

ANNUAL REPORT

2015

VILLAGE ROADSHOW LIMITED



Village Roadshow was founded by Roc Kirby and first commenced business in 1954 in Melbourne, Australia and has been listed on the Australian Securities Exchange since 1988. Still based in Melbourne, Village Roadshow Limited (“VRL”) is a leading international entertainment company with core businesses in Theme Parks, Cinema Exhibition, Film Distribution and Film Production. All of these businesses are well-recognised retail brands and strong cash flow generators - together they create a diversified portfolio of entertainment assets.

THEME PARKS

Village Roadshow has been involved in theme parks since 1989 and is Australia’s leading theme park developer and owner, and one of the pre-eminent theme park operators in the world. In Australia, this includes the well established major parks at Warner Bros. Movie World, Sea World and Wet’n’Wild Gold Coast, as well as Australian Outback Spectacular, Paradise Country, Village Roadshow Studios, Sea World Resort & Water Park, and Sea World Helicopters, all on the Gold Coast in Queensland, and Wet’n’Wild Sydney in New South Wales. VRL also operates Wet’n’Wild Las Vegas in Nevada, USA.

In the past few years VRL has also been pursuing a number of development opportunities throughout Asia, with a specific focus on China. This has resulted in the signing of a binding framework agreement and joint venture agreement for establishment of a funds management business with CITIC Trust Co. Ltd., a Chinese state owned enterprise, with funds raised being used to invest into theme parks, entertainment facilities and related real estate development opportunities.

CINEMA EXHIBITION

Showing movies has a long tradition with Village Roadshow, having started in 1954 with the first of its drive-in cinemas. Today Village Cinemas jointly owns and operates a combined 722 screens at 75 sites with 538 screens across 52 sites in Australia, 91 screens at 11 sites in Singapore, 81 screens at 11 sites in the United States and 12 screens in the UK.

VRL continues to lead the world with industry trends including stadium seating, 3D blockbuster movies and the growth category of premium cinemas including Gold Class, **premium** and **max**, and is continuing to invest in new cinema development, as well as upgrades and refurbishments to existing cinemas, to deliver state of the art technology and superior comfort across the circuit.

FILM DISTRIBUTION

Originally started by Village Roadshow in the late 1960’s, Roadshow Films has grown into Australasia’s largest independent film distributor, distributing films to cinemas nationally, to homes with subscription video-on-demand, on Blu-ray and DVD and digital, to subscription television as well as free to air television. Roadshow is a major force in film distribution in all mediums in Australia.

Roadshow enjoys long standing distribution agreements and relationships with key film suppliers, such as Warner Bros. (since 1971), ABC, BBC, Lionsgate, FilmNation, Relativity, The Weinstein Company and Village Roadshow Pictures. VRL also has film distribution operations in New Zealand, and has recently acquired a 31.03% interest in FilmNation Entertainment, a US-based international film sales and production/distribution company.

FILM PRODUCTION

Village Roadshow has been involved in the movie making business since the 1960’s. Jointly owned with other leading investors in the entertainment industry, Village Roadshow Entertainment Group consists of Village Roadshow Pictures and Village Roadshow Pictures Asia.

Village Roadshow Pictures is one of the leading independent Hollywood movie producers, having won 11 Academy Awards and 4 Golden Globe Awards for films including *The Great Gatsby*, *Training Day*, *Mystic River* and *Happy Feet*. Since its inception in 1997, Village Roadshow Pictures has produced and released 85 films with global box office takings of over US\$15 billion including blockbuster hits such as *The Matrix* trilogy, *the Ocean’s* trilogy, *The LEGO Movie*, *American Sniper*, *San Andreas* and *Mad Max: Fury Road*.

Village Roadshow Pictures Asia is creating a valuable portfolio of films, and released *Zhong Kui: Snow Girl and the Dark Crystal* during the year which made almost US\$70 million at the box office in China.

EDGE LOYALTY

Founded in 2006 and subsequently acquired by VRL in 2012, Edge Loyalty has grown to become Australia’s leading provider of consumer promotions, reward and loyalty solutions, with brands such as Gifte, Gift Card Planet and Good Food Gift Card. Edge Loyalty has been acquiring complementary businesses, and will continue to actively seek further growth opportunities.

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GRAHAM W. BURKE
CO-EXECUTIVE CHAIRMEN AND CO-CHIEF EXECUTIVE OFFICERS



To Our Shareholders

REFLECTING ON 2015

The Board of Directors of Village Roadshow Limited ("VRL") are pleased to report that the diversity of VRL's portfolio of entertainment businesses has underpinned an overall solid result for the financial year ended 30 June 2015, including a strong second-half performance. The results from existing business operations, together with careful expansion and development of additional complementary business areas and international partnerships have together produced a solid performance.

The Company's Cinema Exhibition division was the standout performer in the VRL portfolio in 2015 - the division's results were an all time record, showing year on year growth off the back of an outstanding product line up. This partially offset the lower results from the Theme Parks division, which were adversely impacted by the atrocious weather experienced on the Gold Coast and in Sydney which, as widely reported, had the wettest summer/January in 50 years, all during the key busy period for the Company's Australian Theme Parks.

Having regard to these factors, the Company delivered a credible performance in 2015, with attributable net profit of \$43.9 million compared to \$45.8 million for the prior year, which included attributable net losses from material items of \$6.2 million in 2015, compared to prior year attributable losses of \$10.7 million.

Earnings before interest, tax, depreciation and

amortisation excluding material items and discontinued operations ("EBITDA") for 2015 was \$165.7 million, down 3% on the prior year's result of \$170.9 million. Attributable net profit before material items and discontinued operations ("NPAT") for 2015 was \$50.1 million, down on the 2014 result of \$56.5 million. Further details are provided in the Reconciliation of Results on page 17.

Diluted earnings per share before material items and discontinued operations of 31.0 cents per share was down 11% compared to the previous year's 34.9 cents per share. These results have also been impacted by increased interest charges resulting from the capital return to shareholders in July 2014, and costs incurred in the digital platform development and Asian initiatives.

A special dividend of 15 cents per share was paid in July 2014, a final dividend for the 2014 financial year of 14 cents per share was paid in October 2014, and an interim dividend for the 2015 financial year of 14 cents per share was paid in April 2015, all of which were fully-franked. The Board is pleased to be able to continue a consistent dividend payment policy and declared a fully-franked final dividend for the 2015 financial year of 14 cents per share, which was paid in October 2015.

Summary details of the Company's financial performance for the past two years are shown in the table below, and for the past five years are shown in the Additional Information section on page 72 of this Annual Report.

FINANCIAL SUMMARY (\$M unless stated otherwise)

	2015	2014	% Change
Total revenue	967.6	939.2	Up 3.0%
Attributable net profit after tax	43.9	45.8	Down 4.0%
Attributable net profit excluding material items and discontinued operations	50.1	56.5	Down 11.3%
EBITDA before material items and discontinued operations	165.7	170.9	Down 3.0%
Total dividends declared (excludes distributions and special dividends)	44.8	43.1	Up 3.9%
Total shareholders' equity	525.6	521.3	Up 0.8%
Return on average total shareholders' equity (%)	9.6	10.3	Down 0.7%
EPS pre-material items and discontinued operations (cents per share)	31.0	34.9	Down 11.2%
Dividends - ordinary shares (cents per share)	28.0	27.0	Up 3.7%

Refer to 5 Year Summary on page 72 for further details in relation to the above disclosures.



MILESTONES AND HIGHLIGHTS

2015 demonstrated VRL's ability to deliver on its growth initiatives with a number of key achievements which will set it on a path for future growth - in all divisions, VRL continues to focus on enhancing the customer experience.

Our Cinema Exhibition division delivered an exceptionally solid trading result, showing year on year growth off the back of outstanding film product. The division's continuing program of refurbishment, expansion and enhancement of the cinema-going experience all contributed to a record result.

Work continues with the Australian Government and regulators in the development and implementation of the new anti-piracy legislation. VRL is determined to secure the long term health of the film industry, and to ensure that quality product continues to be made.

The acquisition of a 31.03% stake in the New York based international film sales and production/distribution company, FilmNation Entertainment, and the successful completion of the Warner Bros. home entertainment distribution deal, will allow our Film Distribution division to further utilise its market leading position to enhance the new products available. This will help to drive growth using existing systems and maximising synergies to drive returns.

The year also saw VRL further progress our theme park development plans in Asia, in particular the signing of an agreement with CITIC Trust Co. Limited to establish a jointly owned funds management business. This places VRL in a strong position for the future development and operation of theme parks in the Asia Pacific region.

During a period of extremely poor weather, the Theme Parks division continued to deliver solid results, demonstrating the depth of the business to manage through difficult times by continuing to provide customers with the entertainment experiences they are seeking.

We couldn't wait to get the disappointment of the 2015 year with the washout of theme parks behind us. We look forward to hitting it out of the park in 2016 with some sunshine.

AUSTRALIAN THEME PARKS

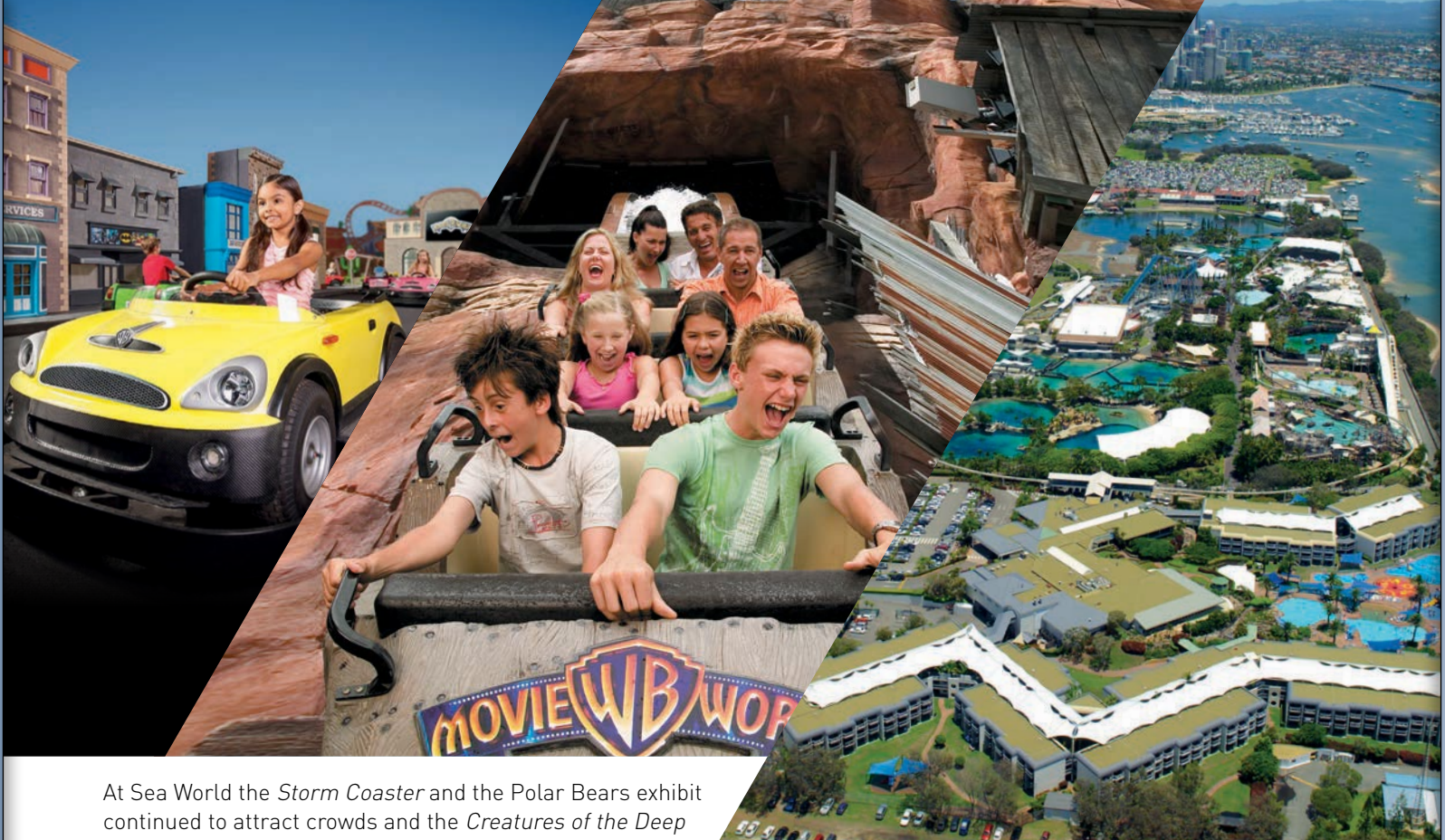
Village Roadshow Theme Parks ("VRTP") is Australia's leading theme park developer and owner, and one of the pre-eminent theme park operators in the world. VRTP includes the well established major parks at Warner Bros. Movie World, Sea World and Wet'n'Wild Gold Coast, as well as Australian Outback Spectacular, Paradise Country, Village Roadshow Studios, Sea World Resort & Water Park, and Sea World Helicopters, all in Queensland, and Wet'n'Wild in Sydney, New South Wales.

VRTP delivers unrivalled and ground-breaking rides, slides, entertainment, attractions, facilities, and dining at all of our attractions, with a vision to always bring "world's first" and "world's best" experiences to all of our customers.

In Australia, VRTP reported a full-year EBITDA result of \$89.1 million, down slightly on the prior year result of \$90.0 million, and operating profit before tax excluding material items and discontinued operations ("PBT") of \$27.3 million, down 15% compared to the prior year. VRTP's performance reflected a solid second-half despite record rainfall on the East Coast during key trading periods and corresponding softness in ticket sales, and managed to produce an EBITDA result only slightly below that of last year.

Sea World Resort, Village Roadshow Studios and Paradise Country all enjoyed strong results for the year, demonstrating the ability of these businesses to operate strongly through the difficult conditions.

The introduction of *Carnivale* to Warner Bros. Movie World in July 2014 was so successful, it was followed by a second release of this special event during the 2015 Easter holidays. This new event joins the already popular *Halloween Fright Nights* and *White Christmas* events. The new Warner Bros. Movie World's *Junior Driving School* which opened in September 2014 has been very popular with our younger customers and their families.



At Sea World the *Storm Coaster* and the Polar Bears exhibit continued to attract crowds and the *Creatures of the Deep* exhibit, which opened in June this year, is also proving very popular with young children and their parents. The opening of the *Nickelodeon Land* children's area at Sea World in September 2015 has also been very well received and has further added to the offerings for families at this park.

At the adjacent Sea World Resort & Water Park, another outstanding performance was achieved in 2015, with revenue 4.6% up on the previous year and operating profit up 8.8%. The overall performance of the Resort has been outstanding, with an average occupancy rate of 87.8% during the 2015 financial year. This stellar performance is expected to be sustained with the opening of the new 800 seat conference centre at the Resort in July 2015, with forward bookings well ahead of expectations.

The new *Wet'n'Wild Junior* area at Wet'n'Wild Gold Coast opened successfully in September 2014, and has been well received by guests. With the expected and hopeful return to a stable weather pattern for the upcoming spring/summer season, VRTP expects this new area to drive higher family visitation at this park.

The Australian Outback Spectacular show, *High Country Legends*, successfully opened in December 2014 and has enjoyed strong attendance to date, and a record year was achieved at Paradise Country.

The recently announced construction of another larger sound stage at Village Roadshow Studios, in conjunction with the Queensland Government, should be a drawcard to major film studios. The stage will initially be used as part of the Commonwealth Games, after which it will revert to a sound stage for Village Roadshow Studios.

The second season for Wet'n'Wild Sydney started strongly, however it was severely impacted by the widely-reported wettest summer/January in Sydney in 50 years. Expectations for the third season are promising following a revised ticket offering and better weather expectations.

VRTP has introduced a new membership/instalment plan for annual passes at its Gold Coast parks, and a number of similar ticketing initiatives are planned at Wet'n'Wild Sydney. VRL continues to invest in attractions, rides and other enhancements to the guest experience at its parks to maintain VRTP's premium position in the market place.

INTERNATIONAL THEME PARKS

Throughout 2015, VRL continued to pursue development opportunities in China, and in March this year announced the signing of a joint venture agreement to establish a funds management business with CITIC Trust Co. Ltd ("CITIC"). Funds raised will be for the purpose of investing in theme parks, entertainment facilities and related real estate development throughout Asia, with a particular focus on China. The funds management company for this and future funds will be owned 51% by CITIC and 49% by VRL.

Entering into this long term funds management business with CITIC will be complementary to, and will leverage the advantages of, VRL's unique theme park opportunities in the region. VRL expects to generate fees through its equity ownership in the fund manager, whilst VRTP will benefit through a minimum 60% ownership of the management company responsible for design/construction/operating contracts for the theme parks initiated by the fund.

Wet'n'Wild Las Vegas' opened in late May 2013 and operates over the period from April to October. The third season was negatively impacted by the first full season's operation of the competitor water park in the adjoining suburb, and this had a significant impact given the relatively small core market in Las Vegas. Various strategies to remedy this are being pursued to maintain VRTP's premium position and market share.



CINEMA EXHIBITION

VRL's 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 internationally. VRL has interests in a total of 722 screens at 75 cinema sites, being 538 screens at 52 cinema locations across Australia, 11 sites with 91 screens in Singapore, 11 sites with 81 screens in its USA cinema circuit and one residual UK site with 12 screens.

Our Australian Cinema Exhibition operations enjoyed an all time record box office performance during the year, particularly in the second-half, with the 2015 EBITDA up 15% on the prior year. Operating profit before tax jumped from \$38.9 million to \$48.1 million in 2015, a 24% increase on the prior year, and a record result for the division.

Village Cinemas retained its market leading position with a continued focus on major upgrades and market leading technologies, which ensures that Village Cinemas maintains its drawcard quality, where comfort, service and state of the art technology are always in demand.

Product was a key driver to the success of the outstanding results with some of the best performing films during 2015 including *The Imitation Game*, *American Sniper*, *50 Shades of Grey*, *The Second Best Exotic Marigold Hotel*, *Insurgent*, *The Avengers: Age of Ultron*, *Mad Max: Fury Road*, *Pitch Perfect 2*, *San Andreas* and *Jurassic World*.

As well as higher admissions from a strong second half box office performance, the key driver in the improved EBITDA result was improved performance from concessions, lower cost of goods sold, and improved results from the premium offerings in Gold Class and **max**. This was supported by the service of hot food into traditional cinemas and will be further enhanced by the recent launch of the new **premium** offering to be added to VRL's stable of premium cinema brands.

The division also continued its upgrading and refurbishment program at a number of sites during the year including Werribee (with two Gold Class screens) and Jam Factory (with two **max** screens) in Victoria, and Miranda (with two Gold Class screens and two **max** screens) in New South Wales. Existing cinema sites earmarked for future refurbishments include Sunshine, Jam Factory and Century City in Victoria, Hurstville, Castle Hill and Liverpool in New South Wales, Browns Plains in Queensland, and Morley in Western Australia. New sites are also underway at Plenty Valley in Victoria, Roselands in New South Wales, North Lakes, Coomera and Springfield in Queensland, Glenelg in South Australia, and Palmerston in the Northern Territory.

VRL owns 50% of the Golden Village Cinema Exhibition circuit, which is the number one circuit in Singapore with a commanding 43% market share. The circuit continues to perform well, even though overall cinema attendances were down 4% on the prior year due to the closure for renovations and refurbishments at various times during the year of the Marina Square, Tampines and Tiong Bahru sites.

iPic Theaters is the premium cinema and restaurant concept in the USA, in which VRL holds a 30% interest. With a total of 11 iPic Theaters now in operation in the USA, including the successful opening of Maryland



in November 2014, together with two further sites in North Miami and Houston slated for opening in the second half of calendar 2015, the circuit is on track to reaching its goal of critical mass. VRL and its partners remain confident, particularly through the great success of the recently opened sites, that this circuit will be a valuable asset in the medium term.

VRL continues to actively seek an exit strategy for its Belfast site, while in the meantime focus remains on controlling costs and maintaining admissions at the site.

With the anticipated tremendous line-up of titles scheduled for the remainder of the year, prospects are looking excellent for yet another year of robust cinema box office. Some of these forthcoming films include the next James Bond epic, *Spectre*, the hugely anticipated Episode VII of *Star Wars: The Force Awakens*, as well as *Batman v Superman: Dawn of Justice* and the final in the *Hunger Games* franchise.

FILM DISTRIBUTION

The largest independent film distributor in Australia and New Zealand, VRL's Film Distribution division includes Roadshow Films, Roadshow Entertainment, Roadshow Digital and Roadshow Television. The division connects film content with audiences through Roadshow Films' diverse sales distribution network. Titles are provided to various markets throughout a film's entire life-cycle – from theatrical release to cinemas, to home entertainment on Blu-ray and DVD and digital, subscription television and free to air television - with Roadshow being the one-stop solution for delivering content to audiences.

This division's EBITDA result of \$34.6 million for 2015 was down 17% on the prior year, and PBT was down 18% to \$28.7 million in the 2015 financial year. Roadshow finished the year as the leading theatrical distributor in Australia with a commanding 25.4% market share. The results for the 2015 financial year fell short of expectations and prior year due to challenging commercial product mix and higher royalty rates on some titles.

Warner Bros. continued to be a key supplier releasing 14 titles over the year including the stand-out box office

successes of *The Hobbit: Battle of the Five Armies* and *Interstellar*. Also notable during the year were the three Village Roadshow Pictures' films *American Sniper*, *San Andreas* and *Mad Max: Fury Road*, as well as the Lionsgate film *Hunger Games: Mockingjay Part 1*, the FilmNation Oscar nominated title *The Imitation Game*, and the Australian movie *Paper Planes*.

The acquisition, effective from 1 January 2015, of a 31.03% equity share in FilmNation Entertainment, an international film sales and production/distribution company based in New York, has enabled Roadshow to broaden the diversity of its earnings channels. It is anticipated that this business will continue to make a positive contribution to Roadshow's results.

The upcoming slate of movies in the coming year looks promising, including *Batman v Superman: Dawn of Justice* and *The Intern* from Warner Bros. and *Sicario* and *Hunger Games: Mockingjay Part 2* from Lionsgate.

Roadshow Entertainment held the largest market share in 2015 in the physical retail market for DVDs with 31%, as well as 16.8% of the digital transactional market in Australia. The digital transactional market grew by 10.3% in Australia over the year, however the physical DVD market declined by 11.3%. A substantial strategic distribution deal was signed in February 2015, extending the existing Roadshow Films theatrical distribution relationship to include the home entertainment licensing of Warner Bros. film, TV and Home Box Office content in Australia and New Zealand, including the hugely popular HBO *Game of Thrones* series.

Roadshow's physical product sales revenue was up 10% on the prior year largely due to the distribution of additional Warner Bros. product and impressive sales from the BBC catalogue. Roadshow shipped over 11.5 million units across all labels during the year, 9% higher than the prior year, with the leading physical retailers being JB Hi Fi,



Sanity, Target and Big W. The stand out title for 2015 in terms of revenue, both for physical and digital sales, was the Village Roadshow Pictures film *The LEGO Movie*.

Digital revenues in 2015 were up 39% on the prior year, and even removing the effect of the additional distribution of Warner Bros. digital product, digital revenues were up 29% compared to 2014. Electronic sell-through sales were also significantly up in 2015 over the prior corresponding period. Roadshow's biggest digital partners – iTunes, Foxtel and Telstra Big Pond – account for approximately 85% of Roadshow's digital sales and Roadshow was the number one supplier of movies to the iTunes platform in Australia during 2015. Roadshow anticipates that the digital market will evolve further in the year ahead as competition increases and each platform looks to drive transactions on their own platform.

For Roadshow Television, during the year a content licensing deal was signed with the subscription video-on-demand ("SVOD") platform Stan, providing access to a selection of Roadshow's broad catalogue of award-winning film titles and TV series, accelerating Roadshow's entry into the growing Digital marketplace. Roadshow also entered into a multi-year agreement with the dominant global SVOD service provider Netflix, providing access to a substantial volume of its film library and selected TV series.

Roadshow Television's sales and EBITDA were a healthy 10% and 12% respectively up on the prior year, mainly due to the launch of the SVOD platforms in the second half of 2015. Further strong sales growth in SVOD is anticipated in following years.

FILM PRODUCTION

Village Roadshow Entertainment Group Limited ("VREG") is 47.12% owned by the VRL group, and is equity-accounted with no carrying value for accounting purposes. The VRL group results only include cash dividends received from VREG, and no cash dividends were received in 2015, as these are dependent on film performance and available free cash flow in VREG. VREG consists of Village Roadshow Pictures ("VRP") and Village Roadshow Pictures Asia ("VRP Asia").

In October 2014 VRP extended its co-production and co-financing agreement with Warner Bros. and incorporated the ability to invest in global film rights as part of that extension. In December 2014, VRP entered an additional global film rights co-production and co-financing agreement with Sony Pictures Entertainment. Both agreements continue to the end of 2019, with the Warner Bros. arrangement now extending into its third decade.

VRP released 8 films in 2015: *Into the Storm*, *The Equalizer*, *The Judge*, *Annie*, *American Sniper*, *Jupiter Ascending*, *Mad Max: Fury Road* and *San Andreas*. Standout performers were *American Sniper*, which won an Academy Award and grossed US\$547 million worldwide, the critically acclaimed *Mad Max: Fury Road* which has grossed US\$374 million worldwide and *San Andreas*, which has grossed US\$472 million worldwide to date.

Upcoming titles from VRP include *Goosebumps*, based on the best-selling young adult book series and starring Jack Black; *In the Heart of the Sea*, directed by Ron Howard and starring Chris Hemsworth; *Concussion*, a true story about the doctor, played by Will Smith, who made the first discovery of American football related brain trauma and challenged the NFL; *Grimsby*, a comedy starring Sasha Baron Cohen; *Tarzan*, a re-telling of the famous character directed by David Yates and starring Samuel L. Jackson and Christoph Waltz; and *King Arthur*, directed by Guy Ritchie, who previously directed two highly successful *Sherlock Holmes* films for VRP.

VRP Asia released one film during the year, *Zhong Kui: Snow Girl and The Dark Crystal*, in February 2015 during the Chinese New Year holiday period, which made almost US\$70 million at the box office in China. Upcoming releases from VRP Asia include *Mountain Cry* and through Irresistible Films, VRP Asia's Hong Kong joint venture with Bill Kong, *Go Away Mr. Tumor*, *The Bodyguard*, *Cold War 2* and *Bound*.



As announced in September 2015, VREG has completed new corporate debt facilities totalling US\$325 million, refinancing its existing corporate debt facility and providing additional working capital. The VRL group has contributed US\$15 million of this total, which will need to be written off for accounting purposes, despite the company's confidence in the underlying value of this additional net investment. This accounting loss of approximately A\$20 million will be disclosed with material items in VRL's results for the 2016 financial year.

CORPORATE AND DIGITAL

Founded in 2006 and subsequently acquired by VRL in 2012, Edge Loyalty has grown to become Australia's leading provider of consumer promotions, reward and loyalty solutions. Edge Loyalty's competitive advantage is driven by its specialist ability to risk-manage promotions, its unique portfolio of products and the bespoke technologies it has developed to deliver its services. This competitive advantage allows Edge Loyalty to develop innovative solutions that add value to its clients' brands and accelerate performance.

Edge Loyalty achieved significant growth in the 2015 financial year, with revenues up 67% and delivering an underlying EBITDA of \$3.4 million against last year's result of \$1.5 million. The strong performance was driven by growth of the Good Food Gift Card business, the acquisition of the Prime Focus promotions business in November 2014, continued organic growth of Edge Loyalty's gift cards business, and a restructure of the MyFun business.

Total net Corporate and Other costs for the year ended 30 June 2015 were \$38.4 million, compared to \$32.3 million for the 2014 financial year, and EBITDA for the year ended 30 June 2015 was (\$32.9) million, compared to (\$30.1) million in the prior year. The 2015 results included an increase of \$3.3 million in Asia Development costs, which related to the substantial ongoing business development work in this area, as well as the establishment and operation of the Hong Kong office.

Over the last 6 months the VRL group has undertaken a detailed review of the cost structures in the IT and shared services areas of the business. This has resulted in the realignment of service areas to meet the changing needs of the group and in savings to overhead corporate costs. Net interest expense was higher in 2015 compared to last year due to lower cash reserves, and draw-downs on debt facilities as a result of shareholder distributions.

VRL continues to operate its businesses in an environmentally and socially responsible manner whilst continuing to maximise long term shareholder value. The Company continues its sustainability initiatives in its operating businesses and also remains a firm supporter of charitable and community involvement endeavours. Summarised information and reporting on these matters is available on the Company's website at www.villageroadshow.com.au.



THE YEAR AHEAD

In summary, there are a number of key building blocks in place for future growth across the VRL group:

▲ **Australian Theme Parks** – continuing investment in attractions, rides and other enhancements - over 100 acres of freehold land are available for exciting new development opportunities;

▲ **International Theme Parks** – signed binding framework agreement and joint venture agreement for establishment of a funds management business with CITIC Trust Co. Ltd., for development opportunities throughout Asia, with a specific focus on China;

▲ **Cinema Exhibition** – sites under construction in population growth corridors in Australia and in our iPic circuit in the USA, as well as expansion of premium cinemas including Gold Class, **premium** and **max**;

▲ **Film Distribution** – continuing to broaden diversity of earnings, including with the acquisition of a 31.03% interest in FilmNation Entertainment, a US-based international film sales and production/distribution company;

▲ **Film Production** – co-production and co-financing agreements in place with Warner Bros. and Sony, and corporate refinancing of VREG completed; and

▲ **Edge Loyalty** – continuing to develop existing promotions, reward and loyalty solutions, and to actively seek further growth opportunities.

This careful expansion is balanced with VRL continuing its commitment to reward shareholders with regular dividends. The VRL Board retains the intent to pay a fully-franked special dividend of 10 cents per share in the future, however the timing of this is dependent on available franking credits, capital commitments and business conditions at the time.

On behalf of the board we wish to thank the Company's dedicated, talented and loyal staff and management for their outstanding contributions during the year. We must also note with gratitude the valuable contribution made to the Company by our friend and Board colleague Peter Jonson. Peter has decided not to seek re-election at the 2015 annual general meeting in November this year after having served as an Independent Non-executive Director of the Company since January 2001. During this time Peter acted as Lead Independent Director from November 2008 to June 2014 and as chair of various committees. Peter's perceptive contributions will be missed.

We thank our customers of our different businesses for their continued support and we thank you, our shareholders, for your support throughout the year.

ROBERT G. KIRBY

GRAHAM W. BURKE

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Investor Inquiries

To ensure shareholders and other interested parties can keep up to date on the Company, Village Roadshow Limited's website contains information on the Company including its business unit profiles, result announcements, stock exchange releases and other information for investors. 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.

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