VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

18 February 2014

To: Company Announcements Office
Australian Securities Exchange

By: Electronic lodgement

Announcement of Half-Year Results – December 2013

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 2013:

- ASX Appendix 4D – Half-Year Report;
- ASX Release on Half-Year Report; and
- Financial Report and Directors' Report for the half-year ended 31 December 2013 together with the 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 2013.

RULE 4.2A.3

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 2013

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

31 December 2012

2. Results for announcement to the market

					$A'000
2.1	Revenues from continuing operations	Down	0.2%	to	478,829
2.2	Profit after tax from continuing operations	Down	43%	to	18,940
2.3	Net profit for the period attributable to members	Down	46%	to	18,078

Dividends (distributions)	Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
2.4 Interim dividend declared – Ordinary shares	13.0 cents	13.0 cents	Nil
2.5 +Record date for determining entitlements to the dividend	12 March 2014		

2.6 Brief explanation of any of the figures reported above:

Refer attached ASX Release on Half-Year Report for further details.

3. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per +ordinary security	$1.30	$1.49

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
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

5.2 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 2012)	Ordinary shares	10.0 cents	--	10.0 cents

5. Dividends & Distributions (continued)

5.3 Total Dividends & Distributions paid

	Current period $A'000	Previous corresponding Period $A'000
+Ordinary securities *(each class separately)*	41,467	15,325
Total	**41,467**	**15,325**

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 March 2014)	Ordinary shares	13.0 cents	13.0 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 2013)	Ordinary shares	13.0 cents	13.0 cents	Nil

6. Dividend reinvestment plans

Dividend reinvestment plans in operation	N/A
The last date(s) for receipt of election notices for participation in any +dividend reinvestment plans	N/A

7. Details of associates and joint venture entities

Equity accounted associates and joint venture entities	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) after tax	
Name of entity	Current period	Previous corresponding period	Current Period A$'000	Previous corresponding period A$'000
Associates:				
Dartina Development Ltd.	50.00%	50.00%	3,703	3,343
Village Roadshow Entertainment Group Ltd [1]	47.63%	47.63%	--	2,485
iPic-Gold Class Entertainment LLC	30.00%	30.00%	500	(412)
VR iPic Finance LLC	42.86%	--	--	--
Other [2]	N/A	N/A	1	1
			4,204	**5,417**
Joint venture entities/partnerships:				
Other [2]	N/A	N/A	199	364
			199	**364**
Total			**4,403**	**5,781**
Other Material Interests			N/A	N/A
Total			**N/A**	**N/A**

7. Details of associates and joint venture entities (continued)

Notes:

1. Prior to the most recent restructuring in June 2012, the position in relation to Village Roadshow Entertainment Group Limited ("VREG") is summarised as follows. The VRL group held 40.44% of the ordinary shares in VREG. The VRL group also held preference shares (VL Class shares) in VREG, which derived from a US$45 million loan made in 2009. In addition, the VRL group held a further class of preference shares in recognition of certain priority distributions that the VRL group was entitled to (V Class shares). As a result of the Shareholders Agreement applicable at that time, which required consensus for key decisions, the shares held by the VRL group did not deliver control of VREG to the VRL group in accordance with AASB 127: *Consolidated and Separate Financial Statements*, therefore the VRL group accounted for VREG in accordance with AASB 128: *Investments in Associates*.

   During the year ended 30 June 2011, the remaining carrying value of the VL Class preference shares of A$32.3 million (previously being a loan to VREG) was determined to be part of the net investment in VREG for accounting purposes, and as a result, further unrecognised equity-accounted losses of VREG were applied against this amount, reducing the carrying value to nil as at 30 June 2011 (as disclosed in material items of income and expense in Note 30(b) in the 30 June 2011 accounts).

   Following the most recent restructuring in June 2012, the current position in relation to VREG is summarised as follows. As advised to the Australian Securities Exchange on 29 June 2012, VREG obtained US$275 million of new funding, as part of a restructuring of its capital base. Under the restructuring, the ordinary shares and V Class shares held by the VRL group all became ordinary shares.

   Following this restructuring, the VRL group is the largest shareholder in VREG, with 47.63% of the ordinary shares of VREG. The terms of the VL Class shares owned by the VRL group were modified to become dividend bearing non-voting redeemable equity shares of approximately US$100 million. The VL Class shares are scheduled to be redeemed by 2018 and can be converted into ordinary shares upon an Initial Public Offering ("IPO") of VREG. Subject to the film performance of VREG films, the VRL group will receive approximately US$5 million p.a. in dividends on the VL Class shares, as they will earn a 5% p.a. cash dividend and 9% p.a. payment in kind (and in the half-year ended 31 December 2012, cash dividends of US$2.6 million (A$2.5 million) were received, as shown in VREG's contribution to net profit for the previous corresponding period above). Partial capital redemption of the VL Class shares will commence from 2015, proportionately with the US$275 million of new funding. The VL Class shares are subordinated to the new funding in the event of default or poor film performance.

   Also following this restructuring in June 2012, the VRL group's accounting treatment of VREG has been reviewed in detail. The provisions of the VREG Shareholders Agreement mean that the VRL group is not able to 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 and Joint Ventures*. Therefore, the investment in VREG continues to be equity-accounted, and as a result of the significant negative net asset position of VREG, the carrying value of the shareholding, including the VL Class shares, continues to be fully provided against, so that the VRL group has no carrying value for accounting purposes.

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

VILLAGE ROADSHOW LIMITED

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18 February 2014

An important year of transition and investment for the future

In the first half of FY2014, building on the success of Village Roadshow Theme Parks, VILLAGE ROADSHOW LIMITED ("VRL") created a unique long-term 100% owned asset in Wet'n'Wild Sydney, the world's best water theme park. Pre-opening ticket sales exceeded expectations, and since successfully opening on 12 December 2013, Wet'n'Wild Sydney has achieved continued strong attendances and ticket sales throughout January and into the start of February 2014.

VRL, together with the Queensland Government and Ardent Leisure, launched an important long-term strategic marketing campaign designed to reinvigorate the Gold Coast brand. This initiative, modelled on Orlando, the world's biggest holiday destination, is aimed at increasing visitation numbers to the Gold Coast, with benefits expected to flow through to VRL in the medium to long term.

With exciting future growth opportunities in mind, VRL is putting in place the "building blocks" for the future. VRL was able to re-finance its main debt facilities in the first half of FY2014, increasing the length of the facilities, and taking advantage of better interest margins. This also allowed VRL to make a distribution of 25 cents per share to shareholders in December 2013.

VRL today announced an attributable net profit of $18.1 million for the half-year ended 31 December 2013, compared to the prior corresponding period result of $33.5 million.

Attributable net profit before discontinued operations and material items ("NPAT") for the half-year ended 31 December 2013 was $25.6 million, compared to the prior corresponding period result of $34.7 million (refer attached Reconciliation of Results).

Included in NPAT for the half-year ended 31 December 2013 is a total of $10 million in one-off costs mainly associated with the opening of Wet'n'Wild Sydney and the Gold Coast joint marketing campaign.

On track to meet full-year NPAT expectations

Through the combination of timing of product releases (H1 versus H2) together with trading results seen through January and the start of February, VRL is on track to meet FY2014 market expectations of NPAT slightly above the prior year result.

VILLAGE ROADSHOW LIMITED ABN 43 010 672 054
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Highlights

- Successful opening of Wet'n'Wild Sydney, exceeding admissions expectations.
- Record half-year EBITDA results from Cinema Exhibition Australia and Singapore.
- Theme Park Asian expansion management structure in place and aggressively pursuing opportunities in China and South East Asia.
- Declaration of a fully-franked interim dividend of 13 cents per share to be paid on 31 March 2014.
- Payment of a 25 cents per share Shareholder Distribution in December 2013.
- VRL Directors have also indicated a current intention to make a further 25 cents per share Shareholder Distribution in FY 2015 subject to the Company's circumstances at that time.
- Completion of the sale of Wet'n'Wild Phoenix and exit of the lease and management agreement at Wet'n'Wild Hawaii.

Diluted earnings per share before discontinued operations and material items were 15.9 cents, compared to the prior period result of 22.3 cents.

EBITDA excluding discontinued operations and material items for the half-year ended 31 December 2013 was $81.5 million, compared to the prior period result of $89.5 million.

VRL Co–Executive Chairman and Co–Chief Executive Officer Mr. Robert Kirby said: "We have spent money to invest in the building blocks for our future. The opening of Wet'n'Wild Sydney has been a huge success and will pave the way to our future growth prospects in China and South East Asia, demonstrating that we have the skills and ability to not only manage, but also build, world class theme and water parks."

VRL Co–Executive Chairman and Co–Chief Executive Officer Mr. Graham Burke noted: "Our businesses remain solid and, with a strong line up planned for the second half, are on track to achieve market expectations slightly above last year's NPAT result. Our commitment to offer people the best experience possible through theme parks, cinemas and film production continues to drive innovation throughout our businesses. We look to the future of VRL with excitement and optimism."

For further information contact:

Graham Burke	Julie Raffe
Co–Chairman and Co-CEO	Finance Director
03 9829 0667	03 9667 6511

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

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

OPERATIONAL OVERVIEW

Theme Parks

Village Roadshow Theme Parks ("VRTP") recorded a solid EBITDA result in the half–year ended 31 December 2013 with a 2% increase in EBITDA, up $0.9 million on the previous corresponding period. Operating profit before tax, discontinued operations and material items was slightly down. The overall result also includes a write-off of $5.5 million for pre-opening costs related to Wet'n'Wild Sydney and $3.0 million of additional marketing expenditure related to the "Theme Park Capital" campaign.

	EBITDA		PBT	
	Dec 2013 $'m	**Dec 2012 $'m**	**Dec 2013[1] $'m**	**Dec 2012 $'m**
Gold Coast Theme Parks	41.4	40.6	14.6	14.8
Wet'n'Wild Sydney	6.1	-	5.8	-
USA Water Parks	6.1	3.6	1.9	0.6
	53.6	44.2	22.3	15.4
Pre-Opening costs – Sydney	(5.5)	-	(5.5)	-
"Theme Park Capital" campaign	(3.0)	-	(3.0)	-
Total	**45.1**	**44.2**	**13.8**	**15.4**

(1) Before non-controlling interest share of $0.9 million in Dec 2013 half-year (2012: Nil)

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.

Continued strong Annual Pass (VIP) sales and an increase in year-on-year ticket yield, plus a record performance from Food & Beverage and Retail operations and tight control of expenses, combined to positively impact the half-year results. This was assisted by the great success of VRTP's unique "Special Events" - Halloween Fright Nights and White Christmas - which featured a number of sell-out nights and are now well established in the parks' annual events calendar. Attendance at the major parks was slightly down on the same period last year.

Australia's first hybrid steel/water coaster "*Storm Coaster*" opened at Sea World in December 2013 and along with VRTP's new polar bear cub, Henry, helped Sea World to a 4.0% growth in attendances for the half-year.

The Sea World Resort & Water Park delivered another record EBITDA performance. The positioning of the property as the Sea World Resort & Water Park continues to provide the resort with a competitive advantage and a solid marketing foundation for the future. The resort's strong performance was reflected in high occupancy in line with the same period last year, but with a lift in average room rate.

Although only representing a small component of the VRTP Gold Coast business, the Village Roadshow Studios have shown an upturn in activity and performance resulting from the softening of the Australian Dollar and the broadening of government incentives.

The half-year result reflects additional marketing expenditure of $3.0 million, VRTP share, relating to the "Theme Park Capital" campaign – a joint initiative with the Queensland Government and Ardent Leisure, which was designed to reinvigorate the Gold Coast brand, with a focus on theme park experiences, and to generate long-term visitation to the destination. This campaign has created enormous awareness in the Australian marketplace of the appeal of the Gold Coast as a unique holiday destination. The campaign will continue in the second half with a further $1.0 million spend, VRTP share, along with media partners and including a strong call to action.

December 2013 also saw the successful completion of the refinancing of the VRTP debt facilities, resulting in reduced borrowing margins and an extended five year term.

January trading has been solid and in line with last year.

Wet'n'Wild Sydney

Wet'n'Wild Sydney successfully opened to the public on 12 December 2013, nine months ahead of the original schedule. Over 160,000 season passes representing approximately $12.5 million in total value were sold prior to opening which resulted in a record yield for a standalone water park of over $75.00 per admission. The park has seen strong attendance over December with a number of days exceeding 17,000 admissions. Coupled with a high in-park spend, this is driving strong revenues and operating EBITDA results.

The overall investment in the park is approximately $132 million, reflecting the exceptional attraction offering and resulting in a number of world first attractions. The guest experience is proving to be very positive.

In late December 2013, as part of the refinancing of the VRTP debt facility, an additional debt amount of $50.0 million was included for the Wet'n'Wild Sydney component.

January has continued the strong trading results, resulting in over 400,000 attendances from opening date through to the end of January 2014.

USA Water Parks

For most of the half-year ended 31 December 2013, the USA Water Parks division consisted of three water parks, Wet'n'Wild Phoenix located in Arizona, Wet'n'Wild Hawaii located on the island of Oahu, Hawaii, and the newly opened Wet'n'Wild Las Vegas in Nevada. In late November 2013, the Wet'n'Wild Phoenix park was divested and the long term operating lease over Wet'n'Wild Hawaii was exited.

VRTP opened Wet'n'Wild Las Vegas on Memorial Day weekend in the USA in late May 2013, on time and on budget, despite a short build window of only nine months. VRTP owns 51% of the park, and the company has a management contract with responsibility for the day-to-day operations of the park.

Trading results through to the closure in September (the end of the operating season) exceeded budget and all expectations. Similar to the other parks in the division, strong season pass sales underpinned the results. Work on a new attraction for the Las Vegas park's second season is underway. The attraction should open on or around Memorial Day weekend in 2014.

Wet'n'Wild Phoenix and Wet'n'Wild Hawaii overall returned solid trading performances, prior to their divestment.

China and other Growth Opportunities

The Hainan Island Marine Park and Water Park is under construction for a partial opening (water park) in January 2015 and a full opening in May 2015. Under its consulting agreement with Guangzhou R&F Properties Co. Ltd, VRTP is co-ordinating the build and assisting with pre-opening. VRTP will manage the park once opened under a long-term management agreement.

VRTP's primary focus in the future will be to explore development, consulting and management opportunities in Asia, and discussions are continuing relating to various opportunities in the region.

Cinema Exhibition

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

VRL Share of Reported Results	EBITDA Dec 2013 $'m	EBITDA Dec 2012 $'m	PBT Dec 2013 $'m	PBT Dec 2012 $'m
Australian Cinema Exhibition	25.4	23.3	16.2	14.4
Other Cinema Exhibition	2.9	2.2	2.5	1.9
Total	**28.3**	**25.5**	**18.7**	**16.3**

Australian Cinema Exhibition

Operating profit before tax, discontinued operations and material items for the half-year ended 31 December 2013 was $16.2 million, an increase of 12.5% compared to $14.4 million in the prior corresponding period. EBITDA increased by 9% on the prior period.

The positive results were driven by higher spends on food and beverage, reduced cost of goods sold and a higher proportion of patrons using premium concepts.

The 2014 financial year started with a line up of products that played through from June. These included the two spearhead family titles, *Despicable Me* 2 and *Monsters University,* and the much anticipated *Man of Steel.* July releases added to the strong month with the release of *The Heat* and the popular franchise *The Wolverine.*

Other successes of the first half included *Now You See Me* and *Gravity,* with the top two spots going to the much anticipated sequels of *Hunger Games: Catching Fire* and *Thor: The Dark World.*

Overall box office results for the first half were lower than the prior period due to the timing of film releases. Closing the first half of the year, the Boxing Day releases *The Hobbit; The Desolation of Smaug, Frozen* and *Philomena* continued strongly into January.

During the period, the division launched three new Gold Class screens and an additional **Vmax** screen at Fountain Gate, Victoria. This development has coincided with the significant expansion to the Westfield site, and has enabled Village Cinemas to introduce its premium concepts to a major growth corridor.

In December, an existing 12 screen cinema site was purchased in Loganholme, Queensland in conjunction with Amalgamated Holdings. Other significant capital works during the period included the stage one refurbishment of Crown Casino in Melbourne, major refurbishment at Launceston, and a new **Vmax** screen at Burwood, NSW.

Looking forward, the division will be undertaking a refurbishment at its Geelong site in Victoria, and completing the works at its flagship site at Crown Casino in Melbourne, which will include the introduction of two **Vmax** screens. The Cinema Exhibition division will also begin the works at the iconic Jam Factory location in South Yarra, Hurstville, NSW, and the new Miranda site in Queensland.

During the December 2013 half-year, the Cinema Exhibition debt financing was extended for a four year term.

Singapore Cinema Exhibition

The Singapore circuit experienced a strong first half, with paid admissions finishing 1% higher and reported operating profit after tax up 11% on the prior corresponding period. Driving this growth was an increase in average ticket prices and screen advertising, and a reduction in film hire costs.

Later in 2014, Suntec Plaza will be opening with 11 screens, including **Vmax** and Gold Class. This location is second to none in Singapore and will be the jewel in the crown when it opens.

Other Cinema Exhibition

iPic Theaters in the USA continued to trade well, benefiting from the circuit expansion and growing popularity of the upmarket concept. iPic remains in a loss making position due to interest and depreciation charges.

Intencity and Belfast Cinemas traded to expectations.

List of Sites & Screens – Cinema Exhibition Division [1]

	As at June 2013		Opened/ (Closed/Sold) Jul – Dec 2013		As at December 2013	
	Sites	**Screens**	**Sites**	**Screens**	**Sites**	**Screens**
Australia	51	514	1	19	52	533
Singapore	11	87	-	-	11	87
USA	9	67	-	-	9	67
United Kingdom	1	12	-	-	1	12
Total	**72**	**680**	**1**	**19**	**73**	**699**

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

Film Distribution

The Film Distribution division's operating profit before tax, discontinued operations and material items for the half-year ended 31 December 2013 was $19.8 million, compared to $27.2 million in the prior corresponding period. EBITDA excluding discontinued operations and material items for the year was $23.4 million, compared to $31.4 million in the prior period.

During the December 2013 half-year, the Film Distribution debt financing was extended for a four-year term.

Theatrical

During the first half, Roadshow Films released 24 films and maintained its leading Australian market share of 27.2%, continuing to capitalise on its strong supplier relationship with Warner Bros., who continued to produce strong market leading product, including the carry over sales of *Man of Steel, We're the Millers, Pacific Rim, Gravity* and the second instalment *of The Hobbit; The Desolation of Smaug,* all of which released to strong box office revenues.

Other key suppliers, which include Lionsgate, Nu Image, Film Nation, Relativity and Weinstein formed the core of Roadshow's independent distribution relationships and ensure that it continues to be well placed in the theatrical industry. These suppliers continued to provide outstanding product during the half, which included two dominant titles *The Hunger Games; Catching Fire* and *American Hustle.*

This period also saw Weinstein Co. extend their output deal for a further two years with Roadshow Films, out to 2016.

The outlook for the second half of the 2014 financial year features a great mix of strong independent films and Warner Bros product, including *The Wolf of Wall Street*, *Godzilla*, *The Lego Movie*, *Edge of Tomorrow* and *Mandela – A long walk to Freedom.*

Home Entertainment
Despite a challenging retail landscape, Roadshow continued to be the leading independent retail distributor of DVD's, maintaining an Australian market share of 14.6%.

Strong performing titles over the first half include *Olympus has Fallen*, *Mortal Instruments*; *The City of Bones*, and *Big Wedding,* and the phenomenal success of *The Great Gatsby* at the box office continued into retail with DVD sales outperforming expectations. Notwithstanding the above, Roadshow Home Entertainment experienced a challenging first half due to the flow on impact from the softer theatrical release slate in the second half of FY2013, however with the product slate for FY2014 heavily skewed towards the second half, Roadshow remains confident of delivering an overall financial result in line with the prior year.

Throughout the first half Roadshow also had a number of important TV titles including Channel 9's *Underbelly: Squizzy Taylor,* BBC's *Dr Who, celebrating 50 years of Dr Who, The Wiggles, Go Go Santa, Miss Fisher* and *Thomas and Friends.*

Roadshow Home Entertainment's forecast for the second half sees a healthy slate of 28 theatrical titles with some stand out product including *Hunger Games; Catching Fire, The Wolf of Wall Street, American Hustle* and *Riddick. Fat Tony & Co.* headlines a much stronger TV slate which also includes the new series of *Sherlock* and *Call the Midwives,* and the new Lionsgate series on Foxtel, *Nashville* and *Orange is the New Black.*

Blu-ray currently represents 12% – 15% of the revenue achieved from Roadshow's movie category. Roadshow continues to play a leading role in relation to Ultraviolet – the global format supporting digital ownership, providing instant access to movies and television collections in the cloud.

Digital
The digital market continued to sustain steady growth in the first half, and while the growth in digital transactional revenue continues to impress, the growth is largely from the rental sector (TVOD). Apple's i-Tunes continued its dominance in the digital retail space. The half-year also saw an increase in TV content buys and the continued growth of the Google/YouTube platform.

The impressive growth in digital rental is expected to continue in the second half with the three major outlets, iTunes, Foxtel and BigPond, commanding the majority share of the business.

The second half is also expecting to see the entrance and growth of Physical (DVD) clients entering the digital transactional market with Dendy and Looxie (NZ) launching in April, and impending launches from JB HiFi, Hoyts and Civic Video on the horizon.

Television
Television results were stronger than the prior period and are anticipated to remain strong throughout the second half. Business highlights for the year include the renewal of the Channel 9 Free to Air output contract for a further four years, and the renewal of the Sky Pay TV agreement to 2017.

Film Production
Village Roadshow Entertainment Group ("VREG") consists of Village Roadshow Pictures and Village Roadshow Pictures Asia.

During the first half of the fiscal year, Village Roadshow Pictures did not release any films, although *The Great Gatsby* remained in release in a number of international territories during the period. Upcoming releases during the second half of FY2014 include *The LEGO Movie (3D),* directed by Phil Lord and Christopher Miller and starring Chris Pratt, Elizabeth Banks, and Will Ferrell; *Winter's Tale,* directed by Akiva Goldsman and starring Colin Farrell, Jessica Brown Findlay, and Russell Crowe alongside Jennifer Connelly; and *Edge of Tomorrow* (3D), directed by Doug Liman and starring Tom Cruise and Emily Blunt.

Village Roadshow Pictures' goal of 6-8 film releases per year is coming to fruition. Future releases include *Jupiter Ascending* (3D), directed by the Wachowskis and starring Channing Tatum and Mila Kunis; *Into the Storm*, directed by Stephen Quale, the assistant director of *Avatar* and *Titanic*; *The Judge*, directed by David Dobkin and starring Robert Downey Jr. and Robert Duvall; *Mad Max: Fury Road* (3D), directed by George Miller and starring Tom Hardy and Charlize Theron; *Heart of the Sea (3D)*, directed by Ron Howard and starring Chris Hemsworth; and *San Andreas* (3D), starring Dwayne Johnson.

Village Roadshow Pictures Asia continues to build. The VRP Asia unit released its third film during the first half of the fiscal year. *Man of Tai Chi* released theatrically in China in July 2013 and in North America in November 2013. The next VRP Asia release will be *Rise of the Legend*, via VRPA's investment in Irresistible Films, in late 2014. Four VRP Asia projects are currently in active development and will be announced soon, with all scheduled to commence production within calendar year 2014, and to be released in calendar year 2015. In addition, Irresistible Films will commence shooting two new films in calendar year 2014 for release in 2015.

Digital

The Digital division consists of the Edge Loyalty, MyFun and the Digital Development businesses, and the revenues and costs of the digital division are included in the group segment 'total net corporate and other costs'.

Edge Loyalty Systems continued its strong performance during the period, growing its card volumes and launching the new Good Food Gift Card. The business also successfully completed the acquisition of the Club Lifestyle business during the period, further expanding its loyalty offerings and client base.

Village Roadshow Digital further invested in the digital infrastructure of the group, focusing on the relationship that the VRL group has with its customers, and exploring new and improved ways to interact with, and relate to, its customers.

Corporate & Other

The total net corporate and other costs before tax, discontinued operations and material items for the half-year ended 31 December 2013 were $15.7 million, compared to $9.5 million for the prior corresponding period. Excluding interest and depreciation, the EBITDA cost for the half-year to 31 December 2013 was $15.3 million, compared to $11.6 million in the prior corresponding period.

Underlying corporate and other costs were higher than the previous corresponding half-year due mainly to no cash dividends being received from VREG in the current period, costs of relocating the Melbourne head office and the fact that net interest revenue was lower in the current half-year compared to the prior period, due to lower cash reserves as a result of the ongoing capital funding of the Wet'n'Wild Sydney development during the half-year.

Development costs included in corporate and other costs include costs associated with Asian Theme Parks projects. These net costs in total amounted to $0.5 million for the half-year, compared to $0.8 million in the prior period.

The VRL Board has declared a fully-franked interim dividend of 13 cents per share, with a record date of 12 March 2014, and a payment date of 31 March 2014, and has also indicated a current intention to make a further 25 cents per share Shareholder Distribution in FY 2015, subject to the Company's circumstances at that time.

***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 2013

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2013.

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-Chairman and Co-Chief Executive Officer
Graham W. Burke: – Co-Chairman and Co-Chief Executive Officer
John R. Kirby: B.Ec., CPA – Deputy Chairman
Peter M. Harvie
Peter D. Jonson: B. Comm., MA, Ph. D.
D. Barry Reardon: B. Arts, MBA
David J. Evans
Robert Le Tet: B. Ec.
Timothy M. Antonie: B. Ec.
Julie E. Raffe (Alternate director to Messrs. R.G. Kirby, J.R. Kirby and G.W. Burke)

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 $478.8 million compared to $480.0 million for the previous corresponding period, total expenses excluding finance costs were $449.2 million (2012: $429.1 million), and finance costs were $17.7 million (2012: $17.7 million). Profit from continuing operations after tax was $18.9 million, compared to a profit of $33.5 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 totalled a loss after tax of $7.6 million, compared to a loss of $1.2 million in the prior period, which in the current period included the after-tax loss on disposal of the US Water Park operations of $0.8m (which mainly resulted from the realised foreign exchange loss on the repatriation of the net proceeds), the legal settlement and expenses of $4.8 million, and finance restructuring costs of $2.0 million (refer below).

The attributable net profit excluding material items of income and expense for the period was $25.6 million (2012: $34.7 million).

A fully-franked final dividend of 13.0 cents per ordinary share, totalling $20.7 million, was paid in October 2013, and a fully-franked distribution of 13.0 cents per share, totalling $20.7 million (being part of the total distribution of 25.0 cents per share approved by shareholders in November 2013), was paid in December 2013. A fully-franked interim dividend of 13.0 cents per ordinary share has been declared, which will be paid in March 2014. This compares to the prior period fully-franked interim dividend of 13.0 cents per share paid in March 2013.

Total assets of the Group increased by $78.0 million to $1,522.5 million compared to 30 June 2013, and total liabilities of the Group increased by $113.1 million to $985.5 million compared to 30 June 2013. During the half-year ended 31 December 2013, the main financing facilities for the Cinema Exhibition, Film Distribution and Theme Parks divisions were renegotiated, resulting in additional amounts under those debt facilities, and extended termination dates.

Contributed equity reduced by $16.4 million compared to 30 June 2013, which was mainly due to the capital reduction of $19.1 million, being 12.0 cents per share, as part of the total distribution of 25.0 cents per share in December 2013. Retained earnings reduced by $23.4 million compared to 30 June 2013, which represents the attributable profit of $18.1 million in the current period, less the fully-franked dividends and distributions of $41.5 million.

Basic earnings per share were 11.3 cents (2012: 21.8 cents), and diluted earnings per share were 11.2 cents (2012: 21.5 cents). Diluted earnings per share before material items and discontinued operations were 15.9 cents (2012: 22.3 cents), based on a weighted average total of 161,513,060 ordinary shares (2012: 155,868,951 ordinary shares).

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 18th day of February 2014.

G.W. Burke
Director

VILLAGE ROADSHOW LIMITED
RECONCILIATION OF RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Theme Parks		Cinema Exhibition		Film Distribution		Other		Total	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
(i) Reconciliation of results:										
Continuing Operations:										
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA"), excluding material items	**45,112**	**44,220**	**28,271**	**25,509**	**23,404**	**31,367**	**(15,276)**	**(11,561)**	**81,511**	**89,535**
Depreciation and amortisation	(22,189)	(17,460)	(7,343)	(6,863)	(1,653)	(1,527)	(864)	(574)	(32,049)	(26,424)
Finance costs before fair value change on derivatives	(9,209)	(11,533)	(2,489)	(2,614)	(2,492)	(3,234)	(671)	(770)	(14,861)	(18,151)
Interest income	69	153	298	283	527	544	1,144	3,397	2,038	4,377
Operating profit (loss) before tax and material items of income and expense	**13,783**	**15,380**	**18,737**	**16,315**	**19,786**	**27,150**	**(15,667)**	**(9,508)**	**36,639**	**49,337**
Income tax (expense) benefit, excluding material items	(3,832)	(4,807)	(5,192)	(4,326)	(6,246)	(10,256)	5,130	4,745	(10,140)	(14,644)
Operating profit (loss) after tax, before material items of income and expense	**9,951**	**10,573**	**13,545**	**11,989**	**13,540**	**16,894**	**(10,537)**	**(4,763)**	**26,499**	**34,693**
Non-controlling interest	(862)	--	--	--	--	--	--	--	(862)	--
Attributable operating profit (loss) after tax, before material items of income and expense ("NPAT")	**9,089**	**10,573**	**13,545**	**11,989**	**13,540**	**16,894**	**(10,537)**	**(4,763)**	**25,637**	**34,693**
Material items of income and expense before tax	(1,622)	5	(551)	(1,374)	(316)	275	(6,333)	--	(8,822)	(1,094)
Income tax (expense) benefit – material items	535	(1)	165	(38)	95	(83)	468	--	1,263	(122)
Material items of income and expense after tax	(1,087)	4	(386)	(1,412)	(221)	192	(5,865)	--	(7,559)	(1,216)
Total profit (loss) before tax from continuing operations	12,161	15,385	18,186	14,941	19,470	27,425	(22,000)	(9,508)	27,817	48,243
Total income tax (expense) benefit from continuing operations	(3,297)	(4,808)	(5,027)	(4,364)	(6,151)	(10,339)	5,598	4,745	(8,877)	(14,766)
Total non-controlling interest	(862)	--	--	--	--	--	--	--	(862)	--
Total profit after tax from continuing operations per the statement of comprehensive income	**8,002**	**10,577**	**13,159**	**10,577**	**13,319**	**17,086**	**(16,402)**	**(4,763)**	**18,078**	**33,477**
Discontinued Operations:										
Attributable profit after tax from discontinued operations									--	--
Net profit attributable to the members of Village Roadshow Limited									**18,078**	**33,477**
(ii) Material items of income and expense from continuing operations:										
Unrealised mark to market profits (losses) on interest rate and foreign currency derivatives not designated in hedging relationships	(188)	5	--	126	223	275	--	--	35	406
Legal settlement and expenses	--	--	--	--	--	--	(4,774)	--	(4,774)	--
Finance restructuring expenses	(1,597)	--	(551)	--	(539)	--	(153)	--	(2,840)	--
Onerous lease provision	--	--	--	(1,500)	--	--	--	--	--	(1,500)
Profit (loss) on disposal of US Water Parks	163	--	--	--	--	--	(1,406)	--	(1,243)	--
Total profit (loss) from material items of income and expense before tax	(1,622)	5	(551)	(1,374)	(316)	275	(6,333)	--	(8,822)	(1,094)
Income tax (expense) benefit – material items	535	(1)	165	(38)	95	(83)	468	--	1,263	(122)
Total profit (loss) from material items of income and expense after tax	(1,087)	4	(386)	(1,412)	(221)	192	(5,865)	--	(7,559)	(1,216)
(iii) Earnings Per Share adjusted to eliminate discontinued operations and material items of income and expense from the calculations:										
Basic EPS									16.1c	22.6c
Diluted EPS									15.9c	22.3c

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.

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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 2013 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
18 February 2014

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Continuing operations			
Income			
Revenues		478,829	480,007
Other income		11,409	9,315
Expenses excluding finance costs		(449,159)	(429,115)
Finance costs	(2(a))	(17,665)	(17,745)
Share of profits (losses) of associates and jointly controlled entities		4,403	5,781
Profit from continuing operations before income tax expense		27,817	48,243
Income tax expense		(8,877)	(14,766)
Profit after tax from continuing operations		18,940	33,477
Discontinued operations			
Profit after tax from discontinued operations		--	--
NET PROFIT FOR THE PERIOD		18,940	33,477
Profit for the period is attributable to:			
Non-controlling interest		862	--
Owners of the parent		18,078	33,477
		18,940	33,477
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		(311)	446
Foreign currency translation		2,978	1,131
Income tax (expense) benefit on items of other comprehensive income		93	(134)
Other comprehensive income (expense) for the period after tax		2,760	1,443
Total comprehensive income for the period		21,700	34,920
Total comprehensive income for the period is attributable to:			
Non-controlling interest		862	--
Owners of the parent		20,838	34,920
		21,700	34,920
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		11.3c	21.8c
Diluted earnings per share		11.2c	21.5c

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Consolidated 31 December 2013 $'000	Consolidated 30 June 2013 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	139,947	146,909
Trade and other receivables	145,032	112,565
Inventories	18,818	16,088
Current tax assets	1	1
Film distribution royalties	48,963	49,703
Derivatives	3,896	4,982
Other	38,460	16,372
Total Current Assets	395,117	346,620
Non-Current Assets		
Trade and other receivables	17,786	15,616
Goodwill & other intangible assets	316,907	315,554
Investments in associates and jointly controlled entities	20,269	25,287
Available-for-sale investments	358	358
Property, plant & equipment	662,603	638,896
Deferred tax assets	289	1,013
Film distribution royalties	107,997	99,128
Derivatives	66	53
Other	1,097	1,987
Total Non-Current Assets	1,127,372	1,097,892
Total Assets	**1,522,489**	**1,444,512**
LIABILITIES		
Current Liabilities		
Trade and other payables	247,530	240,941
Interest bearing loans and borrowings	10,011	35,595
Income tax payable	1,372	11,785
Provisions	36,107	32,308
Derivatives	4,496	6,165
Unearned revenue	69,477	41,920
Total Current Liabilities	368,993	368,714
Non-Current Liabilities		
Trade and other payables	75,945	51,232
Interest bearing loans and borrowings	476,535	382,892
Deferred tax liabilities	50,730	48,344
Provisions	12,555	18,157
Derivatives	777	1,423
Other	--	1,672
Total Non-Current Liabilities	616,542	503,720
Total Liabilities	**985,535**	**872,434**
Net Assets	**536,954**	**572,078**
EQUITY		
Equity attributable to equity holders of the parent		
Contributed equity	217,959	234,345
Reserves	99,495	95,953
Retained earnings	207,473	230,862
Parent interest	524,927	561,160
Non-controlling interest	12,027	10,918
Total Equity	**536,954**	**572,078**

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		524,595	507,034
Payments to suppliers and employees		(460,875)	(432,248)
Dividends and distributions received		9,543	6,414
Interest and other items of similar nature received		2,588	4,102
Finance costs		(14,719)	(19,949)
Income taxes paid		(15,949)	(3,296)
Net cash flows from (used in) operating activities		45,183	62,057
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(107,557)	(60,537)
Purchases of software and other intangibles		(7,470)	(5,148)
Proceeds from sale of property, plant & equipment		--	45
Purchase of investments net of cash acquired		(9,083)	(5,323)
Loans to (or repaid to) other entities		--	(394)
Proceeds from sale of investments		37,046	--
Loans from (or repaid by) other entities		2,981	16,793
Net cash flows from (used in) investing activities		(84,083)	(54,564)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital reduction		(19,139)	--
Proceeds from issue of shares		107	115
Proceeds from borrowings		126,770	7,000
Repayment of borrowings		(34,797)	(25,225)
Dividends and distributions paid		(41,467)	(15,325)
Net cash flows from (used in) financing activities		31,474	(33,435)
Net increase (decrease) in cash and cash equivalents		(7,426)	(25,942)
Cash and cash equivalents at beginning of period		146,909	193,574
Effects of exchange rate changes on cash		464	(12)
Total cash and cash equivalents at end of period	(3)	139,947	167,620

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	ATTRIBUTABLE TO EQUITY HOLDERS OF VILLAGE ROADSHOW LIMITED			NON-CONTROLLING INTEREST	TOTAL EQUITY
CONSOLIDATED	ISSUED CAPITAL $ '000	RETAINED EARNINGS $ '000	OTHER RESERVES $ '000	$ '000	$ '000
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

Balances as at 1 July 2012	222,853	215,986	83,972	--	522,811
Profit for the period	--	33,477	--	--	33,477
Other comprehensive income	--	--	1,443	--	1,443
Total comprehensive income for the period	--	33,477	1,443	--	34,920
Share-based payment movements	569	--	179	--	748
Issue of shares under Directors' share plan from Directors' fees	115	--	--	--	115
Acquisition of partly-owned controlled entities	--	--	--	8,954	8,954
Equity dividends	--	(15,325)	--	--	(15,325)
Balances as at 31 December 2012	223,537	234,138	85,594	8,954	552,223

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 2013 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 2013.

(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 2013, except for the adoption of new standards and interpretations as of 1 July 2013 as noted below:

- AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
- AASB 2012-9: Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039
- AASB 1053: *Application of Tiers of Australian Accounting Standards*
- AASB 10: *Consolidated Financial Statements*
- AASB 12: *Disclosure of Interests in Other Entities*
- AASB 13: *Fair Value Measurement*

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

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

	Consolidated 2013 $'000	Consolidated 2012 $'000
2. Income and Expenses		
(a) Finance costs – continuing operations		
Total finance costs before fair value change on derivatives	17,700	18,151
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)	(406)
Total finance costs	17,665	17,745
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	54,325	63,487
Deposits at call	85,622	104,133
Total cash and cash equivalents	139,947	167,620

4. Major Changes in Debt and Equity Securities

Subsequent to 31 December 2013, 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 2013.

	Consolidated 2013 $'000	Consolidated 2012 $'000
6. Dividends & Distributions		
(a) Declared and paid during the half-year		
Final dividend on ordinary shares of 13.0 cents per share fully-franked (2012: 10.0 cents per share fully-franked)	20,733	15,325
Distribution on ordinary shares of 13.0 cents per share fully-franked (2012: nil cents per share)	20,734	--
	41,467	15,325
(b) Declared subsequent to half-year end		
Interim dividend on ordinary shares of 13.0 cents per share fully-franked (2012: 13.0 cents per share fully-franked)	20,734	20,729

7. Contingencies

(a) Contingent Liabilities

Contingent liabilities are not materially different from those disclosed in the 30 June 2013 accounts, subject to the updates set out below.

(i) Legal action relating to former subsidiary in Sydney Attractions Group:
As disclosed in Note 22(a)(viii) in the 30 June 2013 accounts, a former subsidiary of VRL, within the Sydney Attractions Group ("SAG"), had taken legal proceedings to claim amounts owed by the vendor of a business sold to SAG. The vendor had lodged a counter-claim in those proceedings. It was noted that the NSW Supreme Court had heard the case in November and December 2012, and that the judgement may have resulted in amounts being payable to or by VRL.

Various judgements and orders were handed down in June, August and October 2013, and a Notice of Intention to Appeal was filed by SAG. Settlement was subsequently reached in December 2013, resulting in a payment by VRL of approximately $4.6 million. This settlement amount, together with related legal expenses incurred, has been expensed in the accounts to 31 December 2013 (refer Material Items of Income and Expense in the Reconciliation of Results, which forms part of the Directors' Report).

(ii) Guarantee issued subsequent to 31 December 2013:
Subsequent to 31 December 2013, 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. VRIF will raise debt financing to contribute funds to iPic-Gold Class Entertainment LLC ("IGCE"), which is also an associated entity of VRL.

Another shareholder of IGCE is also providing guarantee support to VRIF. VRL's guarantee exposure is expected to increase to approximately US$11.7 million by around June 2015.

(iii) Dormant subsidiary placed into liquidation subsequent to 31 December 2013:
Subsequent to 31 December 2013, VC Eye Pty. Ltd., a dormant wholly-owned subsidiary was placed into creditors' voluntary liquidation. As VC Eye Pty. Ltd. has only nominal assets, no material impact on the VRL group is expected from this liquidation.

(b) Contingent Assets

Contingent assets are not materially different from those disclosed in the 30 June 2013 accounts.

8. Events after the end of the Reporting Period

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.

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 2013 $'000	Aggregate Net Fair Value 31 December 2013 $'000
Financial assets:		
Cash	139,947	139,947
Receivables – trade debtors	157,140	157,140
Unsecured advances	5,678	5,678
Available for sale investments	358	358
Derivatives	3,962	3,962
Total financial assets	307,085	307,085
Financial liabilities:		
Trade and other payables	323,475	323,475
Secured and unsecured borrowings	486,546	482,942
Derivatives	5,273	5,273
Total financial liabilities	815,294	811,690

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 2013 $'000	Total 31 December 2013 $'000
Financial assets:		
Derivatives	3,962	3,962
Total financial assets	3,962	3,962
Financial liabilities:		
Derivatives	5,273	5,273
Total financial liabilities	5,273	5,273

10. Segment Reporting

	Theme Parks		Cinema Exhibition		Film Distribution		Other		Total	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Reporting by Operating Segments – Continuing Operations:										
Total segment revenue	173,064	153,998	127,698	126,862	180,171	202,014	--	--	480,933	482,874
Plus: Non-segment revenue	--	--	--	--		--	8,494	7,211	8,494	7,211
Less: Inter-segment revenue	--	--	--	--	(9,543)	(8,105)	(1,055)	(1,973)	(10,598)	(10,078)
Total Revenue									**478,829**	**480,007**
Segment results before tax	13,783	15,380	18,737	16,315	19,786	27,150	--	--	52,306	58,845
Non-segment result (Corporate and Other) before tax	--	--	--	--	--	--	(15,667)	(9,508)	(15,667)	(9,508)
Operating profit (loss) before tax – segment purposes	**13,783**	**15,380**	**18,737**	**16,315**	**19,786**	**27,150**	**(15,667)**	**(9,508)**	**36,639**	**49,337**
Unrealised mark to market profits (losses) on interest rate and foreign currency derivatives not designated in hedging relationships before tax									35	406
Legal settlement and expenses									(4,774)	--
Finance restructuring expenses									(2,840)	--
Onerous lease provision									--	(1,500)
Loss on disposal of US Water Parks									(1,243)	--
Operating profit before tax									**27,817**	**48,243**
Income tax expense									(8,877)	(14,766)
Non-controlling interest									(862)	--
Total profit after tax from continuing operations per the statement of comprehensive income									**18,078**	**33,477**

VILLAGE ROADSHOW LIMITED
HALF-YEAR FINANCIAL REPORT
DIRECTORS' DECLARATION
31 DECEMBER 2013

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 2013 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

G.W. Burke
Director

Melbourne, 18 February 2014

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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 2013, 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 2013 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 2013 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
18 February 2014