

VILLAGE ROADSHOW 1H17 RESULTS

17 FEBRUARY 2017



VILLAGE ROADSHOW

VRL 1H17 TELECONFERENCE DETAILS

17 FEBRUARY 2017 2:00 PM AEDT (NSW, VIC, TAS, ACT)
CONFERENCE ID: 957455

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

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

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

If unable to register, call one of the numbers below at the time of the conference
and provide the conference ID 957455 to an operator:

Australia Toll Free:	1800 908 299	Australia Alt. Toll Free:	1800 455 963		
Australia Local:	+61 2 9007 8048	Australia Alt. Local:	+61 7 3145 4005		
New Zealand Toll Free:	0800 452 795	Hong Kong Toll Free:	800 968 273	Singapore Toll Free:	800 101 2702
Auckland Local:	+64 9 929 3905	India Toll Free:	000 800 100 8070	South Africa Toll Free:	0800 984 013
Canada/USA Toll Free:	1855 624 0077	Indonesia Toll Free:	007 803 321 8057	Switzerland Toll Free:	0800 802 498
China Toll Free:	1080 0140 1776	Ireland Toll Free:	1800 948 607	Taiwan Toll Free:	0080 112 7377
France Toll Free:	0800 913 734	Japan Toll Free:	0066 3386 8000	UAE Toll Free:	8000 3570 2706
Germany Toll Free:	0800 183 0918	Malaysia Toll Free:	1800 816 441	UK Toll Free:	0800 051 1453

In order to ask a question during the Live Question and Answer Session

Press * then 1 on your telephone keypad to enter the Q&A queue

Press * then 2 on your telephone keypad to withdraw your question

VRL – IN THE BUSINESS OF ENTERTAINMENT AND LEISURE

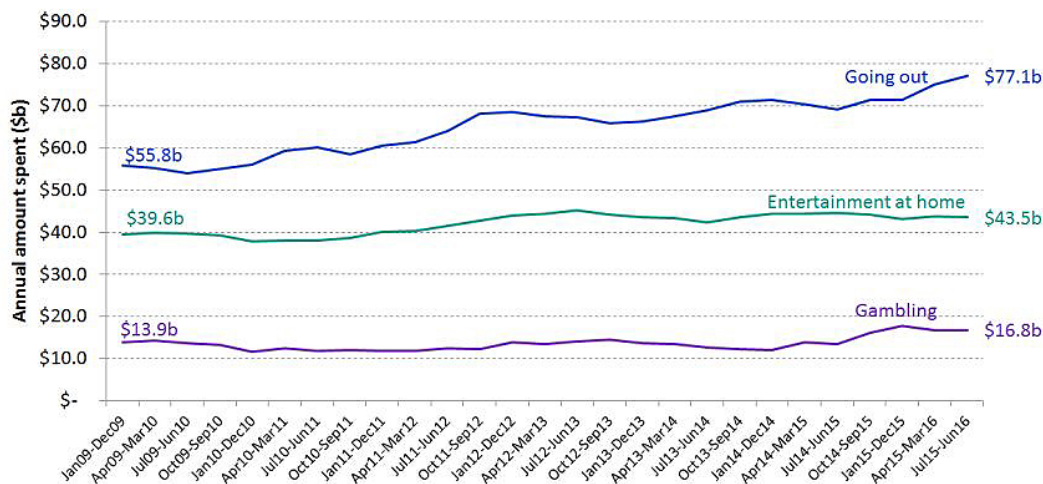
“Many sectors of commerce are challenged by Technology...

People will always want to go out”

AUSTRALIANS ARE SPENDING ON GOING OUT

ROY MORGAN RESEARCH STATES THAT PEOPLE ARE “DOING RATHER THAN OWNING”

Breakdown of Australians' leisure spending: going out, home entertaining and gambling



VRL'S BUSINESSES – CINEMA EXHIBITION



VILLAGE ROADSHOW

IT USED TO BE VILLAGE “CINEMAS” ...
NOW CHANGING THE EMPHASIS TO
VILLAGE “ENTERTAINMENT”



EXCEPTIONAL CONCEPTS - POSITIONING AS A DESTINATION OF CHOICE

A WORLD OF MOVIE ENTERTAINMENT



VJUNIOR – THE NEWEST INNOVATION, LAUNCHED AT SOUTHLAND

**FIRST EVER CHILDREN'S
CINEMA CONCEPT IN
AUSTRALIA**

**VILLAGE CINEMAS'
HIGHEST OCCUPANCY
CONCEPT**

**EXCEPTIONAL SOCIAL
MEDIA REACTION**

**PLANS BEING DEVELOPED
FOR FURTHER ROLL OUT**



Top 5 Kids Titles (Summer 2016/2017)

Southland ranking

Sing #1

Moana #2

Trolls #1

Ballerina #1

Middle School: The Worst
Years of My Life #2

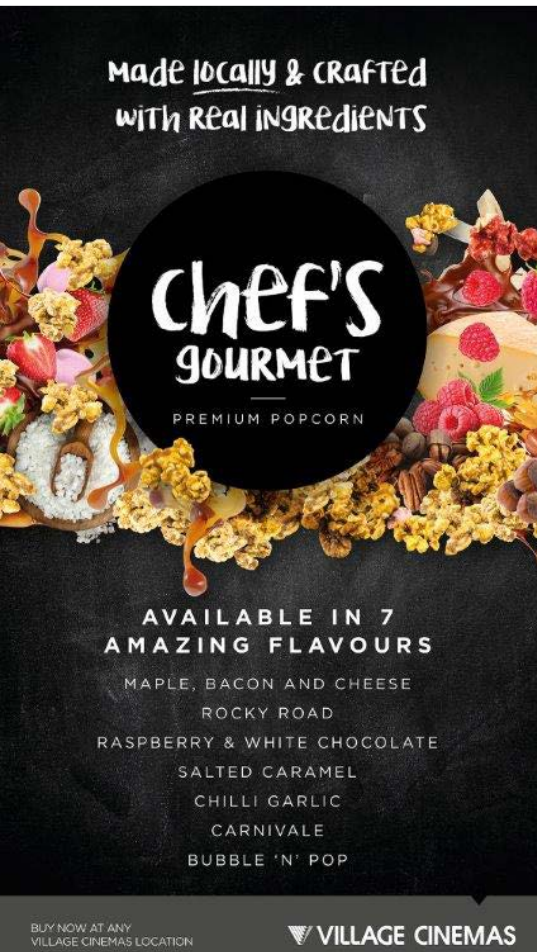
**Southland overall ranking
(Australia) for top 5 kids titles**

#1

Source: Rentrak.

NEW INTENSE CONCENTRATION ON FOOD AND BEVERAGE

Made locally & CRAFTED
WITH REAL INGREDIENTS



**chef's
GOURMET**
PREMIUM POPCORN

AVAILABLE IN 7
AMAZING FLAVOURS

- MAPLE, BACON AND CHEESE
- ROCKY ROAD
- RASPBERRY & WHITE CHOCOLATE
- SALTED CARAMEL
- CHILLI GARLIC
- CARNIVALE
- BUBBLE 'N' POP

BUY NOW AT ANY
VILLAGE CINEMAS LOCATION

VILLAGE CINEMAS



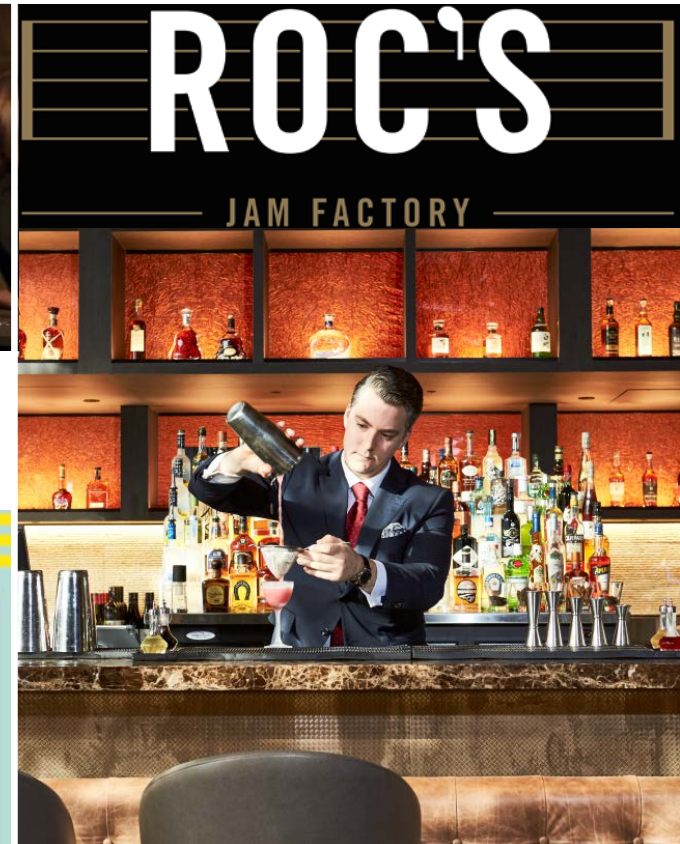
Food and beverage becoming
a major part of our offering



**nine
teen
forty**

COME AND JOIN
US FOR A SNEAKY
DRINK BEFORE
CATCHING A MOVIE.

ON THE RIVOLI ROOFTOP



1H17 - VILLAGE CINEMAS' SECOND HIGHEST HALF YEAR ON RECORD

**LAST YEAR *STAR WARS: THE FORCE AWAKENS* WITH \$94 MILLION BOX OFFICE RESULT
AND *ROGUE ONE: A STAR WARS STORY* THIS YEAR WITH \$50 MILLION BOX OFFICE RESULT¹**

Note: As at 31 January 2017.

KEY UPCOMING CINEMA EXHIBITION TITLES

March

- *Beauty & The Beast*
- *Boss Baby*
- *Ghost In The Shell*
- *Kong: Skull Island*
- *Lego Batman*
- *Life*
- *Logan*
- *Power Rangers*

April

- *Fate of the Furious*
- *Guardians Of The Galaxy 2*

May

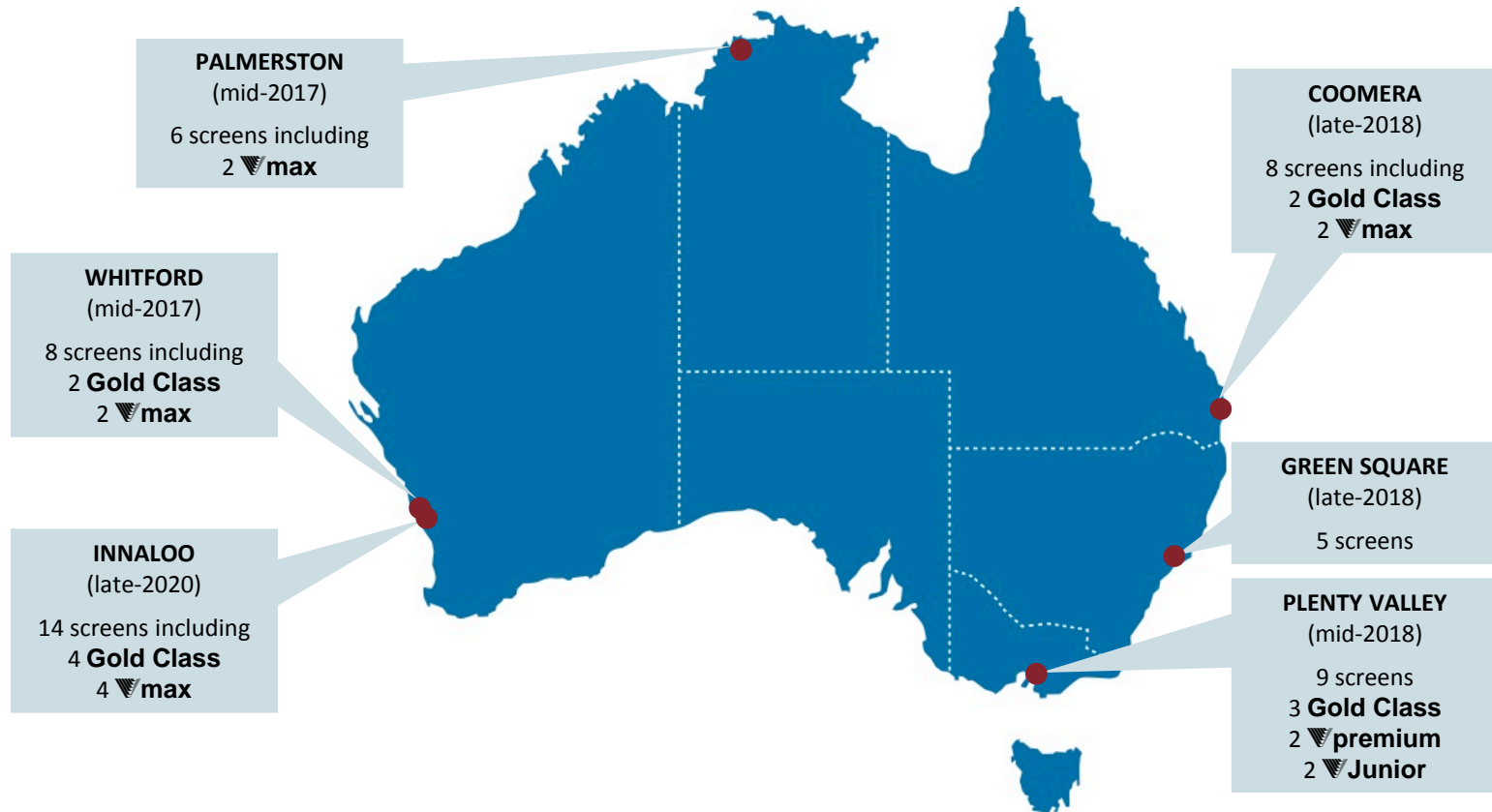
- *Alien Covenant*
- *King Arthur: Legend of the Sword*
- *Baywatch*

June

- *Despicable Me 3*
- *Transformers: The Last Night*
- *Cars 3*
- *Pirates Of The Caribbean: Dead Men Tell No Tales*
- *Wonder Woman*



CINEMA EXHIBITION –EXPANDING INTO KEY GROWTH CORRIDORS



IPIC THEATERS

- 30% VRL owned iPic Theaters circuit in North America trading to expectations
- Pre-Christmas 2016 iPic opened two sites, one at Fulton Market, Manhattan and the other in Fort Lee, New Jersey and both are doing excellent business
- Recently iPic was successful in winning a landmark court decision on film clearances – this included yet to be resolved damages to iPic's account, removal of impediment to film supply and barriers against expansion



VRL'S BUSINESSES – THEME PARKS



VILLAGE ROADSHOW

REINFORCING THE POSITIVE IMAGE

The impact of the Dreamworld tragedy is analogous to airline travel after a widely publicised disaster. Village Roadshow's Gold Coast theme park attendance was down 8.4% on the prior corresponding period following the tragedy¹. The bulk of the decline was in the local Queensland market, with international and interstate attendance solid.

Importantly, Dreamworld is of course not a VRL park.

As concern ebbs, the business will return to normal.

People can get on VRL rides without anxiety, just as they would jump on a Qantas or Virgin flight.

To accelerate the return to confidence, the upcoming promotional campaign will focus on:

“THE MAGIC CAN BE YOURS NOW”

Get up close with our family – dolphins, penguins and koalas

Get into the action on the best of our rides

¹ Includes Warner Bros. Movie World, Wet'n'Wild Gold Coast and Sea World attendance from 26 October 2016 – 7 February 2017 compared to 26 October 2015 – 7 February 2016.

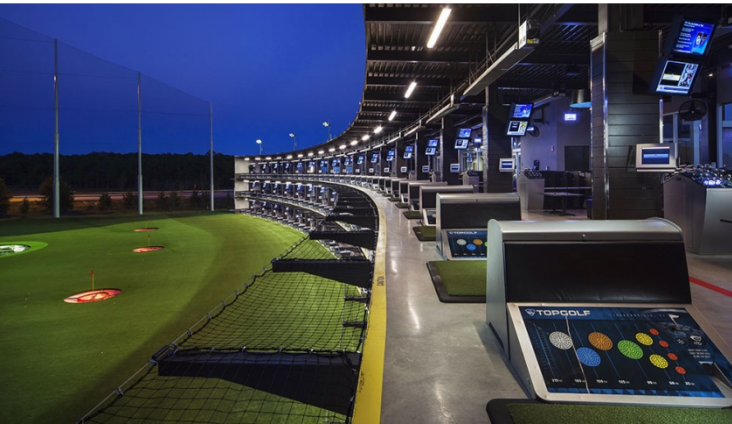
CONTINUED TO REFRESH THE PARKS IN 1H17 & STUDIOS WERE BUSY



- A groundbreaking virtual reality upgrade on *Arkham Asylum*, *DC Villains* area and *Doomsday* ride were introduced at Warner Bros. Movie World
- The Sea World Plaza upgrade completed, creating an enhanced food and retail offering
- The popular new Australian Outback Spectacular show opened
- *Dinosaur Lagoon*, a ride reservation system, enhanced shade and food menu and an events program were introduced at Wet'n'Wild Sydney and well received
- The next instalment of *Thor* completed filming at Village Roadshow Studios and the DC Comics project, *Aquaman* commenced



THEME PARKS - UPCOMING



WORK IS UNDERWAY TO BRING THE FIRST
TOPGOLF TO AUSTRALIA IN CY18

TOPGOLF IS A GLOBAL LEADER IN SPORTS ENTERTAINMENT
AND HAS ENJOYED ENORMOUS SUCCESS
WITH OVER 20 SITES OPENED IN THE USA SO FAR, TOPGOLF
HAS RECEIVED OUTSTANDING PAYBACKS

AND COMING SOON...
ANOTHER EXCITING NEW ATTRACTION AT



ASIAN THEME PARKS

- The business is developing two major opportunities with customary Asian long lead time
- In addition, two management agreements are in place and construction underway

MISSION HILLS - WET'N'WILD

Bringing China's first Wet'n'Wild branded theme park to Haikou on Hainan Island



LAI SUN - LIONSGATE ENTERTAINMENT WORLD

Indoor experience centre, themed around some of Lionsgate's key franchises at Novotown on Hengqin Island



VRL'S BUSINESSES – FILM DISTRIBUTION



VILLAGE ROADSHOW

DISTRIBUTION CHALLENGED IN 1H17

- Film Distribution division had a challenging first half of FY17
- Despite the performance of titles such as *Bad Moms*, *Suicide Squad* and *Fantastic Beasts and Where to Find Them*, there were some titles (*Deepwater Horizon* and *Red Dog: True Blue*) which underperformed, impacting the 1H17 result
- *Red Dog: True Blue* was a disappointing result and became ticket choice number four for family audiences, behind *Rogue One: A Star Wars Story*, *Sing* and *Moana*
- The theatrical sector is shifting towards mega brands (Lucasfilm / Marvel / Disney / Pixar / Illumination), necessitating a changed strategy
- Ensuring the division's future through a careful redirection creating **THE NEW ROADSHOW**

THE NEW ROADSHOW

MORE FOCUSED TRADITIONAL BUSINESS

ROADSHOW TELEVISION – ROADSHOW ROUGH DIAMOND

FILMNATION

AUSTRALIAN FILM INITIATIVES



FOCUS TRADITIONAL BUSINESS AND DIVERSIFY

Traditional business to be more focused

- Targeted film acquisitions and laser focused marketing campaigns

Television - Roadshow Rough Diamond

- Formed in June 2016 to focus on production of quality TV drama
- Currently in the development phase for a number of series
- Will leverage Roadshow's expertise in selling product

COMMITMENT TO GROWTH THROUGH FILM CONTENT OWNERSHIP

AMY ADAMS JEREMY RENNER FOREST WHITAKER



FilmNation

- *Arrival*, the first film produced by FilmNation since VRL's investment, released in 1H17 and outperformed global box office expectations
- Continuing its production strategy, with a number of titles in post-production

Australian Film Initiatives

- Actively developing a portfolio of Australian feature films, for example Jan Sardi developing a script for *The Bridge*
- These projects are at different stages of development and the intention is for them to become a key part of the future slate



VILLAGE ROADSHOW

KEY UPCOMING FILM DISTRIBUTION TITLES

- *Kong: Skull Island*
- *Power Rangers*
- *Lego Batman*
- *King Arthur: Legend of the Sword*

VRL'S BUSINESSES – MARKETING SOLUTIONS



VILLAGE ROADSHOW

MARKETING SOLUTIONS 1H17 RETURN DRIVEN BY EDGE LOYALTY

- Continued program of integration between the Australian and UK businesses and leveraging core skills and customer bases of Opia and Edge Loyalty
- In addition to continued business with existing clients, the division has leveraged the benefits of the combined entity to diversify into new sectors including Consumer Electronics, Insurance and Banking in Australia and Cinema and DIY in Europe

Edge Loyalty Australia

- Strong 1H17 return exceeded expectations and was a result of
 - Increasingly sophisticated promotional offering
 - Sharper focus on key accounts
- Engaging with clients at a more strategic level with a broader suite of promotional solutions has seen a sharp lift in like for like sales with key accounts
- Industry sectors that have seen the strongest growth include insurance, banking, FMCG and retail

OPIA IMPACTED BY BREXIT, NOW BEGINNING TO RECOVER

Opia

- Despite performing well in Europe, Opia's 1H17 result was impacted by Brexit:
 - Softening market sentiment reduced promotional activity in the UK; and
 - Devaluation of the UK Pound resulted in lower earnings reported in Australian dollars
- Notwithstanding the short term negative economic influences on the business, the fundamentals of the business are strong and Opia is beginning to see a recovery in promotional activity
- International expansion is well underway with the recent appointment of territory heads in USA and Asia, focused on:
 - Existing long-term relationships with its blue-chip multinational customer base; and
 - Replicating successful promotions in the USA and Asia

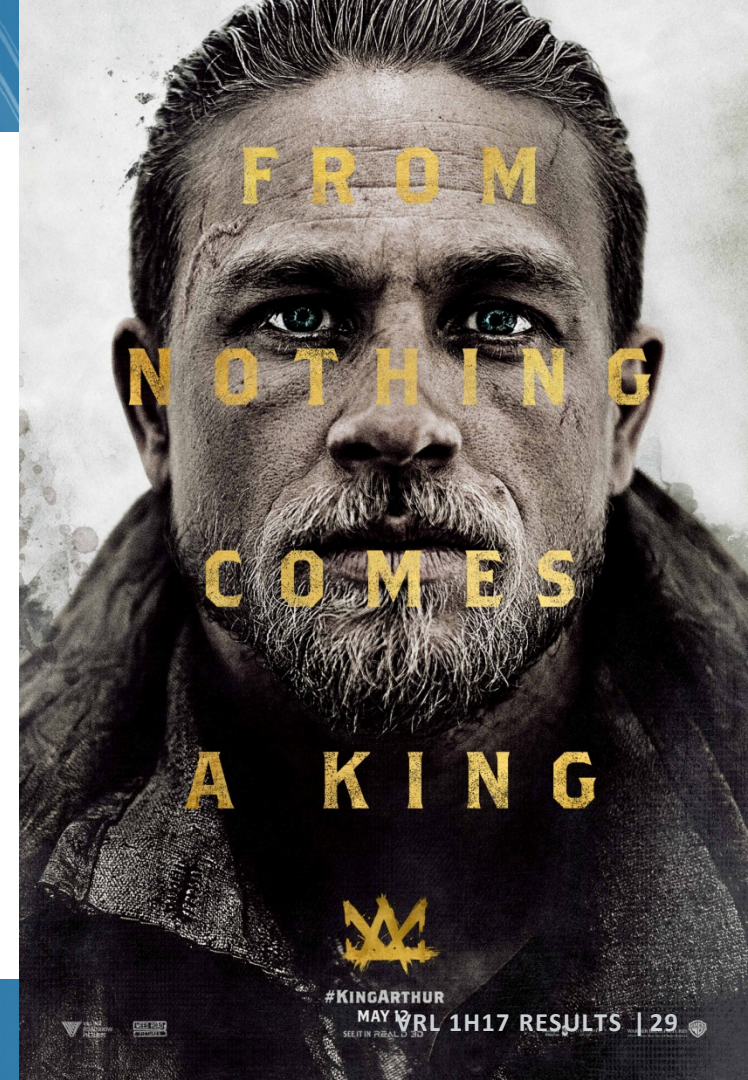
VRL'S BUSINESSES – FILM PRODUCTION



VILLAGE ROADSHOW

FILM PRODUCTION – 1H17

- As at 31 December 2016, VREG had released a total of 95 films, including five titles released in 1H17: *Ghostbusters*, *Sully*, *The Magnificent Seven*, *Collateral Beauty* and *Passengers*
- Village Roadshow Pictures and Village Roadshow Pictures Asia have a portfolio approach and a focus on the development of franchises, with a number of titles under development
- Upcoming releases include:
 - The blockbuster *King Arthur: Legend of the Sword* (Warner Bros.)
 - *Going in Style* (Warner Bros./New Line)
 - *The House* (Warner Bros./New Line)



VRL GROUP – MAJOR ISSUES

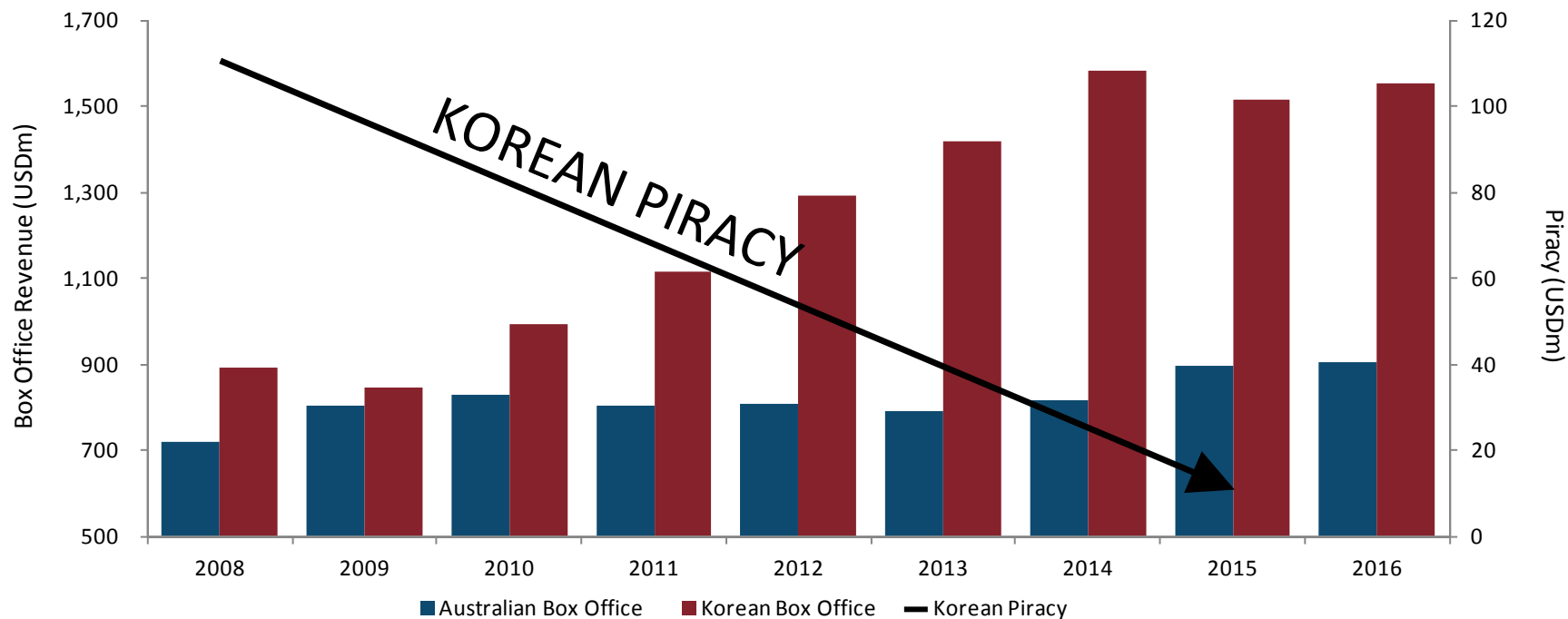


VILLAGE ROADSHOW

- Impacting VRL's Cinema Exhibition and particularly Film Distribution businesses
- Using bipartisan legislation, access to The Pirate Bay website has been blocked resulting in a dramatic reduction in downloads from that site
- In February, will initiate the blocking of a further 40 pirate sites, constituting approximately 90% of the flow
- Five point program
 1. Site blocking
 2. Google take-downs and site ranking demotions
 3. Major PR campaign
 4. Availability of legal product
 5. Suing infringers
- Aiming for a similar outcome to Korea which saw an 89.8% decline in piracy¹ - refer to following charts on Box Office and Online impacts

¹Korean Illegal Internet Movie Market 2008 – 2016. Source: Copyright Protection Centre.

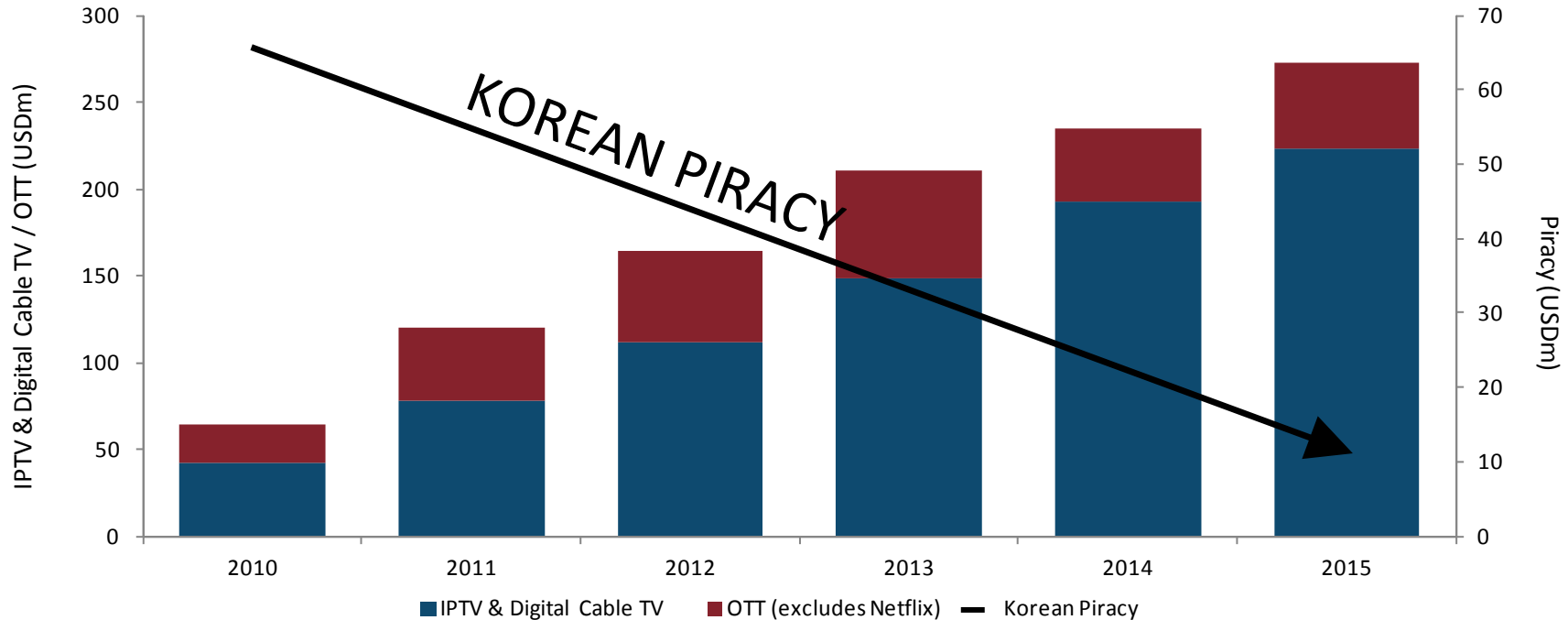
DECREASING PIRACY DRIVING KOREAN BOX OFFICE



Sources: Australian Box Office: MPDAA. Korean Box Office: IHS Screen Digest. Korean Piracy: Copyright Protection Centre.

Note: AUD converted to USD at 0.75. Piracy represented as the Illegal Internet Movie Market.

KOREA'S ONLINE MOVIE MARKET INCREASED WITH LOWER PIRACY



Sources: Korean Online Movie Market: Korea Film Council. Korean Piracy: Copyright Protection Centre.

Note: KRW converted to USD at 1,170.45. Piracy represented as the Illegal Internet Movie Market. IPTV is "Internet Protocol Television". OTT is "Over The Top content".

- The Board considers Net Debt/EBITDA of 3.27x at 31 December 2016 unacceptable and is focused on reducing this significantly
 - Actively pursuing potential asset sales
 - Major review of costs and program to reduce capex spending
 - Growth program re-evaluated and slowed
 - No further investments in VREG
 - No interim FY17 dividend declared, pending intended reduction of gearing levels - VRL's Board is committed to shareholder returns and the Directors intend to reinstate the dividend as soon as it is deemed prudent

GROUP AND DIVISIONAL FINANCIALS



VRL GROUP – KEY EARNINGS METRICS

Key Earnings Metrics (\$m)	Cinema Exhibition		Theme Parks		Film Distribution		Marketing Solutions		Corporate & Other		Group		
	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	FY16
EBITDA	32.4	37.6	42.6	42.0	10.8	14.8	7.4	1.6	(14.7)	(18.1)	78.4	77.9	168.8
EBIT	24.0	30.1	17.3	16.7	9.0	13.0	6.7	1.2	(15.2)	(19.0)	41.8	42.0	97.1
PBT	21.6	28.2	10.3	9.1	7.1	11.4	5.5	1.1	(17.4)	(21.0)	27.1	28.8	69.3

Refer to divisional breakdowns for more detail.

Notes:
 EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation, excluding Material Items and Discontinued Operations.
 EBIT is Earnings Before Interest and Tax, after Depreciation and Amortisation, excluding Material Items and Discontinued Operations.
 PBT is Profit Before Tax, excluding Material Items and Discontinued Operations, also referred to as "Operating Profit".

VRL GROUP - CASHFLOW

Operating Cash Flow (\$m)	Cinema Exhibition		Theme Parks		Film Distribution		Marketing Solutions		Corporate & Other		Group		
	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	FY16
EBITDA	32.4	37.6	42.6	42.0	10.8	14.8	7.4	1.6	(14.7)	(18.1)	78.4	77.9	168.8
Movement in Working Capital	22.3	8.4	(7.0)	(0.5)	(2.1)	(13.1)	(4.5)	(1.0)	(0.8)	(4.5)	8.0	(10.7)	(35.8)
Interest & Tax	(2.4)	(1.9)	(7.0)	(7.1)	(1.9)	(1.6)	(1.2)	(0.1)	(9.4)	(15.6)	(21.9)	(26.3)	(50.7)
Operating Cash Flow	52.3	44.1	28.7	34.4	6.8	0.1	1.6	0.5	(24.9)	(38.1)	64.4	40.9	82.3
Capital Expenditure	(6.6)	(13.8)	(28.9)	(26.8)	(1.0)	(0.2)	(0.9)	(0.1)	(2.7)	(1.8)	(40.0)	(42.7)	(98.9)
Free Cash Flow	45.7	30.3	(0.2)	7.5	5.8	(0.1)	0.8	0.4	(27.7)	(39.9)	24.4	(1.8)	(16.6)

Note: Movements in Working Capital primarily relate to:

Cinema Exhibition – Includes \$12.3 million of additional cash dividends from an associate;

Theme Parks – Release of deferred revenue in FY17; and

Film Distribution – Non-cash share of associate's profit and timing of royalty payments and receipts.



VRL GROUP – DEBT

On Balance Sheet Debt	Facility Expiry (Calendar year)	Total Facility (\$m) 31 Dec 16	Total Debt Drawn (\$m) 31 Dec 16	Total Debt Drawn (\$m) 30 Jun 16	Total Debt Drawn (\$m) 31 Dec 15
VRL Group Finance Facility	2019	480.0	480.0	480.0	480.0
	2020	320.0	150.0	110.0	110.0
Other	Various	13.6	9.3	9.1	7.7
Total		813.6	639.3	599.1	597.7
Cash on Hand			(85.5)	(64.3)	(108.7)
Net Debt on Balance Sheet			553.8	534.8	489.0

Debt & interest cover 31 December 2016 (Annualised)	Net Debt / EBITDA	EBITDA / Net Interest
VRL Group	3.27x	5.8x

Notes:

Other includes remaining finance facilities and reduction from capitalised borrowing costs.

CINEMA EXHIBITION – KEY RESULTS AND OUTLOOK

Key results (\$m unless stated otherwise)	1H17	1H16	FY16
Paid Admissions - Australia (m) (1)	13.1	13.2	26.5
Sales Revenue	144.9	143.0	300.8
Other Income	12.7	12.8	27.5
Total Expenses	(128.5)	(122.6)	(254.7)
EBITDA - Australia	29.1	33.2	73.6
EBITDA - Singapore (Share of Associate's Profit)	4.7	5.7	11.7
EBITDA - Other (2)	(1.4)	(1.3)	(3.3)
EBITDA - Total	32.4	37.6	82.0
Depreciation & Amortisation	(8.3)	(7.5)	(15.7)
Interest Expense (Net)	(2.4)	(1.9)	(3.8)
PBT	21.6	28.2	62.5
<i>Total Capital Expenditure</i>	<i>(6.6)</i>	<i>(13.8)</i>	<i>(30.1)</i>

Cinema Exhibition's Capital Expenditure largely related to refurbishments completed in 1H17.

Notes:

(1) Paid Admissions include Admissions to cinemas in which VRL has an economic interest, taking no account of ownership structure.

(2) Other includes Intensity, Belfast and iPic Theaters (30% owned, share of associate's results).

- **Australia**
 - Increased average ticket price and spend per person along with growth in sponsorship income
 - Minor loss in market share as competitor site at Chadstone reopened and screens at Southland and Hobart closed for refurbishment
 - Slightly higher costs, largely associated with newly opened sites which are building momentum
- **Singapore**
 - Increased market share and average ticket price, but impacted by sluggish economy
- Expected that earnings will be biased toward the second half of the financial year
 - Division expected to finish the FY17 year with EBITDA largely in line with FY16

THEME PARKS – KEY RESULTS

Key Results (\$m unless stated otherwise)	Gold Coast		Wet'n'Wild		Wet'n'Wild		Asia		Theme Parks (total)		
	Theme Parks		Sydney		Las Vegas		Theme Parks				
	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	1H17	1H16	FY16
Total Attendance ('000s)	2,663	2,761	235	262	177	191	-	-	3,076	3,214	6,313
Total Income	152.3	150.7	11.5	11.1	5.7	6.6	2.1	2.3	171.6	170.7	330.3
Total Expenses	(114.3)	(112.0)	(8.5)	(8.1)	(3.0)	(3.9)	(3.1)	(4.7)	(129.0)	(128.7)	(242.3)
EBITDA	38.0	38.7	3.0	3.0	2.7	2.7	(1.0)	(2.4)	42.6	42.0	88.0
Depreciation & Amortisation	(20.7)	(21.0)	(3.7)	(3.5)	(0.9)	(0.8)	(0.0)	(0.1)	(25.3)	(25.3)	(49.8)
Interest Expense (Net)	(5.1)	(5.6)	(1.2)	(1.2)	(0.6)	(0.7)	-	-	(7.0)	(7.6)	(14.8)
PBT	12.1	12.1	(1.9)	(1.7)	1.2	1.2	(1.1)	(2.5)	10.3	9.1	23.4
Non-controlling Interests	-	-	-	-	(0.6)	(0.6)	-	-	(0.6)	(0.6)	(0.3)
PBT After Minority Interests	12.1	12.1	(1.9)	(1.7)	0.6	0.6	(1.1)	(2.5)	9.7	8.5	23.1
Total Capital Expenditure	(25.5)	(25.4)	(3.2)	(0.9)	(0.1)	(0.1)	(0.0)	(0.4)	(28.9)	(26.8)	(61.5)

Gold Coast 1H17 Capital Expenditure includes investments in a number of rides, attractions and upgrades including completion of the DC Villains Unleashed area and Doomsday Destroyer ride at Warner Bros. Movie World, the Plaza roof at Sea World and Park and Resort improvements.

THEME PARKS - OUTLOOK

- Solid pre-season VIP campaign and a strong start to FY17 trading at Gold Coast
- Gold Coast parks impacted following the tragedy at Dreamworld
 - Attendance by the core local Queensland market declined significantly
 - Decline in attendance resulted in significant deterioration in food and beverage, retail and other in-park revenue
 - Financial impact largely offset by the usual recognition of deferred revenue
- Wet'n'Wild Sydney opened its summer season in September 2016 with solid attendance on warm days, unfortunately following the Dreamworld incident, Season Pass sales declined
- Wet'n'Wild Las Vegas closed for CY16 season in late September 2016 – focus on continued strong customer service in CY17 season
- It is expected that the division will deliver an FY17 EBITDA below the previous year
 - The extent of the decline will largely depend on June 2017 VIP pre-sales

FILM DISTRIBUTION - KEY RESULTS AND OUTLOOK

Key results (\$m)	1H17	1H16	FY16
Sales revenue	204.7	201.6	377.1
Other Income	0.4	0.1	0.2
Share of Associate's Profit	0.9	1.2	1.1
Total Expenses	(195.2)	(188.1)	(353.9)
EBITDA	10.8	14.8	24.5
Depreciation & Amortisation	(1.8)	(1.8)	(3.5)
EBIT	9.0	13.0	21.0
Interest Expense (Net)	(1.9)	(1.6)	(3.6)
PBT	7.1	11.4	17.4
<i>Total Capital Expenditure</i>	<i>(1.0)</i>	<i>(0.2)</i>	<i>(1.0)</i>

- Despite the success of a number of output agreement titles, underperformance of a couple of independently acquired titles (in particular, *Deepwater Horizon* and *Red Dog: True Blue*) adversely impacted 1H17 earnings
- Roadshow's full year result will be dependent on the performance of films releasing in the second half and may lead to a further decline in earnings on the prior year

MARKETING SOLUTIONS - KEY RESULTS AND OUTLOOK

Key earnings metrics (\$m)	1H17	1H16	FY16
EBITDA	7.4	1.6	8.0
EBIT	6.7	1.2	7.0
PBT	5.5	1.1	5.6
<i>Total capital expenditure</i>	<i>(0.9)</i>	<i>(0.1)</i>	<i>(0.8)</i>

- **Edge Loyalty Australia**
 - Exceptionally strong 1H17, delivering a number of large promotions
 - Timing of promotional activity is biased towards the first half of the financial year
- **Opia**
 - Performed well in Europe, but 1H17 result impacted by Brexit which affected market sentiment and reduced promotional activity in UK market
 - Devaluation of the UK Pound also resulted in lower earnings reported in Australian dollars



CORPORATE AND OTHER – KEY RESULTS AND OUTLOOK

Key results (\$m)	1H17	1H16	FY16
EBITDA - Corporate	(11.9)	(15.4)	(28.3)
EBITDA - Digital & IT Development	(2.8)	(2.7)	(5.4)
EBITDA - Corporate & Other	(14.7)	(18.1)	(33.7)
Depreciation & Amortisation	(0.5)	(0.9)	(1.7)
Interest Expense (Net)	(2.2)	(2.1)	(4.2)
PBT	(17.4)	(21.0)	(39.6)
<i>Total Capital Expenditure</i>	<i>(2.7)</i>	<i>(1.8)</i>	<i>(5.5)</i>

- Continued to invest in IT infrastructure and technology to support improved eCommerce capabilities, improve employee productivity and expand the Digital offering
- Village Digital focused on the development of new products with the potential to generate revenue in the future
- VREG is currently in discussions regarding the restructuring of its corporate debt facility. While this is ongoing, VRL has agreed to a deferral of its cash interest payments from VREG

DISCLAIMER

Non – IFRS Financial Information

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

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