



# VILLAGE ROADSHOW

## UPDATE ON COVID-19 RESPONSE

**19 March 2020:** Village Roadshow Limited (ASX: VRL) issues this update related to COVID-19 (Coronavirus). In recent weeks, there has been an escalation of disruption to our businesses from COVID-19.

In the Cinema Exhibition division, major Studios have rescheduled a number of 2H FY20 titles including *Peter Rabbit 2: The Runaway*, *Mulan*, *Bond: No Time To Die*, *Fast & Furious F9* and *A Quiet Place Part II* to FY2021. This will have a significant adverse impact on division's trading.

Theme Parks division has continued to experience a reduction in visitation, particularly from the international tourist market. This along with weaker forward bookings and lower annual pass sales to the domestic market has made recent trading challenging, which is expected to continue.

VRL CEO Clark Kirby said "based on international precedent, it is possible that cinemas and/or theme parks may be closed in Australia for a period of time, which would have a significant adverse impact on VRL's earnings during that period. The Company is working on contingency plans for this eventuality".

Given the dynamic and uncertain nature of the impact of COVID-19 on our businesses it is extremely difficult to predict the overall consequence for the financial results of VRL for FY20. It is therefore not possible to provide meaningful guidance on the group's earnings at this time.

The Group is taking decisive action to mitigate the significant adverse impact of COVID-19 on our businesses and we are implementing cost reduction strategies to reduce the potential impact on the group's earnings and cash flows and are in discussions with Industry Groups and Government at Federal, State and Local levels to develop action plans and support.

Cost saving initiatives include:

- Senior executives salaries will be reduced immediately
- Senior executive bonuses will be zero for FY20
- Freeze on all non-essential uncommitted capital expenditure
- Freeze on all non-essential international and domestic travel
- Freeze on all non-essential recruitment, consulting and advisory work
- Asking all employees to take leave to reduce employee costs

Clark Kirby added "as always the safety and well-being of our employees and patrons is our first priority, we will continue to follow operating guidelines provided by government and health authorities despite the adverse impact on the profitability of our business. The cost reduction measures we are implementing will assist our group earnings and cashflows in challenging circumstances. Most of our earnings are derived from the domestic market which should enable a swift recovery once this terrible pandemic has passed".

VRL continues to assist PEP and BGH with their respective due diligence processes. VRL shareholders do not need to take any action in relation to either the PEP proposal or the BGH proposal at this time and there is no certainty that either proposal will result in a transaction.

This announcement has been authorised by the VRL board.

For further information:

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