



24 August 2017

RULE 4.3A

## APPENDIX 4E - Preliminary Final Report

Introduced 1/1/2003. Origin: Appendix 4B

Name of entity

**VILLAGE ROADSHOW LIMITED**

ABN of entity

**43 010 672 054**

Financial year ended ('reporting period'):

**30 June 2017**

Previous financial year ended ('previous corresponding period')

**30 June 2016**

### Results for announcement to the market

*Extracts from this report for announcement to the market.*

\$A'000

Income from continuing operations ( <i>item 1.1</i> )				Down	3.1%	to	1,039,355
Loss after tax from continuing operations ( <i>item 1.7</i> )				Down	N/A	to	(65,622)
Profit after tax from discontinued operations ( <i>item 1.8</i> )					N/A	to	--
Net loss attributable to members of Village Roadshow Limited ( <i>item 1.11</i> )				Down	N/A	to	(66,718)
Dividends (distributions)		Amount per security	Franked amount per security	Conduit foreign income per security			
<b>Reporting Period:</b>							
- Final dividend ( <i>item 15.4</i> )	- Ords	--	--				--
- Interim dividend ( <i>item 15.6</i> )	- Ords	--	--				--
<b>Previous Corresponding Period:</b>							
- Final dividend ( <i>item 15.5</i> )	- Ords	14.0 cents	14.0 cents				--
(Paid October 2016)							
- Interim dividend ( <i>item 15.7</i> )	- Ords	14.0 cents	14.0 cents				--
(Paid April 2016)							
<sup>†</sup> Record date for determining entitlements to the dividend ( <i>see item 15.2</i> )			N/A				
Brief explanation of any of the figures reported above:			Refer attached commentary.				

## VRL OFFSETTING THEME PARKS HEADWINDS THAT COULD NEVER HAVE BEEN CONTEMPLATED

**24 August 2017:** Village Roadshow Limited (ASX:VRL) today announces its results for the twelve months to 30 June 2017 (“FY17”).

### KEY FY17 RESULTS

- Attributable loss after tax \$66.7 million (twelve months to 30 June 2016 (“FY16”): \$15.7 million profit) after losses from material items after tax of \$90.3 million (FY16: \$35.2 million);
- Losses from material items after tax of \$90.3 million in the current period include impairment and other non-cash adjustments of \$72.3 million (refer page 13 for further details in relation to material items);
- Attributable profit after tax before material items and discontinued operations (“NPAT”) \$23.6 million, (FY16: \$50.9 million); and
- Earnings before interest, tax, depreciation and amortisation, excluding material items and discontinued operations (“EBITDA”) \$136.3 million (FY16: \$168.8 million) (refer Reconciliation of Results on pages 14 and 15).

The overarching impact on FY17’s trading was the tragedy that occurred at Dreamworld in October 2016, and was something that management could never have contemplated. Furthermore, the odds of this happening have been estimated as hundreds of millions to one. Although not in a VRL park, the unprecedented publicity resulted in broad based community concerns about safety of rides, dramatically impacting the earnings of VRL’s Australian theme parks. Based on overseas experience this is expected to dissipate, and VRL is implementing dynamic initiatives led by recently appointed Theme Parks CEO, Clark Kirby, that will accelerate this correction. These include:

- The new *DC Rivals HyperCoaster*, which is the biggest individual theme park attraction ever constructed on the Gold Coast. It is the longest, highest and fastest rollercoaster in the Southern Hemisphere and will be a ‘must experience’ for young adults and families alike. This will be launched in a spectacular way in September;
- The beautiful new polar bear cub “Mishka” will be on display at Sea World around the end of August;
- An interactive Splash Zone at Sea World in October;
- A new seal show at Sea World in December; and
- An incredible Sea Jellies exhibition (partnered with Griffith University and Surf Lifesaving), which overseas experience indicates will be a ‘must see’, opening at Sea World in time for the Easter school holidays.

Further exacerbating the disappointing results was soft trading for the Film Distribution division, which is traditionally a hit driven business and titles such as *Red Dog: True Blue*, *Power Rangers*, *Deepwater Horizon* and *Patriots Day* underperformed.

Roadshow is morphing to a new business model which consists of four pillars. Firstly, the division is aligning costs in the core distribution business, with a structured approach to reductions in the cost base delivering recurring savings of approximately \$2 million per annum in addition to savings already implemented. Roadshow is expanding its presence in the TV space with Roadshow Rough Diamond and BlinkTV. The first production, a miniseries, *Romper Stomper* is shooting in Melbourne. In the theatrical sphere, Roadshow is well advanced in putting in place the building blocks for a portfolio of quality Australian product which is planned to be financed by a third party film investment fund. Finally, the division's investment in FilmNation continues to provide positive exposure to an international sales and production company.

In addition, the Film Distribution division's sales have been impacted by piracy, however, new government legislation is in the process of being enabled that will block sites that constitute 95% of the illicit traffic. Concurrent with this action, the industry is launching a powerful national public relations campaign that piracy is illegal and warning people of the real dangers of malware and stolen credit card details that exist in the pirate space. It is expected, based on overseas experience, that these initiatives and others will significantly reduce piracy, which should remove this negative impact on Roadshow's results.

The Cinema Exhibition division has had an excellent year although slightly down on the previous year which was an all-time record due to *Star Wars: The Force Awakens*. It should be noted that the next *Star Wars* movie is releasing in December 2017. Within Cinema Exhibition there is a concrete program of growth focussed on the expansion of premium cinema concepts and new entertainment offerings and developments in new population areas that are expected to be very successful.

The Marketing Solutions division has performed well in FY17 and VRL expects this business to continue to grow as a result of expansion into the USA and Asia.

Village Roadshow Entertainment Group has recently had a run of disappointing films including *Grimsby*, *Fist Fight*, *Collateral Beauty* and *Passengers*. This has ever been the nature of the portfolio business which has always been hit driven. To strengthen the business' future, VREG has joined with Vine Alternative Investments. Following the latest restructuring, VRL has reduced its shareholding to 20% of what will be a stronger entity. The division is on the brink of three very strong projects in *Ready Player One*, *Ocean's Eight* and *The 15:17 Train to Paris*. VRL has never felt more confident about the potential future capital growth in this part of the business.

The essence of VRL is going out. Disruption from the internet challenges large sectors of commerce and in particular areas of retail and media. While people may want savings and the convenience of shopping at home, they will always want to go out for entertainment. VRL's primary businesses are going out experiences whether it be theme parks, cinema or the exciting Topgolf concept. Topgolf is under construction on the Gold Coast, opening in mid-2018 and is a true social going out experience. Success of Topgolf USA's 31 locations in America (with a further nine sites under construction) is indicative of the potential in Australia.

Investment in opportunities for future growth combined with the unforeseen decline in earnings has resulted in Net Debt/EBITDA of 3.87x at 30 June 2017. While VRL remains in compliance with its debt covenants, the Board has been actively working towards reducing gearing significantly. This includes the sale of VRL's 50% stake in the Singapore Cinema Exhibition business, Golden Village. The legal agreement with mm2 Asia Ltd ("mm2") has lapsed, however VRL continues to explore options for the disposal of its stake, including with mm2.

The business is actively pursuing other potential asset sales, including the sale and long-term leaseback of freehold land at the Oxenford, Queensland site. The group will remain focussed on cost control and judicious capex spending, with FY18 capex expected to be largely in line with the prior year excluding the investment in Topgolf.

VRL's Board is committed to shareholder returns, while maintaining the ability to invest in the business. Given the current leverage and substantial growth opportunities available, the Board has not declared a final FY17 dividend. This is a cautious short-term measure under the current conditions and the Directors intend to reinstate the dividend as soon as it is deemed prudent.

Commenting on the result, VRL Co-Executive Chairman and Co-Chief Executive Officer, Mr. Robert Kirby said:

*“In a time of unexpected turbulence in the trading of our biggest business we have been concentrating on consolidating costs and reaffirming the strength in VRL's capital structure by way of asset sales and debt reduction. We will emerge out of the setback stronger.”*

VRL Co-Executive Chairman and Co-Chief Executive Officer, Mr. Graham Burke said:

*“Stealing from the words of Queen Elizabeth this truly has been our annus horribilis. The good news however is that it doesn't reflect any underlying issue with our primary business and there is no doubt with the energy and planning in place that we will turn it around.”*

# DIVISIONAL REVIEW AND OUTLOOK

## CINEMA EXHIBITION

*VRL's Cinema Exhibition division operates predominantly in Australia through a joint venture with Event Hospitality & Entertainment in Australia, and has a minority interest in iPic Theaters in the United States.*

### CINEMA EXHIBITION PERFORMANCE SUMMARY

Key Earnings Metrics (\$m)	Australia		Singapore		Other		Exhibition (Total)	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
EBITDA	68.1	73.6	8.4	11.7	0.1	(3.3)	76.6	82.0
EBIT	51.8	58.4	8.4	11.7	(0.3)	(3.8)	59.8	66.3
PBT	48.2	54.5	8.4	11.7	(1.3)	(3.8)	55.3	62.4

*Note: Figures presented are VRL share, before Material Items. Other includes Leisure, iPic and Belfast. FY17 only includes 11 months of trading to May 2017 for Singapore.*

### Cinema Exhibition Sites & Screen summary

Location	As at 30 Jun 16		Opened / (Closed/Sold)		As at 30 Jun 17	
	Sites	Screens	Sites	Screens	Sites	Screens
Australia	55	560	-	-	55	560
Singapore	11	91	-	-	11	91
USA	13	97	3	24	16	121
United Kingdom	1	12	-	-	1	12
<b>Total</b>	<b>80</b>	<b>760</b>	<b>3</b>	<b>24</b>	<b>83</b>	<b>784</b>

*Note: Includes all screens in which VRL has an economic interest, taking no account of ownership structure. Does not reflect screen conversions completed throughout the period.*

The Cinema Exhibition division delivered an FY17 EBITDA result of \$76.6 million (FY16: \$82.0 million). While the division did not reach FY16's record result, this is a solid outcome as it only included 11 months of Singapore earnings as this investment was held for sale from 1 June 2017, and as the division was cycling the strong box office of *Star Wars: The Force Awakens* in FY16 and some 4Q17 titles underperformed expectations. Top titles in FY17 included *Rogue One: A Star Wars Story*, *Beauty and the Beast*, *Suicide Squad*, *Guardians of the Galaxy 2* and *Wonder Woman*.

### Australian Cinema Exhibition

The Australian Cinema Exhibition business delivered an EBITDA of \$68.1 million for the twelve months to 30 June 2017 – its second highest full year EBITDA on record.

In addition to the underperformance of some 4Q17 titles, the reopening of a competitor site at Chadstone saw a rebalancing of market share<sup>1</sup>. Screen closures for upgrades now completed at Hobart (Tasmania) and Southland (Victoria) further impacted results. EBITDA margins were slightly lower than FY17 as a result of tactical pricing initiatives at target sites and as Virtual Print Fees rolled off (\$2.7 million in FY16, negligible in FY17).

Village "Cinemas" has seen a change in emphasis to Village "Entertainment". The Cinema Exhibition division has a clear strategy to position itself as a destination of choice through a diverse offering of exceptional experiences which are complemented by high standard traditional cinemas. These concepts appeal to specific market segments and give Village Cinemas a competitive advantage over other offerings in the market.

<sup>1</sup> Combined Village Cinemas / Event Cinemas market share declined slightly from 45.5% in FY14 (Chadstone closed in the penultimate week of FY14), to 44.4% in FY17 (Chadstone reopened in October 2016). Source: Rentrak.

This strategy has a demonstrated ability to drive increased average ticket price and incremental spend per person. In FY17, a higher mix of **Gold Class** and the successful expansion of premium concepts drove increased average ticket price in the Victorian circuit, with Gourmet Popcorn and record Functions & Events sales also driving spend per person.

FY17 saw the very successful introduction of **Junior**, with two screens in each of Southland (opened December 2016) and Fountain Gate (opened June 2017) in Victoria, which took out the top two rankings in the country for children's titles over the June/July school holidays. This concept has exceeded expectations, driving increased average ticket price, spend per person and admissions. The concept has an approximate two year payback period and the division is currently studying opportunities to roll out the concept nationally.

Combined with the successful introduction of premium bar concepts at the Jam Factory and Rivoli sites and further roll out of **premium** (Hobart and Southland), Village Roadshow continues to enhance the going out experience and drive incremental revenue. The division will continue the targeted roll out of premium concepts, including the introduction of **Junior** at Knox (Victoria) in 1H18.

In line with its strategy to expand into population growth corridors, the division also has a number of new sites committed, with the selective inclusion of premium offerings:

Location	Expected Opening	Total Screens	Gold Class	max	premium	Junior
Palmerston, Northern Territory	Late 2017	6	-	2	-	-
Whitford, Western Australia	Late 2017	8	2	2	-	-
Plenty Valley, Victoria	Mid 2018	9	3	2	2	2
Coomera, Queensland	Late 2018	8	2	2	-	-
Green Square, New South Wales	Early 2019	5	-	-	-	-
Clayton, Victoria	Late 2019	6	-	-	-	-
Innaloo, Western Australia	Late 2019	14	4	4	-	-

The Village Cinema site at Plenty Valley (Victoria) is well into construction of three **Gold Class**, two of each of **max**, **premium**, and **Junior**, at various stages of framing, painting and seating construction and due to open in mid-2018. The new Whitford cinema (in Western Australia) is scheduled to open in late September, and will feature two **Gold Class**, two **max** and four traditional auditoria. The new Palmerston cinema (Northern Territory) is scheduled to open in early October, with two **max** and four traditional auditoria.

#### Singapore Cinema Exhibition

The Golden Village Cinema Circuit (50% owned by VRL) delivered an EBITDA of \$8.4 million (share of associate's profits) for the eleven months to 31 May 2017, noting that the asset was considered 'held for sale' from 1 June 2017, resulting in the cessation of equity accounting from that time. This was a strong result as uncertain economic conditions saw Singapore's box office industry decline 6.8% over FY17.

Despite these macroeconomic challenges, Golden Village market share increased to 44.5% in FY17, from 43.7% in FY16. Average ticket price also increased, driven by premium ticket pricing on specialty content. The eight screen site under development at the SingPost Centre at Paya Lebar is expected to open in 1H18.

VRL continues to pursue a sale of its 50% stake in Golden Village. Although the legal agreement with one potential purchaser, mm2, has lapsed, VRL continues to explore disposal options in relation to its stake, including with mm2.


#### iPic Theaters USA

During FY17, iPic Theaters (“iPic”) raised additional capital, and VRL’s ownership was diluted from 30% to 28%. iPic opened three new sites in FY17. These sites were Fulton Market in Manhattan, Fort Lee in New Jersey, and Dobbs Ferry in New York, and all are performing to expectations.

#### Belfast

In FY17, VRL settled the long-running dispute relating to the Belfast cinema lease, and is now operating the cinema under a short-term rent free arrangement. No further trading losses associated with this site are expected and VRL welcomes the conclusion of this long running matter.

### CINEMA EXHIBITION - OUTLOOK

FY18 has opened with positive results from *Spiderman Homecoming*, *Baby Driver* and with  **Junior** performing well. Key titles for the balance of FY18 include *Star Wars: The Last Jedi*, an untitled Han Solo Star Wars film, *Avengers: Infinity War*, *Deadpool 2* and *Justice League*.

In FY18, VRL expects to see the Australian box office largely in line with FY17.

### THEME PARKS

*Village Roadshow Theme Parks (“VRTP”) owns and operates Warner Bros. Movie World, Sea World, Wet’n’Wild Gold Coast, Paradise Country, Australian Outback Spectacular and Sea World Resort & Water Park on Queensland’s Gold Coast, and Wet’n’Wild Sydney. VRTP also operates and has majority ownership in Wet’n’Wild Las Vegas. VRTP has a program of development including Topgolf in Australia and theme park opportunities in Asia, with the relevant development costs reflected in the segment result.*

#### THEME PARKS PERFORMANCE SUMMARY

Key Earnings Metrics (\$m)	Gold Coast Theme Parks		Wet’n’Wild Sydney		Wet’n’Wild Las Vegas		Asia Theme Parks		Theme Parks (Total)	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
EBITDA	52.0	80.1	3.1	9.0	3.5	3.6	(2.7)	(4.7)	55.9	88.0
EBIT	10.3	39.2	(4.4)	1.9	2.1	1.9	(2.8)	(4.8)	5.2	38.2
PBT	0.2	28.2	(6.9)	(0.6)	0.7	0.6	(2.8)	(4.8)	(8.8)	23.4

*Note: Figures presented are before Non-Controlling Interests relating to Wet’n’Wild Las Vegas, and before Material Items.*

FY17 was a very challenging year for VRTP and the Australian Theme Park industry as a whole. The impact of the tragedy which occurred at Dreamworld on 25 October 2016 resulted in an extremely disappointing outcome for the Theme Parks division in FY17. The financial impact was partly offset by the usual recognition of deferred revenue in 1H17, however the full impact was seen in 2H17 and the division delivered an FY17 EBITDA result of \$55.9 million (FY16 \$88.0 million).

## Gold Coast Theme Parks

Despite a solid start to the VIP and Membership programs in FY17, attendance declined substantially following the tragedy at Dreamworld, with FY17 attendance at the Gold Coast parks<sup>2</sup> down 8.6% compared to FY16. The decline was seen primarily in the core Queensland market (which accounts for approximately half of domestic attendances). This is unsurprising given the high profile the Theme Park industry has in South East Queensland and the extensive media coverage of the tragedy, and subsequent local media coverage of routine ride stoppages. Additionally, membership renewals declined markedly following the tragedy but have since stabilised, albeit at lower levels. The combined impact on attendance and membership renewals resulted in a decline in both in-park and admissions revenue.

Sea World Resort underperformed the FY16 result, however remains ranked at number one in its competitor set. Supporting the Gold Coast parks was a strong performance by Paradise Country, which delivered a result in line with FY16 and Village Roadshow Studios, which delivered an all time record result as *Thor: Ragnarok* completed filming and *Aquaman* commenced filming in FY17. The studio facilities are fully leased until May 2018.

During 1H17, a number of projects were completed, enhancing the guest experience. These included the virtual reality upgrade to *Arkham Asylum*, and the opening of the *DC Villains* area and *Doomsday* ride at Warner Bros. Movie World. In addition 1H17 saw the introduction of eco tents for a Paradise Country Farmstay and the renovated Plaza at Sea World which offers all-weather shelter for park guests, increasing in-park spend and the number of corporate and private events.

Through 2H17 and into FY18, VRTP has proactively marketed and continued a number of projects aimed at building the parks back to prior years' results. In 2H17, the division launched a promotional campaign which focussed on "The **MAGIC** can be yours **NOW**" and received a positive response from the market, and the division has been actively tackling the local market perception of risk with targeted safety videos produced and sent directly to the marketing database as well as being distributed through digital channels.

In 1H17, the division also launched a new ticket strategy, introducing the reinvigorated Super (three park) and Mega (four park) Passes. These are purchased up front and have 6 and 12 month validity from the date of activation respectively and break the 30 June barrier of the VIP passes, providing greater options for both the interstate and local markets. Both pass types have tracked well, with the 6 month pass popular with interstate visitors and the 12 month pass more popular with the local market. From launch these ticket types have seen an improved spend per customer.

September 2017 will see the Southern Hemisphere's largest HyperCoaster open at Warner Bros. Movie World. The *DC Rivals HyperCoaster* is the **LONGEST, FASTEST** and **HIGHEST** in the Southern Hemisphere and is set to change the Australian theme park landscape. Announced in June 2017, this ride has generated more social media interest than any other VRTP event or attraction ever. Other key initiatives in FY18 include the Polar Bear Cub, an interactive Splash Zone, a new seal show, and Sea Jellies, all at Sea World.

Finally, work continues to bring the first Topgolf to Australia at the Oxenford site in mid-2018. Topgolf is a global leader in sports entertainment and has enjoyed enormous success. Topgolf USA's 31 sites opened in the USA so far (with a further nine sites under construction) have achieved outstanding paybacks. This project utilises some of the vacant land at Oxenford and diversifies VRTP's offering.

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<sup>2</sup> Warner Bros. Movie World, Wet'n'Wild, Sea World, Paradise Country and Australian Outback Spectacular.



### **Wet'n'Wild Sydney**

Wet'n'Wild Sydney opened its summer season in September 2016 to solid attendance on warm weather days. A number of enhanced guest experience initiatives, including a ride reservation system, additional shade, enhanced food menu and the *Dinosaur Lagoon* exhibition were introduced and well received by guests.

Unfortunately, following the Dreamworld tragedy, Season Pass sales declined, and ended FY17 down 23.1% on FY16, with attendances down 14.9% on the prior year. Wet'n'Wild Sydney closed for the FY17 season in April 2017 and delivered an FY17 EBITDA of \$3.1 million.

The focus in this park in FY18 will be:

- Providing the best possible guest experience through line management systems, summer events and new food and beverage offerings. Execute Net Promoter Score system to track progress and react accordingly;
- Refine the media approach, targeting western Sydney to build brand equity and loyalty; and
- Reduce operational costs through a streamlined calendar and targeted events and utilising Gold Coast managers on a rotational basis, reducing management headcount.

### **Wet'n'Wild Las Vegas**

Wet'n'Wild Las Vegas (50.09% owned by VRL) closed for the CY16 season in late September 2016, then re-opened for the 2017 season on 1 April 2017. A change in the school calendar saw the park lose 10 operating days in FY17, and a tragic drowning at the competitor waterpark in mid-June 2017 further impacted results. A focus on customer service to attract the local customer base will continue at this park.

### **China and South East Asia**

VRTP is progressing two major opportunities, with customary Asian long lead times. Construction of the Mission Hills project continues and will bring China's first Wet'n'Wild branded water park to Haikou on Hainan Island. VRTP is currently providing consultation for the park's development and will operate the park following its opening, expected in the first half of CY18.

The Lai Sun project for the development of the Lionsgate Entertainment World at Novotown on Hengqin Island also continues. This is an indoor experience centre, themed around some of Lionsgate's key franchises, such as *The Hunger Games* and *Twilight*. VRTP is currently providing consultation for the experience centre's development and will also manage its operations after opening, expected CY19.

## **THEME PARKS – OUTLOOK**

The Gold Coast parks saw some recovery in the fourth quarter (4Q17 attendance down 5.6% on 4Q16), and FY18 is off to a solid start, with some recovery in attendance and ticket sales. The Gold Coast parks had a strong pre-sales campaign in 4Q17, and deferred revenue taken into FY18 is largely in line with that taken into FY17. The new *Heroes and Villains* special event run throughout June and July school holidays was a successful, relatively low cost event which drove the length of stay and in-park spend. July 2017 attendance at the Gold Coast theme parks was down 4.5% on the prior corresponding period; however this was cycling an exceptionally strong July 2016.

It is expected that the Australian Theme Park market may take some time to recover from the tragedy that occurred at Dreamworld in October 2016. However, an uncompromising approach to safety is integral to the guest experience and Village Roadshow Theme Parks brand. This approach is manifest in the quality of attraction selection, safety awareness programs and induction processes to ingrain VRL's safety culture in all team members. These programs are benchmarked on the highest global industry standards, such as the Ellis International Lifeguard Training Program™ adopted across Village water parks in 2015.

It is expected that the division will deliver an FY18 EBITDA result which is a substantial improvement on FY17.

## FILM DISTRIBUTION

*VRL's Film Distribution division (Roadshow) distributes theatrical film content to cinemas. It also has a substantial business in distributing film and TV programs to broadcasters, Subscription Video on Demand and Pay TV platforms, DVD and Digital retailers in Australia and New Zealand. Roadshow Rough Diamond was formed in 2016 to focus on quality TV drama and in 2017, Roadshow acquired 50% of BlinkTV, which focusses on unscripted content. The division also has a 31% interest in FilmNation Entertainment LLC; a US based international film sales and production/distribution business.*

### FILM DISTRIBUTION PERFORMANCE SUMMARY

Key Earnings Metrics (\$m)	FY17	FY16
EBITDA	21.2	24.5
EBIT	17.7	21.0
PBT	13.8	17.4

*Note: Figures presented are VRL share, before Material Items.*

The Film Distribution division ("Roadshow") delivered an EBITDA of \$21.2 million (FY16: \$24.5 million) after a challenging FY17. The division was negatively impacted by the underperformance of titles and the ongoing decline of the physical (DVD and Blu Ray) market. Back catalogue and TV titles in the physical market have been particularly impacted by the growth in subscription video on demand ("SVOD").

The Australian transactional digital market for content continues to grow, and the division is well positioned to take advantage of this, with multiyear supply deals with key SVOD platforms, Stan and Netflix. However, the growth in the digital market has not been sufficient to offset the decline in revenue from the DVD sector.

VRL is ensuring the division's future through a four pillar strategy:

- **Core Distribution Business:** Targeted film acquisitions and content partner selection, combined with an increased focus on direct engagement with customers through the division's digital marketing strategy. Continuing to drive value from emerging markets – SVOD, and Digital Transactional – Stan, Netflix and Amazon as they expand into Australia. Additionally, the business will take a structured approach to reducing the cost base, delivering recurring savings of approximately \$2 million per annum in addition to savings already implemented.
- **Roadshow Television** - Roadshow Rough Diamond was formed in June 2016 to focus on the production of quality TV drama for domestic and international audiences and will leverage Roadshow's expertise in selling product. These productions require minimal investments from VRL. The first production *Romper Stomper* commenced production in August 2017 and a second project is underway. In 2017, Roadshow acquired 50% of unscripted TV production company, BlinkTV, headed by one of the most respected

names in the industry, Paul Clarke. Paul Clarke's string of hits includes *Spicks and Specks*, *Long Way to the Top* and *Bombora: The History of Australian Surfing*. He has been the key creative executive of the successful *Eurovision Song Contest* since 2009, collaborating with production partner and Australia's official broadcaster of the competition, SBS. BlinkTV has a number of productions green lit for FY18.

- **Australian Film Initiatives:** Roadshow Films is currently developing a portfolio of Australian feature films. These projects are at different stages of development and the intention is for them to become a key part of the future content slate.
- **FilmNation:** FilmNation is continuing its production strategy, with a number of titles in post-production.

## FILM DISTRIBUTION - OUTLOOK

Major titles for the division in FY18 include *Justice League*, *IT*, *Tomb Raider*, *Ready Player One*, *Ocean's Eight*, as well as new releases from major TV franchises, *Game of Thrones* and *Westworld*. Roadshow Rough Diamond and BlinkTV are building momentum. Roadshow's FY18 EBITDA will depend on film performance; however the division has had a solid start to the year.

## MARKETING SOLUTIONS

*VRL's Marketing Solutions division is a world leader in consumer incentive programs, with head offices in Australia and the UK. Comprising four core businesses – Edge, Edge Consumer, Opia and Lifestyle Rewards, and focussing on digital platforms and rewards, the division works with some of the world's largest brands to differentiate themselves and engage with key audiences.*

### MARKETING SOLUTIONS PERFORMANCE SUMMARY

Key Earnings Metrics (\$m)	FY17	FY16
EBITDA	9.8	8.0
EBIT	8.5	7.0
PBT	6.0	5.6

*Note: Figures presented are before Non-Controlling Interests relating to Opia, and before Material Items.*

The timing of promotional activity was biased towards the first half of the financial year and the Marketing Solutions division delivered FY17 EBITDA of \$9.8 million, up from \$8.0 million in the prior corresponding period as the division added staff and aligned for future growth.

The Marketing Solutions division has continued to invest in and develop its cutting edge technical platform capabilities to deliver highly scalable and increasingly integrated promotional solutions. This will enable geographic expansion and support the growth profile of the business.

### Edge Australia

In line with the business' strategy, the FY17 result was primarily driven by strength in the division's Promotions and Digital offerings. Industry sectors with the strongest growth included: insurance, banking, FMCG and retail. Notable promotions with major clients included Harvey Norman, MarsPetcare, ANZ, Medibank and Suncorp.

In July 2017, Edge Loyalty rebranded as Edge, reflecting the business' move toward a more sophisticated suite of digital platform based promotional solutions. In early 1H18 Edge will launch its unique combination of digital platforms and engaging rewards into the Asian market.

## Opia

Opia's FY17 result was impacted by Brexit, with a softening of market sentiment reducing promotional activity in the core UK market, and the devaluation of the UK Pound resulting in lower earnings reported in Australian dollars.

Notwithstanding the short term negative economic influences on the business, the fundamentals of the business are strong. The business has seen stable sales in Europe, and the newly appointed teams in USA and Asia have seen good interest, with campaigns run in both regions in 4Q17.

## MARKETING SOLUTIONS – OUTLOOK

FY18 has started well, with a number of promotions in the market for key clients, including Harvey Norman, Cadbury, Kelloggs and Mars. In addition, the first Edge promotion will be launched in the Asian region for Microsoft.

In FY18 the Marketing Solutions division will continue to expand its global footprint with Edge and Opia moving into Asia and Opia into the USA. The Australian business will continue the transition from local transactional payments provider to an end to end digital promotional sales agency; providing promotional platforms, reward content and risk management services to leading brands across Asia Pacific. Opia will focus on growing its existing customer base in the UK and Europe as well as extending its geographical reach. The Marketing Solutions division is expected to slightly outperform FY17 in FY18.

## FILM PRODUCTION

*Village Roadshow Entertainment Group ("VREG"), which consists of Village Roadshow Pictures ("VRP") and Village Roadshow Pictures Asia ("VRPA").*

Vine Alternative Investments ("Vine") completed a transaction in April 2017 that gave it a controlling interest in VREG with VRL ownership reduced to 20%. Vine and VRL are committed to combining the companies' depth of experience in the industry to build a successful venture.

The strategic plan for the business is to enhance core competencies and drive long-term value through:

- Focus on the portfolio of proven global sequels and franchises including *Matrix*, *Ocean's* and *Mad Max*
- Drive the Chinese production joint venture with Perfect World, VREG and WME-IMG
- Diversify into new business streams leveraging Vine's and VREG's deep copyright library

In July 2017, *Ready Player One* was launched by Stephen Spielberg at the Comic-Con Festival in San Diego (view the trailer at [https://youtu.be/Z-vGWwRF\\_Qc](https://youtu.be/Z-vGWwRF_Qc)). The reaction has been nothing short of amazing as it presents a vision of entertainment like nothing people have ever seen before and under the mastery of Spielberg. *Ready Player One* is firm for global release on 30 March 2018. VRL believes it will be to 2018 what *Matrix* was to the company in 1999.

Other releases include *Ocean's Eight* – an extension of the successful *Ocean's 11, 12* and *13* series plus an extension of VREG's successful partnership with Clint Eastwood in his film *The 15:17 Train to Paris*.

## CORPORATE & OTHER

### CORPORATE & OTHER PERFORMANCE SUMMARY

Key Results (\$m)	FY17	FY16
EBITDA - Corporate	(21.5)	(28.3)
EBITDA - Digital & IT Development	(5.7)	(5.4)
<b>EBITDA - Corporate &amp; Other</b>	<b>(27.2)</b>	<b>(33.7)</b>
Depreciation & amortisation	(1.1)	(1.7)
Interest expense (net)	(5.2)	(4.2)
<b>PBT</b>	<b>(33.5)</b>	<b>(39.6)</b>

*Note: Figures presented are before Material Items.*

Total net Corporate & Other costs for the 12 months ended 30 June 2017 were \$33.5 million, and EBITDA for Corporate was a \$21.5 million loss, compared to a \$28.3 million EBITDA loss in the prior corresponding period.

#### Digital & IT Development

The investment in Digital & IT Development in FY17 was \$5.7 million, marginally up from \$5.4 million in the prior corresponding period as the business continues to focus on investing in new IT infrastructure and technology which will support improved eCommerce capabilities, improve employee productivity and expand its Digital offering.

The Village Digital team is focussed on the development of new products which have the potential to deliver new revenue streams for Village Roadshow.

## MATERIAL ITEMS

Material items loss after tax of \$90.3 million in FY17 comprised the following:

- Equity-accounted losses on net investments of \$25.8 million, being the previously announced losses of \$6.6 million in relation to the VREG subordinated loan of USD 5 million, and \$19.2 million in relation to iPic contributions of USD 14.3 million;
- Restructuring costs totalling \$4.7 million across the VRL group;
- Impairment of assets and other non-cash adjustments totalling \$72.3 million, including the previously announced impairment of assets at Wet'n'Wild Sydney of \$55.0 million, impairment of assets at the Gold Coast Theme Parks of \$4.8 million, and write-downs of \$12.4 million in relation to Film Distribution Royalties;
- Gain on reversal of the onerous lease provision relating to Belfast of \$7.5 million; and
- Dividend received from Singapore asset held for sale of \$5.0 million.

## FURTHER INFORMATION:

**Graham Burke**

*Co-Executive Chairman & Co-CEO*

03 9829 0667

**Julie Raffae**

*Finance Director*

03 9667 6511

## VILLAGE ROADSHOW FY17 RESULTS TELECONFERENCE

**24 AUGUST 2017 2:00 PM AEST (NSW, VIC, TAS, ACT, QLD)**

**In order to pre-register for this conference and  
avoid a queue when calling, please follow the link below.**

You will be given a unique pin number to enter when you call which will bypass the operator and give you immediate access to the event.

<http://villageroadshow.com.au/investors/corporate-diary/teleconferences>

A copy of this release and the VRL FY17 Results Presentation including additional conference call details are available at [www.asx.com.au](http://www.asx.com.au) and [www.villageroadshow.com.au](http://www.villageroadshow.com.au)

VILLAGE ROADSHOW LIMITED  
RECONCILIATION OF RESULTS FOR THE YEAR ENDED 30 JUNE 2017

	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(i) Reconciliation of results:												
Continuing Operations:												
Earnings before Interest, Tax, Depreciation and Amortisation, excluding material items of income and expense ("EBITDA")	55,879	87,952	76,629	81,983	21,215	24,492	9,846	7,998	(27,283)	(33,672)	136,286	168,753
Depreciation and amortisation	(50,667)	(49,741)	(16,807)	(15,694)	(3,564)	(3,524)	(1,385)	(983)	(1,007)	(1,666)	(73,430)	(71,608)
Finance costs before finance restructuring costs	(14,070)	(14,905)	(4,696)	(4,183)	(4,399)	(4,381)	(2,487)	(1,959)	(6,063)	(4,983)	(31,715)	(30,411)
Interest income	72	134	161	342	564	781	1	588	853	727	1,651	2,572
Operating profit (loss) before tax and material items of income and expense ("PBT")	(8,786)	23,440	55,287	62,448	13,816	17,368	5,975	5,644	(33,500)	(39,594)	32,792	69,306
Income tax (expense) benefit, excluding material items	2,067	(7,124)	(14,819)	(15,859)	(3,777)	(5,399)	(2,052)	(1,155)	10,491	11,995	(8,090)	(17,542)
Operating profit (loss) after tax, before material items of income and expense	(6,719)	16,316	40,468	46,589	10,039	11,969	3,923	4,489	(23,009)	(27,599)	24,702	51,764
Non-controlling interest, excluding material items	(317)	(289)	--	--	--	--	(779)	(610)	--	--	(1,096)	(899)
Attributable operating profit (loss) after tax, before material items of income and expense ("NPAT")	(7,036)	16,027	40,468	46,589	10,039	11,969	3,144	3,879	(23,009)	(27,599)	23,606	50,865
Material items of income and expense before tax	(75,630)	(2,034)	(7,260)	(3,824)	(18,521)	(2,445)	(141)	(7,975)	(7,213)	(21,538)	(108,765)	(37,816)
Income tax benefit (expense) – material items	12,557	610	142	182	5,556	(616)	41	2,010	145	428	18,441	2,614
Material items of income and expense after tax	(63,073)	(1,424)	(7,118)	(3,642)	(12,965)	(3,061)	(100)	(5,965)	(7,068)	(21,110)	(90,324)	(35,202)
Material items – Non-controlling interest	--	--	--	--	--	--	--	--	--	--	--	--
Material items – Loss after tax & non-controlling interest	(63,073)	(1,424)	(7,118)	(3,642)	(12,965)	(3,061)	(100)	(5,965)	(7,068)	(21,110)	(90,324)	(35,202)
Total (loss) profit before tax from continuing operations	(84,416)	21,406	48,027	58,624	(4,705)	14,923	5,834	(2,331)	(40,713)	(61,132)	(75,973)	31,490
Total income tax benefit (expense) from continuing operations	14,624	(6,514)	(14,677)	(15,677)	1,779	(6,015)	(2,011)	855	10,636	12,423	10,351	(14,928)
Total non-controlling interest	(317)	(289)	--	--	--	--	(779)	(610)	--	--	(1,096)	(899)
Total attributable (loss) profit after tax from continuing operations per the statement of comprehensive income	(70,109)	14,603	33,350	42,947	(2,926)	8,908	3,044	(2,086)	(30,077)	(48,709)	(66,718)	15,663
Discontinued Operations:												
Attributable profit after tax from discontinued operations											--	--
Net (loss) profit attributable to the members of Village Roadshow Limited											(66,718)	15,663

VILLAGE ROADSHOW LIMITED  
RECONCILIATION OF RESULTS FOR THE YEAR ENDED 30 JUNE 2017  
(Continued)

	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions		Other	Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(ii) Material items of income and expense from continuing operations:</b>											
Equity accounted losses on net investments	--	--	(19,196)	(2,451)	--	--	--	--	(6,628)	(20,046)	(25,824)
Dividend received from asset held for sale	--	--	5,038	--	--	--	--	--	--	--	5,038
Impairment and other non-cash adjustments	(71,000)	--	(128)	(456)	(17,683)	--	--	(6,209)	--	(467)	(88,811)
Restructuring costs	(4,630)	(2,034)	(474)	(917)	(838)	(2,445)	(141)	(1,766)	(585)	(1,025)	(6,668)
Reversal of onerous lease provision	--	--	7,500	--	--	--	--	--	--	--	7,500
Total loss from material items of income and expense before tax	(75,630)	(2,034)	(7,260)	(3,824)	(18,521)	(2,445)	(141)	(7,975)	(7,213)	(21,538)	(108,765)
Income tax benefit (expense)	12,557	610	142	182	5,556	(616)	41	2,010	145	428	18,441
Total non-controlling interest – material items	--	--	--	--	--	--	--	--	--	--	--
<b>Total attributable loss from material items of income and expense after tax</b>	<b>(63,073)</b>	<b>(1,424)</b>	<b>(7,118)</b>	<b>(3,642)</b>	<b>(12,965)</b>	<b>(3,061)</b>	<b>(100)</b>	<b>(5,965)</b>	<b>(7,068)</b>	<b>(21,110)</b>	<b>(90,324)</b>
<b>(iii) (Loss) / Earnings Per Share:</b>											
Basic EPS											(41.3c)
Diluted EPS											(41.3c)
<b>(iv) Earnings Per Share adjusted to eliminate discontinued operations and material items of income and expense from the calculations:</b>											
Basic EPS											14.6c
Diluted EPS											14.6c

Notes:

1. The Village Roadshow Limited group ("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 audited or audit-reviewed (as applicable) financial statements. It is noted that the audit of the financial statements for the year ended 30 June 2017 is still in the process of being completed.

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<b>Consolidated Statement of Comprehensive Income</b>		2017 \$A'000	2016 \$A'000
<b>Continuing operations</b>			
1.1	Income (refer item 1.20) (refer note 1 below)	1,039,355	1,073,028
1.2	Expenses excluding finance costs (refer item 1.21) (refer note 2 below)	(1,070,116)	(997,713)
1.3	Finance costs (refer item 1.22) (refer note 3 below)	(31,715)	(34,655)
1.4	Share of net loss of associates (refer items 16.3 and 17.1) (refer note 4 below)	(13,497)	(9,170)
1.5	(Loss) profit from continuing operations before income tax expense	(75,973)	31,490
1.6	Income tax benefit (expense)	10,351	(14,928)
1.7	(Loss) profit after tax from continuing operations	(65,622)	16,562
<b>Discontinued operations</b>			
1.8	Profit after tax from discontinued operations (refer item 12.1)	--	--
<b>1.9</b>	<b>Net (loss) profit for the period</b>	<b>(65,622)</b>	<b>16,562</b>
(Loss) profit for the period is attributable to:			
1.10	Non-controlling interest	1,096	899
1.11	Owners of the parent	(66,718)	15,663
		<b>(65,622)</b>	<b>16,562</b>
<b>Other comprehensive income (expense)</b>			
1.12	Cash flow hedges	1,038	(4,594)
1.13	Foreign currency translation	151	(1,291)
<b>1.14</b>	<b>Other comprehensive income (expense) for the period after tax</b>	<b>1,189</b>	<b>(5,885)</b>
<b>1.15</b>	<b>Total comprehensive (expense) income for the period</b>	<b>(64,433)</b>	<b>10,677</b>
Total comprehensive (expense) income for the period is attributable to:			
1.16	Non-controlling interest	1,096	899
1.17	Owners of the parent	(65,529)	9,778
		<b>(64,433)</b>	<b>10,677</b>

Note 1. Income includes material items of income & expense totalling a profit of \$5.0 million (2016: Nil) – refer attached Reconciliation of Results.

Note 2. Expenses excluding finance costs include material items of income & expense totalling a loss of \$88.0 million (2016: loss of \$11.1 million) - refer attached Reconciliation of Results.

Note 3. Finance costs in 2016 include material items of income & expense totalling a loss of \$4.2 million – refer attached Reconciliation of Results.

Note 4. Share of net loss of associates include material items of income and expense totalling a loss of \$25.8 million (2016: \$22.5 million).

<b>(Loss) Earnings per share (EPS)</b>		2017	2016
1.18	Basic EPS	(41.3c)	9.8c
1.19	Diluted EPS	(41.3c)	9.7c

Refer item 10.1 and attached Reconciliation of Results for additional EPS disclosures including EPS from continuing operations and EPS excluding material items and discontinued operations.

## Notes to the Consolidated Statement of Comprehensive Income

	2017 \$A'000	2016 \$A'000
<b>1.20 Income from continuing operations</b>		
Revenues from continuing operations:		
Sale of goods	337,183	389,582
Rendering of services	659,275	647,702
Finance revenue:		
Other entities	1,651	2,572
Dividends received:		
Dividend from asset held for sale (refer material items of income and expense in attached Reconciliation of Results)	5,038	--
Other dividends	11	9
<b>Total revenues from continuing operations</b>	<b>1,003,158</b>	<b>1,039,865</b>
Other income from continuing operations:		
Management fee income from:		
Other entities	7,976	7,598
Associated entities	709	685
Net gain on disposal of investments	635	620
Unearned revenue written back	8,505	6,787
Commissions/fees received	5,929	5,545
Other	12,443	11,928
<b>Total other income from continuing operations</b>	<b>36,197</b>	<b>33,163</b>
<b>Total income from continuing operations</b>	<b>1,039,355</b>	<b>1,073,028</b>

## Notes to the Consolidated Statement of Comprehensive Income (continued)

	2017 \$A'000	2016 \$A'000
<b>1.21 Expenses excluding finance costs, from continuing operations</b>		
Employee expenses:		
Employee benefits	17,573	18,894
Defined contribution superannuation expense	17,504	17,002
Share-based payment expense	414	891
Remuneration and other employee expenses	210,171	206,980
Total employee expenses	245,662	243,767
Cost of goods sold	120,669	123,161
Occupancy expenses:		
Operating lease rental – minimum lease payments	48,256	49,187
Operating lease rental – contingent rental payments	4,386	4,344
Other occupancy expenses	22,772	23,198
Total occupancy expenses	75,414	76,729
Film hire and other film expenses	246,998	265,330
Depreciation of:		
Buildings & improvements	4,089	3,100
Plant, equipment & vehicles	39,815	41,036
Amortisation of:		
Leasehold improvements	12,575	12,015
Finance lease assets	23	--
Software & other intangibles	16,928	15,457
Total depreciation and amortisation	73,430	71,608
Net loss on disposal of property, plant & equipment	38	80
Net foreign currency gains	(115)	(913)
Impairment and other non-cash adjustments (refer material items of income and expense in attached Reconciliation of Results)	88,811	7,132
Management & service fees paid	3,713	3,531
Advertising and promotions	116,399	106,434
Theme park operating expenses	30,346	29,277
Repairs and maintenance	14,747	15,290
Restructuring costs (refer material items of income and expense in attached Reconciliation of Results)	6,668	3,943
Other provision reversed (refer material items of income and expense in attached Reconciliation of Results)	(7,500)	--
Provision for doubtful debts	408	88
Bad debts (recovered) written off	(75)	498
Other expenses	54,503	51,758
<b>Total expenses from continuing operations excluding finance costs</b>	<b>1,070,116</b>	<b>997,713</b>

## 1.22 Finance Costs – Continuing Operations

	2017 \$A'000	2016 \$A'000
Total finance costs before finance restructuring costs	31,715	30,411
Finance restructuring costs (refer material items of income and expense in attached Reconciliation of Results)	--	4,244
<b>Total finance costs</b>	<b>31,715</b>	<b>34,655</b>

## Notes to the Consolidated Statement of Comprehensive Income (continued)

Net (loss) gain on sale – Continuing Operations		2017 \$A'000	2016 \$A'000
1.23	Net (loss) gain on sale of:		
	Property, plant & equipment	(38)	(80)
	Investments	635	620

1.24 Calculation of income tax on continuing and discontinued operations		2017 \$A'000	2016 \$A'000
	Prima-facie income tax benefit (expense) from continuing operations	22,792	(9,447)
	Adjustments in respect of current income tax of previous years	(679)	--
	Non-assessable income / expense reversals	3,761	--
	Non-deductible expenses	(434)	(1,189)
	After-tax equity accounted (losses) profits included in pre-tax (loss) profit	(4,259)	(2,751)
	Deferred tax balances de-recognised (refer income tax benefit (expense) – material items, in attached Reconciliation of Results)	2,132	(1,148)
	Deferred tax balances not recognised	(12,302)	--
	Other	(660)	(393)
	Total income tax benefit (expense) – continuing operations ( <i>item 1.6</i> )	10,351	(14,928)
	Income tax expense attributable to discontinued operations	--	--
	Total income tax benefit (expense)	10,351	(14,928)

1.25 Consolidated retained earnings		2017 \$A'000	2016 \$A'000
	Retained earnings at the beginning of the period	159,564	188,887
	Net (loss) profit attributable to members ( <i>item 1.11</i> )	(66,718)	15,663
	Dividends and distributions paid or payable	(22,556)	(44,986)
	<b>Retained earnings at end of financial period</b>	<b>70,290</b>	<b>159,564</b>

Intangible items		Consolidated – Current period – A\$'000			
		Before tax (a)	Related tax (b)	Related non-controlling interests (c)	Amount (after tax) attributable to members (d)
2.1	Amortisation of software and other intangibles	(16,928)	5,078	51	(11,799)

Comparison of half year (losses) profits		2017 \$A'000	2016 \$A'000
3.1	Consolidated losses from continuing and discontinued operations after tax attributable to members reported for the 1st half year ( <i>item 2.3 in the half yearly report</i> )	(6,706)	(3,463)
3.2	Consolidated (loss) profit from continuing and discontinued operations after tax attributable to members for the 2nd half year	(60,012)	19,126

## Consolidated Statement of Financial Position

		2017 \$A'000	2016 \$A'000
	<b>Current assets</b>		
4.1	Cash and cash equivalents	100,400	64,338
4.2	Trade and other receivables	128,300	158,876
4.3	Film distribution royalties	57,310	75,546
4.4	Inventories	21,292	24,929
4.5	Current tax assets	12,326	6,456
4.6	Derivatives	94	1,260
4.7	Asset held for sale	11,839	--
4.8	Other	9,163	12,131
4.9	<b>Total current assets</b>	<b>340,724</b>	<b>343,536</b>
	<b>Non-current assets</b>		
4.10	Trade and other receivables	18,300	15,254
4.11	Investments – equity accounted	30,037	48,305
4.12	Available-for-sale investments	407	720
4.13	Property, plant & equipment	615,813	686,819
4.14	Film distribution royalties	69,895	69,039
4.15	Intangibles – goodwill (net)	306,073	308,856
4.16	Intangibles – other (net)	75,797	80,168
4.17	Deferred tax assets	774	2,508
4.18	Derivatives	--	--
4.19	Other	3,524	471
4.20	<b>Total non-current assets</b>	<b>1,120,620</b>	<b>1,212,140</b>
4.21	<b>Total assets</b>	<b>1,461,344</b>	<b>1,555,676</b>
	<b>Current liabilities</b>		
4.22	Trade and other payables	262,956	258,697
4.23	Interest bearing loans and borrowings	1,072	1,115
4.24	Derivatives	3,026	5,532
4.25	Income tax payable	39	187
4.26	Provisions (excluding tax liabilities)	31,870	40,690
4.27	Unearned revenue	59,528	60,360
4.28	<b>Total current liabilities</b>	<b>358,491</b>	<b>366,581</b>
	<b>Non-current liabilities</b>		
4.29	Trade and other payables	31,347	47,036
4.30	Interest bearing loans and borrowings	626,418	597,942
4.31	Deferred tax liabilities	22,692	40,736
4.32	Derivatives	27	1,076
4.33	Provisions (excluding tax liabilities)	8,950	8,724
4.34	Unearned revenue	12,674	13,222
4.35	Other	613	--
4.36	<b>Total non-current liabilities</b>	<b>702,721</b>	<b>708,736</b>
4.37	<b>Total liabilities</b>	<b>1,061,212</b>	<b>1,075,317</b>
4.38	<b>Net assets</b>	<b>400,132</b>	<b>480,359</b>
	<b>Equity</b>		
	Parent entity interest:		
4.39	Contributed equity	225,176	224,234
4.40	Reserves	89,852	81,539
4.41	Retained earnings	70,290	159,564
4.42	Parent interests	385,318	465,337
4.43	Non-controlling interests	14,814	15,022
4.44	<b>Total equity</b>	<b>400,132</b>	<b>480,359</b>

## 5. Exploration and evaluation expenditure capitalised – N/A

## 6. Development properties - N/A

<b>Consolidated Statement of Cash Flows <sup>1</sup></b>		2017 \$A'000	2016 \$A'000
<b>Cash flows from operating activities</b>			
7.1	Receipts from customers	1,138,760	1,159,275
7.2	Payments to suppliers and employees	(995,284)	(1,036,626)
7.3	Dividends and distributions received	22,029	7,496
7.4	Interest and other items of similar nature received	2,377	3,463
7.5	Finance costs	(30,141)	(28,428)
7.6	Income taxes paid	(7,333)	(22,874)
7.7	<b>Net cash flows from operating activities</b>	<b>130,408</b>	<b>82,306</b>
<b>Cash flows from investing activities</b>			
7.8	Purchases of property, plant & equipment	(66,451)	(87,086)
7.9	Purchases of software & other intangibles	(13,086)	(11,851)
7.10	Proceeds from sale of property, plant & equipment	9,051	211
7.11	Purchases of investments / businesses	(7,483)	(59,313)
7.12	Proceeds from sale of investments / businesses	373	1,950
7.13	Loans to (or repaid to) other entities	(25,824)	(22,497)
7.14	Loans from (or repaid by) other entities	4,240	2,969
7.15	Government grants received	--	10,763
7.16	<b>Net cash flows used in investing activities</b>	<b>(99,180)</b>	<b>(164,854)</b>
<b>Cash flows from financing activities</b>			
7.17	Proceeds from issues of shares	150	2,783
7.18	Proceeds from borrowings	50,000	113,400
7.19	Repayment of borrowings / derivatives	(22,406)	(17,804)
7.20	Dividends and distributions paid	(22,556)	(44,986)
7.21	<b>Net cash flows from financing activities</b>	<b>5,188</b>	<b>53,393</b>
7.22	<b>Net increase (decrease) in cash held</b>	<b>36,416</b>	<b>(29,155)</b>
7.23	Cash at beginning of period ( <i>see reconciliation of cash</i> )	64,338	95,335
7.24	Exchange rate adjustments to item 7.23	(354)	(1,842)
7.25	<b>Cash at end of period (<i>see reconciliation of cash</i>)</b>	<b>100,400</b>	<b>64,338</b>

### Notes to the Consolidated Statement of Cash Flows:

- For the purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturities which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

## Notes to the Consolidated Statement of Cash Flows (Continued):

### Reconciliation of net (loss) profit to net operating cash flows

	2017 \$A'000	2016 \$A'000
<b>Net (loss) profit</b>	<b>(65,622)</b>	<b>16,562</b>
Adjust for:		
Depreciation	43,904	44,136
Amortisation	29,526	27,472
Impairment and other non-cash adjustments (refer item 1.21 & material items of income & expense in attached Reconciliation of Results)	88,811	7,132
Provisions	(8,391)	1,862
Share-based payment expense	414	891
Net gains on disposal of assets	(597)	(540)
Unrealised foreign currency gain	(181)	(354)
Difference between equity accounted results and cash dividends/interest received	31,176	17,499
Changes in assets & liabilities:		
Trade and other receivables	23,483	(11,302)
Trade and other payables	(1,249)	(37,446)
Net current tax	(11,379)	(2,220)
Unearned income	(1,380)	13,288
Other payables and provisions	155	2,373
Inventories	3,637	(2,554)
Capitalised borrowing costs	1,357	1,966
Deferred and other income tax liabilities	(5,877)	(5,209)
Prepayments and other assets	2,923	13,385
Film Distribution Royalties	(302)	(4,635)
<b>Net operating cash flows</b>	<b>130,408</b>	<b>82,306</b>

### Reconciliation of cash and cash equivalents

Reconciliation of cash and cash equivalents at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	2017 \$A'000	2016 \$A'000
8.1 Cash on hand and at bank	85,907	40,839
8.2 Deposits at call	14,493	23,499
8.3 Bank overdraft	--	--
8.4 Total cash at end of period – continuing operations	100,400	64,338
8.5 Cash on hand and at bank attributable to discontinued operations	--	--
<b>8.6 Total cash and cash equivalents at end of period</b>	<b>100,400</b>	<b>64,338</b>

### Acquisition/disposal of controlled entities – N/A

### Undrawn credit facilities

The economic entity has undrawn credit facilities at balance date of \$30.0 million (2016: \$210.0 million), and at the date of this report of \$30.0 million.

### Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

N/A
-----

## Other notes to the financial statements

Ratios		Current period	Previous corresponding period
9.1	<b>(Loss) profit before tax / revenue</b> Consolidated (loss) profit from continuing operations before income tax expense ( <i>item 1.5</i> ) as a percentage of income ( <i>item 1.1</i> )	(7%)	3%
9.2	<b>(Loss) profit after tax / <sup>+</sup>equity interests</b> Consolidated (loss) profit attributable to members of Village Roadshow Limited ( <i>item 1.11</i> ) as a percentage of parent entity equity at the end of the period ( <i>item 4.42</i> )	(17%)	3%

(Loss) Earnings per share (EPS)		Current period	Previous corresponding period
10.1	Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 30 of AASB133 <i>Earnings Per Share</i> are as follows. Basic EPS <sup>1,2</sup> Diluted EPS <sup>1,2</sup>	(41.3c) (41.3c)	9.8c 9.7c
	Basic and diluted EPS from continuing operations are as follows: Basic EPS <sup>1,2</sup> Diluted EPS <sup>1,2</sup>	(41.3c) (41.3c)	9.8c 9.7c
	Weighted Average Number of shares outstanding during the period: Ordinary Shares – Basic EPS Ordinary Shares – Diluted EPS	161,607,443 162,107,143	160,558,023 162,159,487

Note 1. Basic and diluted EPS calculated in accordance with AASB 133: *Earnings Per Share*.

Note 2. Under Accounting Standard AASB 2: *Share-based Payment*, shares issued under the company's various share plans are required to be accounted for as options. Shares issued under these plans are referred to as 'in-substance' options, and are included in Ordinary Shares for the purposes of the EPS calculation.

Net Tangible Asset backing		Current period A\$	Previous corresponding period A\$
11.1	Net tangible asset backing per <sup>+</sup> ordinary security	0.02	0.47

## Discontinued Operations

12.1 There were no discontinued operations in the year ended 30 June 2017 or 30 June 2016.

## Control gained over entities having material effect

13.1	Name of entity (or group of entities)	N/A
13.2	Consolidated profit (loss) from continuing operations after tax of the entity (or group of entities) since the date in the current period on which control was <sup>+</sup> acquired	
13.3	Date from which such profit has been calculated	
13.4	Profit (loss) from continuing operations after tax of the entity (or group of entities) for the whole of the previous corresponding period	



### Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated attributable profit (loss) after tax of the entity (or group of entities) for the current period to the date of loss of control	
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated profit (loss) after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	
14.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	

### Dividends & Distributions

15.1	Date the dividend is payable	N/A
15.2	+Record date to determine entitlements to the dividend (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
15.3	Has the dividend been declared?	N/A

### Amount per Security

		Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
15.4	<b>Final dividend:</b>			
	Current year – Ords	--	--	--
15.5	Previous year – Ords (Paid October 2016)	14.0c	14.0c	--
15.6	<b>Interim dividend:</b>			
	Current year – Ords	--	--	--
15.7	Previous year – Ords (Paid April 2016)	14.0c	14.0c	--

### Total Dividend & Distribution per security

15.8 +Ordinary securities (declared in relation to the relevant year)

Current year	Previous year
--	28.0c

### Dividends & Distributions paid/payable on all securities

	Current period \$A'000	Previous corresponding Period \$A'000
15.9 +Ordinary securities (each class separately)	22,556	44,986
15.10 <b>Total (declared during the relevant year)</b>	<b>22,556</b>	<b>44,986</b>

The +dividend or distribution plans shown are in operation  
The last date(s) for receipt of election notices for the +dividend or distribution plans  
Any other disclosures in relation to dividends (distributions)

N/A
N/A
N/A

### Details of aggregate share of losses of associates

Group's share of associates':	Current period \$A'000	Previous corresponding period \$A'000
16.1 Loss from continuing operations before income tax	(11,561)	(6,901)
16.2 Income tax expense on continuing operations	(1,936)	(2,269)
16.3 <b>Share of net loss of associates</b>	<b>(13,497)</b>	<b>(9,170)</b>

## Equity accounted associates

Details relating to equity accounted associates are set out below.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) after tax (item 1.4)	
	Current period	Previous corresponding period	Current Period A\$'000	Previous corresponding period A\$'000
<b>17.1 Equity accounted associates</b>				
<b>Associates:</b>				
Dartina Development Ltd. <sup>1</sup>	50.00%	50.00%	8,385	11,678
Entertainment Group Holdings Ltd. (previously Village Roadshow Entertainment Group Ltd.) <sup>2</sup>	50.17%	50.17%	(5,929)	(19,204)
Village Roadshow Entertainment Group (BVI) Ltd. <sup>2</sup>	20.00%	--	--	--
iPic-Gold Class Entertainment LLC <sup>3</sup>	28.01%	30.00%	(19,196)	(2,451)
VR iPic Finance LLC	42.86%	42.86%	--	(317)
FilmNation Entertainment LLC	31.03%	31.03%	3,217	1,123
Other <sup>4</sup>	N/A	N/A	26	1
<b>Total</b>			<b>(13,497)</b>	<b>(9,170)</b>

### Notes:

- As advised to the Australian Securities Exchange on 13 June 2017 (and updated on 11 August 2017), the VRL group had signed an agreement to sell its 50% stake in the Singapore Cinema Exhibition business, Golden Village. As a result, effective from 1 June 2017, the investment in the holding company, Dartina Development Ltd. ("Dartina"), has been classified as Held for Sale, and equity accounting ceased from that date. A dividend of A\$5.0 million was received from Dartina in June 2017, which has been included in material items of income and expense in the attached Reconciliation of Results.
- Prior to the most recent restructuring in April 2017, the VRL group was the largest shareholder in the Village Roadshow Entertainment Group business ("VREG"), with 50.17% (2016: 50.17%) of the ordinary shares of VREG. The VREG Board is the ultimate decision-making body of VREG, however the provisions of the VREG Shareholders Agreement provide that most decisions regarding relevant activities of VREG are recommended to the Board by an advisory committee established under the Shareholders Agreement ("Advisory Committee"). The VRL group did not have control of either the VREG Board or Advisory Committee. Based on this, it had been determined that the VRL group did not control VREG in accordance with AASB 10: *Consolidated Financial Statements*, however the VRL group did have significant influence over VREG in accordance with AASB 128: *Investments in Associates and Joint Ventures*.

Therefore, the investment in VREG was equity-accounted, and as a result of the significant negative net asset position of VREG, the carrying value of the net investment had been written down to nil due to the recognition of accumulated losses, so that the VRL group had no carrying value for accounting purposes. Following a further restructuring of VREG, the VRL group contributed USD 15 million (A\$20.0 million) of subordinated debt in September 2015, and as a result of VREG's significant negative net asset position, this additional net investment was immediately written off due to equity accounting requirements.

As previously disclosed in the 30 June 2016 financial report, during the year ended 30 June 2017, the VRL group contributed an additional USD 5 million of subordinated debt funding to VREG. This additional net investment by the VRL group has also been immediately written off due to equity accounting requirements, resulting in an equity-accounted loss after tax of A\$6.6 million in the year ended 30 June 2017 (included in material items of income and expense in the attached Reconciliation of Results).

As advised to the Australian Securities Exchange on 20 April 2017, there was a further restructuring of VREG, which resulted in the VRL group reducing its ordinary shareholding in the ongoing VREG group to 20%, and retaining USD 10.0 million of subordinated notes (ranking in priority to the ordinary equity of VREG), repayable by November 2022, with a non-cash return of 15.5%. VRL retains its shareholding of 50.17% in the dormant former parent entity, which has been renamed from Village Roadshow Entertainment Group Ltd. to Entertainment Group Holdings Ltd.

VREG continues to be classified as an associate for accounting purposes, and it is noted that all VREG debt is non-recourse to the VRL group. The VRL group results only include interest or dividends received in cash from VREG, and in the year ended to 30 June 2017, cash interest of A\$0.7 million was received from VREG and included in equity accounted results (2016: A\$0.8 million), and no cash dividends were received in either the current or previous corresponding periods.

- As previously disclosed in the 30 June 2016 financial report, in the year ended 30 June 2017, the VRL group contributed additional subordinated debt funding totalling USD 14.3 million to iPic-Gold Class Entertainment LLC ("IGCE"), which may be converted into equity. As a result of IGCE's negative net asset position, these additional net investment amounts have been immediately written off due to equity accounting requirements, resulting in an equity-accounted loss after tax of A\$19.2 million in the year ended 30 June 2017 (included in material items of income and expense in the attached Reconciliation of Results).
- In relation to 'other' associates referred to above, there have been no significant changes in the state of affairs during the period.

## Issued and quoted securities at end of current period

(Description includes rate of interest and any redemption or conversion rights together with prices and dates.)

Category of +securities		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
18.1	<b>Preference +securities</b> (description)	N/A	N/A		
18.2	Changes during current period				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buybacks, redemptions				
18.3	<b>+Ordinary securities</b> <sup>1</sup>	161,830,173	161,830,173		
18.4	Changes during current period				
	(a) Increases through issues	725,994	725,994		
	(b) Decreases through returns of capital, buybacks	--	--		
18.5	<b>+Convertible debt securities</b> (description and conversion factor)	N/A	N/A		
18.6	Changes during current period				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buybacks				
18.7	<b>Options</b> (description and conversion factor)			Exercise Price	Expiry Date (if any)
	Details of options over Ordinary shares issued in November 2012, with an effective grant date of 29 November 2012 were as follows:				
	<b>Options over Ordinary shares</b>	750,000	--	\$3.51	1/3/2019
	<b>Options over Ordinary shares</b>	1,500,000	--	\$3.51	1/3/2019
	Total Options over Ordinary shares	2,250,000	--		
18.8	Changes during current period				
	(a) Issued during current period	--	--		
	(b) Exercised during current period	--	--		
	(c) Lapsed during current period	750,000	--	--	1/3/2019
18.9	<b>Debentures</b> (description)				
18.10	Changes during current period	N/A	N/A		
18.11	<b>Unsecured notes</b> (description)				
18.12	Changes during current period	N/A	N/A		

Note 1. Accounting Standard AASB 2: *Share-based Payment* requires shares issued under the company's various share plans to be accounted for as options. Shares issued under these plans are referred to as 'in-substance' options, and are included in the Ordinary securities disclosed in item 18.3 and 18.4, and excluded from the Options disclosed in items 18.7 and 18.8.

## 19.1 Segment Reporting<sup>1</sup>

	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions		Other <sup>2</sup>		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Reporting by Operating Segments – Continuing Operations:</b>												
Segment revenue – services	187,486	204,619	218,593	225,984	218,207	194,172	54,656	41,766	--	--	678,942	666,541
Segment revenue – goods	108,226	119,792	87,768	85,509	141,092	182,966	--	--	--	--	337,086	388,267
Total segment revenue	295,712	324,411	306,361	311,493	359,299	377,138	54,656	41,766	--	--	1,016,028	1,054,808
Plus: Non-segment revenue	--	--	--	--	--	--	--	--	2,244	4,024	2,244	4,024
Less: Inter-segment revenue	(20)	(874)	--	--	(19,369)	(17,468)	(763)	(625)	--	--	(20,152)	(18,967)
Total Revenue											<b>998,120</b>	<b>1,039,865</b>
Segment results before tax	(8,786)	23,440	55,287	62,448	13,816	17,368	5,975	5,644	--	--	66,292	108,900
Non-segment result (Corporate) before tax	--	--	--	--	--	--	--	--	(33,500)	(39,594)	(33,500)	(39,594)
<b>Operating profit (loss) before tax – segment purposes</b>	<b>(8,786)</b>	<b>23,440</b>	<b>55,287</b>	<b>62,448</b>	<b>13,816</b>	<b>17,368</b>	<b>5,975</b>	<b>5,644</b>	<b>(33,500)</b>	<b>(39,594)</b>	<b>32,792</b>	<b>69,306</b>
Restructuring costs	(4,630)	(2,034)	(474)	(917)	(838)	(2,445)	(141)	(1,766)	(585)	(1,025)	(6,668)	(8,187)
Equity accounted losses on net investments	--	--	(19,196)	(2,451)	--	--	--	--	(6,628)	(20,046)	(25,824)	(22,497)
Dividend received from asset held for sale	--	--	5,038	--	--	--	--	--	--	--	5,038	--
Reversal of onerous lease provision	--	--	7,500	--	--	--	--	--	--	--	7,500	--
Impairment and other non-cash adjustments	(71,000)	--	(128)	(456)	(17,683)	--	--	(6,209)	--	(467)	(88,811)	(7,132)
<b>Operating (loss) profit before tax</b>											<b>(75,973)</b>	<b>31,490</b>
Income tax benefit (expense)											10,351	(14,928)
Non-controlling interest	(317)	(289)	--	--	--	--	(779)	(610)	--	--	(1,096)	(899)
<b>Total attributable (loss) profit after tax from continuing operations per the statement of comprehensive income</b>											<b>(66,718)</b>	<b>15,663</b>
Interest income	72	134	161	342	564	781	1	588	853	727	1,651	2,572
Finance costs before finance restructuring costs	14,070	14,905	4,696	4,183	4,399	4,381	2,487	1,959	6,063	4,983	31,715	30,411
Finance costs – finance restructuring costs (material items)											--	4,244
Total finance costs											31,715	34,655
Depreciation and amortisation expense	50,667	49,741	16,807	15,694	3,564	3,524	1,385	983	1,007	1,666	73,430	71,608
Equity-accounted net loss											(13,497)	(9,170)
Non-cash expenses other than depreciation	347	649	435	88	--	64	--	--	12	--	794	801
Capital expenditure	53,803	61,518	17,356	30,142	1,718	993	1,562	838	5,098	5,446	79,537	98,937

<sup>1</sup> Description of Reportable Segments:

Theme Parks: Theme park and water park operations  
Cinema Exhibition: Cinema exhibition operations  
Film Distribution: Film, DVD & video distribution operations  
Marketing Solutions: Sales promotion and brand loyalty program operations

<sup>2</sup> The 'Other' column represents financial information which is not reported in one of the reportable segments

20.1 Not used

## Basis of financial report preparation

21.1 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Refer attached commentary in relation to status of the VRL group's 50% stake in the Singapore Cinema Exhibition business which is classified as Held for Sale as at 30 June 2017, and item 17.1.

21.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Refer attached commentary.

21.3 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Franking credits available as at 30 June 2017 will need to be assessed in conjunction with estimated franking account movements in the year ending 30 June 2018, at the time of declaring any dividends.

21.4 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes in accounting policies in the preliminary final report in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimate and Errors).

N/A

21.5 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

## Basis of financial report preparation (continued)

21.6 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

(a) Contingent Liabilities:

Contingent liabilities are not materially different from those disclosed in the 30 June 2016 financial report other than as set out below in item 21.6(a)(ii), but the key matters are noted as follows:

(i) Tax Audit by Australian Taxation Office:

As disclosed in Note 22(a)(iv) in the 30 June 2016 financial report, as updated in the 31 December 2016 half-year financial report, following a Client Risk Review, the Australian Taxation Office ("ATO") advised in July 2016 that a Tax Audit was to be carried out in relation to the VRL Tax Consolidated group, covering the financial years from 2012 to 2015.

VRL has provided information as previously requested by the ATO, and the ATO has recently requested further information. VRL does not currently believe that any material impact will result from the Tax Audit.

(ii) Belfast rent dispute:

As disclosed in Note 22(a)(v) in the 30 June 2016 financial report, Village Theatres 3 Limited ("VT3"), a wholly-owned subsidiary in the VRL group, was continuing to take action against its landlord seeking damages. The landlord was also seeking payment of unpaid rent, which had been fully accrued in VT3's accounts.

In July 2017, this matter was settled by VT3, and the long-term lease was terminated and replaced by a short-term licence agreement. As a result, the onerous lease provision has been reversed (refer material items of income and expense in attached Reconciliation of Results).

(iii) Guarantee issued in relation to Associate:

As disclosed in Note 22(a)(vi) in the 30 June 2016 financial report, 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 has obtained 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 in relation to VRIF is USD 24.2 million.

(b) Contingent Assets

Contingent assets are not materially different from those disclosed in the 30 June 2016 financial report.

21.7 All financial results for the years ended 30 June 2017 and 30 June 2016 are in accordance with the requirements of International Financial Reporting Standards (IFRS).

21.8 The presentation and classification of comparative items in this report have been adjusted where appropriate to ensure that the disclosures are consistent with the current period.

## Additional disclosure for trusts

- 22.1 Number of units held by the management company or responsible entity or their related parties.
- 22.2 A statement of the fees and commissions payable to the management company or responsible entity. Identify initial service charges/management fees/other fees

N/A

## Annual meeting

The annual meeting will be held as follows:

Place

Jam Factory Cinemas, 500 Chapel Street, South Yarra,  
VIC, 3141

Date

24 November 2017

Time

9.00 am

Approximate date the +annual report will be available

23 October 2017

## Compliance statement

- 1 This report has been prepared in accordance with AASB standards, other AASB authoritative / pronouncements and Standing Interpretations Committee Interpretations or other standards acceptable to ASX.

Identify other standards used

N/A

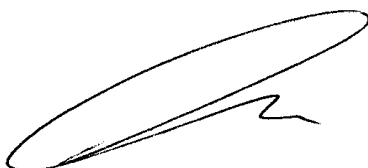
- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed.

- 4 This report is based on +accounts to which one of the following applies (Tick one)

- |                                     |   |                          |  |
|-------------------------------------|---|--------------------------|--|
| <input type="checkbox"/>            | The +accounts have been audited.  | <input type="checkbox"/> | The +accounts have been subject to review.           |
| <input checked="" type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have not yet been audited or reviewed. |

- 5 The entity has a formally constituted audit committee.



Sign here:

(Company secretary)

Date: 24 August 2017

Print name: SHAUN DRISCOLL