VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

25 August 2016

RULE 4.3A

APPENDIX 4E - Preliminary Final Report

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

Name of entity

VILLAGE ROADSHOW LIMITED

ABN of entity

43 010 672 054

Financial year ended ('reporting period'):	Previous financial year ended ('previous corresponding period')
30 June 2016	**30 June 2015**

Results for announcement to the market

Extracts from this report for announcement to the market.

				$A'000
Income from continuing operations *(item 1.1)*	Up	7%	to	1,073,028
Profit after tax from continuing operations (item 1.7)	Down	59%	to	16,562
Profit after tax from discontinued operations (item 1.8)		N/A	to	--
Profit attributable to members of Village Roadshow Limited (item 1.11)	Down	64%	to	15,663

Dividends (distributions)		Amount per security	Franked amount per security	Conduit foreign income per security
Reporting Period:				
- Final dividend *(item 15.4)* *(To be paid October 2016)*	*- Ords*	14.0 cents	14.0 cents	--
- Interim dividend *(item 15.6)* *(Paid April 2016)*	*- Ords*	14.0 cents	14.0 cents	--
Previous Corresponding Period:				
- Final dividend *(item 15.5)* *(Paid October 2015)*	*- Ords*	14.0 cents	14.0 cents	--
- Interim dividend *(item 15.7)* *(Paid April 2015)*	*- Ords*	14.0 cents	14.0 cents	--

+Record date for determining entitlements to the dividend *(see item 15.2)*	14 September 2016
Brief explanation of any of the figures reported above:	Refer attached commentary.

VILLAGE ROADSHOW

STRONG CASHFLOWS AND THE BUILDING BLOCKS FOR GROWTH

25 August 2016: Village Roadshow Limited (ASX:VRL) delivered an increase in trading results for the 12 months to 30 June 2016 ("FY16") despite a decline in attributable net profit (after material items) relative to the 12 months to 30 June 2015 ("FY15").

This result includes a fifth consecutive year of record results in the Cinema Exhibition division, solid results from the Gold Coast Theme Parks and the inclusion of approximately six months of Opia in the Marketing Solutions division. These results offset disappointment at Wet'n'Wild Sydney and the Film Distribution division.

KEY FY16 RESULTS

- Attributable net profit $15.7 million (FY15: $43.9 million) including losses from material items after tax of $35.2 million

- Attributable net profit after tax before material items and discontinued operations ("NPAT") $50.9 million, marginally up on FY15 ($50.1 million)

- Earnings before interest, tax, depreciation and amortisation, excluding material items and discontinued operations ("EBITDA") $168.8 million, up 1.8% from FY15 ($165.7 million) (refer Reconciliation of Results on pages 21 and 22)

DIVISIONAL SUMMARY & HIGHLIGHTS

THEME PARKS

FY16

- FY16 saw the launch of a membership program for the Gold Coast parks, offering consumers the benefit of smaller monthly payments while providing higher yields
- Theme Parks delivered an FY16 EBITDA marginally up on FY15 at $88.0 million but are carrying substantially more deferred revenue into FY17 relative to FY16, largely as a result of the membership program and VIP Pass Presales
- Sea World Resort remains the highest occupancy premium hotel on the Gold Coast with an all-time record year of results, including occupancy over 90%
- The Conference Centre adjacent to Sea World Resort added a new dimension to the business and exceeded expectations
- VRL's Gold Coast theme parks enjoyed increasing visits by Chinese guests (now accounting for 8% of attendance). With new flights into the Gold Coast and Brisbane being rapidly added, this is generally considered the beginning of a substantial growth curve
- Special events have been very successful with *Fright Nights*, *Carnivale* and *White Christmas* which ran eight nights completely sold out

FY17

- The DC Comics *Super Villains Unleashed* area and the terrifying *Doomsday Destroyer* ride launch in September 2016 will prove "it's good to be bad"

- Paradise Country repositioning as "spend a family day on the farm" will bear fruit during FY17
- October 2016 will see the launch of a groundbreaking initiative where virtual reality (at an additional charge) is being added to the *Arkham Asylum* Rollercoaster - initial tests have been incredible
- Big results are expected from the Easter *Carnivale* event - the world's hottest street party - initial runs have built strong word-of-mouth
- A new initiative is the introduction of *Hollywood Stunt Driver 2: Go Carts* into the live show arena between existing shows
- The arrival of the *Dinosaur Lagoon* attraction at Wet'n'Wild Sydney will be a major attraction for kids and families
- A new premium lounge at Wet'n'Wild Sydney will offer a panoramic view of the park and high quality food to up-sell revenue from this first-class experience
- In conjunction with Sony Music, Wet'n'Wild Sydney is introducing a Summer Concert Series
- At Wet'n'Wild Sydney, a number of guest experience enhancements are being added including additional shade structures and a slide queue reservation system to reduce time in queues
- Following internal and third party reviews, new ticketing strategies are being implemented across all parks to provide a simpler, more flexible offering to best cater to guest needs, while improving ticket yield to maximise revenue

CINEMA EXHIBITION

FY16

- Cinema Exhibition delivered a fifth consecutive full year record EBITDA of $82.0 million
- Record result for Village Cinemas Australia with increased average ticket price and spend per person
- The Australian Circuit's Christmas Gifting offering enjoyed great success, with a record result of over $40.0 million
- The Australian Circuit continues to expand the extremely popular and successful premium **Gold Class**, **Vmax** and **Vpremium** offerings to provide the ultimate guest experience
- Record result for Singapore Cinema Exhibition
- iPic opened new sites at Miami and Houston

FY17

- Further introduction of premium offerings with the Hobart (Tasmania) and Southland (Victoria) refurbishments and new sites in key population growth areas
- The premium bar, Roc's, adding to the total going out experience at the Jam Factory, has been a tremendous success since opening in July 2016

FILM DISTRIBUTION

FY16

- Despite stand-out titles such as *Mad Max: Fury Road* (DVD and Blu Ray), *Oddball* (Theatrical, DVD and Blu Ray) and *Game of Thrones Season 5* (DVD and Blu Ray), the division suffered from a weak overall product slate and low margin titles to record an FY16 EBITDA of $24.5 million
- FY16 represented the first full 12 months of distributing Warner Bros. Home Entertainment product, providing market share and profile albeit with lower margins on revenues

- Roadshow Television is a leading supplier of content to the growing Subscription Video On Demand ("SVOD") platforms in Australia, with second year packages secured with Netflix and Stan
- In FY16 Roadshow undertook a restructure to reduce overheads, savings are expected to take effect in FY17

FY17

- FY17 has got off to a tremendous start with DC Comic's *Suicide Squad* and will finish the year with *Wonder Woman*
- JK Rowling's *Fantastic Beasts and Where to Find Them* looms giant
- *Red Dog True Blue* opens Boxing Day and the Company is confident of the sequel to the spectacularly successful original (biggest ever DVD and home entertainment sales in Roadshow's history)
- Other potential box office successes include *Power Rangers*, *Sully*, *King Arthur: Legend of the Sword* and *Lego Batman*

MARKETING SOLUTIONS

FY16

- The Marketing Solutions division works with leading global brands to help them sell more product, acquire more customers and retain business
- FY16 has seen Marketing Solutions continue to expand its portfolio of complementary products and services to meet existing clients' promotional needs, winning more business from existing accounts whilst also opening up new opportunities
- Key clients serviced through FY16 were Harvey Norman, Simply Energy, Lion Nathan, HP and Lenovo

FY17

- Marketing Solutions' global expansion is now underway, with the UK operations providing a platform for growth across Europe, as well as recently securing new opportunities in North America
- FY17 will see Marketing Solutions work increasingly strategically with key accounts, selling a range of solutions
- Importantly, Marketing Solutions will continue to play a key role in driving market adoption of digital promotional solutions, from digital platforms through to digital rewards and reporting - Marketing Solutions will continue to invest heavily in the digital and IT platforms that underpin the business' growth

FILM PRODUCTION

The worldwide industry for film and television has never been stronger and the two fundamental growth drivers are China and the growing quality of long form television content available on traditional multi-channel networks as well as over the top streaming services such as Netflix and Amazon.

FY16

- VREG released five films in FY16 through the partnerships with Warner Bros. and Sony
- In FY16, Village Roadshow Pictures ("VRP") completed a renewal of its film financing facilities for USD775 million until 2021
- Village Roadshow Pictures Asia ("VRPA") received industry recognition for its titles *Go Away Mr Tumor* and *Mountain Cry* while *Cold War 2* broke two Chinese box office records

FY17

- VREG has assembled a strong portfolio of major motion pictures with global potential, both in VRP and VRPA
- Emphasis on global brands and franchises with projects in production and development

BUILDING BLOCKS FOR GROWTH IN PLACE

THEME PARKS

- Village Roadshow Theme Parks ("VRTP") is in the final stages of design and planning to bring Topgolf, a global leader in sports entertainment, to Australia. Topgolf has enjoyed enormous success. With over 20 sites opened in the USA so far, Topgolf has received outstanding paybacks – visit www.topgolf.com for more information
- Work is underway on the Gold Coast to utilise some of the vacant land and diversify VRTP's offering
- The Village Cube (previously "Big Box") concept is under development – the Village Cube is a mini indoor theme park concept providing year round climate controlled themed environments to appeal to a diverse array of guests. Discussions advance to roll out in China
- Consultation and management agreements offer attractive fee opportunities without the burden of a capital commitment – two such agreements are already in place in Asia
    - Mission Hills: Operate Wet'n'Wild Haikou, China's first Wet'n'Wild branded water theme park (expected opening mid CY17)
    - Lai Sun: Consult on the construction of and then operation of Lionsgate's first themed immersive experience centre at Novotown on Hengqin Island (expected opening late CY18)
- There is considerable development and investigation on other opportunities in Asia with announcements anticipated during the latter part of CY16

CINEMA EXHIBITION

- Deals are signed and work underway on major cinema complexes in new growth corridor areas
    - Based on success at Fountain Gate, which has become consistently the third highest grossing site in the Village Cinemas circuit, these sites are anticipated to be major profit producers
    - Sites include giant **VMax** screens and luxury **Gold Class** auditoria
- The Singapore Circuit continues to expand with an eight screen site at the SingPost Centre at Paya Lebar due to open in CY17
- iPic Theaters continues to develop its portfolio of market leading cinema and dining with the Fort Lee, New Jersey site opening in early August 2016 and two additional sites are underway in New York (one expected to open in FY17), with more under construction and development

FILM DISTRIBUTION

- 31% owned FilmNation has two upcoming de-risked titles (*The Founder* and *Arrival*), with a diverse development slate including a number of other titles in various stages of pre-production
- Formed in conjunction with John and Dan Edwards, Roadshow Rough Diamond will create original long-form television and local feature film content for domestic and international audiences from FY17
- With a long history in the Australian film industry, Roadshow is currently developing a number of feature films that will be announced imminently

MARKETING SOLUTIONS

- Marketing Solutions has laid a solid platform for growth in FY17, by capitalising on a broad range of complementary solutions to meet the evolving needs of clients, including advanced financial products and digital rewards, unique promotional insurance solutions, promotional merchandise and marketing platforms
- Marketing Solutions has re-signed a number of key clients in Australia and UK that will provide a solid base for growth within existing accounts
- The division has also recently increased its sales force and account management teams to meet the growing demand for the division's unique suite of marketing and promotional services - having spent the final few months of FY16 expanding this team, the division is expecting to capitalise on this investment in FY17

FILM PRODUCTION

- VREG represents an opportunity for significant growth and has been building towards shifting the emphasis to global brands and franchises - no different to the car industry with BMW or Mercedes, restaurants with McDonald's or Nobu and fashion with Louis Vuitton and Gucci, it is a world of brand recognition which VREG is capitalising on
- VREG's strong library includes iconic titles such as *The Matrix*, *Mad Max*, *I am Legend* and *Sherlock Holmes*
- Amongst VREG's upcoming releases, a number have significant franchise and sequel potential:
    - o *Ready Player One* – developed with Warner Bros., the film is currently in production with director Steven Spielberg who will bring this popular science fiction book to the screen
    - o *King Arthur: Legend of the Sword* – this film by director Guy Ritchie brings a fresh take on the legend and has the potential to be a series of seven films
    - o *Oceans Eight* – starring an all-star female cast including Anne Hathaway, Rihanna, Sandra Bullock and Cate Blanchett, the film offers a compelling and unique take on the beloved franchise

FUNDING GROWTH

As detailed above, VRL has significant opportunities for future earnings growth. The capital investment in Marketing Solutions, VREG and iPic has resulted in an increase in FY16 Net Debt/EBITDA to 3.2x, which should reduce as these investments mature. Additional investments for other growth opportunities such as Topgolf planned in the near- to mid- term will continue to result in a temporary increase in VRL's leverage until earnings from developments are realised. The Company expects that leverage will return to below 3.0x EBITDA as these investments begin to generate earnings.

BOARD

Following the retirement of Dr. Peter Jonson and Mr. Peter Harvie, the Board appointed Ms. Jennifer Fox Gambrell as an Independent Director of the Company.

The Board is committed to ensuring that the Company's remuneration arrangements meet the needs of the business and shareholder expectations and regularly reviews remuneration arrangements. The Company has implemented changes to the remuneration framework commencing from FY17 to ensure even clearer alignment of executive interests with those of shareholders (detailed further in the Corporate & Other Operational Overview and Outlook).

DIVIDENDS

VRL's Board is committed to shareholder returns, while maintaining the ability to invest in the business. The Board has today announced a fully-franked final dividend of 14 cents per share ("cps"), with a record date of 14 September 2016, payable on 6 October 2016. The Directors will consider a special dividend of 10 cps at some point in the future, subject to appropriate leverage, available franking credits, capital commitments and business conditions at the time.

VRL Co-Executive Chairman and Co-Chief Executive Officer, Mr. Robert Kirby said: "We have powerful cashflow businesses based on a proud history of delivering the best experiences to our customers. In our theme parks, exit scores consistently record over 90% positive and the cinema exhibition experience of **VMax** *and* **Gold Class** *is unrivalled in the world."*

VRL Co-Executive Chairman and Co-Chief Executive Officer, Mr. Graham Burke said: "Growth in Australia is underway with additions to our successful Gold Coast theme parks, Topgolf and new cinemas in population growth corridors. We will also give our shareholders diversification and exposure to international growth with our theme park initiatives in China and the platform in VREG from which we are building our future underpinned by global brands and franchises."

FURTHER INFORMATION:

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A copy of this release and the VRL FY16 Results Presentation including conference call details are available at www.asx.com.au and www.villageroadshow.com.au

OPERATIONAL OVERVIEW AND OUTLOOK

THEME PARKS

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

THEME PARKS PERFORMANCE SUMMARY

Key Earnings Metrics ($m)	Gold Coast Theme Parks		Wet'n'Wild Sydney		Wet'n'Wild Las Vegas		Asia Theme Parks		Theme Parks (Total)	
	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15
EBITDA	80.1	79.1	9.0	10.0	3.6	3.4	(4.7)	(5.0)	88.0	87.5
EBIT	39.2	38.6	1.9	3.7	1.9	1.5	(4.8)	(5.0)	38.2	38.8
PBT	28.2	26.3	(0.6)	1.0	0.6	0.3	(4.8)	(5.0)	23.4	22.6

Note: Figures presented are before Non-Controlling Interests relating to Wet'n'Wild Las Vegas, and before Material Items. Asia development costs have been included in the Theme Parks division – they were previously included in Corporate & Other.

VRTP's EBITDA and Profit Before Tax, excluding Material Items and Discontinued Operations ("PBT") for the 12 months to 30 June 2016 were marginally up on FY15 at $88.0 million and $23.4 million respectively. It should be noted that VRTP will carry substantially more deferred revenue into FY17 than in previous years due primarily to the introduction of the Gold Coast parks membership program and a very successful VIP Pass pre-sale campaign in FY16.

FY16 was a year in which a number of projects came to fruition. This includes two management agreements in Asia and significant design and planning to bring Topgolf to Australia. Construction of the first Topgolf site is planned to start in CY17, to open in FY18.

Gold Coast Theme Parks

The Gold Coast parks delivered an FY16 EBITDA of $80.1 million (FY15 $79.1 million). The business hit a number of records in the year including:

- Record ticket sales for the year, including record pre-sales in June 2016;
- Record profit in retail, food and beverage and special events (*Fright Nights* and *White Christmas*); and
- Record profit at Paradise Country, Sea World Resort, and Sea World Helicopters.

During FY16, VRTP launched a membership program for the Gold Coast parks. This program offers consumers the benefit of smaller monthly payments while providing VRTP the benefit of automatic renewals and higher yields. For the first 12 months, membership revenue is recognised proportionately based on the number of months falling within the financial year, resulting in an increase in deferred revenues for those memberships that crossed the financial year end. From the 13th month of memberships, revenue is recognised as it is received on a monthly basis. Deferred revenue taken into FY17 relating to the memberships program is in the low-mid single digit millions. Revenue from VIP Passes is recognised in the financial year as they carry an end of financial year expiry. Pre-sold VIP Passes are recognised across financial years (the majority in the expiry year).

VRL's Gold Coast theme parks enjoyed increasing visits by Chinese guests (now accounting for 8% of attendance). With new flights into the Gold Coast and Brisbane being rapidly added, this is generally considered the beginning of a substantial visitation growth curve.

In-park revenue at the Gold Coast parks grew as a result of increased attendance and in-park spending. At Warner Bros. Movie World, the special events program (*Fright Nights, White Christmas* and *Carnivale*) produced a record financial performance, with *White Christmas* sold out for the eight nights it ran. Sea World's *Creatures of the Deep* (opened July 2015) and newly renovated *Nickelodeon Land* (opened December 2015) were both well received by guests.

Despite the highly competitive Gold Coast accommodation market, Sea World Resort performed at record levels maintaining high occupancy throughout FY16, with year round occupancy exceeding 90%. The adjacent Conference Centre added a new dimension to the Resort's offering and has been a tremendous success, exceeding expectations.

Paradise Country enjoyed record attendance and financial performance with significant growth in both domestic and international guests following its repositioning toward a family day out.

Village Roadshow Studios operated at full capacity in FY16, and enjoyed a record financial performance. Productions included *Kong: Skull Island*, *Pirates of the Caribbean: Dead Men Tell No Tales* and *Thor: Ragnarok*. Additionally, Sound Stage 9, the largest sound stage in the Southern Hemisphere, opened in March 2016.

Wet'n'Wild Sydney

As reported at 1H16, despite a strong start to season pass sales, the weather deteriorated at the beginning of the September school holidays and remained unseasonably cool and wet throughout the summer season and into 2H16. As a result, there was a decline in ticket sales during the 2015 school holiday periods when compared to the previous year. A number of contingency campaigns were launched to help boost sales, stabilising the business in 2H16. Wet'n'Wild Sydney delivered FY16 EBITDA of $9.0 million.

Wet'n'Wild Las Vegas

Wet'n'Wild Las Vegas (50.09% owned by VRL) delivered EBITDA of $3.6 million for the 12 months to 30 June 2016, up 5.3% on FY15. The CY15 season was the first full season of competition with the second water park in Las Vegas. In April 2016, the park re-opened and is outperforming the prior year.

THEME PARKS - FY17

FY17 is off to a strong start at the Gold Coast parks, with increased attendance and a positive response to the ongoing membership program. Similarly, Sea World Resort, Sea World Helicopters, Paradise Country and Village Roadshow Studios are continuing the positive trend seen in FY16.

At the Gold Coast parks, a number of FY17 initiatives are being planned, including:

- New show at Australian Outback Spectacular;
- Groundbreaking virtual reality upgrade to *Arkham Asylum* at Warner Bros. Movie World (October 2016);
- *Go Carts* in the *Hollywood Stunt Driver 2* arena to make use of out-of-show times;
- DC Comics' *Super Villains Unleashed* area and terrifying *Doomsday Destroyer* ride at Warner Bros. Movie World (September 2016) will prove "it's good to be bad";

- *Carnivale* at Warner Bros. Movie World has built a strong reputation and is expected to be very popular over its Easter season;
- The New Sea World Plaza retail and food area will enhance the guest experience and provide additional event hosting opportunities (September 2016); and
- In September 2016, the new Farmstay campground program at Paradise Country will launch, offering a unique experience and providing incremental in park revenue, further building on the "family day out" repositioning expected to benefit the park further in FY17.

Work is also underway on the Gold Coast to utilise some of the vacant land and diversify VRTP's offering.

Due to reopen in September for the 2016/2017 season, a number of strategic and operational initiatives are underway for Wet'n'Wild Sydney, including:

- The introduction of a membership program;
- An "open all summer" policy extending the operating hours of the park;
- A new *Dinosaur Lagoon* attraction to drive visitation;
- Opening a Village Bean Cafe to expand food and beverage offerings;
- Special event program (*Fright Nights*, similar to the event held at Warner Bros. Movie World) at Halloween;
- Summer Concert Series in conjunction with Sony Music;
- Premium lounge with views of the park and high quality food to drive revenue; and
- A number of guest experience enhancements (including additional shade structures and a slide queue reservation system available to all guests).

At Wet'n'Wild Las Vegas, the new Season Pass program has been very successful to date and the park continues to perform well. Summer promotions are ongoing for the balance of the season.

The implementation of new ticketing strategies across all parks followed a detailed internal analysis and external third party assessment of the existing offer. The new strategy focuses on simplifying the offering, while better catering to guest needs and improving ticket yield.

CHINA AND SOUTH EAST ASIA

FY16 has been successful for VRTP, with a number of opportunities progressing. In November 2015 an agreement was signed with Mission Hills, to operate Wet'n'Wild Haikou on Hainan Island, China's first Wet'n'Wild branded water theme park (expected to open mid CY17). In July 2016 an agreement was also signed with Lai Sun to consult on the construction and then operation of Lionsgate's first themed immersive experience centre at Novotown on Hengqin Island (expected opening late CY18). These are attractive opportunities without the burden of a capital commitment. VRTP continues to explore major theme park opportunities in Asia.

The business is exploring a number of opportunities and developing a range of concepts, including the Village Cube, a mini theme park concept providing year round entertainment to a diverse array of guests. Further development of this concept in Asia would likely see some capital investment by VRL in partnership with local investors. The business also continues to pursue management opportunities across Asia to leverage its significant theme park and leisure entertainment experience.

CINEMA EXHIBITION

VRL's Cinema Exhibition division operates predominantly in Australia, Singapore and the United States through partnerships/joint ventures, including with Event Hospitality & Entertainment in Australia, and other cinema operators internationally.

CINEMA EXHIBITION PERFORMANCE SUMMARY

Key Earnings Metrics ($m)	Australia		Singapore		Other		Exhibition (Total)	
	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15
EBITDA	73.6	65.9	11.7	8.2	(3.3)	(2.6)	82.0	71.5
EBIT	58.4	51.7	11.7	8.2	(3.8)	(3.0)	66.3	56.9
PBT	54.6	48.1	11.7	8.2	(3.8)	(3.0)	62.5	53.3

Note: Figures presented are VRL share, before Material Items.
Other includes Leisure, iPic and Belfast.

Cinema Exhibition Sites & Screen summary

Location	As at 30 Jun 15		Opened / (Closed/Sold)		As at 30 Jun 16	
	Sites	Screens	Sites	Screens	Sites	Screens
Australia	52	538	3	22	55	560
Singapore	11	91	-	-	11	91
USA	11	81	2	16	13	97
United Kingdom	1	12	-	-	1	12
Total	**75**	**722**	**5**	**38**	**80**	**760**

Note: Includes all screens in which VRL has an economic interest, taking no account of ownership structure.

The Cinema Exhibition division delivered a fifth consecutive record result, with EBITDA of $82.0 million for the 12 months to 30 June 2016, up 14.6%, and PBT of $62.5 million, up 17.2% on FY15.

A strong product line-up supported the outstanding performance of the division in FY16. *Star Wars: The Force Awakens* was the stand out title in the first half, and indeed the year. 2H16 was cycling extremely strong 2H15 product (*Jurassic World, Fast & Furious 7* and *Avengers: Age of Ultron*). The second half of FY16 maintained an excellent pace, coming in just below the prior corresponding period. Key second half product included *Star Wars: The Force Awakens* holdover and the incredible success of *Deadpool* and *Finding Dory*.

Other key titles for the year included *Spectre*, *Captain America: Civil War*, *Batman v Superman: Dawn of Justice* and *Hunger Games: Mockingjay Part 2*. Australian titles *Oddball* and *The Dressmaker* were both popular, delivering excellent results, as well as Chinese and Bollywood content.

Australian Cinema Exhibition

After an exceptional first half result, the Australian Cinema Exhibition business delivered FY16 EBITDA of $73.6 million, up 11.7% on the prior corresponding period as the underlying strength of the business, combined with popular titles continued to deliver.

Increased average ticket price contributed to the success of this business. The highly successful and ever-popular **Vmax** and **Gold Class** concepts continue to expand, driving margins. **Vpremium** further enhances this offering, with two of these "business class" auditoria opened at the Jam Factory during the year.

Spend per person similarly increased, with the expansion of hot food sales, gourmet popcorn, additional premium screens and record functions and event sales. International Cinema Content (primarily Chinese and Indian films) and Alternate Content such as sporting and music events continue to grow, achieving record results. Record screen advertising and sponsorship income further supported the Australian Cinema Exhibition business as key titles drove advertising and several new marketing partners were signed up.

The Village Movie Club saw the ongoing growth of the loyalty program – increasing both the number of members and member box office share. Retail Gifting drove physical and digital sales, including a record Christmas Gifting campaign of over $40.0 million across the joint Event and Village Cinemas circuit. Other successful marketing initiatives included the **Gold Class** Super Pass, online food and beverage package trial and the introduction of Family Pass tickets.

A number of sites were successfully completed and renovated throughout the year, including new sites at Glenelg (South Australia), North Lakes (Queensland) and Springfield (Queensland) and refurbishments at the Jam Factory, Sunshine, Bendigo, Century City Walk in Victoria and Albury and Hurstville in New South Wales. Additionally, Roc's Jam Factory, a premium bar concept, opened in July 2016, along with the newly refurbished Jam Factory Gold Class.

Singapore Cinema Exhibition

VRL owns 50% of the Golden Village Cinema Circuit, the number one circuit in Singapore with 43.7% market share. The business delivered a record EBITDA of $11.7 million (share of associates profits), 42.6% up from FY15. Premium pricing on Tamil/Hindi titles and additional public holidays drove increased average ticket price and movie combos linked with key titles resulted in higher spend per person.

Tiong Bahru reopened in May 2016 with five screens. The circuit continues to expand with an eight screen site at the SingPost Centre at Paya Lebar due to open in 2017.

iPic Theaters USA

iPic Theaters (30% VRL owned) has built a reputation as the leader in upmarket USA cinema and dining, with 13 sites in operation at 30 June 2016. The business continues its program of development, targeting a critical mass of sites to disperse overheads and build out development costs. In FY16 two new sites opened (Houston and Miami). A new site opened at Fort Lee in New Jersey in early August 2016 with two further sites underway in New York (one expected to open in FY17). Additional sites are under development and consideration.

CINEMA EXHIBITION - FY17

The division will maintain its customer focus in all geographies, including a new Village Cinemas Australian mobile site already launched in early FY17. Plans for the further roll out of **Gold Class** and **Vmax** will add to the customer experience and ongoing margin enhancement. After a successful trial at the Jam Factory, **Vpremium** cinemas will be rolled out as part of the refurbishments at Hobart (Tasmania) and Southland (Victoria). Additional new concepts are under consideration, further positioning Village Cinemas as the destination of choice.

The business has a number of new sites planned, in line with the strategy to expand into population growth corridors, detailed overleaf.

Location	Expected Opening	Total Screens	Vmax	GOLD CLASS
Palmerston, Northern Territory	Mid 2017	6	2	-
Whitford, Western Australia	Late 2017	8	2	2
Plenty Valley, Victoria	Mid 2018	9	2	3
Coomera, Queensland	Late 2018	8	2	2
Innaloo, Western Australia	Late 2018	14	4	4
Green Square, New South Wales	Late 2018	5	-	-

FY17 has a strong product line-up, expected to see the division deliver a similarly strong result in FY17 as FY16.

Early 1H17 highlights include:

- The next *Star Wars* spin-off story, *Rogue One*;
- JK Rowling's *Fantastic Beasts and Where to Find Them*;
- The epic *King Arthur: Legend of the Sword*;
- *Sully*, directed by Clint Eastwood and starring Tom Hanks;
- *Passengers*, starring Jennifer Lawrence and Chris Pratt;
- *Red Dog True Blue*, the prequel to the much-loved Australian title *Red Dog*;
- *The Magnificent Seven*, starring Denzel Washington, Chris Pratt and Ethan Hawke;
- The animated hit *The Secret Life of Pets.*

FILM DISTRIBUTION

VRL's Film Distribution division distributes theatrical film content to cinemas. It also has a substantial business in distributing film and TV programs to broadcasters, Subscription Video on Demand and Pay TV platforms, DVD and Digital retailers in Australia and New Zealand. The division has a 31% interest in FilmNation Entertainment LLC; a US based international film sales and production/distribution business and it has also recently formed Roadshow Rough Diamond to produce TV programs and feature films.

FILM DISTRIBUTION PERFORMANCE SUMMARY

Key Earnings Metrics ($m)	FY16	FY15
EBITDA	24.5	34.6
EBIT	21.0	31.6
PBT	17.4	28.7

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

The Film Distribution division delivered an EBITDA of $24.5 million in the 12 months to 30 June 2016.

In this dynamic and transitioning market, a balanced portfolio is vital, ensuring stability of earnings, with the opportunity for breakout performance by tent-pole independent films. To this end, Roadshow's portfolio includes a number of underlying agreements, the terms for which vary between lower risk, lower margin and higher risk, higher margin.

Despite stand-out titles such as *Mad Max: Fury Road* (Home Entertainment), *Oddball* (Theatrical and Home Entertainment) and *Game of Thrones Series 5* (Home Entertainment), the division suffered from a softer overall product slate and lower margin titles. 2H16 suffered the compound effect of the flow through of underperforming 1H16 theatrical titles into Home Entertainment.

The markets in which Roadshow operates are healthy. However, the FY16 result for the division reflected the absence of top performing titles in the portfolio.

- Australian FY16 theatrical box office was strong, growing 10% year on year[1]
  - Roadshow FY16 market share 17.3% down from 25.4% in FY15[2] due to lack of blockbuster titles
- Home Entertainment
  - The Australian physical market (approximately 79% of the Home Entertainment sector) declined 4.3% over FY16, however this decline has been slowing, down from a 5.5% decline in the 12 months to 31 December 2015[3]
    - Roadshow market share declined 2.6% to 28.6% in FY16[4] as weaker theatrical product from 1H16 cycled into the 2H16 window
  - The digital transactional market grew 6.7% over FY16, but off a lower base and not yet offsetting the decline in the physical market[5]
- Television
  - SVOD gaining traction as services such as Netflix, Stan and Presto gain popularity

Theatrical

There were a number of strong performing titles in FY16 including *The Hunger Games: Mockingjay Part 2, The Conjuring Part 2* and *Batman v Superman: Dawn of Justice*. Roadshow continued to achieve outstanding results in the Australian film industry with local content, with the incredible performance of the FY16 release, *Oddball* and the highly anticipated prequel, *Red Dog True Blue,* scheduled to release on Boxing Day 2016.

Home Entertainment

FY16 represented the first full 12 months of distributing the Warner Bros. Home Entertainment product. The nature of this arrangement is relatively low margin however it generates market share and profile.

Standout titles for FY16 included:

- *Mad Max: Fury Road*;
- *Oddball*;
- HBO's *Game of Thrones Season 5* (DVD and Blu Ray); and
- *The Hunger Games: Mockingjay Part 2*.

However, the flow through effect of underperforming Theatrical titles and the closure of ABC stores impacted Roadshow Home Entertainment.

Television

Roadshow TV delivered a strong result for FY16 with key titles including:

- *The Hunger Games: Catching Fire*;
- *The Lego Movie*; and
- *The Wolf of Wall Street.*

SVOD platforms continue their success in Australia, and Roadshow Television is a leading supplier of content to both Netflix and Stan having recently secured second year packages. Roadshow also enjoys output supply arrangements with Foxtel, Channel Nine, TVNZ and a renewed multi-year agreement with Sky TV.

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[1] Source: MPDAA
[2] Source: MPDAA
[3] Source: GFK Statistics
[4] Source: GFK Statistics
[5] Source: IHS Reporting

FILM DISTRIBUTION - FY17

FY17 has got off to a tremendous start, with *Suicide Squad* and *Bad Moms* releasing at the beginning of August both with excellent early results. Other key FY17 titles include:

- *Fantastic Beasts and Where to Find Them;*
- *Sully*;
- *King Arthur: Legend of the Sword*;
- *The Lego Batman Movie*;
- *Passengers*; and
- *Power Rangers*.

Roadshow has an ongoing commitment to review all elements of the division to ensure optimal alignment with the growth markets. As part of an optimisation strategy, Roadshow closed the New Zealand office during FY16. Distribution of all product for the New Zealand market is now managed out of Australia. Given the reduction in profits, the division undertook a restructure in FY16, which is expected to deliver overhead savings in FY17.

As the industry transitions away from physical sales to the growing digital channels, Roadshow considers content ownership key. A strong content library, partnerships with leading studios and distribution agreements with leading digital providers positions Roadshow across the product lifecycle to maximise returns. Throughout FY16, Roadshow has successfully executed a number of operational strategies to ensure its success.

VRL holds 31% and two seats on the Board of FilmNation Entertainment, an international film sales company. FilmNation has diversified to selling in-house productions, de-risked by pre-selling around the world and in the United States. The first two films since VRL's investment de-risked in this way are *The Founder*, starring Michael Keaton, directed by John Lee Hancock and *Arrival*, starring Amy Adams, directed by Denis Villeneuve. FilmNation has a diverse development slate and a number of other titles in various stages of pre-production. This diversifies Roadshow's revenue stream through access to world markets and the possibility of break out hit movies in the low budget genre.

In addition, Roadshow has secured an output agreement with STX – a new studio and production company, ensuring control over distribution and marketing of its content. STX will deliver a substantial slate of theatrical films into FY17, including *Bad Moms* in August 2016.

Roadshow has a long history in the Australian film industry, and will bring the greatly anticipated prequel to *Red Dog*, *Red Dog True Blue*, to screens on Boxing Day 2016. Produced by Nelson J. Woss, it stars the amazing new talent of Levi Miller as well as Australian film legends, Bryan Brown and John Jarratt. Filmed in the Pilbara region of Western Australia, *Red Dog True Blue* follows the rise of Red Dog from an ordinary little puppy to an Australian legend.

Finally, in June 2016, Roadshow announced the formation of a new television production company, Roadshow Rough Diamond, with John Edwards, one of Australia's most successful and prolific television producers and his son, former ITV Studios and Endemol executive, Dan Edwards. John Edwards has been responsible for the creation of such distinguished series as *Gallipoli, Offspring* and *The Secret Life of Us* and mini-series including *Beaconsfield* and *Howzat: Kerry Packer's War*. With a focus on quality drama, the company will create original long-form television and feature film content for domestic and international audiences from FY17. This venture will not require capital investment by VRL to fund production.

MARKETING SOLUTIONS

VRL's Marketing Solutions division is a network of data-driven sales promotion and loyalty businesses with operations in Australia (under the Edge Loyalty banner) and Europe/USA (under the Opia banner).

MARKETING SOLUTIONS PERFORMANCE SUMMARY

Key Earnings Metrics ($m)	FY16	FY15
EBITDA	8.0	2.9
EBIT	7.0	2.4
PBT	5.6	2.2

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

Previously Edge Loyalty was reported within Corporate & Other, however the combination of Edge Loyalty and newly acquired Opia created the separately reported Marketing Solutions division. The Marketing Solutions division works with leading global brands to help them sell more product, acquire more customers and retain business.

FY16 has seen Marketing Solutions continue to expand its portfolio of complementary products and services to meet existing clients' promotional needs, winning more business from existing accounts whilst also opening up new opportunities. Marketing Solutions delivered an EBITDA of $8.0 million for the 12 months to 30 June 2016, an increase of 172.0% on FY15 and PBT of $5.6 million, up from $2.2 million in FY15. This result reflects the inclusion of Opia following its acquisition in December 2015.

Edge Loyalty Australia

FY16 was a year for growth and development of existing solutions and investment in new business, expected to positively contribute to the Group in the medium term.

Edge Loyalty Australia achieved strong organic growth in the Lifestyle Rewards product and in the Consumer business (Good Food Gift Card), which has become the market leader in its category.

Opia

In December 2015, VRL announced it had acquired 80% of Opia, a UK-based sales promotion consultancy for $50 million. The CEO and Sales Director of Opia retained 10% equity each following the acquisition. The acquisition positions the Marketing Solutions division as a truly global player in the sales promotion and loyalty market, further diversifying VRL's business and providing opportunity for growth.

During 2H16, Opia successfully delivered large scale, multi territory sales promotions for leading Consumer Electronic brands including HP and Samsung.

MARKETING SOLUTIONS - FY17

Marketing Solutions' global expansion is now underway, with the UK operations providing a platform for growth across Europe, as well as recently securing new opportunities in North America.

Marketing Solutions has re-signed a number of key clients in Australia and UK that will provide a solid base for growth within existing accounts. The division has also recently increased its sales force and account management teams to meet the growing demand for the division's unique suite of marketing and promotional services - having spent the final few months of FY16 expanding this team, the division is expecting to capitalise on this investment in FY17.

FY17 will see Marketing Solutions work increasingly strategically with key accounts, selling a range of solutions. Most importantly, Marketing Solutions will continue to play a key role in driving market adoption of digital promotional solutions, from digital platforms through to digital rewards and reporting - Marketing Solutions will continue to invest heavily in the digital and IT platforms that underpin the divison's growth.

FILM PRODUCTION

Village Roadshow Entertainment Group ("VREG") is an equity-accounted associate of VRL and consists of Village Roadshow Pictures ("VRP") and Village Roadshow Pictures Asia ("VRPA").

VREG released its first Hollywood film in 1998 and has gone on to establish itself as the leading independent co-producer/co-financier in the world with 90 films released through to 30 June 2016.

VREG represents a significant opportunity for growth. It has one of the strongest line ups of films in its history and is realising a strategy put in place that emphasises films with global brand and franchise potential.

Through its partnership with two major studios in Warner Bros. and Sony Pictures, VREG has created a strong portfolio of major motion pictures with global box office potential:

- *Sully* (Warner Bros.) September 2016, starring Tom Hanks and Laura Linney, directed by Clint Eastwood;
- *The Magnificent Seven* (Sony/MGM) September 2016, starring Denzel Washington, Chris Pratt, Ethan Hawke, Vincent D'Onofrio and Haley Bennett, directed by Antoine Fuqua;
- *Collateral Beauty* (Warner Bros./New Line) December 2016, stars include Will Smith, Helen Mirren, Edward Norton and Keira Knightley, directed by David Frankel;
- *Passengers* (Sony) December 2016, starring Jennifer Lawrence, Chris Pratt, Michael Sheen and Laurence Fishburne, directed by Morten Tyldum;
- *Fist Fight* (Warner Bros./New Line) February 2017, starring Ice Cube, Charlie Day, Tracy Morgan and Christina Hendricks, directed by Richie Keen;
- *King Arthur: Legend of the Sword (Warner Bros.)* March 2017, starring Charlie Hunnam, Àstrid Bergès-Frisbey, Jude Law and Eric Bana, directed by Guy Ritchie;
- *Going in Style* (Warner Bros./New Line) April 2017, starring Morgan Freeman, Michael Caine and Alan Arkin, directed by Zach Braff;
- *The House* (Warner Bros./New Line) June 2017, starring Will Ferrell and Amy Poehler, directed by Andrew Jay Cohen; and
- *Ready Player One* (Warner Bros.) March 2018, starring Mark Rylance, Ben Mendelsohn and Simon Pegg, directed by Steven Spielberg.

Sequels & Franchises

VREG's strong library includes iconic titles such as *The Matrix*, *Mad Max*, *I am Legend* and *Sherlock Holmes*.

Amongst VREG's upcoming releases, a number have significant franchise and sequel potential:

- *Ready Player One* – developed with Warner Bros., the film is currently in production with director Steven Spielberg who will bring this popular science fiction book to the screen;
- *King Arthur: Legend of the Sword* – this film by director Guy Ritchie brings a fresh take on the legend and has the potential to be a series of seven films; and
- *Oceans Eight* – starring an all-star female cast including Anne Hathaway, Rihanna, Sandra Bullock and Cate Blanchett, the film offers a compelling and unique take on the beloved franchise.

Chinese Production Strategy

The Chinese box office last year was estimated at USD6.8 billion, making it the world's biggest market other than the USA. Domestic films and Sino-foreign co-productions are estimated to have generated an impressive 61.6% of that total (USD4.2 billion).

VREG's Asian film production business, VRPA is one of the most deeply embedded and prolific foreign player in China's booming local production market.

VRPA brings to the table a unique package that combines rich local market experience and know-how with wide-ranging international film expertise and relationships. VRPA have put in place a Beijing-based bicultural and multilingual team headed by Ellen Eliasoph, who as the first Hollywood executive to be based in China has been working in and with the Chinese film industry for nearly 25 years.

VRPA's portfolio approach and growing focus on the development of franchises mirrors that of VRP. In view of the dynamic and somewhat unpredictable nature of China's film industry, VRPA has found it beneficial to anchor itself with a hands-on approach to primary development and direct relationships with several of China's leading filmmakers.

VRPA's releases to date include Stephen Chow's record-breaking *Journey to the West*; Leste Chen's hit romantic comedy *Say Yes!*; Han Yan's *Go Away, Mr Tumor!* (China's submission for Best Foreign Film at the 2016 Academy Awards); Sammo Hung's *The Bodyguard*, and *Cold War I* and *II* – the latter having set new box office records in Hong Kong (highest-grossing Chinese-language release ever) and Mainland China (for both a Chinese-language police thriller and a Chinese-language action film).

Upcoming VRPA releases include the award-winning romantic drama *Mountain Cry*, directed by new writing/directing talent Larry Yang; *Hide and Seek*, a suspense thriller directed by Golden Horse award winner Liu Jie and starring Wallace Huo, one of Greater China's hottest stars; and Jackie Chan's first foray into science fiction, the action-packed *Bleeding Steel*, which is currently filming in Sydney, Australia.

Television

VREG are engaged in discussions with studio partners to co-produce and co-finance TV series with global appeal utilising both original content and IP based on the division's film library.

VREG believe this initiative will be both of strategic value and accretive to the film production business and will enable further growth of VREG's Hollywood content business.

CORPORATE & OTHER

CORPORATE & OTHER PERFORMANCE SUMMARY

Key Results ($m)	FY16	FY15
EBITDA - Corporate	(28.7)	(28.5)
EBITDA - Other	0.4	1.1
EBITDA - Digital & IT Development	(5.4)	(3.4)
EBITDA - Corporate & Other	**(33.7)**	**(30.8)**
Depreciation & amortisation	(1.7)	(1.4)
Interest expense (net)	(4.2)	(3.4)
PBT	**(39.6)**	**(35.6)**

Note: Figures presented are before Material Items. This comparison reflects the new reporting structure implemented from 1H16, which no longer includes Marketing Solutions within Corporate & Other. Asia development costs have now been included in the Theme Parks division.

Total net Corporate & Other costs for the 12 months ended 30 June 2016 were $39.6 million, compared to $35.6 million for FY15 and EBITDA was a $33.7 million loss, compared to a $30.8 million loss.

The main increase in this segment relates to an investment in investigating and utilising digital technology to drive revenue growth in the core businesses. Refer below.

Group Finance Facilities

In December 2015, the main Divisional and Corporate finance facilities were refinanced into a consolidated VRL group facility, which also resulted in an increased facility limit of $800 million and extended expiry dates of December 2019 and 2020. This new VRL group facility, which has been drawn to $590 million as at 30 June 2016, is fully revolving, with no amortisation payments required.

The staged restructuring of finance facilities since December 2014 has resulted in significant cost reductions and increased flexibility for the VRL group.

In FY16, debt draw downs of the group facility totalled approximately $100 million and related to a number of key investments including:

- The acquisition of Opia;
- The contribution to VREG's new corporate debt facility;
- Further instalments for the investment in FilmNation Entertainment;
- New Cinema sites and refurbishments; and
- *DC Villains* attraction and *Doomsday* ride at Warner Bros. Movie World.

Digital & IT Development

The investment in Digital & IT Development in FY16 was $5.4 million, up from $3.4 million in FY15, as the business invested in infrastructure upgrades and new technology to support the operations of the business and enhance the customer experience.

Digital Development continues to be a critical focus for VRL, as data and technology enables greater knowledge of customers, driving sales, increasing customer satisfaction and reducing costs. In FY16, the Digital team bedded down a number of tools and completed a series of strategic engagements across multiple divisions. In FY17, the focus will be on programs of innovation and development to engage new and existing customers.

Material Items

Material items loss after tax of $35.2 million in the current period comprised the following:

- Equity-accounted losses on net investments of $22.5 million, being the previously announced loss of $20.0 million in relation to the VREG subordinated loan of USD 15 million, and $2.5 million in relation to iPic contributions of USD 1.8 million;
- Restructuring costs totalling $7.6 million, including the write-off of capitalised borrowing costs on the previous finance facilities, acquisition costs relating to Opia, and other costs relating to restructuring in the Film Distribution division; and
- Impairment of assets and other non-cash adjustments totalling $5.1 million, including adjustments relating to balance sheet items in the Marketing Solutions division.

Material items in FY17 resulting from transactions after 30 June 2016 include:

- Investment of a further approximately USD5 million in VREG to ensure the continuity of development; and
- Contributions of approximately USD14.3 million in iPic Theaters to continue the planned program of development.

Board

The Board is committed to transparent and constructive relationships with shareholders, and regularly reviews remuneration arrangements, to ensure they meet the needs of the business and shareholder expectations. From FY17 the Company has implemented changes to the remuneration framework to ensure even clearer alignment of executive interests with those of shareholders. These changes are:

- Base remuneration for Co-Chairmen/Co-CEOs has been decreased to $1,718,655 from $2,687,310
    - The ability of the Co-Chairmen/Co-CEOs to seek a potential loan from the Company of up to $2 million has been removed
- Available short term incentive (“STI”) for Co-Chairmen/Co-CEOs will be increased from its current circa 22% of total remuneration to 50% and will be subject to hurdles including NPAT, Cash Flow Return on Investment (“CFROI”) and strategic initiatives around capital investment and management, and earnings growth
    - STI bonus calculations will be based on reported results including material items
- Introduction of an STI clawback policy in the event of an amendment to reported result
- The Group’s Executive Share Plan has been amended to include hurdle rates comparing VRL’s total shareholder return (“TSR”) to the relevant ASX200 benchmark group
    - TSR must be positive for any vesting to occur. Shares will partially vest if VRL achieves TSR of 50% of the relevant benchmark and will fully vest if VRL achieves 75% or more of the relevant TSR benchmark, with pro-rata vesting between these points
    - Future allocations under the scheme will be on an annual basis with vesting over five years. Annual allocations will exclude the Co-CEO/Co-Chairmen and will be based on company and personal performance criteria

A copy of this release is available at www.asx.com.au and www.villageroadshow.com.au

VILLAGE ROADSHOW LIMITED
RECONCILIATION OF RESULTS FOR THE YEAR ENDED 30 JUNE 2016

	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions		Other		Total	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
(i) Reconciliation of results:												
<u>Continuing Operations:</u>												
Earnings before Interest, Tax, Depreciation and Amortisation, excluding material items of income and expense ("EBITDA")	**87,952**	**87,461**	**81,983**	**71,519**	**24,492**	**34,622**	**7,998**	**2,939**	**(33,672)**	**(30,828)**	**168,753**	**165,713**
Depreciation and amortisation	(49,741)	(48,685)	(15,694)	(14,611)	(3,524)	(3,030)	(983)	(522)	(1,666)	(1,365)	(71,608)	(68,213)
Finance costs before finance restructuring costs	(14,905)	(16,391)	(4,183)	(4,165)	(4,381)	(4,256)	(1,959)	(181)	(4,983)	(5,388)	(30,411)	(30,381)
Interest income	134	189	342	555	781	1,338	588	2	727	1,980	2,572	4,064
Operating profit (loss) before tax and material items of income and expense ("PBT")	**23,440**	**22,574**	**62,448**	**53,298**	**17,368**	**28,674**	**5,644**	**2,238**	**(39,594)**	**(35,601)**	**69,306**	**71,183**
Income tax (expense) benefit, excluding material items	(7,124)	(7,073)	(15,859)	(15,044)	(5,399)	(8,997)	(1,155)	(814)	11,995	10,966	(17,542)	(20,962)
Operating profit (loss) after tax, before material items of income and expense	**16,316**	**15,501**	**46,589**	**38,254**	**11,969**	**19,677**	**4,489**	**1,424**	**(27,599)**	**(24,635)**	**51,764**	**50,221**
Non-controlling interest, excluding material items	(289)	(146)	--	--	--	--	(610)	--	--	--	(899)	(146)
Attributable operating profit (loss) after tax, before material items of income and expense ("NPAT")	**16,027**	**15,355**	**46,589**	**38,254**	**11,969**	**19,677**	**3,879**	**1,424**	**(27,599)**	**(24,635)**	**50,865**	**50,075**
Material items of income and expense before tax	(2,034)	(12,545)	(3,824)	(834)	(2,445)	--	(7,975)	--	(21,538)	1,182	(37,816)	(12,197)
Income tax benefit (expense) – material items	610	1,275	182	--	(616)	--	2,010	--	428	935	2,614	2,210
Material items of income and expense after tax	(1,424)	(11,270)	(3,642)	(834)	(3,061)	--	(5,965)	--	(21,110)	2,117	(35,202)	(9,987)
Material items – Non-controlling interest	--	3,836	--	--	--	--	--	--	--	--	--	3,836
Material items – (Loss) profit after tax & non-controlling interest	(1,424)	(7,434)	(3,642)	(834)	(3,061)	--	(5,965)	--	(21,110)	2,117	(35,202)	(6,151)
Total profit (loss) before tax from continuing operations	21,406	10,029	58,624	52,464	14,923	28,674	(2,331)	2,238	(61,132)	(34,419)	31,490	58,986
Total income tax (expense) benefit from continuing operations	(6,514)	(5,798)	(15,677)	(15,044)	(6,015)	(8,997)	855	(814)	12,423	11,901	(14,928)	(18,752)
Total non-controlling interest	(289)	3,690	--	--	--	--	(610)	--	--	--	(899)	3,690
Total attributable profit (loss) after tax from continuing operations per the statement of comprehensive income	**14,603**	**7,921**	**42,947**	**37,420**	**8,908**	**19,677**	**(2,086)**	**1,424**	**(48,709)**	**(22,518)**	**15,663**	**43,924**
<u>Discontinued Operations:</u>												
Attributable profit after tax from discontinued operations											--	--
Net profit attributable to the members of Village Roadshow Limited											**15,663**	**43,924**

VILLAGE ROADSHOW LIMITED
RECONCILIATION OF RESULTS FOR THE YEAR ENDED 30 JUNE 2016
(Continued)

	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions		Other		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(ii) Material items of income and expense from continuing operations:												
Equity accounted losses on net investments	--	--	(2,451)	--	--	--	--	--	(20,046)	--	(22,497)	--
Impairment and other non-cash adjustments	--	(8,294)	(456)	(834)	--	--	(6,209)	--	(467)	--	(7,132)	(9,128)
Restructuring costs	(2,034)	(1,545)	(917)	--	(2,445)	--	(1,766)	--	(1,025)	(2,116)	(8,187)	(3,661)
Legal settlements and expenses	--	(2,706)	--	--	--	--	--	--	--	--	--	(2,706)
Profit on disposal of investments / businesses	--	--	--	--	--	--	--	--	--	3,298	--	3,298
Total loss from material items of income and expense before tax	(2,034)	(12,545)	(3,824)	(834)	(2,445)	--	(7,975)	--	(21,538)	1,182	(37,816)	(12,197)
Income tax (expense) benefit	610	1,275	182	--	(616)	--	2,010	--	428	935	2,614	2,210
Total non-controlling interest – material items	--	3,836	--	--	--	--	--	--	--	--	--	3,836
Total attributable loss from material items of income and expense after tax	(1,424)	(7,434)	(3,642)	(834)	(3,061)	--	(5,965)	--	(21,110)	2,117	(35,202)	(6,151)

	2016	2015
(iii) Earnings Per Share adjusted to eliminate discontinued operations and material items of income and expense from the calculations:		
Basic EPS	31.7c	31.4c
Diluted EPS	31.4c	31.0c

Notes:

1. The new Marketing Solutions division includes the results of the Edge business, and the Opia business of which 80% was acquired in December 2015, and Asia Development Costs have now been included in the Theme Parks division (previously included in Other). Comparative figures for these changes have been adjusted accordingly.

2. The Village Roadshow Limited group ("VRL group") results are prepared under Australian Accounting Standards, and also comply with International Financial Reporting Standards ("IFRS"). The Reconciliation of Results includes certain non-IFRS measures including EBITDA and operating profit excluding material items of income and expense and discontinued operations. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review, however all items used to calculate these non-IFRS measures have been derived from information used in the preparation of the audited or audit-reviewed (as applicable) financial statements. It is noted that the audit of the financial statements for the year ended 30 June 2016 is still in the process of being completed.

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Consolidated Statement of Comprehensive Income

		2016 $A'000	2015 $A'000
	Continuing operations		
1.1	Income *(refer item 1.20) (refer note 1 below)*	1,073,028	1,005,521
1.2	Expenses excluding finance costs *(refer item 1.21) (refer note 2 below)*	(997,713)	(925,608)
1.3	Finance costs *(refer item 1.22) (refer note 3 below)*	(34,655)	(30,381)
1.4	Share of net (loss) profit of associates *(refer item 16.3) (refer note 4 below)*	(9,170)	9,454
1.5	Profit from continuing operations before income tax expense	31,490	58,986
1.6	Income tax expense	(14,928)	(18,752)
1.7	Profit after tax from continuing operations	16,562	40,234
	Discontinued operations		
1.8	Profit after tax from discontinued operations *(refer item 12.1)*	--	--
1.9	**Net profit for the period**	**16,562**	**40,234**
	Profit for the period is attributable to:		
1.10	Non-controlling interest *(refer note 5 below)*	899	(3,690)
1.11	Owners of the parent	15,663	43,924
		16,562	**40,234**
	Other comprehensive (expense) income		
1.12	Cash flow hedges	(4,594)	2,042
1.13	Foreign currency translation	(1,291)	899
1.14	**Other comprehensive (expense) income for the period after tax**	**(5,885)**	**2,941**
1.15	**Total comprehensive income for the period**	**10,677**	**43,175**
	Total comprehensive income for the period is attributable to:		
1.16	Non-controlling interest	899	(3,690)
1.17	Owners of the parent	9,778	46,865
		10,677	**43,175**

Note 1. Income in 2015 includes material items of income & expense totalling a profit of $4.3 million - refer attached Reconciliation of Results.
Note 2. Expenses excluding finance costs include material items of income & expense totalling a loss of $11.1 million (2015: loss of $16.5 million) - refer attached Reconciliation of Results.
Note 3. Finance costs in 2016 include material items of income & expense totalling a loss of $4.2 million (2015: Nil) - refer item 1.22 and attached Reconciliation of Results.
Note 4. Share of net (loss) profit of associates include material items of income and expense totalling a loss of $22.5 million (2015: Nil).
Note 5. Non-controlling interest in 2015 includes material items of income and expense of $3.8 million loss to non-controlling interest – refer attached Reconciliation of Results.

Earnings per security (EPS)

		2016	2015
1.18	Basic EPS	9.8c	27.5c
1.19	Diluted EPS	9.7c	27.2c

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

Notes to the Consolidated Statement of Comprehensive Income

	2016 $A'000	2015 $A'000
1.20 Income from continuing operations		
Revenues from continuing operations:		
Sale of goods	389,582	331,982
Rendering of services	647,702	631,579
Finance revenue:		
Other entities	2,572	4,064
Dividends received:		
Other dividends	9	--
Total revenues from continuing operations	1,039,865	967,625
Other income from continuing operations:		
Management fee income from:		
Other entities	7,598	7,180
Associated entities	685	722
Net gain on disposal of investments (refer material items of income and expense in attached Reconciliation of Results for 2015)	620	5,152
Net gain on disposal of property, plant & equipment	--	62
Unearned revenue written back	6,787	5,151
Commissions/fees received	5,545	4,695
Other	11,928	14,934
Total other income from continuing operations	33,163	37,896
Total income from continuing operations	**1,073,028**	**1,005,521**

Notes to the Consolidated Statement of Comprehensive Income (continued)

	2016 $A'000	2015 $A'000
1.21 Expenses excluding finance costs, from continuing operations		
Employee expenses:		
Employee benefits	18,894	17,394
Defined contribution superannuation expense	17,002	16,063
Share-based payment expense	891	1,532
Remuneration and other employee expenses	209,485	198,480
Total employee expenses	246,272	233,469
Cost of goods sold	123,161	91,858
Occupancy expenses:		
Operating lease rental – minimum lease payments	49,187	45,029
Operating lease rental – contingent rental payments	4,344	3,784
Other occupancy expenses	23,198	22,881
Total occupancy expenses	76,729	71,694
Film hire and other film expenses	265,330	242,951
Depreciation of:		
Buildings & improvements	3,100	2,962
Plant, equipment & vehicles	41,036	42,589
Amortisation of:		
Leasehold improvements	12,015	11,875
Other deferred expenditure	--	120
Software & other intangibles	15,457	10,667
Total depreciation and amortisation	71,608	68,213
Net loss on disposal of property, plant & equipment	80	--
Net foreign currency (gains) losses	(913)	390
Impairment and other non-cash adjustments (refer material items of income and expense in attached Reconciliation of Results)	7,132	9,128
Legal settlements and expenses (refer material items of income and expense in attached Reconciliation of Results for 2015)	--	2,706
Other legal expenses	740	1,050
Management & service fees paid	3,531	3,268
Advertising and promotions	106,434	109,456
Insurance expenses	4,122	4,287
Theme park operating expenses	29,277	26,891
Repairs and maintenance	15,290	14,845
Consulting fees	7,638	8,988
Regulatory and licence fees	6,521	5,840
Telecommunications	3,558	3,065
Restructuring costs (refer material items of income and expense in attached Reconciliation of Results)	3,943	3,661
General and administration expenses:		
Provision for doubtful debts	88	180
Bad debts written off	498	157
Other general and administration expenses	26,674	23,511
Total general and administration expenses	27,260	23,848
Total expenses from continuing operations excluding finance costs	**997,713**	**925,608**

1.22 Finance Costs – Continuing Operations

	2016 $A'000	2015 $A'000
Total finance costs before finance restructuring costs	30,411	30,381
Finance restructuring costs (refer material items of income and expense in attached Reconciliation of Results)	4,244	--
Total finance costs	34,655	30,381

Notes to the Consolidated Statement of Comprehensive Income (continued)

Net (loss) gain on sale – Continuing Operations	2016 $A'000	2015 $A'000
1.23 Net (loss) gain on sale of:		
Property, plant & equipment	(80)	62
Investments (refer material items of income and expense in attached Reconciliation of Results for 2015)	620	5,152

1.24 Calculation of income tax on continuing and discontinued operations	2016 $A'000	2015 $A'000
Prima-facie income tax expense from continuing operations	(9,447)	(17,696)
Non-assessable income	--	1,289
Non-deductible expenses	(1,189)	(915)
Net losses of overseas subsidiaries not brought to account	--	(3,860)
After-tax equity accounted (losses) profits included in pre-tax profit	(2,751)	2,836
Deferred tax balances de-recognised (refer income tax expense – material items, in attached Reconciliation of Results)	(1,148)	--
Other	(393)	(406)
Total income tax expense – continuing operations *(item 1.6)*	(14,928)	(18,752)
Income tax expense attributable to discontinued operations	--	--
Total income tax expense	(14,928)	(18,752)

1.25 Consolidated retained earnings	2016 $A'000	2015 $A'000
Retained earnings at the beginning of the period	188,887	190,504
Net profit attributable to members *(item 1.11)*	15,663	43,924
Net transfers from reserves – Other below the line movements	--	(876)
Dividends and distributions paid or payable	(44,986)	(44,665)
Retained earnings at end of financial period	**159,564**	**188,887**

Intangible items	*Consolidated – Current period – A$'000*			
	Before tax (a)	Related tax (b)	Related non-controlling interests (c)	Amount (after tax) attributable to members (d)
2.1 Amortisation of software and other intangibles	(15,457)	4,637	57	(10,763)

Comparison of half year profits	2016 $A'000	2015 $A'000
3.1 Consolidated (loss) profit from continuing and discontinued operations after tax attributable to members reported for the *1st* half year *(item 2.3 in the half yearly report)*	(3,463)	13,343
3.2 Consolidated profit from continuing and discontinued operations after tax attributable to members for the *2nd* half year	19,126	30,581

Consolidated Statement of Financial Position

		2016 $A'000	2015 $A'000
	Current assets		
4.1	Cash and cash equivalents	64,338	95,335
4.2	Trade and other receivables	158,876	143,970
4.3	Film distribution royalties	75,546	67,312
4.4	Inventories	24,929	22,713
4.5	Current tax assets	6,456	13
4.6	Derivatives	1,260	6,526
4.7	Other	12,131	31,323
4.8	**Total current assets**	**343,536**	**367,192**
	Non-current assets		
4.9	Trade and other receivables	15,254	15,894
4.10	Investments – equity accounted	48,305	42,331
4.11	Available-for-sale investments	720	1,056
4.12	Property, plant & equipment	686,819	657,085
4.13	Film distribution royalties	69,039	72,638
4.14	Intangibles – goodwill (net)	308,856	257,693
4.15	Intangibles – other (net)	80,168	80,491
4.16	Deferred tax assets	2,508	1,097
4.17	Derivatives	--	--
4.18	Other	471	839
4.19	**Total non-current assets**	**1,212,140**	**1,129,124**
4.20	**Total assets**	**1,555,676**	**1,496,316**
	Current liabilities		
4.21	Trade and other payables	258,697	294,175
4.22	Interest bearing loans and borrowings	1,115	29,519
4.23	Derivatives	5,532	3,019
4.24	Income tax payable	187	366
4.25	Provisions (excluding tax liabilities)	40,690	36,876
4.26	Unearned revenue	60,360	48,152
4.27	**Total current liabilities**	**366,581**	**412,107**
	Non-current liabilities		
4.28	Trade and other payables	47,036	31,622
4.29	Interest bearing loans and borrowings	597,942	467,972
4.30	Deferred tax liabilities	40,736	46,789
4.31	Derivatives	1,076	2,292
4.32	Provisions (excluding tax liabilities)	8,724	8,572
4.33	Unearned revenue	13,222	1,319
4.34	**Total non-current liabilities**	**708,736**	**558,566**
4.35	**Total liabilities**	**1,075,317**	**970,673**
4.36	**Net assets**	**480,359**	**525,643**
	Equity		
	Parent entity interest:		
4.37	Contributed equity	224,234	220,406
4.38	Reserves	81,539	102,099
4.39	Retained earnings	159,564	188,887
4.40	Parent interests	465,337	511,392
4.41	Non-controlling interests	15,022	14,251
4.42	**Total equity**	**480,359**	**525,643**

5. Exploration and evaluation expenditure capitalised – N/A

6. Development properties - N/A

Consolidated Statement of Cash Flows [1]		2016 $A'000	2015 $A'000
	Cash flows from operating activities		
7.1	Receipts from customers	1,159,275	1,046,403
7.2	Payments to suppliers and employees	(1,036,626)	(887,648)
7.3	Dividends and distributions received	7,496	6,480
7.4	Interest and other items of similar nature received	3,463	4,186
7.5	Finance costs	(28,428)	(28,759)
7.6	Income taxes paid	(22,874)	(29,379)
7.7	**Net cash flows from operating activities**	**82,306**	**111,283**
	Cash flows from investing activities		
7.8	Purchases of property, plant & equipment	(87,086)	(63,005)
7.9	Purchases of software & other intangibles	(11,851)	(17,987)
7.10	Proceeds from sale of property, plant & equipment	211	669
7.11	Purchases of investments / businesses	(59,313)	(16,060)
7.12	Proceeds from sale of investments / businesses	1,950	7,194
7.13	Loans to (or repaid to) other entities	(22,497)	(4,302)
7.14	Loans from (or repaid by) other entities	2,969	1,586
7.15	Government grants received	10,763	--
7.16	**Net cash flows used in investing activities**	**(164,854)**	**(91,905)**
	Cash flows from financing activities		
7.17	Proceeds from issues of shares	2,783	158
7.18	Proceeds from borrowings	113,400	29,000
7.19	Repayment of borrowings / derivatives	(17,804)	(15,961)
7.20	Dividends and distributions paid	(44,986)	(68,590)
7.21	**Net cash flows from (used in) financing activities**	**53,393**	**(55,393)**
7.22	**Net decrease in cash held**	**(29,155)**	**(36,015)**
7.23	Cash at beginning of period *(see reconciliation of cash)*	95,335	130,382
7.24	Exchange rate adjustments to item 7.23	(1,842)	968
7.25	**Cash at end of period** *(see reconciliation of cash)*	**64,338**	**95,335**

Notes to the Consolidated Statement of Cash Flows:

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

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

Reconciliation of net profit to net operating cash flows

	2016 $A'000	2015 $A'000
Net profit	**16,562**	**40,234**
Adjust for:		
Depreciation	44,136	45,551
Amortisation	27,472	22,662
Impairment and other non-cash adjustments (refer item 1.21 & material items of income & expense in attached Reconciliation of Results)	7,132	9,128
Provisions	1,862	1,354
Share-based payment expense	891	1,532
Net gains on disposal of assets	(540)	(5,214)
Unrealised foreign currency (gain) loss	(354)	671
Difference between equity accounted results and cash dividends/interest received	17,499	(2,974)
Changes in assets & liabilities:		
Trade and other receivables	(11,302)	(39,192)
Trade and other payables	(37,446)	64,712
Net current tax	(2,220)	(8,219)
Unearned income	13,288	9,589
Other payables and provisions	2,373	(4,634)
Inventories	(2,554)	(4,908)
Capitalised borrowing costs	1,966	1,347
Deferred and other income tax liabilities	(5,209)	(1,876)
Prepayments and other assets	13,385	(9,425)
Film Distribution Royalties	(4,635)	(9,055)
Net operating cash flows	**82,306**	**111,283**

Reconciliation of cash and cash equivalents

Reconciliation of cash and cash equivalents at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		2016 $A'000	2015 $A'000
8.1	Cash on hand and at bank	40,839	32,712
8.2	Deposits at call	23,499	62,623
8.3	Bank overdraft	--	--
8.4	Total cash at end of period – continuing operations	64,338	95,335
8.5	Cash on hand and at bank attributable to discontinued operations	--	--
8.6	**Total cash and cash equivalents at end of period**	**64,338**	**95,335**

Acquisition/disposal of controlled entities

Business Combinations - Acquisition of Opia
Effective from 18 December 2015, the VRL group acquired 80% of Countrywide Property Investments (UK) Limited and its subsidiaries ("Opia"). Opia is a sales promotion consultancy business that creates brand sales promotion campaigns, and was acquired as part of the VRL group's expansion of its Marketing Solutions Division, which now comprises Edge Loyalty Systems Pty. Ltd. ("Edge") and Opia.

The VRL group has elected to measure the 20% non-controlling interest ("NCI") in Opia on the basis of the NCI's proportionate share of Opia's identifiable net assets at acquisition date. In accordance with AASB 3: Business Combinations, the initial accounting for the business combination had been determined provisionally as at 31 December 2015, which has been finalised as at 30 June 2016.

The fair values of the identifiable assets and liabilities of Opia as at the date of acquisition were:

	Recognised on acquisition $'000
Cash and cash equivalents	12,428
Deferred tax asset	5,183
Other assets	8,521
Total Assets	26,132
Payables & accruals	(18,501)
Other liabilities	(805)
Total Liabilities	(19,306)
Fair value of identifiable net assets	6,826
Goodwill arising on acquisition	52,536
	59,362
Non-controlling interest on acquisition (20% of identifiable net assets acquired)	(2,601)
	56,761
Cost of combination:	
Cash paid	(50,257)
Estimated additional amount payable to vendor for net assets acquired and tax benefits	(5,669)
Contingent consideration payable	(835)
	(56,761)
The net outflow on acquisition to 30 June 2016 is as follows:	
Cash paid	(50,257)
Net cash acquired	12,428
Net cash outflow	(37,829)
Controlled Entity Acquisition Reserve	15,794

The goodwill recognised of $52.5 million is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Opia with the VRL group's existing Edge business, which are now shown separately as the Marketing Solutions operating segment. All of the cost base of the goodwill is expected to be deductible for income tax purposes on a future disposal of Opia.

The Controlled Entity Acquisition Reserve of $15.8 million represents the relevant incremental amount for the put and call options over the remaining 20% NCI in Opia in which the option holders, at their election, can require the VRL group to buy their interests, or the VRL group can elect to purchase the interests at a purchase price in accordance with the terms of the agreements.

The estimated liability in relation to the put and call options has been calculated at fair value and changes in the fair value of the liability from period to period are charged or credited to the Controlled Entity Acquisition Reserve in equity. At each balance sheet date, the calculated NCI is transferred to liabilities and combined with this uplift amount in accordance with AASB 10: Consolidated Financial Statements.

From the date of acquisition, Opia has contributed $20.1 million of revenue and $3.0 million of net profit after tax to the Group (before deducting non-controlling interest amounts). If the acquisition had taken place at the beginning of the financial period, the VRL group's revenue for the year ended 30 June 2016 is estimated to have been $1,056.8 million and the net profit after tax is estimated to have been $19.1 million.

Transaction costs of $1.3 million paid are included in expenses excluding finance costs (included with Restructuring Costs in material items of income and expense in the attached Reconciliation of Results).

The estimated contingent consideration payable of $0.8 million has been based on the actual and future financial performance of the business over the two financial years to 31 March 2017, and has been based on current calculations and forecasts of the earnings amounts on which the relevant calculations will be based. Whilst these amounts are variable, it is not currently expected that the actual payments will differ materially from the estimated amounts shown above.

Undrawn credit facilities

The economic entity has undrawn credit facilities at balance date of $210.0 million (2015: $168.5 million), and at the date of this report of $195.0 million.

Non-cash financing and investing activities

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

N/A

Other notes to the financial statements

Ratios		Current period	Previous corresponding period
9.1	**Profit before tax / revenue** Consolidated profit from continuing operations before income tax expense *(item 1.5)* as a percentage of income *(item 1.1)*	3%	6%
9.2	**Profit after tax / +equity interests** Consolidated profit attributable to members of Village Roadshow Limited *(item 1.11)* as a percentage of parent entity equity at the end of the period *(item 4.40)*	3%	9%

Earnings per share (EPS)		Current period	Previous corresponding period
10.1	Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 30 of AASB133 *Earnings Per Share* are as follows.		
	Basic EPS[1,2]	9.8c	27.5c
	Diluted EPS[1,2]	9.7c	27.2c
	Basic and diluted EPS from continuing operations are as follows:		
	Basic EPS[1,2]	9.8c	27.5c
	Diluted EPS[1,2]	9.7c	27.2c
	Weighted Average Number of shares outstanding during the period used in the calculations of EPS:		
	Ordinary Shares – Basic EPS	160,558,023	159,518,165
	Ordinary Shares – Diluted EPS	162,159,487	161,600,932

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

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

NTA backing		Current period A$	Previous corresponding period A$
11.1	Net tangible asset backing per +ordinary security	0.47	1.08

Discontinued Operations

12.1 There were no discontinued operations in the year ended 30 June 2016 or 30 June 2015.

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	80% of Countrywide Property Investments (UK) Limited and its Subsidiaries including Opia Limited
13.2	Consolidated profit (loss) from continuing operations after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	$2,950,934 (100%)
13.3	Date from which such profit has been calculated	18 December 2015
13.4	Profit (loss) from continuing operations after tax of the entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

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

Dividends & Distributions

15.1	Date the dividend is payable	6 October 2016
15.2	+Record date to determine entitlements to the dividend (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	14 September 2016
15.3	Has the dividend been declared?	Yes

Amount per Security

			Amount per security	Franked amount per security at 30% tax	Conduit foreign income per security
	Final dividend:				
15.4	Current year – Ords	*(To be paid October 2016)*	14.0c	14.0c	--
15.5	Previous year – Ords	*(Paid October 2015)*	14.0c	14.0c	--
	Interim dividend:				--
15.6	Current year – Ords	*(Paid April 2016)*	14.0c	14.0c	
15.7	Previous year – Ords	*(Paid April 2015)*	14.0c	14.0c	--

Total Dividend & Distribution per security

		Current year	Previous year
15.8	+Ordinary securities *(declared in relation to the relevant year)*	28.0c	28.0c

Dividends & Distributions paid/payable on all securities

		Current period $A'000	Previous corresponding Period $A'000
15.9	+Ordinary securities *(each class separately)*	44,986	44,665
15.10	**Total** *(declared during the relevant year)*	**44,986**	**44,665**

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

Details of aggregate share of (loss) profit of associates

	Group's share of associates':	Current period $A'000	Previous corresponding period $A'000
16.1	(Loss) profit from continuing operations before income tax	(6,901)	11,269
16.2	Income tax expense on continuing operations	(2,269)	(1,815)
16.3	**Share of net (loss) profit of associates**	**(9,170)**	**9,454**

Equity accounted associates

Details relating to equity accounted associates are set out below.

Name of entity 17.1 **Equity accounted associates**	Percentage of ownership interest held at end of period or date of disposal: Current period	Percentage of ownership interest held at end of period or date of disposal: Previous corresponding period	Contribution to net profit (loss) after tax (item 1.4): Current Period A$'000	Contribution to net profit (loss) after tax (item 1.4): Previous corresponding period A$'000
Associates:				
Dartina Development Ltd.	50.00%	50.00%	11,678	8,188
Village Roadshow Entertainment Group Ltd.[1]	50.17%	47.12%	(19,204)	--
iPic-Gold Class Entertainment LLC[2]	30.00%	30.00%	(2,451)	--
VR iPic Finance LLC	42.86%	42.86%	(317)	245
FilmNation Entertainment LLC	31.03%	31.03%	1,123	1,020
Other[3]	N/A	N/A	1	1
Total			**(9,170)**	**9,454**

Notes:

1. The VRL group is the largest shareholder in VREG, with 50.17% (2015: 47.12%) of the ordinary shares of VREG. VREG is classified as an associate for accounting purposes.

   The VREG Board is the ultimate decision-making body of VREG, however the provisions of the VREG Shareholders Agreement provide that most decisions regarding relevant activities of VREG are recommended to the Board by an advisory committee established under the Shareholders Agreement ("Advisory Committee"). The VRL group does not have control of either the VREG Board or Advisory Committee. Based on this, it has been determined that the VRL group does not control VREG in accordance with AASB 10: Consolidated Financial Statements, however the VRL group does have significant influence over VREG in accordance with AASB 128: Investments in Associates and Joint Ventures.

   Therefore, the investment in VREG is equity-accounted, and as a result of the significant negative net asset position of VREG, the carrying value of the net investment has been written down to nil due to the recognition of accumulated losses, so that the VRL group has no carrying value for accounting purposes. It is noted that VREG's film rights are recorded in its accounts (in non-current assets) at amortised cost, as required under IFRS, which is significantly less than the market value of these film rights.

   As advised to the Australian Securities Exchange on 15 September 2015, VREG has completed new corporate debt facilities totalling USD 325 million, refinancing its existing corporate debt facility and providing additional working capital. Part of the USD 325 million VREG corporate debt refinancing is subordinated debt financing of USD 25 million, repayable by September 2021. The VRL group contributed USD 15 million of the subordinated debt, which is earning cash interest of 6% p.a., as well as non-cash interest of 9.5% p.a. payable upon repayment of the debt, plus an entitlement to further non-voting shares.

   As a result of VREG's significant negative net asset position, this additional net investment by the VRL group has been immediately written off due to equity accounting requirements, resulting in an equity-accounted loss after tax of A$20.0 million in the year ended 30 June 2016 (included in material items of income and expense in the attached Reconciliation of Results).

   As part of the VREG refinancing, the VRL group's existing non-voting redeemable equity shares in VREG have been modified, now accruing a 14% non-cash dividend, with redemption by March 2022. The non-voting redeemable equity is subordinated to VREG's securitised film financing, corporate debt and subordinated debt. All VREG debt is non-recourse to the VRL group.

   The VRL group results only include interest or dividends received in cash from VREG, and in the year ended to 30 June 2016, cash interest of A$0.8 million was received from VREG and included in equity accounted results (2015: Nil), and no cash dividends were received in either the current or previous corresponding periods.

2. The VRL group contributed USD 1.8 million to iPic-Gold Class Entertainment LLC ("IGCE") in the year ended 30 June 2016. As a result of IGCE's negative net asset position, these additional net investment amounts have been immediately written off due to equity accounting requirements, resulting in an equity-accounted loss after tax of A$2.5 million (included in material items of income and expense in the attached Reconciliation of Results).

3. In relation to 'other' associates referred to above, there have been no significant changes in the state of affairs during the period.

Issued and quoted securities at end of current period

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

	Category of +securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
18.1	**Preference +securities** *(description)*	N/A	N/A		
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3	**+Ordinary securities** [1]	161,104,179	161,104,179		
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	 875,270 --	 875,270 --		
18.5	**+Convertible debt securities** *(description and conversion factor)*	N/A	N/A		
18.6	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks				
18.7	**Options** *(description and conversion factor)*			*Exercise Price*	*Expiry Date (if any)*
	Details of options over Ordinary shares issued in November 2012, with an effective grant date of 29 November 2012 were as follows:				
	Options over Ordinary shares	1,500,000	--	$3.51	1/3/2019
	Options over Ordinary shares	1,500,000	--	$3.51	1/3/2019
	Total Options over Ordinary shares	3,000,000	--		
18.8	Changes during current period				
	(a) Issued during current period	--	--		
	(b) Exercised during current period	750,000	--	$3.51	1/3/2019
	(c) Lapsed during current period	750,000	--	--	1/3/2019
		--	--		
18.9	**Debentures** *(description)*				
18.10	Changes during current period	N/A	N/A		
18.11	**Unsecured notes** *(description)*				
18.12	Changes during current period	N/A	N/A		

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

19.1 Segment Reporting[1]

The VRL group has added a new operating segment following the acquisition of the Opia business. The Marketing Solutions operating segment comprises the Edge and Opia businesses as this reflects the fact that the businesses have similar economic characteristics, provide similar services and share common customer types, and their combined operating results are separately reviewed by the Chief Operating Decision Maker and are considered to be one segment. In addition, Asia Development Costs have now been included in the Theme Parks segment (previously included in Other). Comparative figures for these changes have been adjusted accordingly.

	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions		Other[2]		Total	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Reporting by Operating Segments – Continuing Operations:												
Segment revenue – services	204,619	209,559	225,984	209,161	194,172	217,767	41,766	16,921	--	--	666,541	653,408
Segment revenue – goods	119,792	105,270	85,509	79,940	182,966	146,772	--	--	--	--	388,267	331,982
Total segment revenue	324,411	314,829	311,493	289,101	377,138	364,539	41,766	16,921	--	--	1,054,808	985,390
Plus: Non-segment revenue	--	--	--	--	--	--	--	--	4,024	10,003	4,024	10,003
Less: Inter-segment revenue	(874)	(4,241)	--	--	(17,468)	(22,864)	(625)	(663)	--	--	(18,967)	(27,768)
Total Revenue											**1,039,865**	**967,625**
Segment results before tax	23,440	22,574	62,448	53,298	17,368	28,674	5,644	2,238	--	--	108,900	106,784
Non-segment result (Corporate) before tax	--	--	--	--	--	--	--	--	(39,594)	(35,601)	(39,594)	(35,601)
Operating profit (loss) before tax – segment purposes	**23,440**	**22,574**	**62,448**	**53,298**	**17,368**	**28,674**	**5,644**	**2,238**	**(39,594)**	**(35,601)**	**69,306**	**71,183**
Restructuring costs	(2,034)	(1,545)	(917)	--	(2,445)	--	(1,766)	--	(1,025)	(2,116)	(8,187)	(3,661)
Equity accounted losses on net investments	--	--	(2,451)	--	--	--	--	--	(20,046)	--	(22,497)	--
Impairment and other non-cash adjustments	--	(8,294)	(456)	(834)	--	--	(6,209)	--	(467)	--	(7,132)	(9,128)
Legal settlements and expenses	--	(2,706)	--	--	--	--	--	--	--	--	--	(2,706)
Profit on disposal of investments / businesses	--	--	--	--	--	--	--	--	--	3,298	--	3,298
Operating profit before tax											**31,490**	**58,986**
Income tax expense											(14,928)	(18,752)
Non-controlling interest	(289)	3,690	--	--	--	--	(610)	--	--	--	(899)	3,690
Total attributable profit after tax from continuing operations per the statement of comprehensive income											**15,663**	**43,924**
Interest income	134	189	342	555	781	1,338	588	2	727	1,980	2,572	4,064
Finance costs before finance restructuring costs	14,905	16,391	4,183	4,165	4,381	4,256	1,959	181	4,983	5,388	30,411	30,381
Finance costs – finance restructuring costs (material items)											4,244	--
Total finance costs											34,655	30,381
Depreciation and amortisation expense	49,741	48,685	15,694	14,611	3,524	3,030	983	522	1,666	1,365	71,608	68,213
Equity-accounted net (loss) profit											(9,170)	9,454
Non-cash expenses other than depreciation	649	734	88	135	64	101	--	--	--	45	801	1,015
Capital expenditure	61,518	49,425	30,142	19,574	993	2,349	838	1,459	5,446	8,185	98,937	80,992

[1] Description of Reportable Segments:
Theme Parks: Theme park and water park operations
Cinema Exhibition: Cinema exhibition operations
Film Distribution: Film, DVD & video distribution operations
Marketing Solutions: Sales promotion and brand loyalty program operations

[2] The 'Other' column represents financial information which is not reported in one of the reportable segments

20.1 Not used

Basis of financial report preparation

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

> Subsequent to 30 June 2016, the VRL group has provided additional Subordinated Debt funding to an associated entity, iPic-Gold Class Entertainment LLC ("IGCE"), which may be converted to equity. The funding that has been provided subsequent to 30 June 2016, plus further amounts that will be provided prior to 30 September 2016, total USD 14.3 million.
>
> In addition, further funding of approximately USD 5 million will be provided to another associated entity, Village Roadshow Entertainment Group Limited ("VREG"), prior to 30 September 2016.
>
> Due to equity-accounting requirements, as both IGCE and VREG have negative net assets, these further net investment amounts will be immediately expensed, and these losses will be disclosed as Material Items in the VRL group's results for the half-year ending 31 December 2016 and the year ending 30 June 2017.

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

> Refer narrative.

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

> Franking credits available as at 30 June 2016 will need to be assessed in conjunction with estimated franking account movements in the year ending 30 June 2017, at the time of declaring any dividends.

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

> N/A

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

> N/A

Basis of financial report preparation (continued)

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

(a) Contingent Liabilities:

Contingent liabilities are not materially different from those disclosed in the 30 June 2015 financial report other than as set out below (including items 21.6(a)(i) and 21.6(a)(iii) which were fully or partly updated in the 31 December 2015 half-year financial report).

(i) Client Risk Review and Tax Audit by Australian Taxation Office:

As disclosed in Note 22(a)(iv) in the 30 June 2015 financial report, the VRL group anticipates that tax audits may occur from time to time in Australia, and the VRL group is subject to routine tax audits in certain overseas jurisdictions.

Also as disclosed in the 30 June 2015 financial report, and as updated in the 31 December 2015 half-year financial report, the Australian Taxation Office ("ATO") carried out a Client Risk Review in relation to the VRL Tax Consolidated Group, covering the financial years from 2012 to 2014. In mid February 2016, the ATO advised that the Client Risk Review would be closed, but they also advised that it was likely that a Tax Audit would be conducted by the ATO in future, limited to particular matters.

In July 2016, the ATO advised that, following the Client Risk Review, a Tax Audit was to be carried out in relation to the VRL Tax Consolidated group, covering the financial years from 2012 to 2015. Initial information requested is in the process of being provided to the ATO, and will continue to be provided during these early stages of the Tax Audit. The ATO has advised they expect to be able to complete this Tax Audit by around August 2017, based on similar Tax Audits and subject to any particular issues that may arise.

VRL does not currently believe that any material impact will result from the Tax Audit.

(ii) Belfast rent dispute:

As disclosed in Note 22(a)(v) in the 30 June 2015 financial report, Village Theatres 3 Limited ("VT3"), a wholly-owned subsidiary in the VRL group, is continuing to take action against its landlord seeking damages. The landlord is also seeking payment of unpaid rent, which has been fully accrued in VT3's accounts as at 30 June 2016.

(iii) Guarantee issued in relation to Associate:

As disclosed in Note 22(a)(vi) in the 30 June 2015 financial report, VRL has procured a bank guarantee to support the financing of an associated entity, VR iPic Finance LLC ("VRIF"), in which the VRL group has a 42.86% (3/7th) interest. VRIF has obtained debt financing to contribute funds to iPic-Gold Class Entertainment LLC ("IGCE"), which is also an associated entity of VRL. Another shareholder of IGCE is also providing guarantee support to VRIF.

As disclosed in the 31 December 2015 half-year financial report, VRL's guarantee exposure in relation to VRIF has increased to the maximum amount of USD 24.2 million.

(b) Contingent Assets

Contingent assets are not materially different from those disclosed in the 30 June 2015 financial report.

21.7 All financial results for the years ended 30 June 2016 and 30 June 2015 are in accordance with the requirements of International Financial Reporting Standards (IFRS).

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

Additional disclosure for trusts

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

Annual meeting

The annual meeting will be held as follows:

Place	Jam Factory Cinemas, 500 Chapel Street, South Yarra, VIC, 3141
Date	17 November 2016
Time	9.00 am
Approximate date the +annual report will be available	17 October 2016

Compliance statement

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

Identify other standards used	N/A

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

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

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

☐	The +accounts have been audited.	☐	The +accounts have been subject to review.
✓	The +accounts are in the process of being audited or subject to review.	☐	The +accounts have not yet been audited or reviewed.

5 The entity has a formally constituted audit committee.

Sign here: ____________________________ (Company secretary)

Date: 25 August 2016

Print name: SHAUN DRISCOLL