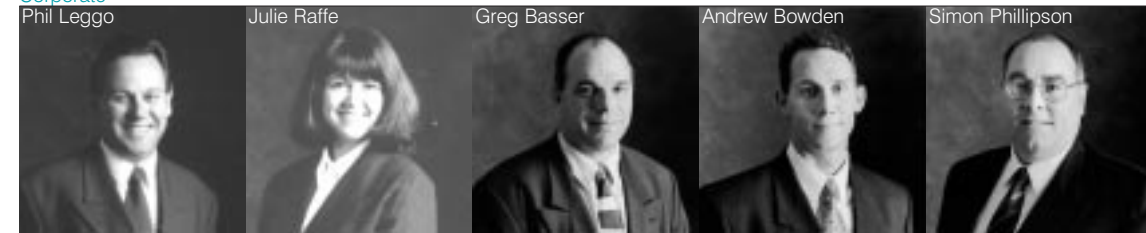


# Senior Executive Team

## Corporate



## Distribution



## Production



## Theme Parks



## Exhibition



## Radio



## Corporate

### Executive Committee

John Kirby  
Chairman

Robert Kirby  
Deputy Chairman

Graham Burke  
Managing Director

Peter Foo  
Finance Director

Peter Ziegler  
Executive Director

Philip Leggo  
Group Company Secretary

Julie Raffe  
Chief Financial Officer

Greg Bassar  
Director, Commercial and Legal

**Finance and Administration**

Andrew Bowden  
Group Manager, Investor Relations

Shaun Driscoll  
Group Manager, Corporate Services

Lee Ewe  
Group Manager, Internal Audit

John Huddle  
Corporate Finance

Joe Locandro  
Group Chief Information Officer

Robert Macolino  
General Manager, Group Marketing and Communications

Simon Phillipson  
General Counsel

Peter Spencer  
General Manager  
Group Information Technology

## Exhibition

### Corporate

John Crawford  
Executive Chairman and  
Co-Chief Executive Officer

John Anderson  
Co-Chief Executive Officer

Richard Potter  
Director, Finance

Kirk Senior  
Director, Business Affairs

Caroline Aubrey  
Chief Financial Officer, Europe

Marie Camassa  
Chief Financial Officer

**Design, Development  
and Real Estate**

Chris Johnstone  
Managing Director  
Design and Development

Murray Adair  
Executive Director  
Design and Development

Tony Sticca  
Director  
Project Management, Australasia

Huw Rhys Lewis  
Director, Global Purchasing

Simon Jeffries  
Regional Project Manager, Europe

Michael Adair  
Regional Project Manager, Europe

Paul Huckin  
Capital Budgets Manager  
International

Greg Huc  
Design Manager, International

Des Silvester  
Technical Manager, International

**Real Estate and Investment**

Patrick Garner  
Executive Vice President  
Property and Finance

Steve A'Beckett  
Director, Property & Development

### Operations and Administration

Neil Griffiths  
Director, UK Property

John Sullivan  
Senior Vice President, Development

Caroline Jackman  
Vice President, Research and Analysis

Ian Riches  
Regional Director, Europe

Didier Bedin  
Managing Director, France

Harry Antonopoulos  
Managing Director, Greece

Steve Kappen  
Director, Development, Asia

Gerald Dibbayawan  
General Manager, Asia

George Livery  
General Manager, Australia

John Iozzi  
Director, International Operations

John Oxlade  
International Food and  
Beverage Manager

Fiona Smith  
General Manager, Human Resources

**Film and Marketing**

Ross Entwistle  
Director, Film Buying

Shoba Martin  
Director, International Marketing

**Village Entertainment**

Joe Bonin  
Managing Director and  
Chief Executive Officer

## Distribution

### Roadshow Film Distributors

Ian Sands  
Chairman

Joel Pearlman  
Managing Director

Kathryn Hamilton  
Director, Acquisitions

Darryn Hugo  
General Manager, Business Affairs

Libby Rhys-Jones  
General Manager  
Roadshow Film Distributors (NSW)

Brett Rosengarten  
National Sales Manager  
Australia and New Zealand

Fran Morris  
Marketing Manager, Warner Bros.

Inge Burke  
National Publicity Manager

Erin Jameson  
National Publicity Manager  
Australian Motion Picture Unit

Sabina Kuntze  
National Media Manager

Lisa Hubbard  
General Manager  
Film Distributors, New Zealand

**Roadshow Television**

Derek Malone  
Managing Director

**Roadshow Entertainment  
Australia**

Chris Chard  
Managing Director

Ros Wilson  
General Manager

Colin Sargeant  
Chief Financial Officer

**Roadshow Entertainment  
New Zealand**

Noel Beckett  
Managing Director

Paul Mora  
Chief Financial Officer

## Production

### Village Roadshow Pictures

Bruce Berman  
Chairman and Chief Executive Officer

Bernie Goldmann  
President, Production

Michael Lake  
Executive Vice President  
Worldwide Feature Productions;  
President, Warner Roadshow Movie  
World Studios

Steve Krone  
Executive Vice President  
Chief Operating Officer

Robert Meyers  
Senior Vice President  
International Acquisitions

## Radio

### Austereo

Peter Harvie  
Executive Chairman

Brad March  
Group Managing Director, Executive  
Director, Group Programming

Brian Bickmore  
Group General Manager, Executive  
Director, Finance

Michael Anderson  
Executive Director, Sales

Jeff Allis  
Group Program Director

Greg Smith  
Senior Programming Consultant

Sean Pickwell  
Group General Manager  
Promotions and Marketing

Des DeCean  
Group General Manager  
Engineering and Computing

Kathy Gramp  
Group General Manager Finance

Gay Wallace  
Group General Manager  
Corporate Affairs

Ian Davis  
Group General Manager, Research

Richard Barker  
General Manager, B105FM Brisbane

Jim Johnston  
General Manager, Triple M Brisbane

Cathy O'Connor  
General Manager  
2DayFM and Triple M Sydney

Elysa Preece  
General Manager  
Fox FM and Triple M Melbourne

Noelene Buddle  
General Manager  
SAFM and Triple M Adelaide

Gary Roberts  
Managing Director  
PMFM and 94.5FM Perth

## Theme Parks

John Menzies  
Chief Executive Officer  
Warner Village Theme Parks

Graham McHugh  
Chief Financial Officer  
Warner Village Theme Parks

Tony Baker  
General Manager  
Sea World

Peter Burrows  
General Manager  
Warner Bros. Movie World

Steve Peet  
General Manager  
Wet 'n' Wild Water World

Ernst Pfister  
General Manager  
Sea World Nara Resort Hotel

'Exhibition enters the new millennium better placed than ever to move forward with the expansion of its business worldwide' – Robert Kirby, Deputy Chairman.



Village Cinemas Southland, Australia

The Exhibition division has been challenged throughout the past year responding to one of the toughest trading periods in the history of cinema exhibition.

'We have used the period to review and redefine how we do business, optimising the way we select, construct and operate our cinemas' – John Crawford.

As with all droughts, there is an end and in Exhibition's case, the catalyst was the phenomenal success of the *Star Wars* prequel in May 1999. This combined with a raft of quality new cinema releases in mid 1999 has bought people back to the cinema, a trend that has continued into the current financial year.

The division's development program is focused on consolidating investments in key territories and adding only quality and profitable sites to the growing circuit. It is directed towards growth for expanded cash flow and profitability, not growth for growth's sake! The construction program aims to create an environment of quality entertainment theming and ancillary lifestyle retailing, thus providing a consistently high level of incentive for people to leave their homes for cinema anchored destinations.

'Exhibition enters the new millennium better placed than ever to move forward with the expansion of its business worldwide' – Robert Kirby, Deputy Chairman. The technological revolution driven by the internet is comparable only with the Industrial Revolution in terms of its impact on business. The revolution is providing new and unique opportunities for the cinema division.

The Exhibition division sees its role at the cutting edge of this revolution, where simple awareness of the ramifications of change is not enough. Village Roadshow is planning to stay ahead of change, creating opportunities and capitalising on them, just as it did with home video.

'We have used the period to review and redefine how we do business, optimising the way we select, construct and operate our cinemas' – John Crawford.



Village Cinemas Southland, Australia

'We are at a truly unique moment in time for both the operation and development of our international cinema business. We are working on many fronts to take advantage of new technologies to expand our revenue streams and reduce costs' – John Anderson.

Typical of this technological change are telephone, internet and location-based automatic ticketing. Sophisticated management systems are in place to facilitate better management of both operating business and expansion. Village will also be at the forefront of new digital film delivery systems.

‘We are at a truly unique moment in time for both the operation and development of our international cinema business. We are working on many fronts to take advantage of new technologies to expand our revenue streams and reduce costs’ – John Anderson.



Cinema Europa Auditorium, Australia



Cinema Europa Bar, Australia

Another graphic example of Village’s determination to pioneer change is the advent of Gold Class Cinemas providing a truly first class cinema experience; and Cinema Europa for a sophisticated film-going experience. At the conclusion of last year’s reporting period, just four Gold Class screens were in operation, all at the Crown Entertainment Centre in Melbourne. Since then, another nine Gold Class screens have opened in Melbourne—three in Southland; two at Century City, Glen Waverley; three at Sunshine; and one at the Jam Factory. The Gold Class concept broadened to Queensland with two screens at Indooroopilly and two at Mt Gravatt as part of an anticipated national roll-out.

The Cinema Europa concept was a world first, launched in October 1998. It has seen three screens open at Southland and three at the Jam Factory. Gold Class and Europa cinemas will continue to be developed in premium locations throughout the world.

The division’s careful and focused development program has seen the worldwide circuit grow to 1,453 screens at 227 sites (as at 23 September 1999) and this growth will continue over the coming year with approximately 300 screens at over 30 sites being added.

#### Cinema Performance

	Gross Box Office	EBITDA* (100%)	EBITDA* (VRL Share)
<b>Australia</b>			
1999	254,117	82,756	29,885
1998	232,580	74,515	28,742
1997	190,129	59,019	23,278
<b>Asia/New Zealand</b>			
1999	182,522	37,559	13,343
1998	145,438	29,172	11,962
1997	107,119	25,336	10,712
<b>Europe</b>			
1999	222,167	56,004	26,348
1998	170,715	50,765	25,381
1997	82,788	23,455	11,728
<b>South America</b>			
1999	25,931	10,383	5,711
1998	13,207	2,948	1,622
1997	2,532	487	268

All figures are in \$000.

1999 figures converted at 1999 exchange rates. 1997 and 1998 figures converted at 1998 exchange rates.

EBITDA shown is actual operating EBITDA, which differs from reported EBITDA due to the accounting treatment of corporate structures.

\* EBITDA: Earnings before interest, tax, depreciation and amortisation.

# Distribution



## Roadshow Film Distributors

Roadshow Film Distributors enjoyed another outstanding year due in part to strong strategic relationships with its suppliers. The undoubted highlight was *The Matrix*, which grossed \$22.5m in Australia to become the third most successful movie the division has ever released, and the 18th biggest grossing picture of all time.

*The Matrix* was a Village Roadshow Pictures production in joint venture with Warner Bros., and its success typified the synergy Roadshow Film Distributors has developed with suppliers of this stature. New Line, Miramax and others all contributed enormously to the division's run of outstanding box office hits.

Village Roadshow Pictures/Warner Bros.' other two major hits for Australian and New Zealand distribution were Robert De Niro's *Analyze This* (\$8.1m), and *Practical Magic*, starring Nicole Kidman and Sandra Bullock (\$5.8m).

From Warner Bros., the division also enjoyed great success with *You've Got Mail*, a powerful Boxing Day release (\$13.7m).

Other successful releases for the year included: *Austin Powers The Spy Who Shagged Me* (\$22m); *Rushhour* (\$11.1m); *Payback* (\$7.4m); *Southpark: Bigger, Longer & Uncut* (\$7m); *Message In A Bottle* (\$4.2m); and *Eyes Wide Shut*.

Perhaps the most satisfying release of the year was Roberto Benigni's *Life is Beautiful*, which received three Academy Awards, and grossed \$6.4m at the Australian box office to become the most successful foreign language film of all time.

Major releases for 1999/2000 are:

- *Wild Wild West* (Warner Bros.) based on the '60s TV series. A western fantasy adventure directed by Barry Sonnenfeld (*Get Shorty*, *Men in Black*), starring Will Smith and Kevin Kline.
- *The Talented Mr Ripley*, directed by Anthony Minghella (*The English Patient*) and stars Gwyneth Paltrow and Matt Damon.
- *End of Days*, stars Arnold Schwarzenegger who must combat the anti-Christ on his once-every-thousand-years return to earth.
- *Deep Blue Sea*, directed by Renny Harlin (*Die Hard Two*, and *Cliff Hanger*). A joint production between Village Roadshow Pictures and Warner Bros., stars Samuel L Jackson.
- *Magnolia*, (New Line) directed by Paul Thomas Anderson (*Boogie Nights*).

Roadshow Film Distributors emerged stronger than ever in the second half after its 11-year agreement with Walt Disney Pictures ended on 31 December 1998.

Disney ended on a high note with *A Bug's Life* grossing \$20m, but more importantly Roadshow Film Distributors demonstrated over the following six months that a policy of aggressive acquisition and cost structure reviews could achieve much and maintain overall returns after the termination of so significant an era in the division's history.

## Australian Distribution

In a difficult year for the Australian film industry, the division came through with flying colours due largely to the Group's ongoing recognition of the

vital role of home grown product, and its long tradition of support for Australian movies.

Highlights of the year included Jimeoin's *The Craic* (\$5.3m); and *Dark City* (\$3.3m).

Standing out from the coming year's offerings are *Holy Smoke*; *Looking for Alibrandi*; *Mr Accident*; and *He Died With A Felafel In His Hand*.

'The Company's role of cultivating and nurturing emerging talent among the new generation of Australian film makers ensures Village Roadshow's standing at the forefront of domestic production' – Joel Pearlman.

## Roadshow Entertainment

The video rental division maintained clear market leadership, achieving an average of 25% market share this year.

The division's long standing relationship with Australian Broadcasting Corporation was renewed as was the agreement to distribute the BBC product – both of whom are significant contract producers for the retail video market. The division also commenced working with Channel 9 and has achieved success with the first children's product *Hi 5*. Internationally, *Savage Garden* continued to achieve strong sales and with album two (*Affirmation*) due for release in October, it is expected that this unique and successful relationship will continue to deliver strong financial gains for the division.

Interests in Interactive software distribution have been restructured to improve efficiency, while at the same time creating a base for profitable growth in this area.

## Roadshow Television

The single most important event in a year of change for Roadshow Television was the restructuring of the long term pay TV supply agreement with OptusVision. Roadshow Television has now become a 25% equity partner in a joint venture with Hollywood giants Warner Bros., Disney and MGM to supply OptusVision with the three movie network channels.

# Production



Deep Blue Sea

## Village Roadshow Pictures

Village Roadshow Pictures' (VRP) first full year of operation, in its co-production joint venture with Warner Bros., has been highly successful in the fiercely competitive world of studio feature film product. The 10 movies VRP either completed or gave a green light to in its first 18 months, have provided the company with a robust and stable platform for the future.

*The Matrix* was an outstanding success with a projected ultimate box office of over \$640m worldwide.

*Analyze This* grossed \$170m in the US and is expected to gross \$80m internationally, another major contributing factor to VRP's successful year. *Practical Magic* achieved \$80m at the American box office and \$80m internationally.

*Deep Blue Sea* had a solid opening in the US and is expected to gross \$110m. Even larger results are expected internationally.

Scheduled for release on 1 October, George Clooney and Mark Wahlberg's *Three Kings*, promises to become the first hit movie based on the Gulf War, and later in October, the release of Matthew Perry and Neve Campbell's romantic comedy *Three to Tango* also has excellent prospects.

## Warner Roadshow Movie World Studios

Warner Roadshow Movie World Studios enjoyed one of its best-ever years with operating profit well ahead of last year.

The Studios' international reputation, particularly in Los Angeles from where the majority of the Company's business originates, has never been higher, with bookings through to January 2000.

Michael Lake, President Warner Roadshow Movie World Studios, is now based in Hollywood allowing greater access to the growing number of film-makers who are responding to the Studios' aggressive marketing campaign.

Wilshire Court Productions is currently filming its ninth and tenth 'Movie of the Week' productions, *Monster* and *Chameleon*, at the Studios.

*Beastmaster*, an Alliance Films and Coote/Hayes Productions project to go to air in the United States, will occupy the main stage until January 2000.

*Lost World*, a production by the Canadian company Telecine, in association with Coote/Hayes Productions will be completed by December 1999.



Under the guidance of management team Peter Harvie (Executive Chairman); Brad March (Managing Director); Brian Bickmore (General Manager); and Michael Anderson (Sales Director); and through the dedication of its 862 staff, Village Roadshow's Austereo has emerged as one of the world's most successful radio groups.

The division's success in the Australian radio market during the year saw its two networks, Today and Triple M, increase their strengths in programming, promotion and sales.

The AC Neilsen Radio Survey 4 of 22 June 1999, rated the Triple M and Today Networks as market leaders with under-40 listeners, with a 47.9% mainland capital city share. The division also achieved number one ratings with people 10+ in Brisbane, Melbourne, Adelaide and Perth, and number two in Sydney.

Exceptional programming and sales focus, and rigorous control of operating costs achieved a record financial result of \$47.4m. This was 19.2% up on the previous year. All stations within the division delivered profits – an outstanding achievement in a challenging market.

Commercial radio at the turn of the millennium has become among the most fiercely competitive of all media. Only the most exceptional programming, sales strategies and disciplined cost controls bring prosperity in a crowded market.

Commercial radio is the most important medium in Australia for the emergence and sustenance of local broadcast talent and music. To maintain a creative environment and the current world-class broadcasting standards enjoyed here, the industry must do more than survive – it must flourish. New and unreasonable levels of competition may compromise the industry's great standards.

With this in mind, the division's sales staff performed superbly to convert strong audience ratings into sales growth. In May 1999 the combined networks' share of revenue increased by more than three percentage points over the previous year.

In addition, all other Radio operations recorded profits. The local and international programming production and syndication joint venture, austereo mcm entertainment, overcame challenging conditions.

Austereo International's radio joint venture in Malaysia increased sales by 60% during the year. The network of five nationwide FM stations now accounts for more than 30% of all radio revenue in Malaysia. Austereo International is now monitoring Asia and other relevant regions of the international market for further expansion opportunities where Australian intellectual talent can influence the successful development of radio markets.

In August 1998, Village Roadshow's Austereo entered into a joint venture with the Simon Richards Group, a database, direct marketing and telemarketing agency. Simon Richards Group has now grown from number three to number two in the Australian direct marketing agency field. The joint venture is already demonstrating the benefits of synergy with Village Roadshow's and Austereo's core businesses, as well as proving to be a strong growth force in its own field.

The division's executive team is also involved with the development of Village Roadshow's exciting entertainment and radio website, [www.village.com.au](http://www.village.com.au).

The division's creative teams won a significant number of national and international programming and advertising awards during the year, including finalists in International Broadcasting Awards, Golden Stylus Awards, Clio and New York Festival.

The division is also a foundation member of the radio industry consortium testing the exciting new technology of digital radio, and is poised to exploit the medium's superb sound and data potential.

In summary, the year has seen Village Roadshow's Austereo further strengthen its already leading position in the market, and in the process, enhance its returns.



Wild Wild West Adventure Ride, Warner Bros. Movie World

An encouraging resurgence in Asian tourism, combined with an increase in interstate patronage in the domestic market, helped the theme parks achieve a solid result.

Domestically, vigorous marketing in Melbourne and Sydney featuring Warner Bros. Movie World's new attraction, *Wild Wild West Adventure Ride* during the last months of the financial year saw an upturn in overall domestic attendances.

Opened in December 1998, *Wild Wild West Adventure Ride* made a major contribution to income largely due to its appeal as a family ride crossing all sections of the demographic. Synergy via a marketing campaign with the movie of the same name, released in September 1999, is expected to increase the ride's popularity.

Strong relationships with Tourism Queensland, Qantas and motoring organisations produced a series of co-operative marketing strategies largely responsible for the buoyant domestic market.

The local Gold Coast and Queensland markets are expected to surge once the highway between Brisbane and the Gold Coast is upgraded to an eight-lane freeway in early 2001.

Sea World's new 3D movie adventure *Pirates* opened last year, giving the theme park a new look and adding a major drawcard. By the end of 1999 a new *Cartoon Beach* for children,

sponsored by the Cartoon Network, will open with five kids rides in the one area of the park, all featuring favorite cartoon characters. Again, younger children and their parents, Sea World's most important demographic, are the target market.

Internationally, the parks enjoyed increased patronage off a relatively small base in Europe and the United Kingdom; and New Zealand remained an important source of revenue. Japan, however, remained soft.

The encouraging result is underpinned by the prospect of the much sought after Chinese market playing a significant role in the near future. China awarded its coveted 'approved destination' status to Australia in May 1999.

Sea World Nara Resort is still achieving the highest occupancy rate of any hotel on the Gold Coast, maintaining its lead in the face of increasing competition.

The synergies between the parks and Sea World Nara Resort were a major factor in the continued strong returns on capital.

Recovery in the Asian sector and the emergence of new markets combine to ensure the parks will continue to flourish as one of the Group's major strategic assets.