema Exhibition - Highlights



- Outstanding results for the period from Blockbusters including *The Dark Knight*, *Mamma Mia*, *The Quantum of Solace* and *Get Smart*
- Opened new Cinema in Doncaster, with  max, Gold Class, Europa and 3D, currently tracking ahead of expectations
- Building on our strengths  max, Gold Class and 3D

# Financial Performance




## VILLAGE ROADSHOW

### Net Profit before tax as at 31 December 2008

CINEMA EXHIBITION	31 December 2008 (\$'m)	31 December 2007 (\$'m)
Sales Revenue	156.4	136.1
Other Revenue	10.6	9.7
Expenses	147.9	131.5
EBITDA	19.1	14.3
Amortisation and Depreciation	9.7	9.6
Net interest expense	2.1	2.6
Total Net Profit Before Tax	7.3	2.1



## Cinema Exhibition - Outlook

- Continued focus on smart retailing
- January and February has opened solidly with releases including *Bolt*, *Marley and Me*, *Bride Wars* and the highly acclaimed *Gran Torino*, starring Clint Eastwood
- Further new 3D Releases include *Monsters vs. Aliens 3D*, *The Jonas Bros 3D* and *Ice Age 3 3D*, with 22 films in production including James Cameron, Peter Jackson, Zack Snyder, and output from Pixar and DreamWorks
- Drive  max, 3D and Cinema Europa



## Cinema Exhibition – US Gold Class



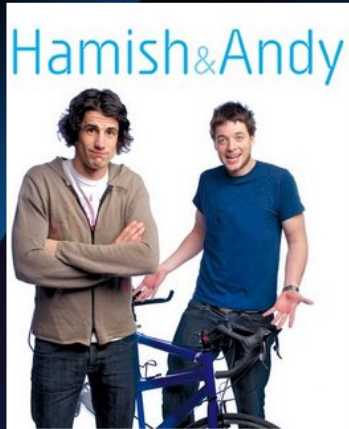
- New sites opened during the period, Redmond, Washington and South Barrington, Illinois
- Results against US meltdown have been disappointing
- Review of opening schedule has been undertaken with a reduction of the number of sites committed over next two years



## 6. RADIO - AUSTereo

Also refer to [www.austereo.com.au](http://www.austereo.com.au) for further information

## Radio - Highlights



- AEO gains additional 184,000 listeners (All Ppl 10+) with total radio audience of 4.531 million\*
- Audience gains achieved through star talent
  - Matt & Jo (Fox FM)
  - Hamish & Andy (Today Network)
- Interim dividend maintained at 4.0 cps fully franked
- EPS up 1.3% to 8.0 cps

\*Source: Nielsen Media Research – Surveys 5-8,2008

# Financial Performance

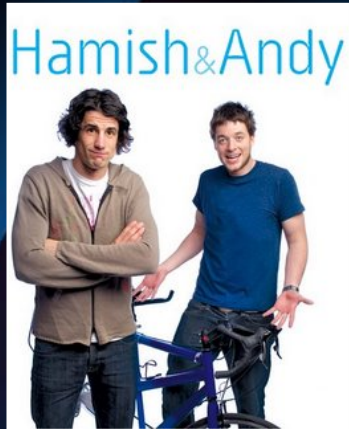


## VILLAGE ROADSHOW

### Net Profit before tax as at 31 December 2008

RADIO	31 December 2008 (\$'m)	31 December 2007 (\$'m)
Sales Revenue	131.0	136.1
Other Revenue	2.4	1.9
Expenses	82.1	85.6
EBITDA	51.3	52.4
Amortisation and Depreciation	3.5	4.1
Net interest expense	7.9	8.1
Total Net Profit Before Tax	39.9	40.2

## Radio - Outlook



- Competitive cost edge with TV
- January advertising sales in line with prior year
- Online page impressions increased 311% from 3.6m to 14.7m\*
- Difficult market, strong support from major advertisers

\*Source: Nielsen//NetRatings

## 7. FILM PRODUCTION & MUSIC





## Film Production & Music - Highlights and Outlook

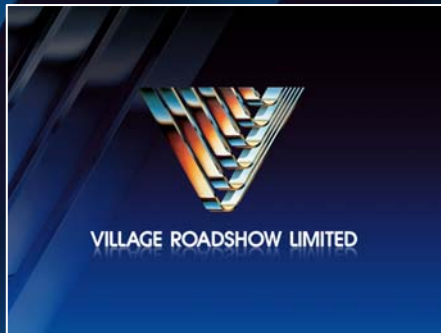
- Strong returns from current good releases including *Nights in Rodanthe*, *Gran Torino* and *Yes Man*
- Debt facility aiming to be completed by the end of March 2009
- Films either in production or development include:
  - *Sherlock Holmes*
  - *Cats and Dogs 2*
  - *Where the Wild Things Are*
  - *Guardians of Ga'hoole*
  - *Happy Feet 2*
- The goal will be to combine the company's proven strategy of sequels and franchises with a well balanced program of original material

## 8. OTHER



## Acquisitions

- Auckland Aquarium, purchased 1 September 2008 for a total cost of \$10.9 million
- Hawaii Wet'n'Wild, purchased 12 May 2008, for a total cost of \$30.3m, additional amount of circa \$4.6m being spent to rebrand and redevelop into world leading water park
- Phoenix Wet'n'Wild, management rights purchased 1 October 2008 for a total cost of \$8.9m, additional circa \$39.7m to be spent to rebrand and redevelop into world leading water park



## 9. SUMMARY



VILLAGE ROADSHOW LIMITED

# Summary

“End at the beginning”

Drive EBITDA 1

Attack Costs 2

Focus on Debt 3

