

1H16 RESULTS PRESENTATION

25 FEBRUARY 2016

VILLAGE ROADSHOW LIMITED

CONFERENCE CALL DETAILS

Village Roadshow Limited 1H16 Results Teleconference

Date of call	Thursday 25 th February 2016
Time of call	2:00pm AEDT (Melbourne/Sydney time)
Conference ID	31807886

Participant International Dial-In :

Participant International Dial-In Number:	+61 296960911
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Participant Local Dial-In Numbers:

Australia, Melbourne	61387444600
China, Domestic	8008700818
China, Domestic	4006988833

Participant Australian Toll Free Dial-In Numbers:

Australia	1800428662
Australia, MOBILE	1300205148

Participant International Toll Free Dial-In Numbers:

Austria	8000296660
Brazil	80008914711
Canada	18667933093
China, China North	108006110123
China, China South	108003610142
France	8000916753
Germany	80001802532
Hong Kong	800901036
Hong Kong	800930392
India	0008001006685
Indonesia	0018030612384
Italy	800788726
Japan	00531250073
Korea (South)	0079861365711
Malaysia	1800813705
Netherlands	80000227199
New Zealand	8000452573
Philippines	180016120037
Poland	008006411201
Singapore	8006163135
South Africa	8000981037
Switzerland	8000835396
Taiwan	00801615158
Thailand	00180061365716
United Arab Emirates	8000176409
United Kingdom	08082348309
United States	18665197010



ENTERTAINMENT AND TOURISM DELIVERS

EBITDA \$77.9m

Profit before tax \$28.8m

Continued commitment to shareholder returns

Declared interim dividend of 14cps payable April 2016 (fully-franked)



FUTURE GROWTH FOCUS MAINTAINED THROUGHOUT THE HALF

- Divisional and Corporate **finance facilities restructured** with increased flexibility and interest savings
- Growth in Edge Loyalty and acquisition of Opia creating the **Marketing Solutions division** – positioned for rapid expansion
- Building out jointly owned Australian Cinema Circuit with emphasis on new population growth corridors and **GOLD CLASS** and **max**
- Film Distribution continued to **build its content supply and digital distribution networks**
- Roadshow's support of the Australian film industry continues with *Red Dog True Blue* in production and due for release on Boxing Day 2016
- Continued progress of Asian expansion strategy with focus on China, building key relationships



VRL GROUP – KEY EARNINGS METRICS

Key earnings metrics (\$m)	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions (1)		Corporate & Other		Group		
	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15	FY15
EBITDA	44.5	41.8	37.6	26.2	14.8	20.0	1.6	0.7	(20.6)	(19.6)	77.9	69.2	165.7
EBIT	19.1	18.3	30.1	18.9	13.0	18.5	1.2	0.5	(21.4)	(20.3)	42.0	35.9	97.5
PBT	11.6	9.9	28.2	16.9	11.4	17.1	1.1	0.4	(23.5)	(21.8)	28.8	22.6	71.2

Notes:

(1) In late December 2015, VRL acquired UK-based sales promotion business, Opia. Edge Loyalty and Opia have formed the Marketing Solutions division.

Acquisition costs for Opia were written off in 1H16, included in Material Items.

EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation, excluding material items and discontinued operations.

EBIT is Earning Before Interest and Tax, after Depreciation and Amortisation, excluding material items and discontinued operations.

PBT is Profit Before Tax, excluding material items and discontinued operations, also referred to as "Operating Profit".



VRL GROUP – CASH FLOW

Operating cash flow (\$m)	Theme Parks	Cinema Exhibition	Film Distribution	Marketing Solutions	Corporate & Other	Group		
						1H16	1H15	FY15
EBITDA	44.5	37.6	14.8	1.6	(20.6)	77.9	69.2	165.7
Movement in working capital	(1.8)	8.4	(13.1)	(1.0)	(3.2)	(10.7)	(6.0)	1.3
Interest & tax	(7.6)	(1.9)	(1.6)	(0.1)	(15.1)	(26.3)	(26.2)	(55.7)
Operating cash flow	35.1	44.1	0.1	0.5	(38.9)	40.9	37.0	111.3
Capital expenditure	(26.4)	(13.8)	(0.2)	(0.1)	(2.2)	(42.7)	(36.0)	(80.9)
Free cash flow	8.7	30.3	(0.1)	0.4	(41.1)	(1.8)	1.0	30.4

Notes:

Figures reflect 1H16 unless stated otherwise.



VRL GROUP – DEBT

On balance sheet debt	Facility Expiry (Calendar year)	Total Facility (\$m) 31-Dec-15	Total Debt Drawn (\$m) 31-Dec-15	Total Debt Drawn (\$m) 30-Jun-15 (1)
VRL Group Finance Facility	2019	480.0	480.0	
	2020	320.0	110.0	
Other	Various	14.5	7.7	
Total		814.5	597.7	497.5
Cash on hand			(108.7)	(95.3)
Net debt on balance sheet			489.0	402.2

Debt & interest cover 1H16 (annualised)	Net Debt / EBITDA	EBITDA / Net Interest
VRL Group	2.8x	5.9x

Notes:

(1) 30 Jun 15 debt does not map directly to 31 Dec 15 due to restructure of debt facilities.
Other includes remaining finance facilities and reduction from capitalised borrowing costs.



THEME PARKS

The background of the slide is an abstract composition of overlapping, semi-transparent geometric shapes. These shapes, which include long, thin rectangles and larger, rounded rectangular blocks, are oriented diagonally from the top-left towards the bottom-right. The color palette is monochromatic, consisting of various shades of gray, from light to dark, and some areas of pure white. The overall effect is a sense of depth and movement, with the layers of shapes creating a complex, layered visual texture.

THEME PARKS – KEY RESULTS

Key results (\$m unless stated otherwise)	Gold Coast Theme Parks		Wet'n'Wild Sydney		Wet'n'Wild Las Vegas		Theme Parks (total)		
	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15	FY15
Total attendance ('000s)	2,761	2,685	262	342	191	202			
Total income	150.7	143.5	11.1	14.6	6.6	6.2	168.5	164.3	318.3
Total expenses	(112.0)	(108.1)	(8.1)	(10.6)	(3.9)	(3.8)	(124.0)	(122.5)	(225.8)
EBITDA	38.7	35.4	3.0	4.0	2.7	2.4	44.5	41.8	92.5
Depreciation & amortisation	(21.0)	(19.7)	(3.5)	(3.0)	(0.8)	(0.8)	(25.3)	(23.5)	(48.7)
Interest expense (net)	(5.6)	(6.4)	(1.2)	(1.4)	(0.7)	(0.6)	(7.6)	(8.4)	(16.2)
PBT	12.1	9.3	(1.7)	(0.4)	1.2	1.0	11.6	9.9	27.6
Non-controlling interests	-	-	-	-	(0.6)	(0.5)	(0.6)	(0.5)	(0.2)
PBT after minority interests	12.1	9.3	(1.7)	(0.4)	0.6	0.5	11.0	9.4	27.4
<i>Total capital expenditure</i>	<i>(25.4)</i>	<i>(17.7)</i>	<i>(0.9)</i>	<i>(8.0)</i>	<i>(0.1)</i>	<i>(0.2)</i>	<i>(26.4)</i>	<i>(25.9)</i>	<i>(49.4)</i>



A STRONG START TO THE YEAR AT GOLD COAST THEME PARKS

- Solid ticket sales and admissions revenue with generally good weather
 - Increased attendance underpinned in-park revenue
 - Membership program successfully introduced
- Record performance of *Fright Nights* (Halloween) and *White Christmas* at Warner Bros. Movie World
- New *Creatures of the Deep* exhibit and *Nickelodeon Land* well received at Sea World
- *Sea World Resort* continued exceptional performance despite strong competition
 - The *Conference Centre* adds a new dimension to operations and far exceeded 1H16 expectations
- *Australian Outback Spectacular* and *Paradise Country* benefiting from yield management and expense control strategies with revenue and attendance growth
 - Paradise Country also benefiting from the successful 4-Park Pass



MEMBERSHIPS EXPECTED TO DRIVE GOLD COAST SALES

- Part of a long term growth plan, memberships are a subscription service starting at \$9 per month
 - Benefit of higher overall ticket yield and automatic renewal
 - Expected to drive incremental sales
- VIP passes continue to be sold in addition to memberships
- Membership revenue recognised on a visitation basis similar to VIP pass revenue recognition, however allocated proportionately across financial years
 - Modest impact on short term results, reducing as membership program builds up
 - Minimal effect in the first half of the financial year when yield on membership and VIP passes is similar
 - Yield differential for memberships sold in the second half is greater as a larger portion of revenue is allocated to following financial year



WEATHER AND COMPETITION AFFECTED SYDNEY AND LAS VEGAS

WET'N'WILD SYDNEY

- Strong start to season pass sales, however weather deteriorated in September school holidays and remained cool and wet throughout the summer season, literally washing out the year
- “Buy 3 get 1 Free,” “Summer Sizzler” campaigns and season pass payment plan introduced to boost sales
- 1H16 EBITDA down from 1H15 due to loss in yield and shortfall in sales

WET'N'WILD LAS VEGAS

- Closed for the 2015 season in September 2015
 - First full season of operation for the competitor water park
- VRTP aggressively pursued attendance in response
- 1H16 EBITDA slightly above 1H15 in AUD terms



GOLD COAST PERFORMANCE IS EXPECTED TO CONTINUE

- Solid attendance at Gold Coast theme parks in 2H16 to date
- Continuation of special night time events, with *Carnivale* in April 2H16
- Annual pre-season program soon to commence in 2H16
- DC “Villains” themed area and “DoomsDay” thrill ride due to open late CY16 at Warner Bros. Movie World
- One of the world’s largest soundstages will be introduced at Village Roadshow Studios
 - Makes Village Roadshow Studios more attractive as a production house - Marvel’s next instalment of *Thor* scheduled for production in 2016
- Expectation that full year Gold Coast result will be an improvement on the prior year



SYDNEY REMAINS WEATHER AFFECTED – FOCUS IS ON THE FUTURE

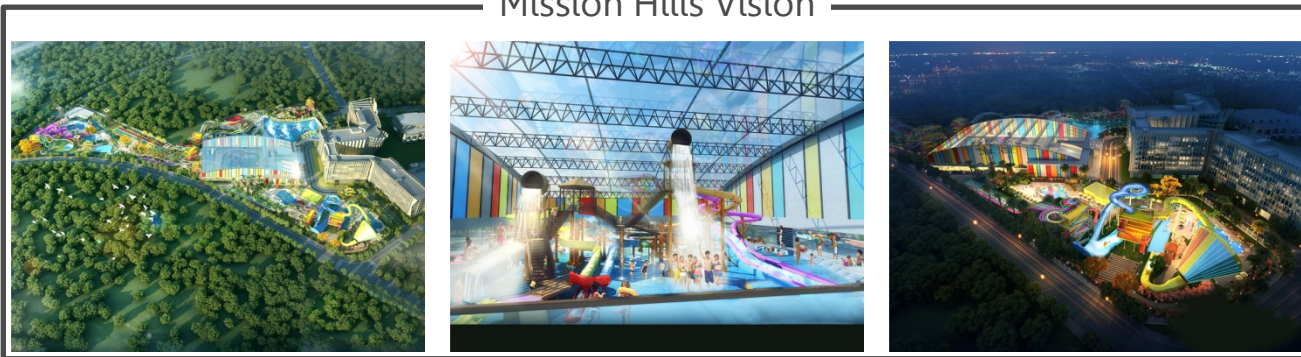
- Wet'n'Wild Sydney continued to be affected by terrible weather in 2H16
 - Rare days of warm, dry weather saw strong attendance
- Expense minimisation and driving volume the focus for the balance of FY16
- Focus in FY17 on additional strategies to strengthen the business
 - Season pass pre-season sales
 - New membership sales strategy
 - Introduction of special events including Halloween and subsequent spring/summer event
- 2H16 expected to be in line with 2H15 results



ASIAN THEME PARK EXPANSION CONTINUES

- 1H16 **focus on relationships** with China's leading State Owned Enterprises and private companies
- Entered into an **agreement to provide consultancy and management** services for a water park at Mission Hills Golf Resort in Haikou, Hainan Island (targeted opening early CY17)
- CITIC **Chengdu project moving forward**

Mission Hills Vision



EXPLORING OTHER ASIAN EXPANSION OPPORTUNITIES

- “Big Box” indoor location based entertainment concept currently being developed
 - Modules cost \$15 – 30 million
 - Ranging in size from 2,500 to over 20,000 square metres
 - Applicable throughout the Asian region and able to be replicated across a number of sites
 - Offer year-round climate controlled themed environment
 - Designs to appeal to pre-schoolers, college students and families
- VRL continues to explore various other opportunities in the theme park arena



CINEMA EXHIBITION

The background features a series of overlapping, diagonal, rounded rectangular shapes that create a sense of depth and movement. The colors range from light gray to dark gray, with some areas appearing white due to the layering effect. The overall composition is modern and minimalist.

CINEMA EXHIBITION – KEY RESULTS

Key results (\$m unless stated otherwise)	1H16	1H15	FY15
Total admissions - Australia (m) (1)	13.2	12.2	
Sales revenue	143.0	121.2	278.3
Other income	12.8	11.4	23.9
Total expenses	(122.6)	(108.6)	(236.3)
EBITDA - Australia	33.2	24.0	65.9
EBITDA - Singapore	5.7	3.4	8.2
EBITDA - Other (2)	(1.3)	(1.2)	(2.6)
EBITDA - Total	37.6	26.2	71.5
Depreciation & amortisation	(7.5)	(7.3)	(14.6)
Interest expense (Net)	(1.9)	(2.0)	(3.6)
PBT	28.2	16.9	53.3
<i>Total capital expenditure</i>	<i>(13.8)</i>	<i>(5.0)</i>	<i>(19.6)</i>

Notes:

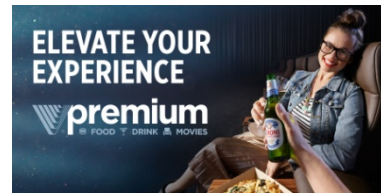
(1) Total Admissions includes Admissions to cinemas held within the Event Hospitality & Entertainment (previously Amalgamated Holdings) Joint Venture.

(2) Other includes Intency, Belfast and iPic Theaters (30% owned).



ALL TIME RECORD 1H16 RESULT IN CINEMA EXHIBITION

- Higher admissions and spend per customer driven by exceptionally popular and successful **GOLD CLASS** and **Vmax** concepts and an outstanding film line up including *Star Wars*, *Spectre* and *Hunger Games*
- Special events and new sponsorship deals drove revenue
- Careful control of overheads contributed to the success of this business
- Village Movie Club continued to grow and successful initiatives within Retail Gifting drove physical and digital sales
- Two **Vpremium** auditoria opened at Jam Factory (Victoria) providing additional revenue from food offerings and premium pricing, driving ongoing margin improvement
- Ongoing program of targeted cinema expansions, upgrades and refurbishments



INTERNATIONAL EXHIBITION OPERATIONS CONTINUE TO EXPAND

SINGAPORE CINEMA EXHIBITION (50% VRL owned)

- Number one circuit in Singapore with 42% market share, delivering a record first half
- Attendance up on prior corresponding period, with higher average ticket price and spend per person
- 1H16 EBITDA share of \$5.7m up 65.4% on 1H15
- Circuit continues to expand with a new site opening in 2017 at the SingPost Centre at Paya Lebar

IPIC THEATERS USA (30% VRL owned)

- Has created an incredible reputation as the leader in upmarket cinema and dining in the USA
- www.ipictheaters.com to view the concept in detail
- Aggressive growth plans
 - Expected to be profitable once critical mass of sites reached to disperse overheads and build out development costs
 - 13 iPic Theaters in operation following successful opening of Houston and North Miami sites in late CY15
 - Three sites in New York scheduled to open in FY17



CINEMA EXHIBITION EXPECTED TO OUTPERFORM FY15

- Continued expansion of unique **GOLD CLASS**, **▼max** and **▼premium** offerings ensures consumers receive a **superior movie going experience** and we maximise spend
- New sites currently underway in line with strategy to expand into **new population growth corridors**:

Location	Expected Opening	Total Screens	▼max	GOLD CLASS
Glenelg, South Australia	Mar-16	6	-	-
North Lakes, Queensland	Apr-16	8	2	2
Palmerston, Northern Territory	Dec-17	6	2	-
Coomera, Queensland	After 2017	10	2	3
Westfield Plenty Valley, Victoria	Jun-18	9	2	3

- Focus on **special events**, international cinema and events in partnership with charitable organisations
- Retail initiatives successful with outstanding results out of the 2015 **Christmas Campaign** – generated **over \$40 million** in sales across the national circuit
- Given the timing of film releases in FY16, while the Cinema Exhibition division is expected to outperform the record breaking FY15 performance - earnings expected to be biased towards first half
 - Strong line-up of titles support 2H16 results, including *Batman vs. Superman: Dawn of Justice*, *Captain America: Civil War*, *Finding Dory* and *The Jungle Book*



FILM DISTRIBUTION

The background of the slide is an abstract composition of overlapping, semi-transparent geometric shapes. On the left, there are several parallel diagonal lines in varying shades of light gray. On the right, there are larger, rounded, V-shaped or chevron-like structures that also overlap, creating a sense of depth and movement. The color palette is monochromatic, consisting of different tones of gray and white.

FILM DISTRIBUTION – KEY RESULTS

Key results (\$m)	1H16	1H15	FY15
Sales revenue	201.6	171.3	364.5
Other income	0.1	0.9	2.6
Share of associates' profit	1.2	-	1.0
Total expenses	(188.1)	(152.2)	(333.5)
EBITDA	14.8	20.0	34.6
Depreciation & amortisation	(1.8)	(1.5)	(3.0)
EBIT	13.0	18.5	31.6
Interest expense (net)	(1.6)	(1.4)	(2.9)
PBT	11.4	17.1	28.7
<i>Total capital expenditure</i>	<i>(0.2)</i>	<i>(1.2)</i>	<i>(2.3)</i>



DISTRIBUTION REVENUE INCREASED, HOWEVER MARGINS ERODED

- Strong performance of *Mad Max: Fury Road* (Home Entertainment) and *Oddball* (Theatrical and Home Entertainment)
 - However, 1H16 EBITDA and PBT were down from 1H15 with a weaker theatrical slate and as we transition to a digital universe
- Roadshow Home Entertainment remained **the market leading distributor** in the physical retail market (30% market share) and **digital revenue growth outpaced industry growth** (17% market share)
 - Inclusion of Warner Home Entertainment product helped drive a **revenue increase of 18%** over 1H15
 - Revenue gains eroded in physical and digital categories due to overall product mix
- Roadshow Television performed well with revenue and EBITDA up on 1H15, however product skew to higher royalty rates across the slate likely to impact gross profit in 2H16
- As the impact of first half content carries through to the second half, full year results are expected to underperform FY15



INDUSTRY TRANSITIONING TO GROWING DIGITAL CHANNELS

- Total industry physical market down 5.5% year on year, with new revenue streams emerging
 - Successful launch of SVOD services such as Netflix, Stan and Presto adds an [exciting new dynamic](#)
 - [Distribution with leading digital providers](#) the focus
 - Content supply deals with Channel 9 and Foxtel in place
 - Secured Sky Pay TV deal and second year packages with Netflix and Stan in 1H16
- Content ownership considered key to success
 - Roadshow has [strong content library](#) and [partnerships with leading studios](#)
 - Closed [output agreement](#) with new US studio STX
 - Creator of content & US studio
 - Controls distribution and marketing of content



FILMNATION ENTERTAINMENT DIVERSIFIES AND DE-RISKS



- VRL owns 31% of FilmNation Entertainment
- International film company that sells territorial rights on a commission basis
- Activities extend to financing low risk in-house productions
 - *The Founder*, starring Michael Keaton and directed by John Lee Hancock
 - *Story of Your Life*, starring Amy Adams and directed by Denis Villeneuve
- Successfully achieved goal to cover the cost of production and eliminate risk by pre-selling around the world and in the USA



ROADSHOW - SUPPORTING THE AUSTRALIAN FILM INDUSTRY

- Following success of Australian family content distributed by Roadshow (*Paper Planes, Oddball*) Roadshow to bring *Red Dog True Blue* to screen Boxing Day 2016
 - Follows the rise of Red Dog from an ordinary little puppy to [Australian legend](#), produced by [Nelson J. Woss](#) starring amazing new talent [Levi Miller](#) and Australian film legends [Bryan Brown](#) and [John Jarratt](#) and filmed in Pilbara region of Western Australia
- [Continued support of Australian film industry](#), currently working with major Australian talent on a number of opportunities



MARKETING SOLUTIONS



MARKETING SOLUTIONS – KEY EARNINGS METRICS

Key earnings metrics (\$m)	1H16	1H15	FY15
EBITDA	1.6	0.7	2.9
EBIT	1.2	0.5	2.4
PBT	1.1	0.4	2.2

Previously reported within Corporate & Other, Marketing Solutions now to be reflected as a separate division

Notes:

Results include an EBITDA contribution from Opia of \$0.3m for the post acquisition period from 18 December 2015.



VRL'S MARKETING SOLUTIONS DIVISION

A network of data-driven sales promotion and loyalty businesses with operations in Australia and Europe



AUSTRALIA

- Founded in 2006 and acquired by Village Roadshow in 2012
- Australia's leading provider of loyalty and reward solutions



EUROPE

- 80% acquired in December 2015
- A leading provider of sales promotions in the UK and internationally

The marketing solutions division offers earnings diversification and substantial growth opportunities



OPIA ACQUISITION IS AN OPPORTUNITY FOR FUTURE GROWTH



- VRL paid \$50 million for Opia - represents a 5.3x multiple of full year 2016 forecast EBITDA of \$11.8 million (VRL's share will be 80%)
- Has established long-term relationships with leading international consumer electronics brands
- In combination with Edge's expertise and networks is positioned for significant growth
- Opia CEO and Sales Director retained 20% equity following acquisition
 - Outstanding executives, invested in the long term future of the business
- Further diversifies VRL's portfolio of businesses – also provides geographic diversification



MARKETING SOLUTIONS OPERATES IN THREE KEY AREAS

- **Payment Solutions** - Providing alternative payment solutions to bank transfers and cheques to facilitate cash backs, staff rewards and customer incentives
- **Loyalty Marketing** - Providing the design and end to end management of consumer promotions through a range of products to drive sales
- **Consumer Products** - Delivering aggregated product direct to consumers across food, health, wellbeing and fundraising through multiple sales channels



FILM PRODUCTION

The background features a series of overlapping, diagonal, rounded rectangular shapes that create a sense of depth and movement. The colors range from light gray to dark gray, with some areas appearing white due to the layering. The overall effect is modern and minimalist.

VREG AND VRP POSITIONED FOR THE FUTURE

- 88 films in its library as at 31 December 2015 including *Goosebumps*, *In the Heart of the Sea* and *Concussion* released in 1H16
- In September 2015, Village Roadshow Entertainment Group (“VREG”) completed new corporate debt facilities totalling USD325m, refinancing its existing facility and providing additional working capital
 - VRL contributed USD15m in subordinated debt (entitled to cash interest of 6.0% p.a. plus non-cash interest of 9.5% p.a. payable upon repayment of the debt)
- Village Roadshow Pictures (“VRP”) also completed a renewal of its film financing facilities for USD775m until 2021



FRANCHISE POTENTIAL VERY REAL



- Film industry has evolved to one of **GLOBAL BRANDS** and **FRANCHISES**, with major event movies with built-in want see/want buy from New York to Rio, Beijing to Berlin
- VREG in a powerful position through partnership with Warner Bros. to prosper in this exciting space
- Projects with very real franchise potential include:
 - *King Arthur Knights of the Round Table* – VREG management sees this film as having great potential
 - *Ready Player One* – from the explosive, best-selling novel by Ernest Cline (a highly recommended read), this project has commenced pre-production under the brilliant direction of Steven Spielberg
 - *Legend of Tarzan* – from Director David Yates of *Harry Potter and the Order of the Phoenix* and *Harry Potter and the Deathly Hallows: Parts 1 and 2*, this film stars Alexander Skarsgård, Christoph Waltz, Samuel L. Jackson and Margot Robbie and is due for release in mid-CY16



VRP HAS A STRONG PORTFOLIO OF MOTION PICTURES

- *Grimsby* (Sony)
 - Starring Sacha Baron Cohen and Mark Strong, directed by Louis Leterrier
- *Going in Style* (Warner Bros.)
 - Starring Morgan Freeman, Michael Caine and Alan Arkin, directed by Zach Braff
- *Ghostbusters*, (Sony)
 - Starring Melissa McCarthy, Kristen Wiig, Kate McKinnon, Leslie Jones, Chris Hemsworth, Andy Garcia, directed by Paul Feig
- *Sully* (Warner Bros.)
 - Starring Tom Hanks and Laura Linney, directed by Clint Eastwood
- *The Magnificent Seven* (Sony/MGM)
 - Starring Denzel Washington, Chris Pratt, Ethan Hawke, Vincent D'Onofrio and Haley Bennett, directed by Antoine Fuqua
- *Passengers* (Sony)
 - Starring Jennifer Lawrence, Chris Pratt, Michael Sheen and Laurence Fishburne, directed by Morten Tyldum (Director of *The Imitation Game*)
- *Collateral Beauty* (Warner Bros./New Line)
 - Starring Will Smith, Helen Mirren, Edward Norton, Naomie Harris, Michael Pena, Keira Knightley and Kate Winslet, directed by David Frankel
- *Fist Fight* (Warner Bros./New Line)
 - Starring Ice Cube, Charlie Day, Tracy Morgan and Christina Hendricks, directed by Richie Keen



CORPORATE & OTHER

CORPORATE & OTHER – KEY RESULTS

Key results (\$m)	1H16	1H15	FY15
EBITDA - Corporate	(16.5)	(16.3)	(27.8)
EBITDA - Asia Development	(2.4)	(2.4)	(5.4)
EBITDA - Digital Development	(1.7)	(0.9)	(2.6)
EBITDA - Corporate & Other	(20.6)	(19.6)	(35.8)
Depreciation & amortisation	(0.8)	(0.7)	(1.4)
Interest expense (net)	(2.1)	(1.5)	(3.4)
PBT	(23.5)	(21.8)	(40.6)
<i>Total capital expenditure</i>	<i>(2.2)</i>	<i>(3.6)</i>	<i>(8.9)</i>



FOCUS ON THE FUTURE

DIGITAL DEVELOPMENT

- Digital development is a **critical focus as industry dynamics change**
 - Increasing access to valuable insights from customer data
 - Increase in mobile usage
 - Emergence of new channels for entertainment consumption
- VRL recognises the need for best practice user experiences and interfaces
 - Focus is on products, resources and know-how to convert digital opportunities into value for the business

PIRACY REFORM

- Major advances with new legislation passed in 1H16
 - VRL leading the first court application to block websites that infringe copyright

BOARD COMPOSITION

- Dr. Peter Jonson retired as a Director of the Company during the half and Mr Peter Harvie also retired as a Director of the Company in February 2016
- Ms. Jennifer Fox Gambrell joined the Board as an Independent Non-Executive Director



SUMMARY



IN SUMMARY

- Our businesses in entertainment and tourism do not have the complex technological and social issues that confront many sectors
- We anticipate continuing strong cash flows, and in the case of Wet'n'Wild Sydney, the law of averages would indicate a measure of optimism that we will not see a third washed out summer!
- With Management's eyes focused on **enhancing customer experience and cash flows**, we also have **powerful growth underway** including:
 - Purchase of Opia in Marketing Solutions and its exponential growth plans in place;
 - Expansion of **Vmax** and **GOLD CLASS**, construction of new cinemas in population growth corridors in Australia and Singapore as well as exciting iPic growth in the USA;
 - A soon to be announced program of Australian films spearheaded by *Red Dog True Blue*, to be released in 2016;
 - A major thrust into China, with theme parks and our low cost "Big Box" concept, capable of being rolled out quickly;
 - Pre production underway on Steve Spielberg's *Ready Player One*;
 - Plans to increase cash flows and strengthen Gold Coast theme parks, with an announcement in the next few months.



“It’s great to be in the business of entertainment and tourism – people will always want to go out and ‘escape’!”

Robert Kirby

“With powerful and resilient cash flows and new financing bedded down, we have never been in a better place”

Graham Burke



VRL GROUP - DISCLAIMER

Non – IFRS Financial Information

The VRL group results are prepared under Australian Accounting Standards, and also comply with International Financial Reporting Standards ("IFRS"). This presentation includes certain non-IFRS measures including EBITDA and operating profit excluding material items of income and expense and discontinued operations. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational performance. Non-IFRS measures have not been subject to audit or review, however all items used to calculate these non-IFRS measures have been derived from information used in the preparation of the reviewed financial statements.

Included in the Half Year Financial Report (pages 4 and 5) is a Reconciliation of Results which provides further detail on the Non-IFRS financial information contained in this presentation.





VILLAGE ROADSHOW LIMITED