

Additional Information 2006

VILLAGE ROADSHOW LIMITED
ABN 43 010 672 054

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Extract of Results: Film Production Exploitation

Income Statement	2006 \$A'000	2005 \$A'000
Sales revenue (Note 1)	903,065	792,496
Expenses:		
Amortisation of film production costs (Note 2)	(271,938)	(272,576)
Other film expenses (Note 3)	(562,689)	(457,702)
Finance costs	(60,822)	(53,658)
Other	(1,619)	(1,749)
Net Profit from film exploitation (Note 4)	5,997	6,811

Balance Sheet	2006 \$A'000	2005 \$A'000
<i>Current assets</i>		
Film library	235,314	287,368
Working capital	107,703	140,564
<i>Non-current assets</i>		
Film library	482,968	423,143
Security deposit	-	92,275
<i>Current liabilities</i>		
Secured borrowings	235,314	287,368
Working capital	105,372	74,534
<i>Non-current liabilities</i>		
Secured borrowings	507,347	498,915

Cash Flow Statement	2006 \$A'000	2005 \$A'000
<i>Net Operating Cash Flows:</i>		
Receipts from customers	1,009,102	846,676
Payments to suppliers and employees (Note 5)	(832,361)	(790,081)
Interest and other costs of finance paid	(57,577)	(53,658)
<i>Net Financing Cash Flows:</i>		
Proceeds from secured borrowings	526,177	569,817
Repayment of secured borrowings	(591,117)	(518,229)

Note 1: Sales Revenue consists of film hire revenue from box office attendances in addition to exploitation revenue from video/DVD and television. Excluded from this analysis are non-studio producer and overhead fees which have been eliminated on consolidation following the acquisition of Village Roadshow Films (BVI) Limited in February 2003.

Note 2: Film production costs are capitalised in the Balance Sheet and amortised in accordance with the measurement requirements of AASB 111: *Construction Contracts*. The progressive amortisation required is calculated to reflect expected ultimate profits on a pro-rata basis, dependent on the ratio of revenue earned to balance date as a percentage of total revenue expected to be earned over the lifetime of all films comprising the relevant film portfolio. In the event an ultimate loss is projected for all films in the portfolio, an amount equivalent to this loss will be written-off immediately. Revenue expected to be earned over the lifetime of each film includes theatrical, DVD/video & television streams.

Note 3: Other film costs include prints and advertising expenses, sub-distribution fees, participations and residuals, studio participations and other direct film costs.

Note 4: In the year ended 30 June 2006, portfolio film exploitation profit of \$6.0 million was recognised (30 June 2005: \$6.8 million).

Note 5: Includes film acquisition costs of \$260.3 million (2005: \$289.7 million).

EBITDA Analysis

RECONCILIATION OF SEGMENT RESULT AND REPORTED EBITDA ANALYSIS FROM CONTINUING OPERATIONS (EXCLUDING MATERIAL ITEMS OF INCOME & EXPENSE)

	SEGMENT RESULT ¹		OPERATING RESULT ¹		REPORTED EBITDA ²	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Segment result, Operating result & Reported EBITDA² by business						
Cinema Exhibition	2,363	19,785	1,298	19,098	22,803	36,943
Theme Parks	7,754	19,713	7,830	16,115	17,803	23,784
Radio	70,099	67,971	58,957	58,126	77,658	76,494
Film Production	75,328	75,895	6,728	13,403	76,599	76,396
Film Distribution	16,662	17,606	16,662	17,606	16,662	17,606
Other (includes corporate overheads)	(115,995)	(106,956)	(35,264)	(30,334)	(37,306)	(33,862)
Total	56,211	94,014	56,211	94,014	174,219	197,361
Calculation of Reported EBITDA						
Profit from continuing operations before material items and tax					56,211	94,014
Add:						
Amortisation of intangibles					1,079	681
Depreciation and amortisation (excluding intangibles)					306,130	306,143
Film Library and other production amortisation					(271,938)	(272,576)
Finance costs					92,241	76,714
Tax on unit trust distributions					4,100	560
Tax on partnership profits					1,262	1,120
Less:						
Interest income					(14,866)	(9,295)
Reported EBITDA (before Minority Interests)					174,219	197,361

CINEMA EXHIBITION BOX OFFICE AND UNDERLYING EBITDA² FROM CONTINUING OPERATIONS – \$'000

Geographical Segment	GROSS BOX OFFICE	YEAR ENDED JUNE 2006		GROSS BOX OFFICE	YEAR ENDED JUNE 2005	
		UNDERLYING EBITDA			UNDERLYING EBITDA	
		100%	VILLAGE SHARE		100%	VILLAGE SHARE
Australia	297,849	60,869	24,710	294,713	67,992	28,607
Asia	44,085	11,320	5,660	41,502	11,251	5,625
Europe	143,298	5,243	4,264	133,187	20,698	16,408
Total	485,232	77,432	34,634	469,402	99,941	50,640

Note 1: As outlined in the segment reporting Note, certain financing and investing transactions are excluded from the definition of 'segment result' under AASB 114: *Segment Reporting*. These transactions, which mainly comprise interest income, interest expense and profit or loss on sale of assets have been treated as unallocated for 'segment result' purposes (and included in the 'Other' category), but are included in each segment's 'operating result' above. EBITDA has been calculated from each segment's operating result.

Note 2: Underlying EBITDA represents Village Roadshow's equity share of trading in each territory on a grossed-up basis, i.e. ignoring the effect of corporate structuring. Reported EBITDA differs from this because there are a number of partnerships/associates whose contribution to reported EBITDA is Village Roadshow's share of their post-tax profits.

RECONCILIATION OF REPORTED EBITDA TO PROFIT BEFORE TAX BY DIVISION –
CONTINUING OPERATIONS (EXCLUDING MATERIAL ITEMS OF INCOME & EXPENSE) – 2006

	REPORTED EBITDA \$'000	AMORTISATION/ DEPRECIATION \$'000	NET INTEREST \$'000	TAX INCLUDED IN PRE-TAX PROFIT \$'000	PROFIT BEFORE TAX \$'000
Cinema Exhibition	22,803	(19,876)	(1,488)	(141)	1,298
Theme Parks	17,803	(4,403)	(349)	(5,221)	7,830
Radio	77,658	(6,901)	(11,800)	–	58,957
Film Production	76,599	(887)	(68,984)	–	6,728
Film Distribution	16,662	–	–	–	16,662
Other (includes corporate overheads)	(37,306)	(3,204)	5,246	–	(35,264)
Total	174,219	(35,271)	(77,375)	(5,362)	56,211

RECONCILIATION OF REPORTED AND UNDERLYING CINEMA EXHIBITION EBITDA –
CONTINUING OPERATIONS

	2006 \$'000	2005 \$'000
Underlying EBITDA	34,634	50,640
Less: Depreciation in equity territories	(7,536)	(7,665)
Less: Interest in equity territories	(1,890)	(1,828)
Less: Tax in equity territories	(720)	(2,882)
Other ¹	(1,685)	(1,322)
Reported EBITDA	22,803	36,943

¹ Mainly represents profits/losses from associated entities where equity accounting has ceased.

THEME PARKS DIVISION NORMALISED PRO-FORMA POSITION – ASSUMING VRL HAD
OWNED 100% FOR THE YEARS ENDED 30 JUNE 2005 AND 30 JUNE 2006²

	2006 \$'000	2005 \$'000
Underlying EBITDA	54,630	63,880
Reported Profit before tax	29,629	39,094
Existing underlying debt	127,500	n/a
Cash on hand	10,585	n/a

² Assuming the VRL group had owned 100% of all Theme Parks entities (including Sea World Resort Hotel entities) for the years ended 30 June 2005 and 30 June 2006. Excludes depreciation/amortisation on uplift of assets to fair value, interest on acquisition debt, and pre-opening costs relating to Australian Outback Spectacular, but includes new Warner Bros. royalty arrangements.

Ten Year Financial Summary

	2006 AIFRS	2005 AIFRS	2004 AGAAP	2003 AGAAP	2002 AGAAP	2001 AGAAP	2000 AGAAP	1999 AGAAP	1998 AGAAP	1997 AGAAP
OPERATING RESULTS (\$'000) (from continuing operations only from 2000 onwards)										
Sales revenue	1,510,714	1,406,425	2,087,190	1,195,859	637,412	629,293	546,828	617,256	441,664	392,570
EBITDA before material items	174,219	197,361	229,216	197,279	173,868	163,786	179,567	161,145	139,791	112,267
EBIT before material items	138,948	163,113	188,126	148,406	126,882	126,014	122,298	111,504	109,662	81,276
Net interest expense	77,375	67,419	64,619	38,622	11,954	29,358	26,579	25,010	23,981	909
Tax expense, excluding tax on material items	21,947	43,323	30,425	24,376	29,746	23,110	10,751	10,493	12,697	8,293
Net profit excluding material items attributable to members	20,101	35,068	68,339	61,842	58,265	61,896	79,407	75,418	68,126	58,030
Total dividends declared (ordinary & preference)	23,114	-	-	-	25,640	41,379	40,634	51,068	48,499	44,404
BALANCE SHEET (\$'000)										
Total shareholders' equity	590,326	672,416	948,718	1,077,993	1,201,609	1,225,274	1,029,254	1,017,225	938,188	830,202
Net borrowings	1,042,633	967,729	924,127	1,064,650	20,156	14,893	432,959	388,839	270,293	344,214
Funds employed	1,659,389	1,654,247	1,886,306	2,168,241	1,247,408	1,274,140	1,497,870	1,515,883	1,368,574	1,174,416
Total assets	2,236,380	2,189,108	2,463,278	2,904,651	2,191,357	2,116,218	1,968,549	1,954,429	1,792,681	1,482,496
OTHER MAJOR ITEMS (\$'000)										
Capital expenditure (including investments)	116,972	40,536	57,429	106,643	139,889	179,126	211,214	211,851	107,382	310,438
Depreciation & amortisation, excluding production amortisation	35,271	34,248	41,090	48,873	46,986	37,772	57,269	49,641	30,129	30,991
RATIOS										
Return on average total shareholders' equity (%)	5.67	7.07	8.07	7.04	6.55	5.97	7.54	7.17	7.70	9.09
EBIT/average funds employed (%)	8.39	9.21	9.10	8.69	10.06	9.09	8.12	7.73	8.62	8.92
Net borrowings/total shareholders' equity (%)	176.62	143.92	97.41	98.76	1.68	1.22	42.07	38.23	28.81	41.46
Interest cover (times)	1.51	2.13	2.47	3.20	5.02	3.13	3.53	3.13	3.40	6.09
PER SHARE CALCULATIONS										
Total EPS pre-material items and discontinued operations (cents per share)	7.47	11.84	14.97	12.71	12.08	13.08	17.39	17.33	16.24	15.18
Total EPS including material items and discontinued operations (cents per share)	(13.04)	16.66	11.44	(5.35)	10.60	11.64	16.54	6.24	16.70	15.74
Dividends – ordinary shares (cents per share)	7.175	-	-	-	-	7.175	7.175	10.00	10.00	9.50
Dividends – preference shares (cents per share)	10.175	-	-	-	10.175	10.175	10.175	13.00	13.00	12.50
Net tangible assets (\$ per share)	(2.78)	(2.39)	2.15	1.79	2.07	2.21	2.09	2.00	2.13	1.97
Net tangible assets plus Film Library & Radio Licences (\$ per share)	1.71	1.83	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
OTHER										
Accumulation index* – Ordinary shares (index base 1,000 as at June 1997)	607.8	628.7	443.8	298.3	290.9	398.4	521.1	579.0	620.0	1,000.0

* Represents value of \$1,000 invested in June 1997 with all dividends reinvested

Note: 2006 and 2005 disclosures are based on Australian Equivalents to International Financial Reporting Standards ("AIFRS"), and 2004 and prior disclosures are based on the previous Australian Accounting Standards ("AGAAP"). Refer Note 35 to the Financial Report for details of the differences between AIFRS and AGAAP.

Share Register Information

The following information is given to meet the requirements of the Listing Rules of the Australian Stock Exchange Limited.

SUBSTANTIAL SHAREHOLDERS

Notices of substantial shareholders received and the number of ordinary shares held as at 28 September 2006.

Name of substantial shareholder	Ordinary shares	%
Village Roadshow Corporation Pty Ltd	95,249,698	62.41%
UBS Nominees Pty Ltd	10,188,802	6.06%

DISTRIBUTION OF SECURITY HOLDERS AS AT 28 SEPTEMBER 2006

Category of holding	Number of holdings	%	Number of Shares	%
Ordinary Shares				
1 – 499	692	14.44	146,510	0.09
500 – 1,000	1,903	39.71	1,422,852	0.94
1,001 – 5,000	1,790	37.35	4,331,853	2.84
5,001 – 10,000	243	5.07	1,821,336	1.19
10,001 – 100,000	133	2.78	3,138,905	2.06
100,001 and over	31	0.65	141,755,526	92.88
Total	4,792	100.00	152,616,982	100.00
Number of holdings less than a marketable parcel (205 shares)	379		43,026	
A Class Preference Shares				
1 – 499	1,387	52.10	194,036	0.18
500 – 1,000	494	18.56	359,780	0.33
1,001 – 5,000	526	19.76	1,248,207	1.14
5,001 – 10,000	107	4.02	830,166	0.75
10,001 – 100,000	112	4.21	3,685,851	3.36
Over 100,001	36	1.35	103,290,993	94.24
Total	2,662	100.00	109,609,033	100.00
Number of holdings less than a marketable parcel (225 shares)	1,068		84,313	

VOTING RIGHTS ON ORDINARY SHARES

On a show of hands – one vote per every member present in person or by proxy. On a poll – one vote for every share held.

VOTING RIGHTS ON A CLASS PREFERENCE SHARES

On a show of hands – one vote per every member present in person or by proxy.

On a poll – one vote for every share held.

A preference share shall confer no right to vote at any general meeting except in one or more of the following circumstances:

- on a proposal that affects rights attaching to the preference share;
- during a period which any dividend payable on the preference share is more than 6 months in arrears;
- on a proposal to reduce the share capital of the Company;
- on a proposal to wind up the Company;
- on a proposal for the sale of the Company's undertaking.

Share Register Information (continued)

20 LARGEST SECURITY HOLDERS AS AT 28 SEPTEMBER 2006

Ordinary Shares

NAME OF HOLDER	SHARES	%	RANK
Village Roadshow Corporation Pty Ltd	88,375,000	57.91	1
Brispot Nominees Pty Ltd <house Head Nominee No 1 A/C>	9,775,259	6.41	2
J P Morgan Nominees Australia Limited	8,934,791	5.85	3
Citicorp Nominees Pty Limited	8,512,711	5.58	4
Canberra Theatres Limited	6,544,167	4.29	5
Westpac Custodian Nominees Limited	4,884,069	3.20	6
CS Fourth Nominees Pty Ltd <Unpaid A/C>	3,978,832	2.61	7
ANZ Nominees Limited <Cash Income A/C>	3,015,857	1.98	8
Pan Australian Nominees Pty Limited	2,223,484	1.46	9
Mr Peter Edwin Foo	1,000,000	0.66	10
Palace Investment Holdings Pty Ltd	550,000	0.36	11
UBS Nominees Pty Ltd	515,167	0.34	12
HSBC Custody Nominees (Australia) Limited	487,753	0.32	13
Willow Grange Pty Ltd <Van Der Sluys Family A/C>	327,240	0.21	14
Braidswood Pty Ltd	257,400	0.17	15
Cynosura Investments Pty Ltd	250,000	0.16	16
Irrewarra Investments Pty Ltd <ST2 A/C>	250,000	0.16	17
Merrill Lynch (Australia) Nominees Pty Ltd	238,070	0.16	18
National Nominees Limited	216,218	0.14	19
Bainpro Nominees Pty Limited	194,246	0.13	20
Total	140,530,264	92.08	

A Class Preference Shares

NAME OF HOLDER	SHARES	%	RANK
ANZ Nominees Limited <Cash Income A/C>	41,229,324	37.61	1
Cheyne Special Situations Fund	15,062,693	13.74	2
Citicorp Nominees Pty Limited	11,933,989	10.89	3
Westpac Custodian Nominees Limited	8,759,296	7.99	4
J P Morgan Nominees Australia Limited	7,369,344	6.72	5
National Nominees Limited	4,807,928	4.39	6
UBS Nominees Pty Ltd	3,702,713	3.38	7
Australian United Investment Company Limited	2,000,000	1.82	8
Diversified United Investment Limited	1,500,000	1.37	9
Mr Peter Edwin Foo	1,000,000	0.91	10
Mr Gregory Basser & Onbass Pty Ltd	533,333	0.49	11
Mr Philip S Leggo & Ms Elizabeth Leggo	500,000	0.46	12
Beta Gamma Pty Ltd <Walsh Street Superfund A/C>	436,685	0.40	13
Mr Tony Pane	350,000	0.32	14
Mr Simon Phillipson & Ms Yolande Phillipson	300,000	0.27	15
Bainpro Nominees Pty Limited	289,174	0.26	16
Mr Andrew Roy Newbery Sisson	284,000	0.26	17
Mr Christopher B Chard	250,000	0.23	18
Ms Julie Raffe & Raffe Nominees Pty Ltd <Raffe Family A/C>	250,000	0.23	19
Mr Peter Harvie	242,900	0.22	20
Total	100,801,379	91.96	

DIRECTORY

CONTACT INFORMATION

Principal Administrative Office

Village Roadshow Limited

206 Bourke Street
Melbourne Vic 3000
Australia
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Fax: 03 9663 1972

Registered Office

Warner Roadshow Movie World Studios

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Oxenford Qld 4210
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Ph: 07 5585 9666
Fax: 07 5573 3698

Home Exchange

Australian Stock Exchange Limited

Riverside Centre
123 Eagle Street
Brisbane Qld 4000
Australia
Ph: 1300 300 279
Fax: 1300 300 021

DIVISIONAL OFFICES

Cinema Exhibition

Village Cinemas

Level 1, 1 Garden Street
South Yarra Vic 3141
Australia
Ph: 03 9281 1000
Fax: 03 9251 5360

Radio

Austereo Group Limited

180 St Kilda Road
St Kilda Vic 3182
Australia
Ph: 03 9230 1051
Fax: 03 9534 8011

Theme Parks

Village Roadshow Theme Parks

Pacific Motorway
Oxenford Qld 4210
Australia
Ph: 07 5573 3999
Fax: 07 5573 3698

Film Distribution

Roadshow Films

Level 1
500 Chapel Street
South Yarra Vic 3141
Australia
Ph: 03 9829 0666

Film Production

Village Roadshow Pictures

Sony Plaza
3400 Riverside Drive
Suite 900
Burbank CA 91505
United States
Ph 818 260 6000
Fax: 818 260 6001

INVESTOR INQUIRIES

To ensure shareholders and other interested parties can keep up to date on the Company, Village Roadshow Limited has a corporate website. The site contains information on the Company including business unit profiles, press releases, result announcements and details of shareholder benefits. The site can be accessed at www.villageroadshow.com.au

Please contact the Company's share registry for all inquiries on your Village Roadshow shareholding, such as

- confirmation of shareholding details; and
- change of address advice.

Share register

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Abbotsford Vic 3067
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