



Retail Offer Document

Offer in relation to an underwritten pro-rata non-renounceable retail entitlement offer of 5 New Shares for every 26 Existing Shares at A\$1.65 to raise approximately A\$51 million

The Retail Entitlement Offer opens on Tuesday, 17 July 2018 and closes at 5.00pm (Melbourne time) on Thursday, 26 July 2018 (unless extended)

This Retail Offer Document is an important document and requires your immediate attention. It should be read in its entirety before you decide whether to participate in the Retail Entitlement Offer. If you have any questions about any part of the Retail Offer Document you should consult your professional adviser.

This document is dated Tuesday, 17 July 2018

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This document may not be distributed in any country outside Australia or New Zealand.

VILLAGE ROADSHOW LIMITED

ACN 010 672 054

Retail Offer Document in relation to an underwritten pro-rata non-renounceable Retail Entitlement Offer

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Important information

Defined terms used in these important notices have the meaning given in this Retail Offer Document.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Document has been issued by Village Roadshow Limited ACN 010 672 054.

The information in this Retail Offer Document is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Retail Offer Document may not be released or distributed in the United States. This Retail Offer Document, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this document nor anything attached to this document shall form the basis of any contract or commitment. In particular, this Retail Offer Document, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States), or any other jurisdiction in which, or to any person to whom, such an offer would be illegal. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act, or any securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold directly or indirectly in the United States unless they have been registered under the U.S. Securities Act (which VRL has no obligation or intention to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable United States state securities laws.

This Retail Offer Document may contain certain forward-looking statements. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will* and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. These factors may include changes in consumer demand for the Company's products, damage to brands and associated consumer images under which the Company's products are sold, fluctuations in the value of the Australian dollar, damage to the Company's relationships with its customers, suppliers and service providers, a breach by the Company of its debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements.

This Retail Offer Document is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

The Company is not licensed to provide financial product advice in respect of New Shares. No cooling off regime applies to Applications under the Retail Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Retail Offer Document.

Key dates

This Retail Offer Document is dated Tuesday, 17 July 2018.

The following are key indicative dates relating to the Entitlement Offer.

Activity	Date
Announcement of the Entitlement Offer	Tuesday, 10 July 2018
Institutional Entitlement Offer opens	Tuesday, 10 July 2018
Institutional Entitlement Offer closes	Wednesday, 11 July 2018
Shares recommence trading	Thursday, 12 July 2018
Retail Entitlement Offer Record Date (7.00pm Melbourne time)	Thursday 12 July 2018
Retail Entitlement Offer opens	Tuesday, 17 July 2018
Retail Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	Tuesday, 17 July 2018
Settlement of Shares issued under the Institutional Entitlement Offer	Thursday, 19 July 2018
*Allotment and commencement of trading of Shares issued under the Institutional Entitlement Offer	Friday, 20 July 2018
*Retail Entitlement Offer closes (5.00pm Melbourne time)	Thursday, 26 July 2018
*Settlement of New Shares issued under the Retail Entitlement Offer	Wednesday, 1 August 2018
*Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 2 August 2018
*Commencement of normal trading of New Shares issued under the Retail Entitlement Offer	Friday, 3 August 2018
*Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Monday, 6 August 2018

The dates marked with an asterisk (*) are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time in agreement with the Underwriter and in particular, subject to the Corporations Act and ASX Listing Rules, to extend the latest date for receipt of Entitlement and Acceptance Forms, to accept late Entitlement and Acceptance Forms either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.

Co-Chairmen's letter

Dear Shareholder

On behalf of the Directors of Village Roadshow Limited (**VRL**), I am pleased to invite you to participate in our pro rata accelerated non-renounceable Retail Entitlement Offer.

VRL will raise approximately A\$51 million via a fully underwritten, pro rata, accelerated, non-renounceable entitlement offer (**Entitlement Offer**). As announced to ASX on Thursday, 12 July 2018, VRL has successfully completed the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**). The Institutional Entitlement Offer raised approximately A\$35.7 million.

Under the Retail Entitlement Offer, VRL is offering to Eligible Shareholders 5 Shares for every 26 Shares already held. The issue price is A\$1.65 per Share, which represents a discount of approximately 24.3% to the closing price of the Company's Shares on ASX of \$2.18 on Friday, 6 July 2018, the last day the Shares traded on ASX before the Entitlement Offer was announced, and a 21.1% discount to the TERP, the theoretical ex-rights price.

The Entitlement Offer is fully underwritten and is fully supported by the three principals that own directly or indirectly Village Roadshow Corporation Pty Limited ACN 004 318 610 (**VRC**), being the major VRL Shareholder, (namely Robert Kirby, John Kirby and Graham Burke, who are directors of VRL). Entities affiliated with the three principals have committed to underwrite VRC's pro rata entitlement of approximately A\$21 million under the Institutional Entitlement Offer to the extent not taken up by VRC itself as an eligible shareholder. No underwriting fee is payable to the VRC Shareholders.

The Entitlements of Shareholders other than VRC (and this includes the entirety of the Retail Entitlement Offer) are underwritten by the Underwriter, J.P. Morgan Australia Limited.

The Retail Entitlement Offer will raise approximately A\$15.7 million, bringing the gross proceeds of the Entitlement Offer to approximately \$51 million. The net proceeds from the Entitlement Offer will be used to reduce borrowings.

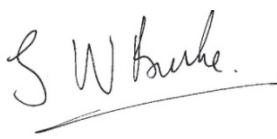
Details of the Retail Entitlement Offer and how to participate and take advantage of the Retail Entitlement Offer can be found in this Retail Offer Document. The closing date for the receipt of your Entitlement and Acceptance Form and Application Monies for the Retail Entitlement Offer is 5.00pm (Melbourne time) on Thursday, 26 July 2018. If you decide to take this opportunity to increase your investment in the Company please ensure that, before this time, your completed Entitlement and Acceptance Form and Application Monies are received by the Share Registry, Computershare Investor Services Pty Limited, or you have paid your Application Monies through BPAY® in accordance with the instructions set out in the enclosed Entitlement and Acceptance Form and 'Required Actions' Section of this Retail Offer Document.

For further information, I urge you to read the Investor Presentation which is included in this Retail Offer Document and also contains a summary of some of the key risks associated with an investment in the Company. Shareholders who are in any doubt as to how they should respond to this Retail Entitlement Offer should consult their stockbroker, accountant, solicitor or other independent professional adviser.

If you require further assistance in relation to the details of the Offer, please do not hesitate to contact the VRL Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am to 5.00pm (Melbourne time), Monday to Friday, during the Offer Period.

We look forward to your consideration of this Retail Entitlement Offer and your continued support.

Yours faithfully



Robert Kirby and Graham Burke
Co Executive Chairmen and Co-Chief Executive Officers

Entitlement Offer overview

1. Details of the Entitlement Offer

1.1 The Entitlement Offer

The Company is conducting a fully underwritten 5 for 26 pro-rata accelerated non-renounceable entitlement offer to Shareholders as at the Record Date in Australia or New Zealand at the Issue Price of A\$1.65 per New Share.

Institutional Entitlement Offer

On 12 July 2018, the Company announced that it had successfully completed the Institutional Entitlement Offer, raising approximately A\$35.7 million. Settlement of the Institutional Entitlement Offer is expected to occur on Thursday, 19 July 2018. Shares to be issued under the Institutional Entitlement Offer are expected to be allotted and commence trading on Friday, 20 July 2018.

Retail Entitlement Offer

Each Eligible Retail Shareholder is entitled to subscribe for 5 New Shares for every 26 Existing Shares held on the Record Date. The Retail Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by 5.00pm (Melbourne time) on the Closing Date of Thursday, 26 July 2018, will not receive any payment or value for those Entitlements, and their proportionate equity interest in the Company will be diluted.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with existing Shares on issue, including in respect of entitlement to dividends. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Retail Entitlement Offer, you must:

- (a) be registered as a Shareholder at 7.00pm (Melbourne time) on the Record Date;
- (b) have an address in Australia or New Zealand as recorded on the Company's share register as at the Record Date;
- (c) not have received an offer (other than as nominee) under the Institutional Entitlement Offer (and not have been treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer);
- (d) not be in the United States and must not be acting for the account or benefit of a person in the United States (to the extent such a person holds Shares and is acting for the account or benefit of a person in the United States); and
- (e) be eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

(Eligible Retail Shareholder).

Retail Shareholders who are not Eligible Retail Shareholders are '**Ineligible Retail Shareholders**'. VRL reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

VRL may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer or to other retail Shareholders (subject to compliance with relevant laws).

By receiving this Retail Offer Document, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of VRL, and each of VRL and the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

1.2 Purpose of the Entitlement Offer

The net proceeds of the Entitlement Offer will be used to reduce borrowings.

Further details regarding the use of funds are set out in the Investor Presentation.

1.3 Underwriting

The Entitlement Offer is fully underwritten and is fully supported by the three principals that own directly or indirectly VRC, being the major VRL Shareholder, (namely Robert Kirby, John Kirby and Graham Burke, who are directors of VRL). Entities affiliated with the three principals have committed to underwrite VRC's pro rata entitlement of approximately A\$21 million under the Institutional Entitlement Offer to the extent not taken up by VRC itself as an eligible shareholder. No underwriting fee is payable to the VRC Shareholders.

The Entitlements of Shareholders other than VRC (and this includes the entirety of the Retail Entitlement Offer) are underwritten by the Underwriter, J.P. Morgan Australia Limited, subject to the terms and conditions of the Underwriting Agreement dated 10 July 2018. Please refer to Section 9 for further details.

It is important to note that the Underwriter will be acting for, and providing services to, the Company in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with the Company. The engagement of the Underwriter by the Company is not intended to create any agency or other relationship between the Underwriter and Shareholders.

1.4 Issue of New Shares

New Shares under the Retail Entitlement Offer are expected to be issued on or around Thursday, 2 August 2018 (subject to variation at the discretion of the Company). Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

1.5 ASX quotation

The Company has applied for official quotation of New Shares issued under this Retail Offer Document. If permission for quotation is not granted by ASX, the New Shares will not be issued and Application Monies will be refunded (without interest) as soon as practicable.

1.6 Application Monies

Until New Shares are issued, the Company will hold the Application Monies in a bank account(s) in Australia. The account(s) will be established and kept solely for the purpose of depositing Application Monies and retaining those funds for as long as required.

Any interest accrued on Application Monies will not be paid to the relevant Eligible Retail Shareholder, including if the Retail Entitlement Offer is cancelled or withdrawn.

1.7 Market prices for Shares on ASX

The lowest and highest market prices of Shares on ASX during the 3 months immediately preceding the announcement of the Entitlement Offer on 10 July 2018 were A\$2.06 and A\$3.22 respectively. The Issue Price of A\$1.65 per New Share represents a 24.3% discount to the closing price of the Company's Shares on ASX on 6 July 2018, which was the last day Shares traded on the ASX before the announcement of the Entitlement Offer and a 21.1% discount to TERP, the theoretical ex-rights price.

1.8 Foreign Shareholders

The New Shares being offered under this Retail Offer Document are being offered to Shareholders with registered addresses in Australia or New Zealand.

The Retail Entitlement Offer will not be offered to Non Eligible Foreign Shareholders. The Company has determined that it is not economically viable to make offers to Non Eligible Foreign Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Non Eligible Foreign Shareholders reside. The Company reserves the right in its absolute discretion to offer the Retail Entitlement Offer to a Shareholder with an address in the Company's share register outside Australia or New Zealand if the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable.

This Retail Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia or New Zealand.

The distribution of this Retail Offer Document outside Australia or New Zealand may be restricted by law. In particular, this document or any copy of it must not be distributed or released in the United States. If you come into possession of this Retail Offer Document, you must observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

The Retail Entitlement Offer is not available to Shareholders that are in the United States or who are acting for the account or benefit of, persons in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States). Neither the Entitlements nor the New Shares offered and sold in the Entitlement Offer have been, nor will be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be issued to or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities law. The Entitlements and the New Shares offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States), in each case, in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act.

1.9 Nominees and custodians

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Document or any material relating to the Retail Entitlement Offer or accept the Retail Entitlement Offer in relation to any person in the United States, or any person who is acting for the account or benefit of a person in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States), or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the Investor Presentation under the Foreign selling restrictions section or as the Company may otherwise permit on compliance with applicable law.

1.10 Taxation implications

Shareholders should be aware that there may be taxation implications of participating in the Retail Entitlement Offer and subscribing for New Shares. The taxation consequences of participating in the Retail Entitlement Offer and acquiring New Shares may vary depending on the individual circumstances of each Shareholder.

Please refer to Section 8 for a general discussion of the Australian tax consequences of the Retail Entitlement Offer for Eligible Retail Shareholders who, for the purposes of Australian tax law, are resident in Australia and hold their Shares as capital assets.

Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

1.11 Risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. The key risk factors are set out in the 'Key risks' section of the Investor Presentation included in this Retail Offer Document.

1.12 Regular reporting and disclosure

The Company is a 'disclosing entity' for the purposes of the Corporations Act and accordingly is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from ASX's website www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report, and an audit or review report. These reports are released to ASX and published on the Company and ASX websites.

1.13 Rights and liabilities attaching to New Shares

New Shares issued under this Retail Offer Document will be fully paid ordinary shares in the capital of the Company and will rank equally with all Existing Shares, including for any dividend paid after the date of issue of the New Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Rules. The constitution may only be varied by a special resolution passed by at least 75% of Shareholders present (and entitled to vote).

1.14 Disclaimer

No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer described in this Retail Offer Document, which is not contained in this Retail Offer Document. Any information or representation not contained in this Retail Offer Document may not be relied on as having been authorised by the Company in connection with the Retail Entitlement Offer.

1.15 Financial amounts

Money as expressed in this Retail Offer Document is in Australian dollars unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Retail Offer Document and between those figures and figures referred to in other parts of this document may be due to rounding.

1.16 Privacy

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of the Company. Information is collected to administer your Shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory. The Share Registry's privacy policy is available on its website www.computershare.com/au.

1.17 Governing Law

This Retail Offer Document, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

2. Required Actions

2.1 Eligible Retail Shareholders – Australia and New Zealand

If you are an Eligible Retail Shareholder you may:

- (a) take up all or part of your Entitlement in accordance with this Retail Offer Document;
- (b) take up all of your Entitlement; or
- (c) decline to exercise some or all of your Entitlement.

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement:

- (a) read this Retail Offer Document in full;
- (b) consider the risks associated with the Entitlement Offer, as summarised in the 'Key risks' section of the Investor Presentation included in this Retail Offer Document, in light of your personal circumstances;
- (c) decide whether to participate in the Retail Entitlement Offer; and
- (d) make payment and apply for New Shares by either:

Mail

Complete the Entitlement and Acceptance Form accompanying this Retail Offer Document in accordance with the instructions set out on the form. If you have not received an Entitlement and Acceptance Form please call the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia); and

return the completed Entitlement and Acceptance Form together with payment in accordance with Section 2.2, using the enclosed envelope or to the following address so that it is received by no later than 5.00pm (Melbourne time) on Thursday, 26 July 2018 (or such other date as may be determined by the Company):

Australia & New Zealand – By mail – postal delivery

Delivery address: Computershare Investor Services Pty Limited
GPO Box 505
Melbourne, Victoria 3001 Australia

Completed Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's registered office.

or,

BPAY®

Make payment through BPAY® in accordance with the instructions in this Retail Offer Document on the Entitlement and Acceptance Form.

If you pay by BPAY® you do not need to lodge the Entitlement and Acceptance Form.

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required. If mailed from New Zealand, correct postage must be affixed. Eligible Retail Shareholders in New Zealand should ensure that their Entitlement and Acceptance Form and Application Monies are mailed early to ensure they arrive at the postal address specified above by 5.00pm (Melbourne time) on Thursday, 26 July 2018 (or such other date as may be determined by the Company).

2.2 Payment

The Issue Price of A\$1.65 per New Share is payable on exercise of your Entitlement. For all Australian and New Zealand Eligible Retail Shareholders payments must be received by 5.00pm (Melbourne time) on Thursday, 26 July 2018 (or such other date as may be determined by the Company).

Shareholders should be aware of the time required to process payments by cheque, money order, bank draft and BPAY® in choosing the appropriate application and payment method.

Payment will only be accepted in Australian currency and must be:

- (a) by cheque, money order or bank draft drawn on an Australian financial institution, made payable to 'Village Roadshow Limited' and crossed Not Negotiable; or
- (b) through the BPAY® facility according to the instructions set out on the Entitlement and Acceptance Form.

Cash will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Monies due to take up all or part of your Entitlement, you may be taken by the Company to have applied for such lower number of New Shares as your cleared Application Monies will pay, or your Application may be rejected.

Any Excess Amount received will be refunded (only where the amount is A\$5.00 or greater). You are not entitled to any interest that accrues on any Application Monies received or returned (wholly or partially).

Eligible Retail Shareholders may pay through BPAY®

Australian Eligible Retail Shareholders and New Zealand Eligible Retail Shareholders with an Australian bank account may pay through BPAY®. Payment by BPAY® should be made in accordance with the instructions set out in the Entitlement and Acceptance Form using the reference number shown on that form and must be received by no later than 5.00pm (Melbourne time) on Thursday, 26 July 2018 (or such other date as may be determined by the Company). Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment. Applicants should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

The reference number is used to identify your holding. If you have multiple holdings you will also have multiple reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. If you pay by BPAY® and do not pay for your full Entitlement, your remaining Entitlements will lapse.

If you make your payment by BPAY® you do not need to lodge the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form or BPAY® acceptance, once received by the Share Registry, cannot be withdrawn.

2.3 Declining all or part of your Entitlement

If you decide not to take up all or part of your Entitlement, the Entitlement which is unexercised will lapse and may be taken up by the Underwriter (or by persons they nominate). Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you decide not to participate in the Retail Entitlement Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

2.4 Non Eligible Foreign Shareholders

If you are a Non Eligible Foreign Shareholder, you may not take up any of, or do anything in relation to, your Entitlement under the Retail Entitlement Offer.

2.5 Warranties made on acceptance of Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Retail Shareholder or otherwise eligible to participate.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are not in the United States and you are not acting for the account or benefit of any person in the United States in connection with the subscription for Entitlements or the purchase of New Shares in the Retail Entitlement Offer and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements and New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- (b) you understand that the Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand. Accordingly, you understand and acknowledge that, under the Retail Entitlement Offer, the Entitlements and the New Shares may not be issued to, taken up, purchased or exercised by persons who are, or are acting for the account or benefit of, a person in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States);
- (c) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States), and you have not sent this Retail Offer Document, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person;
- (d) you are subscribing for Entitlements or purchasing New Shares outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (e) you and each person on whose account you are acting have not and will not send any materials, or copies thereof, relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (f) you acknowledge that you have read and understand this Retail Offer Document and your Entitlement and Acceptance Form in their entirety;
- (g) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Document, and the Company's constitution;
- (h) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
- (i) you declare that all details and statements in your Entitlement and Acceptance Form are complete and accurate;
- (j) if you are a natural person, you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Entitlement and Acceptance Form;

- (k) you acknowledge that after the Company receives your Entitlement and Acceptance Form or any payment of Application Monies through BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (l) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies through BPAY®, at the Issue Price;
- (m) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;
- (n) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (o) you acknowledge that the information contained in this Retail Offer Document and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (p) you acknowledge that this Retail Offer Document is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (q) you acknowledge the statement of risks in the 'Key risks' section of the Company's Investor Presentation included in this Retail Offer Document, and that investments in the Company are subject to risk;
- (r) you acknowledge that none of the Company, the Underwriter, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (s) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (t) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (u) you represent and warrant (for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are an Eligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (v) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Document and your Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer; and
- (w) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States.

2.6 Refunds

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date (except where the amount is less than A\$5.00). No interest will be paid to Applicants on any Application Monies received or refunded.

2.7 Withdrawals

You cannot, in most circumstances, withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares.

2.8 Confirmation of your Application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares from this Retail Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Share Registry website, www.computershare.com/investor. To access the Investor Centre section of this website you will need your SRN or HIN and you will need to pass the security challenge on the site.



VILLAGE ROADSHOW ANNOUNCES \$51 MILLION PRO RATA NON RENOUNCEABLE ENTITLEMENT OFFER

10 July 2018

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- Fully underwritten accelerated pro rata non-renounceable entitlement offer to raise approximately \$51 million
- Entitlement offer fully supported by Village Roadshow Corporation's shareholders¹, who have committed to underwrite VRC's full pro rata entitlement
- Combined with sale of Wet'n'Wild Sydney to Parques Reunidos, generates net proceeds of \$87 million which will be used to reduce borrowings
- VRL expects to report FY18F EBITDA² of \$88 - \$92 million, and Adjusted FY18F EBITDA² of \$98 - \$102 million
- Pro forma CY17 net debt³ / FY18F EBITDA will reduce to 2.8–2.9x and to 2.5–2.6x on an Adjusted FY18F EBITDA² basis, with further reduction budgeted for FY19
- FY19 earnings budgeted to benefit from a range of strategic initiatives and a number of factors impacting earnings in FY18 that are not expected to recur

Village Roadshow Limited (ASX:VRL) ("**VRL**") today provided an FY18 trading update, and announced action to reduce net borrowings and strengthen the balance sheet.

Capital Raising

VRL announces the launch of a fully underwritten 5 for 26 accelerated pro rata non-renounceable entitlement offer ("**Entitlement Offer**") to raise approximately \$51 million in new fully paid ordinary shares ("**New Shares**"), at an offer price of \$1.65 per New Share ("**Offer Price**").

The Offer Price of \$1.65 per New Share represents a 21.1% discount to TERP⁴ of \$2.09, and a 24.3% discount to VRL's closing price on 6 July 2018.

The Entitlement Offer is fully supported by the shareholders of Village Roadshow Corporation Pty Ltd ("**VRC**"), the major shareholder in VRL. Entities associated with the three VRC principals have committed to underwrite the full proportion of VRC's pro rata entitlement of approximately \$21 million under the institutional component of the offer to

¹ Entities respectively controlled by VRC's three principals, John Kirby, Robert Kirby and Graham Burke

² Earnings before interest, tax, depreciation and amortisation, excluding material items, discontinued operations. Refer to page 11 of the Investor Presentation released to the ASX today for further information regarding adjustments to derive Adjusted FY18F EBITDA

³ Pro forma adjustments for (i) movement in net debt in 2HFY18 of \$38 million reflecting capital expenditure for Topgolf and movement in working capital; and (ii) net proceeds from Entitlement Offer and Asset Sale.

⁴ The Theoretical Ex-rights Price ("**TERP**") is the theoretical price at which VRL shares should trade after the ex-date for the Entitlement Offer. TERP is calculated by reference to the closing price of VRL shares on 6 July 2018 of \$2.18, being the last trading day prior to the announcement of the Offer. TERP is a theoretical calculation only and the actual price at which VRL shares trade immediately following the ex-date for the Offer will depend on many factors and may not be equal to TERP.

the extent not taken up by VRC itself as an eligible shareholder ("**VRC Commitment**"). No underwriting fees are payable in respect of underwriting of VRC entitlement.

Asset Sale

VRL announced on 2 July 2018 the sale of Wet'n'Wild Sydney ("**Asset Sale**") to Parques Reunidos. The Asset Sale is expected to generate net proceeds of \$37 million. The Asset Sale is expected to complete in 1QFY19, subject to customary closing conditions.

FY18 Trading Update

VRL expects FY18F EBITDA to be in the range of \$88 –\$92 million. There are a number of factors impacting FY18 results, including pre-opening costs for Topgolf and operating losses associated with the divested Wet'n'Wild Sydney. Adjusting for these factors, VRL expects an Adjusted FY18F EBITDA² of \$98 –\$102 million. FY18F Attributable Net Profit After Tax⁵ is expected to be between \$(10) –\$(6) million, in line with guidance previously provided in April 2018. FY18F capital expenditure is expected to be approximately \$87 million.

In Theme Parks, the result continues to be impacted by the Dreamworld tragedy. As happened in similar tragedies overseas, attendance has been impacted on rides. Gold Coast parks also experienced lower than expected attendances over the Easter school holidays in April 2018, which coincided with the Commonwealth Games. The increase in one day pass sales after the introduction of the new pricing strategy in December 2017 reduced average ticket yield in the short term, however the parks have seen a return to the higher priced annual pass in June 2018 with the trend continuing into July 2018. With the removal of the discount resellers from the market effective 30 June 2018, VRL's management believes overall ticket sales revenue will continue to increase.

Cinema Exhibition experienced a slow first half due to a lack of quality titles, however it has seen a stronger fourth quarter performance due to a slate of blockbuster films released late in the financial year.

Film Distribution's performance reflects the ongoing impact of piracy and decline of the physical (DVD and Blu-Ray) market, as well as underperformance of certain film titles.

Asset Impairment and Material Items

Following a review of VRL's business, it is expected that a non-cash asset impairment of approximately \$166 million (pre-tax) will be recognised in its FY18 results. Approximately \$25 million relates to Wet'n'Wild Sydney which is currently being divested. \$95 million goodwill impairment relates to Gold Coast Theme Parks driven by lower earnings in FY18 (\$21m), in combination with the accounting impact of sale and leaseback of land on the Gold Coast (\$74m). The balance of the asset impairment relates to Film Distribution (approximately \$30m, reflecting lower FY18 earnings), Wet'n'Wild Las Vegas (approximately \$9m, recognised in 1H FY18) and other miscellaneous items (approximately \$7m). These impairment outcomes are subject to the finalisation of VRL's full year FY18 accounts.

VRL also expects to incur restructuring costs of approximately \$9 million in FY18 which primarily relate to one-off costs associated with initiatives implemented under the OneCo and operational cost saving programs.

⁵ Excluding material items

The asset impairment and restructuring costs will be partly offset by a gain on disposal of approximately \$157 million, primarily as a result of the sale of VRL's stake in Golden Village Singapore. VRL expects the total material items (after tax) in FY18 to be approximately \$8 million positive.

FY19 Outlook

VRL has budgeted to deliver an improved earnings result in FY19. In particular, FY19 is budgeted to benefit from:

- Operating cost efficiencies and improving margins in Theme Parks;
- OneCo related annualised incremental cost savings in excess of \$10 million are targeted in FY19, in addition to cost savings of \$2 million achieved in FY18;
 - As part of this, all VRL Directors have agreed to a 25% reduction in Director's fees, and VRL's Co-Chair/CEOs have agreed to a 25% reduction in fixed remuneration from 1 July 2018
- Revised ticket pricing strategy introduced in December 2017. With the return to the sale of the higher priced annual passes in June 2018 and continuing into July 2018 and the removal of the discount resellers from the market effective June 2018, VRL believes overall core ticket sales revenues will show a substantial increase in FY19;
- Full year contribution of Topgolf, which successfully opened on 15 June 2018. Above expected forward bookings provide early confidence in the outlook for Topgolf in FY19. Topgolf annual EBITDA is budgeted to be in excess of \$5m. The site has been open for 3 weeks, it is therefore too early to determine if this number will be achieved;
- In Cinema Exhibition, full year impact of new sites and a number of blockbuster movies expected in FY19 – including the new Avengers, Mamma Mia: Here We Go Again, Aladdin, Mary Poppins, Aquaman and others;
- A stabilisation in Film Distribution and ongoing initiatives to reduce piracy to be offset by a continued decline in the physical market;
- Further growth in Marketing Solutions, including the expected benefit of international expansion into the USA and Asia; and
- Budgeted capital expenditure of approximately \$50 million is substantially lower than FY18.

Debt Facility and Balance Sheet Impact

Combined net proceeds of \$87 million from the Entitlement Offer and Asset Sale will be used to reduce borrowings. Pro forma CY17 net debt³ / FY18F EBITDA⁴ is expected to be reduced to 2.8–2.9x and 2.5–2.6x on an Adjusted FY18F EBITDA⁴ basis, with a further reduction budgeted for FY19.

VRL's current revolving credit facility ("RCF") limit is approximately \$425 million, with \$375 million maturing in December 2019, and \$50 million maturing in December 2020. Net proceeds from the Entitlement Offer and Asset Sale will be used to reduce drawn borrowings under the RCF, with a corresponding expected reduction in facility limit, reflecting lower borrowing requirements of the Group. After that reduction, VRL expects to retain sufficient liquidity headroom to fund its operations, have no material near-term debt maturities and expects to continue to be in compliance with its financial covenants.

VRL also continues to review its go forward capital structure, funding mix (including the potential for a bond issuance), and further non-core asset sales.

Comments from Graham Burke, VRL Co-CEO and Co-Chairman

“The Entitlement Offer and Asset Sale will be used to reduce borrowings and strengthen our balance sheet. Our primary objective for FY19 is to maximise operating and investment net cash flow through improving the operating performance of our core businesses, executing substantial identified cost savings across the Group, limiting capital expenditure and potentially selling some remaining non core assets.

Achievement of this objective would enhance VRL’s financial flexibility to recommence the payment of dividends and execute on strategic initiatives.”

Details of the Entitlement Offer

Under the Entitlement Offer, eligible shareholders in VRL will be invited to subscribe for 5 New Shares for every 26 existing fully paid ordinary share in VRL held as at 7.00pm (Melbourne time) on Thursday, 12 July 2018 (“**Record Date**”) at the Offer Price of \$1.65 per New Share.

The fully underwritten Entitlement Offer is expected to raise gross proceeds of approximately \$51 million. New Shares issued under the Entitlement Offer will rank equally in all respects with existing shares in VRL.

The Entitlement Offer is fully supported by the shareholders of VRC. Entities associated with the three VRC principals, John Kirby, Robert Kirby and Graham Burke, have committed to underwrite the full proportion of VRC’s pro rata entitlement of approximately \$21 million under the institutional component of the Offer to the extent not taken up by VRC itself as an eligible shareholder.

The entitlements of VRL shareholders other than VRC are underwritten by J.P. Morgan Australia Limited.

A Retail Entitlement Offer booklet containing information in respect of the retail component of the Entitlement Offer (“**Retail Entitlement Offer**”) will be sent to eligible retail shareholders in Australia and New Zealand on Tuesday, 17 July 2018. Eligible retail shareholders should read the Retail Entitlement Offer booklet in full before deciding whether to apply for New Shares.

The Retail Entitlement Offer is proposed to open on Tuesday, 17 July 2018 and to close at 5.00pm (Melbourne time) on Thursday, 26 July 2018. Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Eligible retail shareholders who do not take up their entitlements in full will be diluted and will not receive any value in respect of those entitlements they do not take up.

Entitlement Offer Timetable

Announcement of Entitlement Offer, Institutional Entitlement Offer opens	Tuesday, 10 July 2018
Institutional Entitlement Offer closes	Wednesday, 11 July 2018
Announcement of results of Institutional Entitlement Offer	Thursday, 12 July 2018
Trading Halt lifted, Shares recommence trading on an "ex-entitlement" basis	Thursday, 12 July 2018
Record Date for Entitlement Offer (7.00pm Melbourne time)	Thursday, 12 July 2018
Retail Entitlement Offer opens and Retail Entitlement Offer booklet despatched (including Entitlement and Acceptance Form)	Tuesday, 17 July 2018
Settlement of Institutional Entitlement Offer	Thursday, 19 July 2018
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	Friday, 20 July 2018
Retail Entitlement Offer closes	Thursday, 26 July 2018
Announcement of results of Retail Entitlement Offer	Tuesday, 31 July 2018
Settlement of New Shares under the Retail Entitlement Offer	Wednesday, 1 August 2018
Allotment of New Shares under the Retail Entitlement Offer	Thursday, 2 August 2018
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Friday, 3 August 2018
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Monday, 6 August 2018

The above timetable is indicative only and subject to change. All dates and times are a reference to Melbourne time.

Additional Information

Further details are contained in the Investor Presentation released to the ASX today. This announcement and the Investor Presentation should be read together and in conjunction with VRL's other ASX continuous disclosure documents. The Investor Presentation contains important information including key risks of VRL's business, details of the Entitlement Offer, and foreign selling restrictions applying to the Entitlement Offer.

Please contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday if you have any questions in connection with the Entitlement Offer. Please consult with your broker, solicitor, accountant, financial adviser or other professional adviser if you have any questions in relation to this announcement or the Entitlement Offer.

For further information, please contact:

Graham Burke
Co-Executive Chairman & Co-CEO
03 9829 0667

Julie Raffe
Finance Director
03 9667 6511

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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the new shares may not be offered or sold, directly or indirectly, to, persons in the United States unless they have been registered under the U.S. Securities Act (which VRL has no intention or obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

Financial information

You should note that this announcement includes certain pro forma historical and pro forma forecast financial information of VRL, which is for illustrative purposes only and is not presented as being indicative of VRL's views on its future financial condition and/or performance, and that such pro forma financial information is not prepared with a view towards compliance with the published guidelines of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants for the preparation and presentation of pro forma financial information. You should also note that this announcement contains certain "forward-looking statements" (defined below), including but not limited to projections, estimates and guidance on VRL's future financial performance and outlook, and that such forward-looking statements are provided for illustrative purposes only and are not indicative of VRL's actual performance for the relevant period; are based on assumptions and contingencies that are subject to change and involve known and unknown risks and uncertainties and other factors that are beyond the control of VRL and may not be reliably predictable; and should not be relied upon as an indication or guarantee of future performance, and that actual results, performance and achievements may differ materially from those expressed or implied in such forward-looking statements and any assumptions on which these statements are based.

This announcement may include certain financial measures that may be considered "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended, and are not recognized under AAS or International Financial Reporting Standards (IFRS). These measures include EBITDA, Adjusted EBITDA, net debt, pro forma net debt, and EBIT. Such non-GAAP and non-IFRS financial measures do not have a standardized meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. VRL uses these measures to assess the performance of the business and believes that information is useful to investors. You are cautioned not to place undue reliance on any non-GAAP and non-IFRS financial measures included in this announcement. This information is unaudited.

Forward-looking statements

This announcement contains certain "forward-looking statements", including but not limited to projections and guidance on future financial performance and outlook, the outcome and effects of the Entitlement Offer and the use of proceeds, and the future performance of VRL. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and certainties and other factors which are beyond the control of VRL, its directors and management. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumption on which these statements are based. These statements may assume the success of VRL's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue credence on forward-looking statements and, except as required by law or regulation, none of VRL, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to VRL as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of VRL, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

About VRL

Village Roadshow was founded by Roc Kirby in Melbourne, Australia in 1954 and has been listed on the Australian Securities Exchange since 1988 (ASX:VRL). Since these humble beginnings, VRL has become a leading entertainment company with strong cashflow generating businesses and well recognised retail brands. Village Roadshow holds a diversified portfolio of assets including Theme Parks, Cinema Exhibition, Film Distribution, Marketing Solutions and Film Production, entertaining millions of people annually.

Investor Presentation

ENTITLEMENT OFFER AND FY18 TRADING UPDATE INVESTOR PRESENTATION 10 JULY 2018

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The information in this Presentation is not a prospectus or other form of disclosure document prepared in accordance with the requirements of Australian law, including the *Corporations Act 2001* (Cth) (**Corporations Act**) (and will not be lodged with the Australian Securities and Investments Commission (ASIC)) or any other law. This Presentation provides information in summary form and general information regarding Village Roadshow Limited ACN 010 672 054 (VRL) or the **Company** and a proposed fully underwritten pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in VRL (**New Shares**) (the **Offering**). The Offering is being made without disclosure to investors under sections 708A and 708AA of the *Corporations Act* as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

The Offering will be made to eligible institutional shareholders of VRL (**Institutional Entitlement Offer**) and eligible retail shareholders of VRL (**Retail Entitlement Offer**). Determination of eligibility of investors for the purposes of the Offering is determined by reference to a number of matters, including legal requirements and the discretion of VRL and the Underwriters. VRL and the Underwriters disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The information in this Presentation is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor may require in evaluating a possible investment in VRL or that would be required to be included in a prospectus or product disclosure statement prepared in accordance with the requirements of the *Corporations Act*. This Presentation is intended only as an outline, and is designed to assist you in making a determination as to whether you wish to conduct a further evaluation of the proposed investment. This Presentation is for information purposes only and does not constitute an invitation, solicitation, recommendation or offer of securities or any other financial products for subscription, purchase or sale in any jurisdiction.

VRL's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (ASX). This Presentation should be read in conjunction with VRL's other periodic and continuous disclosure announcements, including VRL's results for the half-year ended 31 December, 2017 lodged with the ASX on 16 February, 2018 and other announcements lodged with the ASX, which are available at www.asx.com.au. The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with the ASX. Any eligible retail shareholder of VRL who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding whether to apply under that offer.

You should note that this Presentation includes certain pro forma historical and pro forma forecast financial information of VRL, which is for illustrative purposes only and is not presented as being indicative of VRL's views on its future financial condition and/or performance, and that such pro forma financial information is not prepared with a view towards compliance with the published guidelines of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants for the preparation and presentation of pro forma financial information. You should also note that this Presentation contains certain "forward looking statements" (defined below), including but not limited to projections, estimates and guidance on VRL's future financial performance and outlook, and that such forward looking statements are provided for illustrative purposes only and are not indicative of VRL's actual performance for the relevant period; are based on assumptions and contingencies that are subject to change and involve known and unknown risks and uncertainties and other factors that are beyond the control of VRL and may not be reliably predicted; and should not be relied upon as an indication or guarantee of future performance, and that actual results, performance and achievements may differ materially from those expressed or implied in such forward looking statements and any assumptions on which these statements are based.

This Presentation may not be released or distributed in the United States. By receiving this Presentation you acknowledge and agree that you are not located in the United States and are not acting for the account or benefit of a person in the United States (to the extent such persons hold VRL shares and are acting for the account or benefit of a person in the United States). This Presentation does not constitute an offer, invitation or recommendation to subscribe for, purchase or sell any security or financial product in the United States and neither this Presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in, or to any person to whom, which such an offer would be illegal. The New Shares described in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold or resold, directly or indirectly, in the United States, or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold VRL shares and are acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States.

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Entities associated with the 3 principals of Village Roadshow Corporation Pty Ltd ACN 004 318 610 (VRC), John Kirby, Robert Kirby and Graham Burke have agreed to underwrite the entitlement of VRC as a shareholder entitled to participate in the Institutional Entitlement Offer. Those entities are also Limited Parties for the purposes of the preceding paragraph

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AGENDA

1 EXECUTIVE SUMMARY

2 VRL TRADING UPDATE AND FY19 OUTLOOK

3 VRL INVESTMENT HIGHLIGHTS AND LONG TERM GROWTH OPPORTUNITIES

4 ENTITLEMENT OFFER

5 KEY RISKS

6 FOREIGN SELLING RESTRICTIONS

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1. EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

ACTION TO STRENGTHEN VRL'S BALANCE SHEET	<ul style="list-style-type: none"> Village Roadshow Limited ("VRL") is taking action to reduce borrowings and strengthen its balance sheet Immediate key actions include: <ul style="list-style-type: none"> Equity offering to raise net proceeds of approximately \$50 million; and Sale of VRL's Wet'n'Wild Sydney water park, expected to generate net proceeds of \$37 million Combined net proceeds of approximately \$87 million will be used to reduce borrowings Pro forma CY17 net debt¹/ FY18F EBITDA² expected to reduce to approximately 2.8-2.9x, and 2.5-2.6x on an Adjusted FY18F EBITDA³ basis, with further reduction budgeted for FY19
ENTITLEMENT OFFER	<ul style="list-style-type: none"> VRL is undertaking a 5 for 26 fully underwritten accelerated pro rata non-renounceable entitlement offer ("Entitlement Offer") to raise gross proceeds of approximately \$51 million at \$1.65 per share Offer price of \$1.65 per new share, representing a 21.1% discount to TERP⁴ of \$2.09 The Entitlement Offer is supported by shareholders of major VRL shareholder Village Roadshow Corporation Pty Ltd ("VRC") <ul style="list-style-type: none"> VRC shareholders have committed to underwrite the full proportion of VRC's pro rata entitlement of approximately \$21 million, under the Institutional Entitlement Offer ("VRC Commitments") No underwriting fee is payable in respect of the VRC Commitments
ASSET SALE	<ul style="list-style-type: none"> VRL announced the sale of Wet'n'Wild Sydney theme park to Parques Reunidos on 2 July 2018 ("Asset Sale") Expected to generate net proceeds of approximately \$37 million Asset Sale expected to complete in 1QFY19, subject to customary closing conditions

Note: ¹ Pro forma adjustments for (i) movement in net debt in 2HFY18 reflecting capital expenditure for Topgolf and movement in working capital; and (ii) net proceeds from Entitlement Offer and Asset Sale. Refer page 8 for further details; ² Based on earnings before interest, tax, depreciation and amortisation, excluding material items and discontinued operations of \$88 million – \$92 million (material items are set out on page 12); ³ Based on Adjusted FY18F EBITDA of approximately \$98 million – \$102 million. Refer to page 11 for further information regarding adjustments to derive Adjusted FY18F EBITDA. ⁴ The Theoretical Ex-rights Price ("TERP") is the theoretical price at which VRL shares should trade after the ex-date for the Entitlement Offer. TERP is calculated by reference to the closing price of VRL shares on 6 July 2018 of \$2.18, being the last trading day prior to the announcement of the Offer. TERP is a theoretical calculation only and the actual price at which VRL shares trade immediately following the ex-date for the Offer will depend on many factors and may not be equal to TERP.

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EXECUTIVE SUMMARY (CONT'D)

DEBT FACILITY	<ul style="list-style-type: none"> VRL's revolving credit facility ("RCF") limit is currently \$425 million, with \$375 million maturing in December 2019 and \$50 million maturing in December 2020 Proceeds from the Entitlement Offer and Asset Sale will be used to reduce drawn borrowings under the RCF, with a corresponding expected reduction in facility limit, reflecting lower borrowing requirements of the Group Post that reduction, VRL will retain sufficient liquidity headroom to fund its operations, have no material near-term debt maturities, and will continue to be in compliance with its financial covenants
TRADING UPDATE AND FY19 OUTLOOK	<ul style="list-style-type: none"> VRL expects FY18F EBITDA¹ of \$88 – \$92 million and Adjusted FY18F EBITDA² of \$98 – \$102 million A non-cash asset impairment of approximately \$166 million is expected to be recognised in its FY18 results³, subject to finalisation of VRL's full year FY18 accounts FY19 Net Profit After Tax and EBITDA budgeted to benefit from: <ul style="list-style-type: none"> A number of normalisation adjustments to reflect full year pro forma earnings; Recovery from Dreamworld tragedy; Revised ticket pricing strategy at Gold Coast Theme Parks; Full year contribution from Australia's first Topgolf site, which successfully opened on 15 June 2018 on the Gold Coast; and OneCo related annualised incremental cost savings in excess of \$10m are targeted for FY19, in addition to cost savings of \$2m achieved in FY18 As part of this, all VRL Directors have agreed to a 25% reduction in Director's fees and VRL's Co-Chair/CEOs have agreed to a 25% reduction in fixed remuneration from 1 July 2018 FY19 cashflow budgeted to benefit from lower capex (approximately \$50 million), substantially lower than FY18 Further non-core asset sales to be considered
VRL KEY INVESTMENT HIGHLIGHTS	<ul style="list-style-type: none"> VRL is one of Australia's leading entertainment companies with a quality and diversified portfolio of assets Significant barriers to entry with well recognised brands Long term growth opportunities across the business built around enhancing the going out experience Earnings are at a decade low, with recovery budgeted for FY19

Note: ¹ Earnings before interest tax, depreciation and amortisation, excluding material items and discontinued operations; ² Refer to page 11 for further information regarding adjustments to derive Adjusted FY18F EBITDA; ³ Refer to page 12 for details

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PROCEEDS STRENGTHEN VRL'S BALANCE SHEET

- Net proceeds from the Entitlement Offer and Asset Sale will be used to reduce borrowings

- Pro forma CY17 net debt¹ / FY18F EBITDA² of 2.8-2.9x and 2.5-2.6x on an Adjusted FY18F EBITDA basis³

- Further deleveraging anticipated from FY19
- Strengthened balance sheet expected to provide increased operating flexibility

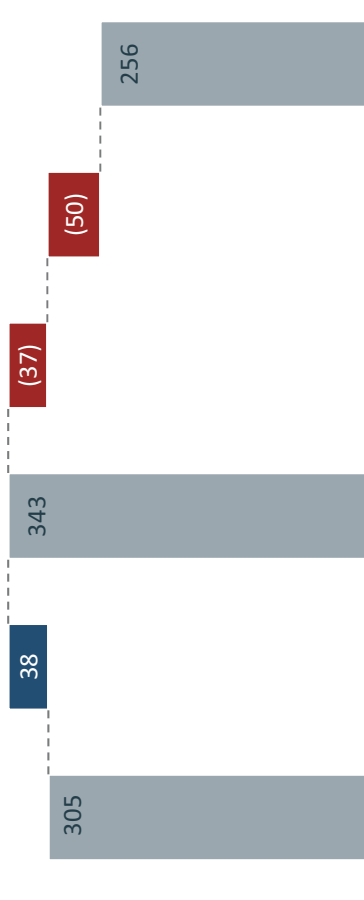
- Syndicated Loan Facility limit expected to be reduced to \$338 million

- Lower limit reflects reduced borrowing requirements post the Asset Sale and Entitlement Offer
- Sufficient liquidity and covenant headroom
- No near-term debt maturities

- VRL also continues to review its go forward capital structure, funding mix (including the potential for a bond issuance), and non-core asset sales

Note: ¹ Pro forma adjustments for (i) movement in net debt in 2HFY18 reflecting capital expenditure for Topgolf and movement in working capital; and (ii) net proceeds from Entitlement Offer and Asset Sale; ² Based on earnings before interest tax, depreciation and amortisation, excluding material items and discontinued operations of \$88 million – \$92 million; ³ Based on Adjusted FY18F EBITDA of approximately \$98 million – \$102 million. Refer to page 11 for further information regarding adjustments to derive Adjusted FY18F EBITDA

Pro forma CY17 net debt¹



Net debt (31-Dec-17)	Movement in net debt 2H FY18F	Adjusted net debt (31-Dec-17)	WnW Sydney net proceeds	Entitlement Offer net proceeds	Pro forma net debt (31-Dec-17)
3.3x-3.5x		3.7x-3.9x			2.8x-2.9x
PF CY17 net debt / FY18F EBITDA ²					
3.0x-3.1x		3.4x-3.5x			2.5x-2.6x
PF CY17 net debt / Adjusted FY18F EBITDA ³					

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2. VRL TRADING UPDATE AND FY19 OUTLOOK

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FY18 TRADING UPDATE

VRL EXPECTS FY18F NET PROFIT AFTER TAX TO BE IN LINE WITH GUIDANCE PROVIDED IN APRIL 2018

Key factors impacting FY18 earnings performance

- Result continues to be impacted by the Dreamworld tragedy
- Lower than expected attendances over the Easter school holidays April 2018 (coincided with the Commonwealth Games)
- Migration to the acquisition of one day passes following the introduction of the new pricing strategy in December 2017. The increase in one day pass sales reduced the average ticket yield in the short term. During the month of June the parks have seen a return to the higher priced annual pass and this trend has continued into July. Attendances during the month of June were in line with the prior year. With the removal of the discount resellers from the market effective 30 June 2018, VRL's management believes overall ticket sales revenue will continue to increase

THEME PARKS

CINEMA EXHIBITION

- Experienced a slower 1HFY18 due to a lack of quality titles
- Stronger 4QFY18 slate of blockbuster films

FILM DISTRIBUTION

- Impacted by changing market (physical to digital) and underperformance of certain film titles

Note: The FY18 forecast financial information set out in the table above has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, which are consistent with International Reporting Standards; ¹ Excluding material items and discontinued operations (refer page 12 for detail); ² Including material items and discontinued operations (refer page 12 for detail); ³ The VRL FY18F results are derived from the half year reviewed results for the six months ended 31 December 2017, the unaudited results for the five months ended 31 May 2018 extracted from the VRL management accounts, and the forecast results for the month to 30 June 2018, reflecting the Director's best estimate assumptions. VRL's FY18 earnings presented through this Presentation is an estimate and there can be no assurance that VRL will achieve the results indicated. The estimate is based on a number of assumptions including those described in the "Risk Factors" section of the Presentation. Investors are cautioned not to place undue reliance on the estimate.

FY18 earnings estimates

Key metrics (\$m)	FY18F ³	FY17A
EBITDA ¹	88 – 92	136.3
EBIT ¹	18 – 22	62.9
Attributable Net Profit After Tax ¹	(10) – (6)	23.6
Attributable Net Profit After Tax ²	(2) – 2	(66.7)
Capital expenditure	c.87	79.5

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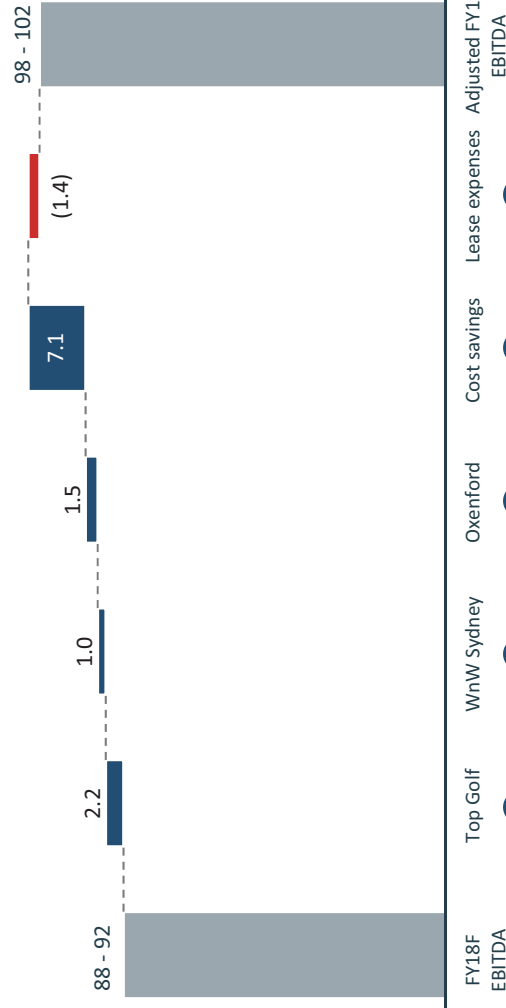
FY18 TRADING UPDATE (CONT'D) – ADJUSTED EBITDA

THERE ARE A NUMBER OF FACTORS IMPACTING FY18F RESULTS

FY18F adjustments

1	TOPGOLF	<ul style="list-style-type: none"> Pre-opening costs expensed in FY18
2	WET-N'-WILD SYDNEY	<ul style="list-style-type: none"> Sale announced 2 July 2018 Adjustment reflects expected operating loss in FY18
3	OXENFORD LAND SALE GAIN¹	<ul style="list-style-type: none"> Reflects annualised (non-cash) accounting gain on impact of land sale
4	COST SAVINGS²	<ul style="list-style-type: none"> Reflects annualised impact of cost savings (on a gross basis) at end of FY18
5	LEASE EXPENSE³	<ul style="list-style-type: none"> Annualised \$5.4 million operating lease rental expense for Hypercoaster, which has a term of 5 years

FY18F EBITDA bridge: EBITDA⁴ to Adjusted EBITDA



Note : ¹ Reflects accounting gain (\$73.7m) from the sale and leaseback of Oxenford land (announced on 22 December 2017) deferred and amortised over the lease term (25 years with \$2.9m recognised p.a.). This adjustment recognises the full year impact of the gain on sale, had the sale and leaseback taken place on 1 July 2017; ² Reflects operational costs savings of \$5.3m (Theme Parks \$3.1m, Exhibition \$1.2m and Corporate \$1.0m) and OneCo cost reduction program (\$1.8m) which primarily relate to salary and wage cost savings from redundancies announced on or before 30 June 2018; ³ VRL entered into an operating lease effective October 2017 in respect of the DC Rivals Hypercoaster rollercoaster equipment at Warner Bros. Movie World; ⁴ Excluding material items and discontinued operations

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FY18 MATERIAL ITEMS

Following a review of VRL's business, it is expected that a non-cash asset impairment of approximately \$166 million will be recognised in its FY18 results. These impairment outcomes are subject to the finalisation of VRL's full year FY18 accounts.

Overview of key material items

1	RESTRUCTURING COSTS	<ul style="list-style-type: none"> Mainly one-off costs associated with initiatives implemented under the OneCo and operational cost saving programs
2	GAIN ON DISPOSAL	<ul style="list-style-type: none"> Primarily reflects gain from sale of VRL's stake in Golden Village Singapore recognised in 1HFY18 (\$157 million)
3	IMPAIRMENT / OTHER NON CASH ADJUSTMENT	<ul style="list-style-type: none"> Total asset impairment of approximately \$166 million expected to be recognised in FY18 results¹ Approximately \$25 million relates to Wet'n'Wild Sydney (which is being divested) Approximately \$95 million goodwill impairment relates to the Gold Coast Theme Parks driven by lower FY18 earnings (\$2.1m) in combination with the accounting impact of sale and leaseback of land on the Gold Coast (\$74m) Balance of the asset impairment is driven by: <ul style="list-style-type: none"> Film Distribution (approximately \$30m): Reflects lower FY18 earnings based on change in market dynamics (physical to digital) and underperformance of titles Wet'n'Wild Las Vegas (approximately \$9m): Impairment taken in 1HFY18 Other (approximately \$7m): Miscellaneous items
4	TAX	<ul style="list-style-type: none"> Primarily reflects tax benefit from the sale and leaseback of land

Note : ¹ Of the \$166 million asset impairment, approximately \$125 million will be an impairment of goodwill

Material items

\$m	FY18F
Restructuring costs	(9)
Gain on disposal / other	157
Impairment / other non-cash adjustments	(166)
Total material items before tax	(18)
Tax (materials items)	22
Non-controlling Interest (material items)	4
Total material items after tax	8

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FY19 OUTLOOK

EARNINGS GROWTH BUDGETED IN FY19

Key earnings assumptions for FY19¹

COST REDUCTION	<ul style="list-style-type: none"> Comprehensive review undertaken to bring down the silos within VRL's major businesses and removing duplication of various functional areas via OneCo cost reduction program OneCo related annualised incremental cost savings in excess of \$10m are targeted in FY19, in addition to cost savings of \$2m achieved in FY18 <ul style="list-style-type: none"> As part of this, all VRL Directors have agreed to a 25% reduction in Director's fees, and VRL's Co-Chair/CEOs have agreed to a 25% reduction in fixed remuneration from 1 July 2018 Operating cost efficiencies and improving margins Recent results support management's confidence around revised pricing strategy and budgeted contribution in FY19 <ul style="list-style-type: none"> With the return to the sale of the higher priced annual passes and the removal of the discount resellers from the market effective June 2018, VRL believes overall core ticket sales revenues will show a substantial increase in FY19
THEME PARKS	
TOPGOLF	<ul style="list-style-type: none"> Full year earnings contribution from Topgolf Successfully opened June 2018, with above expected forward bookings providing early confidence on outlook Topgolf annual EBITDA is budgeted to be in excess of \$5m. The site has been open for 3 weeks, it is therefore too early to determine if this number will be achieved
CINEMA EXHIBITION	<ul style="list-style-type: none"> Full year impact of new sites, including Plenty Valley A number of blockbuster movies anticipated in FY19 – including the new <i>Avengers</i>, <i>Mamma Mia: Here We Go Again</i>, <i>Aladdin</i>, <i>Mary Poppins</i>, <i>Aquaman</i> and others
FILM DISTRIBUTION	<ul style="list-style-type: none"> Ongoing initiatives to reduce piracy to be offset by a continued decline in the physical market
MARKETING SOLUTIONS	<ul style="list-style-type: none"> Expected to benefit from international expansion program – USA and Asia
CAPITAL EXPENDITURE	<ul style="list-style-type: none"> Budgeted capital expenditure of approximately \$50 million is substantially lower than FY18

VRL has a target net debt to EBITDA ratio of 2.5x based on BAU earnings and capex (excluding growth investments). The VRL Board and management believes that based on initiatives put in place together with a budgeted improved earnings profile, stronger capex management and potential further non-core asset sales, it will be able to achieve a net debt to EBITDA ratio of below 2.5x by no later than the end of FY19

Note: ¹ Investors should have regard to the risk factors in Section 5 of this Presentation

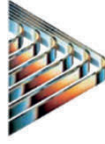
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3. VRL INVESTMENT HIGHLIGHTS AND LONG TERM GROWTH OPPORTUNITIES

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A LEADING AUSTRALIAN ENTERTAINMENT COMPANY



VILLAGE ROADSHOW LIMITED

- ✓ 60+ years operating experience
- ✓ Entertains 30+ million guests each year
- ✓ A leading diversified portfolio of businesses
- ✓ Experienced and dedicated management team

Theme Parks	Cinema Exhibition	Film Distribution	Marketing Solutions
<ul style="list-style-type: none"> ■ Largest Theme Park operator in Australia, entertaining over 5 million guests each year ■ Parks on the Gold Coast (6), and Las Vegas (1)¹ ■ Global attraction brands and strategic relationships with intellectual property owners ■ Exclusive rights to Topgolf in Australia ■ Presence in Asia via various management agreements 	<ul style="list-style-type: none"> ■ #1 market share in Australia² ■ 74 sites and 704 screens² ■ Welcomes over 25 million guests annually ■ Pioneer in new cinema experiences ■ Successful 'Gold Class' cinema exhibition and a leading provider of premium cinema-going experiences ■ Minority shareholder in iPic Entertainment in the U.S., a premium cinema exhibitor 	<ul style="list-style-type: none"> ■ A leading distributor of film and television content in Australia ■ Longstanding contracts to distribute for key studios and independent production houses including Warner Bros.³, VREG and FilmNation ■ Content agreements with Foxtel, Netflix & Stan ■ Minority shareholder in FilmNation, a US based film sales & production / distribution company ■ Diversifying into TV content creation through Rough Diamond and BlinkTV 	<ul style="list-style-type: none"> ■ A leading provider of tailor-made, market leading loyalty and rewards programs to corporate clients ■ A leading provider of sales promotions in the UK and international markets ■ Offshore expansion underway, with presence in the US and Asia ■ Access to a large range of digital reward content

Note: ¹ Following sale of Wet'n'Wild Sydney; ² Including joint venture partners; ³ Recently extended for a further 3 years

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SIGNIFICANT BARRIERS TO ENTRY WITH WELL RECOGNISED BRANDS

<p>THEME PARKS</p> <ul style="list-style-type: none"> • Large capital investment required • Access to large landholding required with high cost in suitable areas • Strong brand recognition and access to intellectual property critical • Extensive design, development and operating expertise required • Not vulnerable to technological disruption 	
<p>CINEMA EXHIBITION</p> <ul style="list-style-type: none"> • Leading market share critical to accessing films on attractive terms • Exclusive site locations, which constrain competitive site entry in key locations • Brand recognition and long term relationships with property developers critical to accessing new sites on attractive terms • Significant capital cost to build new theatres, including requirement to commit to long term leases 	
<p>FILM DISTRIBUTION</p> <ul style="list-style-type: none"> • Exclusive distribution agreements with high quality film production studios make it difficult for new distributors to obtain access 	
<p>MARKETING SOLUTIONS</p> <ul style="list-style-type: none"> • Access to broad suite of promotional products critical • Significant investment required in technology 	

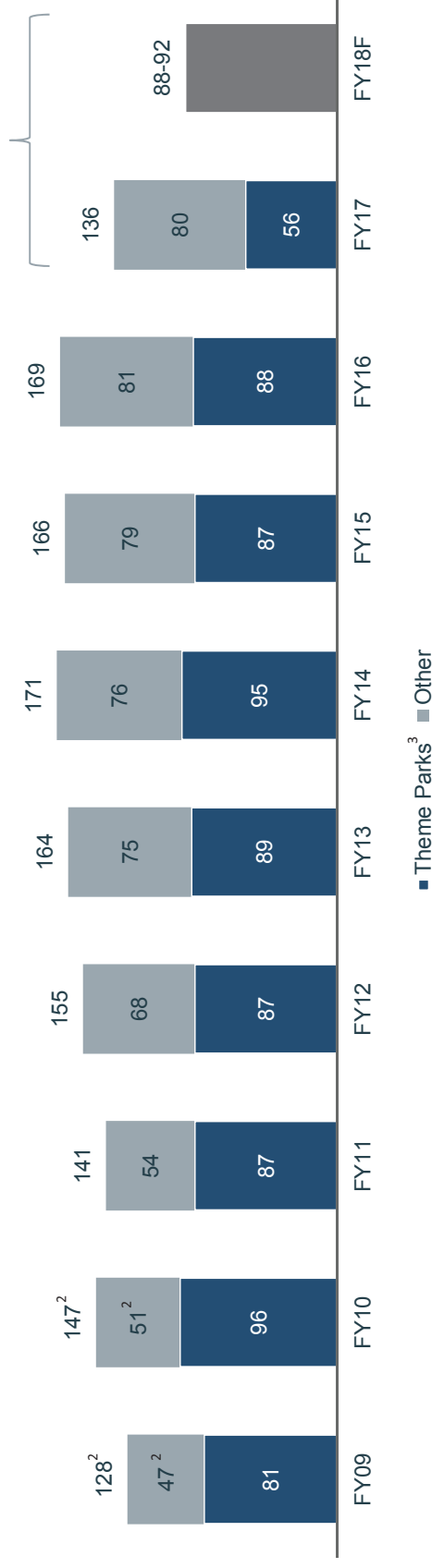
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HISTORICAL EBITDA

EARNINGS ARE CURRENTLY AT THEIR LOWEST IN A DECADE – RECOVERY BUDGETED TO COMMENCE IN FY19

VRL EBITDA (FY09-FY18F), \$ million¹

Theme Park results have been adversely impacted by the Dreamworld tragedy in the past 2 years



Note: ¹ Earnings before interest tax, depreciation and amortisation, excluding material items and discontinued operations per audited financial statements; ² Adjusted to exclude Austereo and Attractions, which were sold in FY11; ³ Theme Parks segment is as reported and has, unless otherwise stated, not been adjusted on a like for like comparable basis.

LONG TERM GROWTH OPPORTUNITIES ACROSS THE BUSINESS

THEME PARKS	<ul style="list-style-type: none"> • Revised pricing strategy and new creative marketing campaigns • Addition of lower cost new attractions to enhance guest appeal • Theme park opportunities in Asia, with a focus on consultation and management agreements • Topgolf opportunity to be evaluated at an appropriate time
CINEMA EXHIBITION	<ul style="list-style-type: none"> • Continue to invest in expansion of premium cinema concepts and new entertainment offerings and developments • Expansion of sites in population growth corridors
FILM DISTRIBUTION	<ul style="list-style-type: none"> • New more diverse business model with a focus on local content • Continued focus on reducing piracy
MARKETING SOLUTIONS	<ul style="list-style-type: none"> • Investment in technology • Growth of existing customer base and expansion of US and Asia businesses
COST REDUCTION PROGRAM	<ul style="list-style-type: none"> • Removal of duplication of various functional areas – OneCo initiatives • Additional reduction in operational costs targeted across Corporate, Film Distribution, Theme Parks and Cinema Exhibition

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THEME PARKS: HIGHER YIELD PRICING STRATEGY

SIMPLIFIED PRICING STRATEGY WITH NO OTHER CATEGORIES OR DISCOUNTS BY RESELLERS

NEW TICKETING PLAN EXPECTED TO INCREASE TICKET YIELD

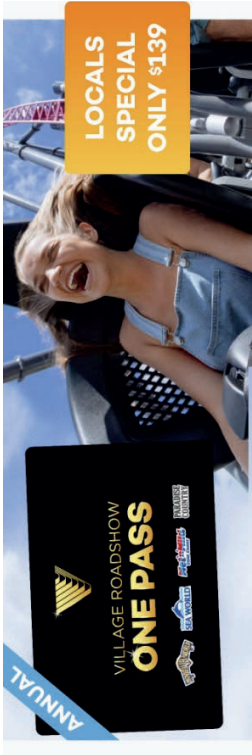
BENEFITS OF THE NEW TICKETING PLAN ARE BUDGETED TO DRIVE A RECOVERY IN FY19 TICKETING REVENUES WITH EXISTING DISCOUNTED TICKET OFFERINGS NOT AVAILABLE AFTER 30 JUNE 2018

Strategy boosted by a new creative marketing campaign

New Gold Coast Ticket Offering

\$79*	\$119	\$149	\$179	\$199	OR \$139 for locals
1 day	3 day	7 day	14 day	Annual	
1 park	3 park (MW, SW, WnW)	3 park (MW, SW, WnW)	4 park (MW, SW, WnW, PC)	4 park (MW, SW, WnW, PC)	

* \$79 (online) / \$89 (at gate)



Note: MW – Warner Bros. Movie World, SW – Sea World, WnW – Wet’n’Wild, PC – Paradise Country

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TOPGOLF - A LEADER IN SPORTS ENTERTAINMENT

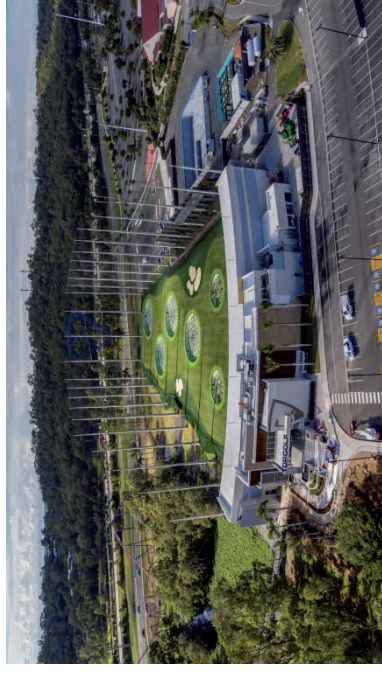
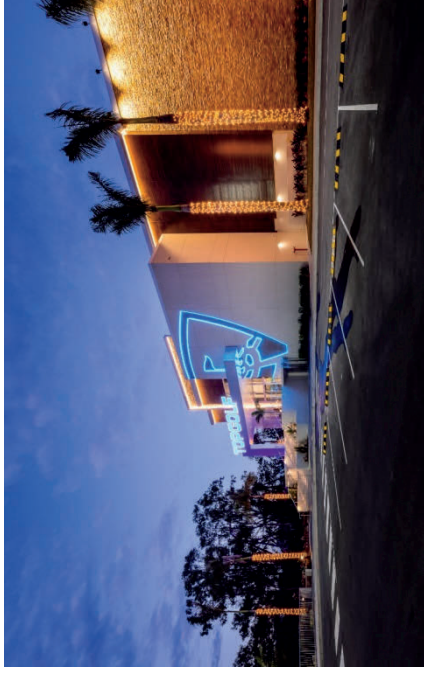
VRL HAS THE **EXCLUSIVE RIGHTS** IN AUSTRALIA FOR THIS PROVEN **GOING OUT** CONCEPT IN THE U.S.

APPEALS TO GOLFERS & NON GOLFERS

38 SITES IN THE U.S ENTERTAINING
13 MILLION GUESTS ANNUALLY

TOPGOLF - GOLD COAST OPENED 15 JUNE 2018,
WITH ABOVE EXPECTED FORWARD BOOKINGS
PROVIDING EARLY CONFIDENCE ON OUTLOOK

VRL IDENTIFYING NEW LOCATIONS FOR BEYOND FY19,
HOWEVER DEPENDENT ON '**PROOF OF CONCEPT**'
OF THE FIRST SITE IN AUSTRALIA



ASIAN THEME PARKS

TWO KEY PROJECTS WITH MANAGEMENT AGREEMENTS / NO VRL EQUITY INVESTMENT

A SELECT NUMBER OF MAJOR PROJECTS ARE

IN ADVANCED DISCUSSION – FOCUS ON CONSULTATION AND MANAGEMENT AGREEMENTS



MISSION HILLS – WET'N'WILD

NOW OPEN



LAI SUN – LIONSGATE ENTERTAINMENT WORLD

OPENING IN 2Q CY19

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CINEMA EXHIBITION: STRATEGY TO FOCUS ON PREMIUM CONCEPTS

INCORPORATING INNOVATIVE CONCEPTS TOWARDS
TARGETED MARKET SEGMENTS

VILLAGE CINEMAS
GOLD CLASS



EXCITING MARKET BRANDS – UNIQUE TO VILLAGE & EVENT

FOCUS ON AN EXCEPTIONAL FOOD & BEVERAGE OFFERING



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NEW CINEMAS IN POPULATION GROWTH CORRIDORS

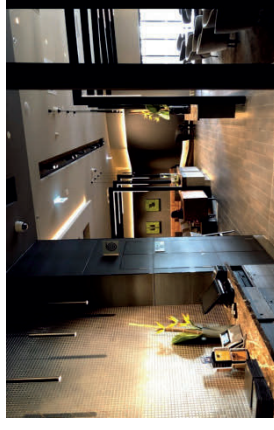
PLENTY VALLEY

- Successfully opened in March, 2018
- Situated in the population growth corridor in Melbourne's north
- Part of Westfield Plenty Valley's new entertainment precinct
- Showcases all of Village Cinemas' premium concepts



OTHER NEW SITES

New Sites	Expected Opening
Green Square, NSW	FY20
Innaloo, WA	FY20
Clayton, VIC	FY21
Edmondson Park, NSW	FY21



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FILM DISTRIBUTION: MORE DIVERSE BUSINESS MODEL

CORE DISTRIBUTION BUSINESS - NEW STREAMLINED MODEL

- Less acquisitions of expensive overseas productions
- Focus on well advanced slate of Australian content for distribution

TV PRODUCTION

- Roadshow Rough Diamond launched with *Romper Stomper*
- Blink TV focus on Eurovision Asia

FILMNATION

- A leading distributor, financier and producer of independent films. *Life Itself* sold to Amazon Studios for worldwide release

PIRACY

- Ongoing initiatives to reduce piracy
- Wider implementation of site blocking



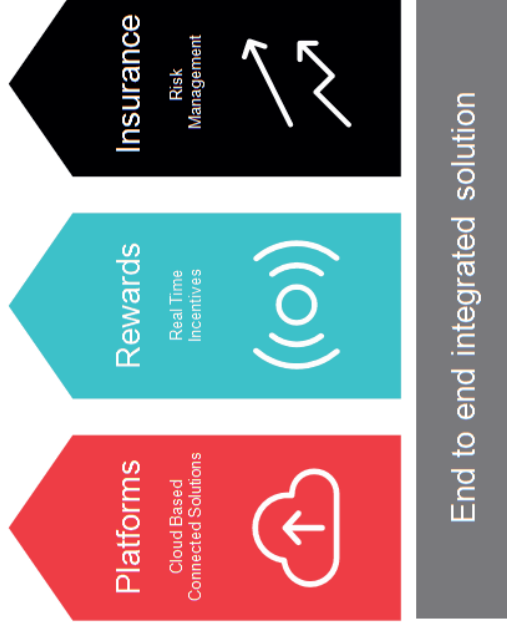
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MARKETING SOLUTIONS: BUILDING FOR GROWTH

“Successfully emerging as a respected incentive technology business”

- Marketing Solutions provides a complete end-to-end service designed to increase sales and gain market share for clients via innovative and disruptive promotional campaigns
- Clients include leading international consumer brands
- Recent investment in the sales team and support infrastructure (including promotional data analytics & predictive intelligence) across all territories is expected to result in a strong pipeline of client activity and future growth
- Prudent cost management whilst the business grows
- Priority is to grow Marketing Solutions’ existing customer base and extend its geographical reach to the U.S. and Asia



Australia, Asia

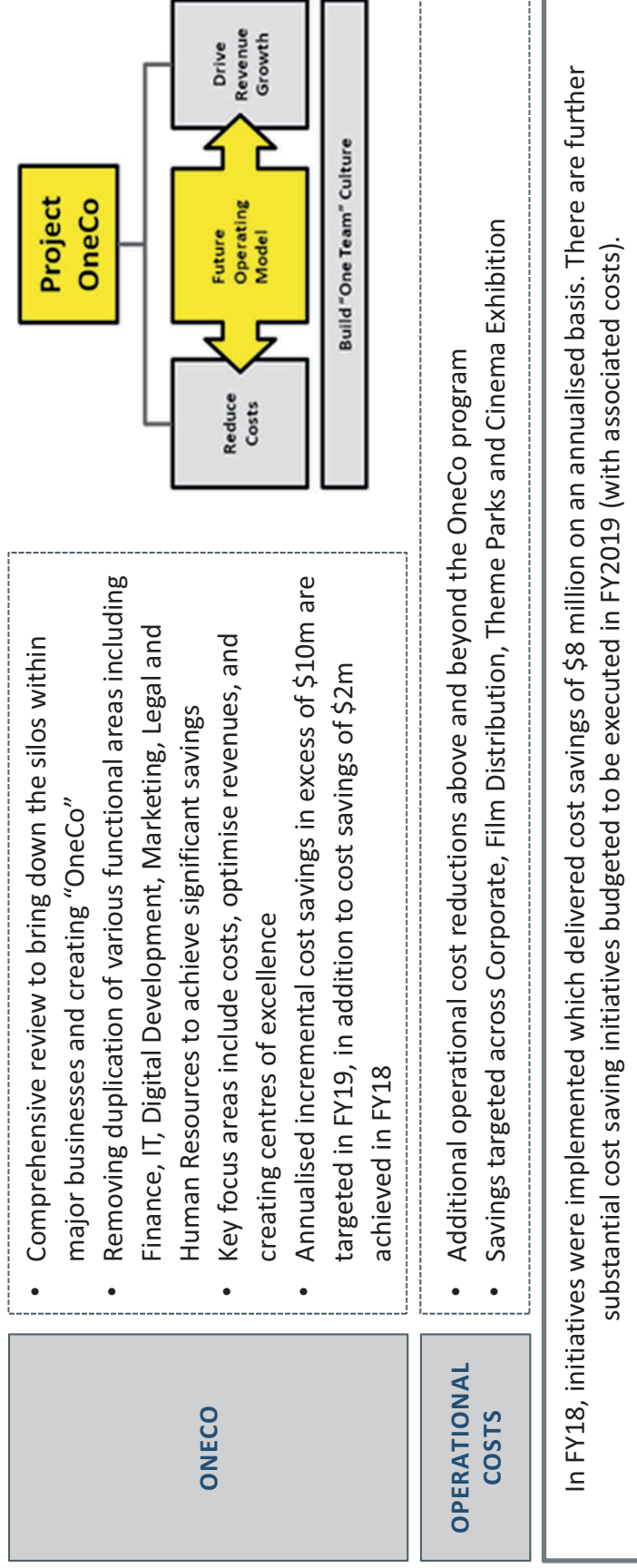
UK, Europe and USA



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COST REDUCTION PROGRAM

VRL management has identified a number of initiatives across the OneCo program and additional operational cost reductions that are expected to deliver substantial cost savings during FY19 and beyond



4. ENTITLEMENT OFFER

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DETAILS OF THE ENTITLEMENT OFFER

ENTITLEMENT OFFER STRUCTURE AND SIZE	<ul style="list-style-type: none"> Fully underwritten 5 for 26 pro-rata accelerated non-renounceable entitlement offer to eligible shareholders of VRL to raise net proceeds of approximately \$50 million Approximately 31.1 million new VRL fully paid ordinary shares ("New Shares") to be issued representing approximately 19.2% of current issued share capital
UNDERWRITING ARRANGEMENTS	<ul style="list-style-type: none"> Entities associated with 3 VRC principals, John Kirby, Robert Kirby and Graham Burke, have committed to underwrite VRC Commitments (in one-third equal shares) subject to customary termination provisions No underwriting fees payable in respect of underwriting of VRC entitlement Entitlements of VRL shareholders other than VRC are underwritten by J.P. Morgan Australia Limited
OFFER PRICE	<ul style="list-style-type: none"> \$1.65 per New Share, representing: <ul style="list-style-type: none"> 21.1% discount to TERP of \$2.09 24.3% discount to VRL's closing price on 6 July 2018
INSTITUTIONAL AND RETAIL COMPONENTS	<ul style="list-style-type: none"> Institutional Entitlement Offer is proposed to open on Tuesday, 10 July 2018 and close on Wednesday, 11 July 2018 <ul style="list-style-type: none"> Entitlements not taken up under the Institutional Entitlement Offer (excluding any VRC entitlement not taken up) will be offered to new and existing eligible institutions at the Offer Price via a shortfall bookbuild concluding on Wednesday, 11 July 2018 Any VRC entitlement under the Institutional Entitlement Offer not taken up by VRC will be taken up by the VRC underwriters The Retail Entitlement Offer is proposed to open on Tuesday, 17 July 2018 and to close on Thursday, 26 July 2018
SHAREHOLDER PARTICIPATION	<ul style="list-style-type: none"> The Entitlement Offer is supported by VRC shareholders <ul style="list-style-type: none"> Entities associated with VRC principals, John Kirby, Robert Kirby and Graham Burke, have committed to underwrite in equal one-third shares the proportion of VRC's pro rata entitlement of approximately \$21 million under the Institutional component of the offer to the extent not taken up by VRC itself as an eligible shareholder All directors of VRL, including the VRC principals, also intend to fully participate in the Entitlement Offer to the extent of their entitlement
USE OF PROCEEDS	<ul style="list-style-type: none"> Net proceeds will be used to reduce borrowings
RANKING	<ul style="list-style-type: none"> New Shares issued will rank equally in all respects with existing VRL shares

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INDICATIVE TIMETABLE

Event	Date
Announcement of Entitlement Offer, Institutional Entitlement Offer opens	Tuesday, 10 July 2018
Institutional Entitlement Offer closes	Wednesday, 11 July 2018
Announcement of results of Institutional Entitlement Offer	Thursday, 12 July 2018
Trading halt lifted – Shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 12 July 2018
Record Date for Entitlement Offer (7pm)	Thursday, 12 July 2018
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet despatched (including Entitlement and Acceptance Form)	Tuesday, 17 July 2018
Settlement of Institutional Entitlement Offer	Thursday, 19 July 2018
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	Friday, 20 July 2018
Retail Entitlement Offer closes	Thursday, 26 July 2018
Announcement of results of Retail Entitlement Offer	Tuesday, 31 July 2018
Settlement of New Shares under the Retail Entitlement Offer	Wednesday, 1 August 2018
Allotment of New Shares under the Retail Entitlement Offer	Thursday, 2 August 2018
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Friday, 3 August 2018
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Monday, 6 August 2018

Note: All dates and time are indicative and subject to change without notice; Melbourne time

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SOURCES AND USES

- Total net proceeds of approximately \$87 million, comprising:
 - Fully underwritten Entitlement Offer raising approximately \$51 million (gross proceeds; approximately \$50 million net)
 - Expected net proceeds from sale of Wet'n'Wild Sydney of \$37 million
- Net proceeds from the Entitlement Offer and Asset Sale used to reduce borrowings
 - Settlement of the Institutional Entitlement Offer is proposed to occur on Thursday, 19 July 2018 while the Retail Entitlement Offer is proposed to be settled on Wednesday, 1 August 2018
 - Asset Sale expected to complete in 1QFY19

Sources and uses of funds			
Sources	\$m	Uses	\$m
Entitlement Offer (gross proceeds)	51	Debt reduction	87
Net proceeds from Wet'n'Wild Sydney Asset Sale	37	Fees and expenses associated with Entitlement Offer	1
Total sources	88	Total uses	88

HISTORICAL AND PRO FORMA HISTORICAL BALANCE SHEET

Basis of preparation for historical balance sheet

The pro forma historical balance sheet has been derived from VRL's Interim Financial Statements for the six months ended 31 December 2017, adjusted for the effects of the pro forma adjustments described below. The pro forma historical balance sheet has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (AAS), which are consistent with International Financial Reporting Standards, other than it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they had occurred as at 31 December 2017.

\$m	VRL historical (as at 31 Dec 2017) ¹	Asset Sale pro forma adjustments ²	Entitlement Offer pro forma adjustments ³	VRL pro forma historical (31 Dec 2017) ⁴
Cash and cash equivalents	76			76
Trade and other receivables	152	(1)		151
Film distribution royalties	40			40
Other current assets	44	(2)		43
Total Current Assets	312	(3)		310
Trade and other receivables	20			20
Goodwill and other intangible assets	380			380
Property, plant & equipment	698	(61)		637
Film distribution royalties	72			72
Other non-current assets	41	(10)		30
Total Non-current Assets	1,211	(71)		1,140
Total Assets	1,523	(74)		1,449
Trade and other payables	252	(2)		251
Interest bearing loans and borrowings	7			7
Unearned revenue	65	(2)		63
Other current liabilities	34			34
Total Current Liabilities	358	(4)		354
Trade and other payables	26			26
Interest bearing loans and borrowings	374	(37)	(50)	287
Financial lease liability	102			102
Unearned revenue	84	(2)		83
Other non-current liabilities	11			11
Total Non-Current Liabilities	597	(39)	(50)	508
Total Liabilities	955	(43)	(50)	863
Net Assets	568	(31)	50	587
Contributed equity	225		50	275
Reserves	89			89
Retained earnings	242	(31)		212
Non-controlling interests	11			11
Total equity	568	(31)	50	587
Net debt	305	(37)	(50)	218

Note: ¹ The VRL balance sheet has been derived from VRL's interim financial statements for the six months ended 31 December 2017; ² Reflects pro forma adjustments for the sale of Wet'n'Wild Sydney. Completion of sale is expected in 1QFY19, subject to customary closing conditions; ³ Represents total net funds raised from the Entitlement Offer (gross funds raised of approximately \$1 million); ⁴ The following are not reflected in the pro forma balance sheet: the impact of any trading (including operating cash flow performance) since 31 December 2017; the impact of the non-cash impairments summarised on page 12 of this presentation; debt amortisation; payment of interest or any other movement in debt; and any capital expenditure or working capital adjustments. Movement in net debt for ZHPY18 is expected to be an increase of approximately \$38 million.

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5. KEY RISKS

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RISK FACTORS

VRL's operations are subject to a number of risks which may impact on its future performance and forecasts. Before subscribing for shares under the Entitlement Offer (**New Shares**), eligible shareholders should carefully consider and evaluate VRL and its business and whether the New Shares are suitable to acquire having regard to their own investment objectives, financial circumstances and needs and taking into consideration the material risk factors. VRL is not licensed to provide financial product advice in relation to New Shares or any other financial products. No cooling off period applies to any application for New Shares.

Risks associated with an investment in VRL

The future operating performance of VRL and the value of an investment in the New Shares may be affected by risks relating to VRL's business. Some of these risks are specific to VRL while others relate to economic conditions and the general industry and markets in which VRL operates.

Where practicable, VRL seeks to implement risk mitigation strategies to minimise its exposure to some of the risks outlined below. However, there can be no assurance that such strategies will protect VRL from these risks. Other risks are beyond VRL's control and cannot be mitigated. The occurrence of any such risks could adversely affect VRL's financial position and performance and the value of the New Shares. The risks listed below do not purport to be exhaustive and there is no assurance that the importance of different risks will not change or other risks will not emerge.

(a) Changes in industry and consumer choice

Economic conditions

VRL's diverse portfolio of entertainment assets complete directly with all other types or recreational facilities and forms of entertainment within their markets. Accordingly, VRL's theme parks and exhibition business will continue to be subject to factors impacting the recreation and leisure time industries generally, including general economic conditions and changes in discretionary consumer spending habits.

Content produced and / or acquired may perform poorly

VRL's film distribution business is reliant on the quality of film product available. The acquisition of film rights and distribution of films is a highly speculative business. As expenditure on promotion and distribution may be committed before it is known whether a film will be a commercial success, the revenues derived from a film do not necessarily correlate to the costs incurred.

Decline in physical (DVD) home entertainment market

The physical home entertainment market is declining due to a shift in user preference towards the digital delivery of content. This has had an adverse impact on film distribution's earnings due to decline in the sale of physical DVDs. This decline may result in changed conditions of supply with retailers. In addition, the digital delivery of content attracts lower margins for VRL's film distribution business.

Competition

The commercial success of a film depends upon the quality and acceptance of other competing films released into the marketplace at or near the same time.

In most markets in which VRL operates or intends to commence operations, the film exhibition industry is highly competitive, particularly with respect to attracting patrons and finding new theatre sites. Although VRL attempts to maintain the quality of its existing cinemas at a competitive level and develop cinemas in geographic areas that it believes have the potential to generate sufficient box office attendance and revenues, adverse economic conditions, over which VRL has no control, could have a material adverse effect on box office or concessions revenues and attendance at VRL cinemas.

Structural changes within the film industry

Any change or shortening of film release schedules / windows by film studios may adversely impact revenue earned by VRL's film distribution or cinema exhibition business. Digital pure play operators like Netflix and Amazon Prime are investing aggressively in rights to feature length films and major film studios may elect to provide consumers with timely digital versions or their films directly through these platforms.

Alternative film exhibition delivery systems have been developed for the exhibition of filmed entertainment, including pure play digital operators and subscription video on demand platforms. VRL's exhibition operations are also subject to competition from other forms of entertainment competing for the public's leisure time and disposable income.

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RISK FACTORS (CONT'D)

Film acquisition and product availability

VRL's cinema exhibition operations are dependent both upon the availability of suitable films for exhibition in its theatres and the performance of such films. Deteriorating relationships with distributors, sustained poor performance of films or prolonged disruption in the production of films by the major studios and/or independent producers could have an adverse impact on VRL's exhibition business.

Importance of Relationships with Business Partners

VRL's cinema exhibition, distribution, theme park and resort operations are partially dependent upon its relationships with its business partners. Although VRL believes its relations with its key partners are generally good, if any of these relationships were to deteriorate, it may have an adverse impact on the company. Significant partners include Warner Bros., Event Cinemas and Topgolf.

(b) Risks with theme park operations

Tourism

The success of VRL's Theme Parks operations are dependent on factors such as the type and quality of facilities and attractions, the state of the Australian tourism industry both domestically and internationally, the exchange rate for Australian dollars (which, among other things, impact the level of foreign tourists), and reputation.

Adverse weather

As the majority of the attractions at VRL's Theme Parks and resorts are outdoor activities, attendance at the parks and resorts and, accordingly, the contribution of VRL's operations to the company's results can be affected by sustained adverse weather. Furthermore, Wet'n'Wild Gold Coast is primarily a water park, which, by its nature, is more sensitive to periods and unfavourable timing (i.e. weekends and holidays) of inclement weather than are theme parks generally.

Serious injury and / or fatalities

Any significant or sustained interruption to VRL's operations caused by incidents leading to serious injury and / or fatalities, even out of VRL's control, for example at a competitor's park, may adversely impact the reputation, earnings and profitability of Australian theme parks in general.

Acceptance of pricing strategy

A risk exists theme parks do not perform as expected under a new ticket pricing strategy that VRL has developed and implemented. This may adversely affect the financial performance and prospects of VRL.

(c) Financial Risk Management

VRL's principal financial instruments comprise receivables, payables, cash and term deposits. These instruments expose VRL to a variety of financial risks including market risks relating to interest rates, credit, liquidity and price risk. Risk management programmes and policies are employed to mitigate the potential adverse effects of these exposures on the results of VRL. Specifically, the management team of VRL manages the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecasts for interest rate and foreign exchange rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through general business budgets and forecasts. The directors of VRL also on a regular basis review the current and potential sources of funding, cash flow and operating/capital expenditure forecasts, and VRL's investment profile, to manage market, credit, liquidity and price risk.

RISK FACTORS (CONT'D)

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. VRL manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. VRL currently has no significant liquidity risk, as available cash assets significantly exceed amounts payable.

However, if a funding shortfall materialises, VRL may need to raise substantial additional short term or long term debt or equity or consider asset sales. In addition VRL has substantial debt facilities which are subject to various covenant ratios including a net debt to EBITDA ratio. These debt facilities have current expiry dates of December 2019 and December 2020 and have recently been amended with the unanimous consent of the VRL bank group. VRL's capacity to secure the requisite level of funding at the appropriate time will depend on the amount of funding required, the performance and future prospects of its business and a number of other factors, including interest rates, economic conditions, debt market conditions and equity market conditions prevailing at that time. There is no assurance that the required funding (either via debt or equity) can be secured at all or on reasonable terms, which may require VRL to consider asset sales or alternative sources of funding.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The nature of VRL's financing arrangements exposes VRL to interest rate risk, including from the movement in underlying interest rates, which impacts on VRL's cost of funding and may adversely impact VRL's financial performance. VRL partly hedges its interest rate exposure with a cap of up to 50% of total borrowings.

Credit Risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions. For banks and financial institutions, only major Australian banking institutions are used. For customers, individual risk limits are set based on internal or external ratings in accordance with limits set by the directors.

The maximum exposure to credit risk at the reporting date is the carrying amount of VRL's financial assets. VRL does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by VRL and cash assets are held with large Australian banks.

(d) Risks in connection with sale of Wet'n'Wild Sydney

Completion of the sale of Wet'n'Wild Sydney is conditional upon (among other things) landlord consent. A delay or a refusal by the landlord to provide this consent may delay or jeopardise VRL's receipt of the sales proceeds. VRL has provided warranties and indemnities to the buyer, which, if breached, may result in future claims from the buyer.

(e) Litigation and legal disputes

VRL may be involved in disputes or litigation, including with customers or suppliers, industrial action or disputes involving VRL's executives and employees or former executives or employees. If VRL is involved in such litigation, disputes or protracted settlement negotiations, this may disrupt VRL's business operations, cause VRL to incur significant legal costs and may divert management's attention away from the day to day operations of the business.

RISK FACTORS (CONT'D)

(f) Taxation

In addition to the corporate income tax imposed on VRL, VRL is required to pay direct and indirect taxes and other imposts in the jurisdictions in which VRL operates. VRL may be affected by changes in government taxation policies or in the interpretation or application of such policies under Australian and overseas laws. The potential of VRL to obtain the benefit of existing tax losses and claim other tax attributes will depend on future circumstances and may be affected by changes in ownership of VRL, business activities, thin capitalisation thresholds, tax bases and any other conditions relating to the use of tax losses or other attributes of VRL. The ability to use carried forward losses (if any) will depend on VRL's continued satisfaction of the loss recoupment tests under Australian tax laws and be subject to the availability of sufficient future taxable profits.

(g) Changes in government policy, regulation and accounting / tax standards

The industry in which VRL operates is subject to extensive legislation, regulations and supervision by a number of federal and state regulatory organisations. Any future legislation and regulatory change may affect the industry and may adversely affect VRL's financial performance and position. Changes to accounting and taxation standards or the way that they are administered may adversely impact VRL's reported financial position or results of operation.

(h) Additional Requirements for Capital

VRL may require capital in order to finance its operations. VRL's precise capital requirements depend on numerous factors. Depending on VRL's ability to generate income from its operations, VRL may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If VRL is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, undertake further asset sales and scale back its expansion and development programmes as the case may be.

(i) Key personnel

A number of key personnel are important to attaining the business goals of VRL. One or more of these key employees could leave their employment or cease to actively participate in the management of VRL and this may adversely affect the ability of VRL to conduct its business and, accordingly, affect its financial performance and its share price. There may be a limited number of persons with the requisite experience and skills to serve in VRL's senior management positions if existing management leave VRL. If VRL cannot attract, train and retain qualified managers, and other personnel, VRL may be unable to successfully manage its growth or otherwise compete effectively.

(j) Systems and security

VRL relies on third party software and service providers to support its business operations. VRL also holds sensitive employee and customer data, including financial data. VRL's IT systems may be adversely impacted by damage to computer equipment or network systems, equipment faults, power failures, computer viruses, cyber attack from malicious third parties or misuse of systems. Whilst VRL has extensive security and business continuity processes in place there is no guarantee these would be completely adequate should an event occur.

RISK FACTORS (CONT'D)

Risks associated with the New Shares

(a) Market price of the New Shares

The market price of VRL's shares may fluctuate over time as a result of a number of factors including the financial performance and prospects of VRL, prevailing market conditions, general investor sentiment in those markets, inflation, interest rates, and the liquidity and the volume of the shares being bought or sold at any point in time. It should be noted that there is no guarantee that the New Shares will trade at or above the issue price. It should also be noted that the historic share price performance of the shares does not necessarily provide any guidance as to its future share price performance.

(b) Liquidity

There can be no guarantee that there will be an active or liquid market in shares traded on ASX or that the price of the New Shares (if any) will increase. There may be relatively few or many potential buyers of the shares on ASX at any time particularly given VRC's approximately 41% shareholding, making it the largest single shareholder. This may increase the volatility of the market price of the shares and may affect the price at which shareholders are able to sell their shares. Accordingly, there is a risk that the New Shares may trade at prices below the issue price.

(c) Underwriting risk

VRL has entered into underwriting agreements with J.P. Morgan Australia Limited (as to the Entitlement Offer excluding the VRC Entitlement) and with entities associated with the three principals of VRC, namely John Kirby, Robert Kirby and Graham Burke (as to the VRC Entitlement). The underwriters may terminate their respective underwriting agreements and be released from their obligations if certain events occur (as set out in the underwriting agreements). If any of the underwriters terminate their underwriting commitment, the Entitlement Offer may not raise the full amount proposed to be raised or may not proceed at all.

(d) Dilution

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up some or all of their entitlements will not receive any value in respect of their entitlements they do not take up. Shareholders who do not take up all of their entitlements will have their ownership in VRL diluted.

(e) Dividends

VRL has not paid dividends since 2016. It is uncertain when VRL may be able to pay dividends and there can be no assurance, despite the Asset Sale and the Entitlement Offer, that dividends will be paid in the future.

RISK FACTORS (CONT'D)

Forward-looking statements

The “forward looking statements” contained in this Presentation, including but not limited to projections, estimates and guidance on VRL’s future financial performance and outlook, are provided for illustrative purposes only and are not indicative of VRL’s actual performance for the relevant period; are based on assumptions and contingencies that are subject to change and involve known and unknown risks and uncertainties and other factors that are beyond the control of VRL and may not be reliably predictable; and should not be relied upon as an indication or guarantee of future performance, and that actual results, performance and achievements may differ materially from those expressed or implied in such forward looking statements and any assumptions on which these statements are based.

Specifically, FY18 earnings contained in this Investor Presentation is an estimate and there can be no assurance that VRL will achieve the results indicated. The estimate is based on a number of assumptions including those described under this “Risk Factors” section. Investors are cautioned not to place undue reliance on the estimate.

Past performance

Past performance cannot be relied upon as an indicator of future performance

General

General risk factors outside the control of VRL, which may have a significant impact on the future performance of VRL, include the following:

- economic conditions in Australia and internationally which may have a negative impact on capital markets;
- change in investor sentiment and perceptions in local and international stock markets;
- changes in interest rates, exchange rates and the rate of inflation;
- changes in domestic or international fiscal, monetary, regulatory, taxation and other government policies;
- changes in environmental conditions, such as lack of access to water;
- geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities;
- developments and general conditions in markets in which VRL operates; and
- economic and natural disasters.

6. FOREIGN SELLING RESTRICTIONS

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FOREIGN SELLING RESTRICTIONS

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 *et seq.* of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2, D.411-1, L.533-16, L.533-20, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (NZ) (the "FMC Act").

Other than in the Offering to existing shareholders to be made under the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (or any replacement of that notice), the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to persons who, in general, (i) are an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meet the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) are large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) are a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act, (v) are an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act or (vi) are a person controlled by persons to whom a relevant exclusion applies under the FMC Act.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

FOREIGN SELLING RESTRICTIONS

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, any securities described in this document may not be offered, sold or resold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold ordinary shares in the Company and are acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or jurisdiction of the United States.

Additional information

This Retail Offer Document (including the ASX announcements and Investor Presentation in relation to the Retail Entitlement Offer reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by the Company.

No party other than the Company has authorised or caused the issue of the information in this Retail Offer Document, nor takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Document.

3. Capital structure

3.1 Effect of the Entitlement Offer on capital structure

The approximate capital structure of the Company will be as follows:

Shares	Number
Shares on issue as at 10 July 2018	161,859,555
Options on issue as at 10 July 2018	1,500,000
Shares issued under the Institutional Entitlement Offer	21,610,150
New Shares offered under the Retail Entitlement Offer as per this Retail Offer Document	9,516,688
Total Shares on issue on close of the Entitlement Offer	192,986,393

Note: Exact number of Shares issued under the Entitlement Offer depends on fractional Entitlements on the Record Date.

3.2 Financial effect of the Entitlement Offer

Please see the Investor Presentation for the financial effect of the Entitlement Offer on the Company.

3.3 Impact on control

The potential effect that the Entitlement Offer will have on the control of VRL, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. It should be noted that VRC, an approximately 40.7% shareholder of VRL, does not propose to take up its Entitlements in the Entitlement Offer. However, the principal shareholders of VRC, Robert Kirby, John Kirby and Graham Burke or their related entities (**VRC Shareholders**), who are 'associates' of each other and of VRC, have committed to take up VRC's Entitlements in the institutional component of the Entitlement Offer by way of underwriting commitments. As there will be a short period between the issue of New Shares under the institutional and retail components of the Entitlement Offer, the VRC Shareholders' voting power in VRL is expected to temporarily increase from approximately 41.98% to 44.68%. This increase in voting power will return to approximately 41.98% on the issue of New Shares under the retail component of the Entitlement Offer. Accordingly, the Entitlement Offer is not expected to have any material or long term effect or consequence on the control of VRL.

3.4 Directors and underwriting

All Directors intend to participate in the Entitlement Offer.

The related entities of Directors, Robert Kirby, John Kirby and Graham Burke, have taken up the Entitlements of their controlled entity, VRC (which holds an approximately 40.7% shareholding in VRL), through underwriting agreements with VRL.

The terms and conditions of the underwriting agreements are materially the same for each of the above Directors and from VRL's perspective are on better than arm's length terms. In particular, these Directors are not being paid a fee and have no termination rights, other than if the Underwriting Agreement (with the Underwriter) is terminated.

4. Risk factors

4.1 Introduction

The Company's operations are subject to a number of risks which may impact its future performance and forecasts. Before subscribing for New Shares, Shareholders should carefully consider and evaluate the Company and its business and whether the New Shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors.

In particular, Shareholders should consider the risk factors outlined in the 'Key risks' section of the Investor Presentation included in this Retail Offer Document, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company. The risk factors set out in the 'Key risks' section of the Investor Presentation are not exhaustive.

You should consult your stockbroker, accountant, solicitor, tax adviser or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer. The Company has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Retail Entitlement Offer on Friday, 3 August 2018. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are quoted on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriter. ASX accepts no responsibility for any statement in this Retail Offer Document.

4.2 New Zealand Shareholders

New Zealand Shareholders should also consider the taxation and currency risks associated with investing in New Shares.

5. Eligible Retail Shareholders

The information in this Retail Offer Document contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. Please refer to Section 1.1 for Eligible Shareholder criteria.

The Retail Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand, other than potentially Company selected institutional Shareholders and investors in certain foreign jurisdictions. By returning a completed Entitlement and Acceptance Form or making a payment through BPAY®, you will be taken to have represented and warranted that you satisfy each of the Eligible Retail Shareholder criteria, including making the warranties and representations in Section 2.5. Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Document or any material relating to the Retail Entitlement Offer or accept the Retail Entitlement Offer in relation to any person in the United States, or any other person acting for the account or benefit of any person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States), or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial Shareholders who are institutional or professional investors in certain foreign countries selected by the Company.

6. Not investment advice or financial product advice

The Retail Entitlement Offer to which the information in this Retail Offer Document relates complies with the requirements of section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. The information in this Retail Offer Document is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares or any other financial products.

The information in this Retail Offer Document does not purport to contain all the information that you may require to evaluate a possible Application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au. The information in this Retail Offer Document does not take into account your investment objectives, financial situation or needs or those of any particular investor. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial objectives and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of the Shares, the subject of the Retail Entitlement Offer.

If, after reading this Retail Offer Document, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor, tax adviser or other independent professional adviser. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

7. Foreign jurisdictions

The information in this Retail Offer Document, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, and no action has been taken to register the Shares or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Document or any material relating to the Retail Entitlement Offer or accept the Retail Entitlement Offer in relation to any person in the United States, or any other person acting for the account or benefit of persons in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States), or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial Shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the Investor Presentation under the Foreign selling restrictions section or as the Company may otherwise permit in compliance with applicable law.

United States

This Retail Offer Document, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States).

Neither the New Shares nor the Entitlements have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the New Shares and the Entitlements in the Retail Entitlement Offer may not be offered or sold in the United States or to any other person acting for the account or benefit of persons in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States), and may only be offered and sold outside the United States in 'offshore transactions' as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act. Persons acting as nominees for other persons must not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement on behalf of any person in the United States or any person that is acting for the account or benefit of a persons in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States).

The distribution of this document outside Australia or New Zealand may be restricted by law. In particular, this document or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any person in the United States or to any person acting for the account or benefit of persons in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States). If you come into possession of this Retail Offer Document, you must observe such restrictions and should seek your own advice on such restrictions.

New Zealand

The New Shares are not being offered or sold in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This Retail Offer Document has been prepared in compliance with Australian law and does not constitute a New Zealand product disclosure statement or other disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Financial Markets Conduct Act 2013 (NZ). Participation in New Zealand in the Retail Entitlement Offer is open only to persons to whom financial products may be offered in New Zealand pursuant to the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)* (or any replacement of that notice).

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. The offer of New Shares may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

8. Taxation

8.1 General

Taxation is only one of the matters that must be considered when making a decision in relation to New Shares.

Set out below is a summary of the Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Shares on capital account.

This Section does not consider the Australian tax consequences for particular types of Eligible Retail Shareholders, including those who:

- (a) hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment; or
- (b) hold their Shares through an employee share scheme or whose Shares are held as revenue assets or trading stock; or
- (c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- (d) are tax residents of any jurisdiction (including New Zealand) other than Australia.

The summary below is based on the law in effect as at the date of this Retail Offer Document, is general in nature and should not be relied upon by Eligible Retail Shareholders as tax advice. Eligible Retail Shareholders should seek specific and independent advice applicable to their own particular circumstances from their own financial and tax advisers.

8.2 Income tax

Issue of Entitlements

Subject to the qualifications noted above and assuming that the Eligible Retail Shareholder continues to hold their Shares until the issue of the Entitlements, the issue of the Entitlements will not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

This is on the basis that the Entitlements satisfy the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth) and will therefore be treated as non-assessable and non-exempt income.

Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Shares will acquire those Shares with a cost base for CGT purposes equal to the Issue Price payable by them for those Shares plus any non-deductible incidental costs they incur in acquiring them. Eligible Retail Shareholders will not make any capital gain or loss, or derive assessable income, from exercising the Entitlements or subscribing for the New Shares.

Lapse of Entitlements

On the basis that no proceeds will be received by Eligible Retail Shareholders who allow their Entitlements to lapse, no income tax consequences should arise for those Eligible Retail Shareholders.

8.3 New Shares

Taxation of income for Eligible Retail Shareholders

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

For Eligible Retail Shareholders to be eligible for a tax offset in relation to any franking credits attached to a dividend paid by the Company on the New Shares, they will need to hold the New Shares *at risk* for at least 45 days, not counting the day of acquisition or disposal (referred to as the *holding period rule*). The holding period rule generally only needs to be satisfied once for the New Shares and will apply in respect of the New Shares beginning on the day after the day on which the Eligible Retail Shareholder acquires the New Shares. This rule does not apply if the Eligible Retail Shareholder is an individual where the total entitlement to franking credits for the year of income of the individual in which the dividend is received is below A\$5,000.

Taxation of disposals for Eligible Shareholders

The disposal of New Shares will give rise to a CGT event for Eligible Retail Shareholders. Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those Shares is described above, but, for these purposes, the cost base should also include a reasonable apportionment of the non-deductible incidental costs on disposal and any interest paid in respect of borrowings used to acquire those Shares that was not otherwise deductible to the Eligible Retail Shareholder.

New Shares will be treated for the purposes of the CGT rules as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. In order to benefit from the CGT discount that may be available to individuals, trusts and complying superannuation funds in respect of a disposal of the New Shares, the New Shares must have been held for at least 12 months before disposal.

Taxation of a return of capital by the Company

Where a return of capital is made by the Company, the cost base and reduced cost base of the Eligible Retail Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital, with any excess over the cost base triggering a capital gain. Where the Eligible Retail Shareholder disposes of their New Shares in the period between becoming entitled to the return of capital and the actual payment of the return of capital, the Eligible Retail Shareholder will generally make a capital gain equal to the amount of the return of capital. The amount returned may also include a dividend component, or be deemed under taxation law to include a dividend component, which will be subject to tax as set out above under the 'Taxation of income for Eligible Retail Shareholders' subheading.

8.4 Goods and Services Tax and Stamp Duty

Australian GST or stamp duty should not be payable in respect of the issue or exercise of the Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer. Eligible Retail Shareholders may be charged GST on third party acquisitions (such as brokerage or advisor fees) in respect of the issue or exercise of the Entitlements or the acquisition of those New Shares, depending on their individual circumstances.

9. Underwriting

The Company has entered into an underwriting agreement with the Underwriter (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter was appointed by the Company on an exclusive basis, to act as sole lead manager and bookrunner for the Entitlement Offer, and underwriter for the Entitlement Offer, other than in respect of the VRC Entitlement and the U.S. private placement under the Entitlement Offer. The obligations of the Underwriter are subject to the satisfaction of certain conditions precedent, including:

- (a) ASX not indicating that it will not admit the New Shares to quotation; and
- (b) receipt by the Underwriter of certain customary opinions and reports from the Company and its advisers.

The Company has (subject to certain limitations) agreed to indemnify the Underwriter and its affiliates, successors or Related Bodies Corporate and the directors, officers, agents, employees, representatives or advisers of the Underwriter or any of its affiliates, successors or Related Bodies Corporate against losses in connection with the Entitlement Offer. The Company and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer. The Underwriter may terminate the Underwriting Agreement and be released from its obligations if any of a range of events occur and provided in some instances that the event would among other things, have a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the securities of VRL or the willingness of investors to subscribe for securities to be issued under the Entitlement Offer. A summary of these key termination events is set out below.

The Underwriter will be remunerated by the Company for providing these underwriting services at market rates and be reimbursed for certain expenses. The Underwriter has not authorised or caused the issue of, and take no responsibility for, this Retail Offer Document, and to the maximum extent permitted by law, disclaims all liability in connection with the Entitlement Offer and this Retail Offer Document.

The Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events on or prior to the settlement date of the Retail Entitlement Offer, including (but not limited to) where:

- (a) ASX announces that the Company will be removed from the official list of ASX or that the New Shares will be delisted or suspended from quotation by ASX for any reason;
- (b) there are material disruptions in financial or economic conditions in key markets or hostilities commence or escalate in certain key countries;

- (c) a statement contained in the offer materials is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or the offer materials omit any information they are required to contain, or any expression of opinion or intention in the offer materials is not (or ceases to be) fairly and properly supportable or there are no reasonable grounds for making any statements relating to future matters in the offer materials; and
- (d) there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Company or any of its subsidiaries.

Please note that the above is not an exhaustive list of the termination events in the Underwriting Agreement.

The Underwriter will be paid:

- (a) an underwriting fee of 2.5% (excluding GST) of the Entitlement Offer proceeds (excluding those received in relation to VRC's Entitlement); and
- (b) a management fee of 0.5% (excluding GST) of the Entitlement Offer proceeds.

VRL may, in its absolute discretion, consider paying the Underwriter an incentive fee (in aggregate) of an amount equal to 0.5% (excluding GST) of the Entitlement Offer proceeds (excluding those received in relation to VRC's Entitlement). The Underwriter will also be reimbursed for certain expenses.

Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of its directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this document and they do not take any responsibility for this document or any action taken by you on the basis of information contained in this document. To the maximum extent permitted by law, the Underwriter and its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by either Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

The Underwriter may hold interests in the securities of VRL or earn brokerage, fees or other benefits from VRL.

10. Financial data

The pro forma historical financial information included in this Retail Offer Document and the accompanying Investor Presentation does not purport to be in compliance with Article 11 of Regulation S-X under the U.S. Securities Act and was not prepared with a view toward compliance with the published guidelines of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants.

11. Information availability

Eligible Retail Shareholders in Australia or New Zealand can obtain a copy of this information during the period of the Retail Entitlement Offer by calling the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

12. Forward-looking statements and future performance

Neither the Company, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the information in this Retail Offer Document. Forward-looking statements, opinions and estimates provided in the information in this Retail Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. These statements can generally be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'predict', 'guidance', 'plan' and other similar expressions. Any forward-looking statements including projections, guidance on future production, sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board, including the risks described in the accompanying Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Document.

13. Past performance

Past performance information given in this Retail Offer Document is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Retail Offer Document is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

Glossary

Term	Definition
Applicant	An Eligible Retail Shareholder who applies for New Shares under this Retail Offer Document
Application	An application for a specified number of New Shares by an Applicant under this Retail Offer Document
Application Monies	Funds accompanying a completed Entitlement and Acceptance Form or funds paid by BPAY®
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires
ASX Listing Rules	The listing rules of ASX
ASX Settlement Rules	The Settlement Operating Rules made by ASX Settlement Pty Limited ACN 008 504 532
Board	The Directors acting as a board of the Company
CGT	Capital Gains Tax
Closing Date	The date on which the Retail Entitlement Offer closes, expected to be 5.00pm (Melbourne time) on Thursday, 26 July 2018
Company or VRL	Village Roadshow Limited ACN 010 672 054
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The directors of the Company
Eligible Retail Shareholder	As defined in Section 1.1
Entitlement	The number of New Shares each Eligible Retail Shareholder is offered under the Entitlement Offer
Entitlement and Acceptance Form	The personalised form for participation in the Retail Entitlement Offer attached to or accompanying this Retail Offer Document
Entitlement Offer	The fully underwritten pro-rata accelerated non-renounceable entitlement offer of 5 New Shares for every 26 Existing Shares at A\$1.65 per New Share
Excess Amount	Any monies in excess of the full amount of Application Monies for an Eligible Retail Shareholder's whole Entitlement
Existing Shares	Shares on issue at the Record Date
GST	Goods and Services Tax
Ineligible Retail Shareholder	As defined in Section 1.1
Institutional Entitlement Offer	The institutional component of the Entitlement Offer which was successfully completed and announced to the ASX on 12 July 2018
Investor Presentation	The investor presentation released to ASX on 10 July 2018 and included and forming part of this Retail Offer Document

Issue Price	The price payable for one New Share under the Entitlement Offer or A\$1.65
Melbourne time	The time in Melbourne, Australia
New Share	A Share offered and issued under the Entitlement Offer
Non Eligible Foreign Shareholder	A Shareholder with an address in the Company's share register outside Australia or New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous; provided that any person who is in the United States or who is acting for the account or benefit of any person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States) is a Non Eligible Foreign Shareholder
Offer Period	Tuesday, 17 July 2018 to Thursday, 26 July 2018 or any other date as may be determined by the Company
Record Date	7.00pm (Melbourne time) on Thursday, 12 July 2018
Retail Entitlement Offer	The retail component of the Entitlement Offer being the offer of 5 New Shares for each 26 Existing Shares on the terms set out in this Retail Offer Document to Eligible Retail Shareholders
Retail Offer Document	This document
Section	Means a section of this Retail Offer Document
Share	A fully paid ordinary share in the capital of the Company
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
Shareholder	A holder of at least one Share as recorded on the Company's share register
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	J.P. Morgan Australia Limited ABN 52 002 888 011, who is underwriting the Entitlement Offer (other than in respect of the VRC Entitlement) on the terms and conditions of the Underwriting Agreement
Underwriting Agreement	As defined in Section 9
VRC	Village Roadshow Corporation Pty Limited ACN 004 318 610
VRC Shareholders	As defined in Section 3.3

Corporate Directory

Directors

- Robert Kirby
- Graham Burke
- John Kirby
- David Evans
- Jennifer Fox Gambrell
- Robert Le Tet
- Timothy Antonie

Co-Chief Executive Officers

- Robert Kirby
- Graham Burke

Company Secretary

- Shaun Driscoll
- Julie Raffe

Australian legal advisers to the Offer

MinterEllison
Level 23, Rialto Towers
525 Collins Street
Melbourne, Victoria 3000

Registered Office

Level 1, 500 Chapel Street
South Yarra, Victoria 3141

Underwriter

J.P. Morgan Australia Limited
Level 18, 85 Castlereagh Street
Sydney, New South Wales 2000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3067

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Village Roadshow Limited

ABN 43 010 672 054

For all enquiries:

Phone:



(within Australia) 1300 850 505

(outside Australia) 61 3 9415 4000

Web:



www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and how to make your payment

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Retail Entitlement Offer - Entitlement and Acceptance Form



**Your payment must be received by 5:00pm
(Melbourne time) on Thursday, 26 July 2018**

As an Eligible Retail Shareholder you are entitled to acquire 5 New Shares for every 26 Existing Shares that you hold on the Record Date, at an Offer Price of A\$1.65 per New Share.

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

IMPORTANT: The Retail Entitlement Offer is being made under the Retail Offer Document dated Tuesday, 17 July 2018. The Retail Offer Document contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Retail Offer Document. This Entitlement and Acceptance Form should be read in conjunction with the Retail Offer Document.

Step 1: Registration Name & Offer Details

Details of your shareholding and Entitlements for this Retail Entitlement Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your controlling participant to notify a change of address.

Step 2: Make Your Payment

If you wish to accept your full Entitlement, the New Shares you will receive and the amount payable in respect of those New Shares is shown overleaf.

If you wish to accept either all or part of your Entitlement please complete this Entitlement and Acceptance Form by inserting the number of New Shares you wish to accept overleaf (being no more than your Entitlement).

Payment Methods

Choose one of the payment methods shown below.

BPAY®: If paying by BPAY®, refer to the instructions overleaf. Do not return the payment slip with BPAY® payment.

By Cheque, Bank draft or money order: If paying by cheque, bank draft or money order, complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "Village Roadshow Limited" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not acceptable.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia or New Zealand. In particular the Retail Entitlement Offer is not being made to any person in the United States or to any person who is acting for the account or benefit of any person in the United States. The Retail Offer Document and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. By applying for New Shares, you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States and that applying for New Shares does not breach any law in any relevant jurisdiction outside Australia or New Zealand.

ACCEPTANCE OF RETAIL ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Share Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Retail Offer Document and that you acknowledge the matters, and make the warranties and representations in the Retail Offer Document; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the constitution of Village Roadshow Limited.

Unless otherwise defined, all capitalised terms are defined in the Retail Offer Document.

Payment must be received by 5:00pm (Melbourne time) on Thursday, 26 July 2018

© Registered to BPAY Pty Limited ABN 69 079 137 518


Turn over for details of the Offer →

Entitlement and Acceptance Form

IND

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Existing Shares entitled to participate as at 7:00pm (Melbourne time) on
Thursday, 12 July 2018:

Entitlement to New Shares on a 5 for 26 basis:

Amount payable on full acceptance of your Entitlement at A\$1.65 per New Share:

STEP 2

Make Your Payment



Bill Code:
Ref No:

Contact your financial institution to make your
payment from your cheque or savings account.

Pay by Mail:



Make your cheque, bank draft or money order payable to
"Village Roadshow Limited" and cross **"Not Negotiable"**.
Return your cheque with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Entitlement and Acceptance Form

If you are applying for New Shares and your payment is being made by BPAY®, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (Melbourne time) on Thursday, 26 July 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited 'CIS' nor VRL accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below with cheque, bank draft or money order must be received by CIS by no later than 5:00pm (Melbourne time) on Thursday, 26 July 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for Eligible Retail Shareholders in Australia. Other Eligible Retail Shareholders will need to affix the appropriate postage. Neither CIS nor VRL accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuers administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here and enclose with payment

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Village Roadshow Limited Acceptance Payment Details

Entitlement taken up (being not more than your
Entitlement shown above):

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Amount enclosed at A\$1.65 per New Share
(Multiply the total number of New Shares taken
up by A\$1.65):

A\$

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Entitlement No:

Payment must be received by 5:00pm (Melbourne time) on Thursday, 26 July 2018

Contact Details

Contact

Name Daytime Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-3051+14