VILLAGE ROADSHOW FY17 RESULTS

24 AUGUST 2017

VILLAGE ROADSHOW

VRL FY17 TELECONFERENCE DETAILS

24 AUGUST 2017 2:00 PM AEST
CONFERENCE ID: 354993

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 354993 to an operator:

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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 OFFSETTING THEME PARKS HEADWINDS THAT COULD NEVER HAVE BEEN CONTEMPLATED

FY17 – THEME PARKS IMPACTED BY TRAGEDY AT DREAMWORLD

- The overarching impact on FY17's trading was the tragedy that occurred at Dreamworld in October 2016
- Management could **never** have contemplated such an event
- The odds of this happening have been estimated as hundreds of millions to one
- Although not in a VRL park, unprecedented publicity resulted in broad based community concerns about safety of rides, impacting the earnings of both Gold Coast and Sydney theme parks[1]
- Based on overseas experience this will of course dissipate, but VRL is implementing dynamic initiatives led by recently appointed Theme Parks CEO, Clark Kirby, that will accelerate this correction

[1]FY17 attendance at the Gold Coast parks (Warner Bros. Movie World, Wet'n'Wild, Sea World, Paradise Country and Australian Outback Spectacular) was down 8.6% compared to FY16. Additionally, membership renewals declined markedly following the tragedy but have since stabilised, albeit at lower levels. The combined impact on attendance and membership renewals resulted in a decline in both in-park and admissions revenue.

DYNAMIC INITIATIVES – DC RIVALS HYPERCOASTER

DC RIVALS HYPERCOASTER

- The biggest individual theme park attraction ever constructed on the Gold Coast
- The longest, highest and fastest rollercoaster in the Southern Hemisphere
- A 'must experience' for young adults and families alike
- To be launched in a spectacular way in September

DC Rivals Hypercoaster. Photo credit: Ben Roach, Ourworlds

DC Rivals Hypercoaster. Photo credit: Ben Roach, Ourworlds

DC Rivals Hypercoaster

DYNAMIC INITIATIVES AT SEA WORLD

Liya and Mishka

- The beautiful new polar bear cub "Mishka" will be on display at Sea World around the end of August;
- An interactive Splash Zone at Sea World in October
- A new seal show at Sea World in December
- An incredible Sea Jellies exhibition opening at Sea World in time for the Easter school holidays
  - Overseas experience indicates will be a 'must see'

VRL GROUP UPDATE

VRL GROUP - PERFORMANCE OVERVIEW

Key Earnings Metrics ($m)	Cinema Exhibition		Theme Parks		Film Distribution		Marketing Solutions		Corporate & Other		Group	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
EBITDA	76.6	82.0	55.9	88.0	21.2	24.5	9.8	8.0	(27.2)	(33.7)	136.3	168.8
EBIT	59.8	66.3	5.2	38.2	17.7	21.0	8.5	7.0	(28.2)	(35.4)	62.9	97.1
PBT	55.3	62.4	(8.8)	23.4	13.8	17.4	6.0	5.6	(33.5)	(39.6)	32.8	69.2
NPAT	40.5	46.6	(7.0)	16.0	10.0	12.0	3.1	3.9	(23.0)	(27.6)	23.6	50.9

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".
NPAT is Attributable Profit After Tax, excluding Material Items and Discontinued Operations.
Refer page 13 of Appendix 4E for further details in relation to Material Items.

VRL GROUP - DEBT

On Balance Sheet Debt	Facility Expiry (Calendar year)	Total Facility ($m) 30 Jun 17	Total Debt Drawn ($m) 30 Jun 17	Total Debt Drawn ($m) 31 Dec 16	Total Debt Drawn ($m) 30 Jun 16
VRL Group Finance Facility	2019	480.0	480.0	480.0	480.0
	2020	170.0	140.0	150.0	110.0
Other	Various	12.5	7.5	9.3	9.1
Total		**662.5**	**627.5**	**639.3**	**599.1**
Cash on Hand		n/a	(100.4)	(85.5)	(64.3)
Net Debt on Balance Sheet		**n/a**	**527.1**	**553.8**	**534.8**

Debt & interest cover 30 June 2017	Net Debt / EBITDA	EBITDA / Net Interest
VRL Group	3.87x	4.53x

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

VRL GROUP - CASHFLOW

Operating Cash Flow ($m)	Cinema Exhibition		Theme Parks		Film Distribution		Marketing Solutions		Corporate & Other		Group	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
EBITDA	**76.6**	**82.0**	**55.9**	**88.0**	**21.2**	**24.5**	**9.8**	**8.0**	**(27.2)**	**(33.7)**	**136.3**	**168.8**
Movement in Working Capital	(1.0)	(2.2)	7.7	(5.5)	12.4	(8.2)	1.7	(7.6)	(2.0)	(7.2)	18.8	(30.7)
Dividends versus Equity Accounted P&L	13.6	(4.0)	-	-	(3.2)	(1.1)	-	-	-	-	10.4	(5.1)
Interest & Tax	(4.9)	(3.8)	(14.0)	(14.8)	(3.8)	(3.6)	(2.7)	(1.4)	(9.7)	(27.1)	(35.1)	(50.7)
Operating Cash Flow	**84.3**	**72.0**	**49.6**	**67.7**	**26.6**	**11.6**	**8.8**	**(1.0)**	**(38.9)**	**(68.0)**	**130.4**	**82.3**
Capital Expenditure	(17.4)	(30.1)	(53.7)	(61.5)	(1.7)	(1.0)	(1.6)	(0.8)	(5.1)	(5.5)	(79.5)	(98.9)
Free Cash Flow	**66.9**	**41.9**	**(4.1)**	**6.2**	**24.9**	**10.6**	**7.2**	**(1.8)**	**(44.0)**	**(73.5)**	**50.9**	**(16.6)**

Movements in Working Capital primarily relate to timing of receivables collections in Theme Parks and Film Distribution.
Tax payments reduced by $15.5m – impacted by reduced trading results and timing of payments.

1) CINEMA EXHIBITION UPDATE

VILLAGE ROADSHOW

CINEMA EXHIBITION – KEY RESULTS

Key results ($m unless stated otherwise)	FY17	FY16
Paid Admissions - Australia (m) (1)	**26.1**	**26.5**
Sales Revenue	296.0	300.8
Other Income	30.3	27.5
Total Expenses	(258.2)	(254.7)
EBITDA - Australia	**68.1**	**73.6**
EBITDA - Singapore (Share of Associate's Profit) (2)	8.4	11.7
EBITDA - Other (3)	0.1	(3.3)
EBITDA - Total	**76.6**	**82.0**
Depreciation & Amortisation	(16.8)	(15.7)
Interest Expense (Net)	(4.5)	(3.8)
PBT	**55.3**	**62.4**
Total Capital Expenditure	*(17.4)*	*(30.1)*

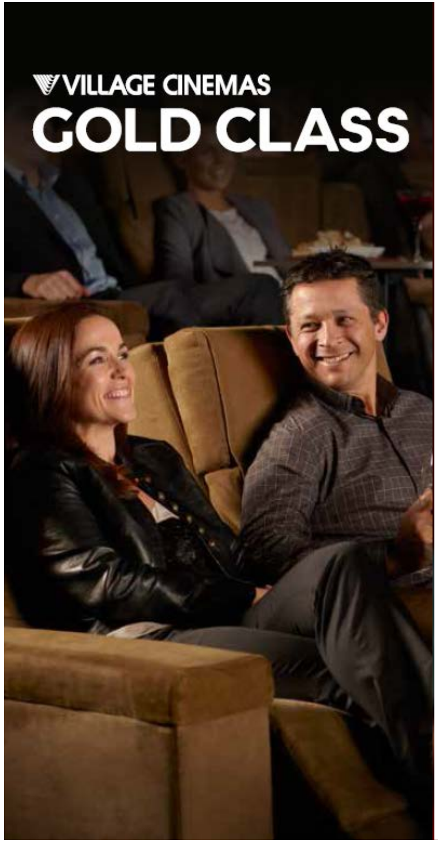
Cinema Exhibition's Capital Expenditure largely related to redevelopments completed in FY17.

- The Cinema Exhibition division has had an excellent FY17 year although slightly down on the previous year which was an all-time record due to *Star Wars: The Force Awakens*
- It should be noted that the next *Star Wars* movie is releasing in December 2017
- There is a concrete program of growth focussed on:
  - Expansion of premium cinema concepts and new entertainment offerings
  - Developments in new population areas that are expected to be very successful

Notes:
(1) Paid Admissions include Admissions to cinemas in which VRL has an economic interest, taking no account of ownership structure.
(2) FY17 only includes 11 months of trading to May 2017 for Singapore, as held for sale.
(3) Other includes Intencity, Belfast and iPic Theaters (28% owned, share of associate's results).

EXPERIENCE FOCUS IN EXHIBITION DIVISION

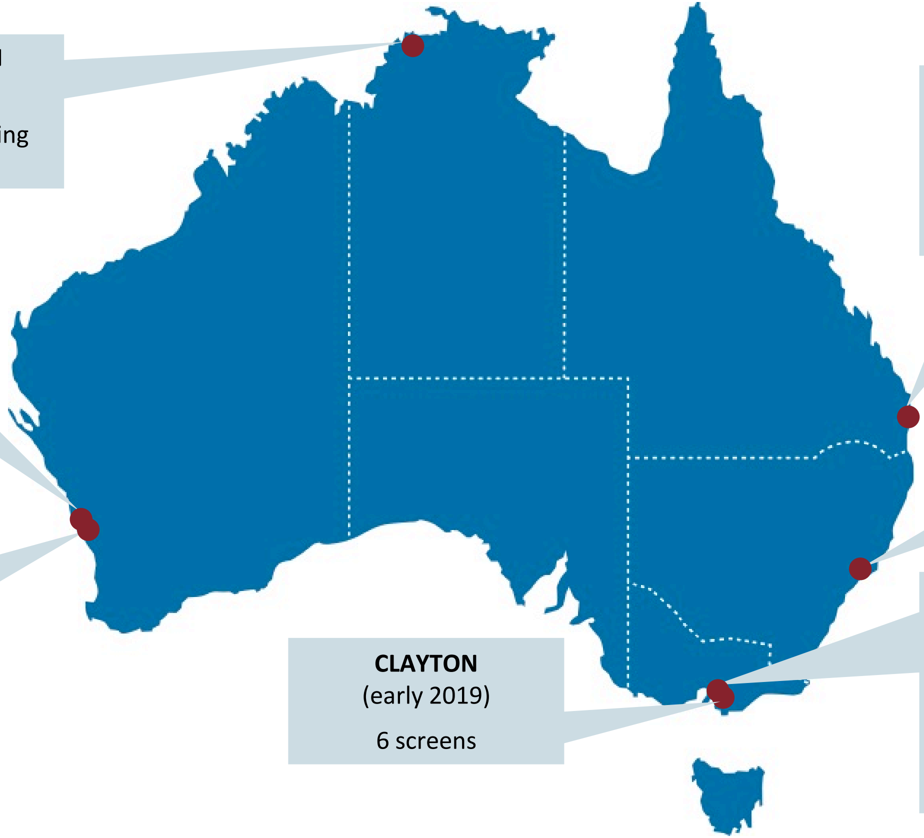
- Focus on Village "Entertainment", positioning as a destination of choice through a diverse offering of exceptional experiences complemented by high standard traditional cinemas
  - Appeal to specific market segments through exceptional concepts such as **Gold Class**, **Vmax**, **Vpremium**
  - Provide a competitive advantage
  - Drive incremental spend per person and higher ticket prices
- Premium bar concepts enhance the going out experience and drive incremental revenue
  - Roc's Jam Factory
  - Nineteen Forty at Rivoli



JUNIOR

- **Junior** introduced at Southland and Fountain Gate in Victoria in FY17
  - Took out top two rankings in Australia for children's titles over June/July 2017 school holidays
  - Exceeded expectations, driving increased average ticket price, spend per person and admissions
  - Will be rolled out to Knox (Victoria) in 1H18
  - Approximate two year payback period
  - Currently studying opportunities to roll out nationally

EXPANDING INTO NEW GROWTH CORRIDORS



PALMERSTON
(late 2017)
6 screens including
2 **Vmax**

COOMERA
(late 2018)
8 screens including
2 **Gold Class**
2 **Vmax**

WHITFORD
(late 2017)
8 screens including
2 **Gold Class**
2 **Vmax**

GREEN SQUARE
(early 2019)
5 screens

INNALOO
(late 2019)
14 screens including
4 **Gold Class**
4 **Vmax**

PLENTY VALLEY
(mid 2018)
9 screens
3 **Gold Class**
2 **Vmax**
2 **Vpremium**
2 **VJunior**

CLAYTON
(early 2019)
6 screens

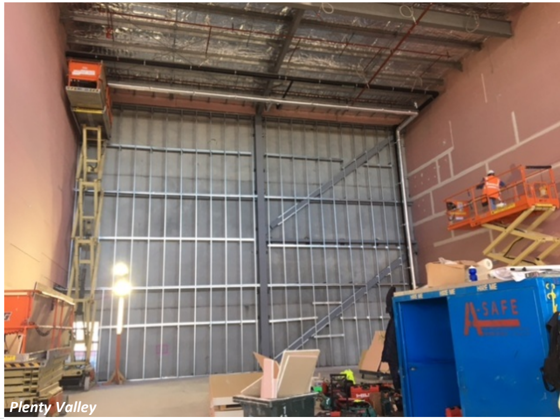
THREE SITES WELL UNDERWAY

- Plenty Valley (Victoria) is well into construction, at various stages of framing, painting and seating construction and due to open in mid-2018
- Whitford (Western Australia) is scheduled to open in late September
- Palmerston (Northern Territory) is scheduled to open in early October

Plenty Valley

Plenty Valley

Plenty Valley



Plenty Valley

GOLDEN VILLAGE

GOLDEN VILLAGE

- Golden Village (50% VRL owned Singapore cinema exhibition circuit) market share increased to 44.5% in FY17, from 43.7% in FY16 as uncertain economic conditions saw Singapore's box office industry decline 6.8% over FY17
- VRL continues to pursue a sale of its 50% stake in Golden Village
  - Although the legal agreement with one potential purchaser, mm2 Asia Ltd ("mm2"), has lapsed, VRL continues to explore disposal options in relation to its stake, including with mm2

IPIC

- During FY17, iPic raised additional capital, and VRL's ownership was diluted from 30% to 28%
- iPic opened three new sites in FY17 and all are performing to expectations

BELFAST

- In FY17, VRL settled the long-running dispute relating to the Belfast cinema lease
- Now operating the cinema under a short-term rent free arrangement
- No further trading losses associated with this site are expected and VRL welcomes the conclusion of this long running matter

CINEMA EXHIBITION OUTLOOK

- FY18 has opened with positive results from *Spiderman Homecoming*, *Baby Driver* and with **Junior** performing well
- Key titles for the balance of FY18 include
  - *Star Wars: The Last Jedi*
  - An untitled Han Solo Star Wars film
  - *Avengers: Infinity War*
  - *Deadpool 2*
  - *Justice League*
- In FY18, VRL expects to see the Australian box office largely in line with FY17

Note: Artwork shown relates to VRL as exhibitor of this title

2) THEME PARKS UPDATE

VILLAGE ROADSHOW

THEME PARKS – KEY RESULTS

Key Results ($m unless stated otherwise)	Gold Coast Theme Parks FY17	Gold Coast Theme Parks FY16	Wet'n'Wild Sydney FY17	Wet'n'Wild Sydney FY16	Wet'n'Wild Las Vegas FY17	Wet'n'Wild Las Vegas FY16	Asia Theme Parks FY17	Asia Theme Parks FY16	Theme Parks (total) FY17	Theme Parks (total) FY16
Total Attendance ('000s)	**4,960**	**5,427**	**484**	**568**	**282**	**318**	**-**	**-**	5,726	6,313
Total Income	267.9	289.1	18.6	23.5	10.2	12.3	6.0	5.4	302.8	330.3
Total Expenses	(215.9)	(209.0)	(15.6)	(14.5)	(6.8)	(8.7)	(8.7)	(10.1)	(246.9)	(242.3)
EBITDA	**52.0**	**80.1**	**3.1**	**9.0**	**3.5**	**3.6**	**(2.7)**	**(4.7)**	**55.9**	**88.0**
Depreciation & Amortisation	(41.8)	(40.9)	(7.5)	(7.1)	(1.3)	(1.7)	(0.1)	(0.1)	(50.7)	(49.8)
Interest Expense (Net)	(10.2)	(11.0)	(2.5)	(2.5)	(1.3)	(1.3)	-	-	(14.0)	(14.8)
PBT	0.2	28.2	(6.9)	(0.6)	0.7	0.6	(2.8)	(4.8)	(8.8)	23.4
Non-controlling Interests	-	-	-	-	(0.3)	(0.3)	-	-	(0.3)	(0.3)
PBT After Minority Interests	0.2	28.2	(6.9)	(0.6)	0.4	0.3	(2.8)	(4.8)	(9.1)	23.1
Total Capital Expenditure	*(49.8)*	*(59.2)*	*(3.5)*	*(1.7)*	*(0.4)*	*(0.6)*	*-*	*-*	*(53.7)*	*(61.5)*

Gold Coast FY17 Capital Expenditure includes investments in a number of rides, attractions and upgrades including completion of the DC Villains Unleashed area, Doomsday Destroyer ride and Virtual Reality upgrade to the Arkham Asylum ride at Warner Bros. Movie World, the Plaza roof at Sea World, Park and Resort improvements and Topgolf development.

FY17 HIGHLIGHTS

- Village Roadshow Studios delivered an all time record result and are fully leased until May 2018
- Guest experience enhancements
  - Virtual reality upgrade to *Arkham Asylum* at Warner Bros. Movie World
  - Opening of *DC Villains* area and *Doomsday* ride at Warner Bros. Movie World
  - Introduction of eco tents for a Paradise Country Farmstay
  - Renovated Plaza at Sea World which offers all-weather shelter for park guests, increasing in-park spend and the number of corporate and private events

WET'N'WILD SYDNEY & LAS VEGAS

WET'N'WILD SYDNEY

- Opened its summer season in September 2016 to solid attendance on warm weather days
- Enhanced guest experience initiatives were well received by guests
- Following the Dreamworld tragedy, Season Pass sales and attendance declined[1]
- Focus in FY18:
    - Best possible guest experience (line management, summer events and food and beverage offers)
    - Refine the media approach, targeting western Sydney to build brand equity and loyalty
    - Reduce operational costs - streamlined calendar, targeted events and utilizing Gold Coast managers

WET'N'WILD LAS VEGAS (50.09% OWNED BY VRL)

- Closed for the CY16 season in late September 2016, re-opened for 2017 season on 1 April 2017
- Change in school calendar saw the park lose 10 operating days in FY17, and a tragic drowning at the competitor waterpark in mid-June 2017 further impacted results
- Focus on customer service to attract the local customer base will continue at this park

[1]*Season pass sales ended FY17 down 23.1% on FY16, with attendances down 14.9% on the prior year*

THEME PARKS GROWTH - ASIAN THEME PARKS

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

MISSION HILLS - WET'N'WILD (CY18)

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

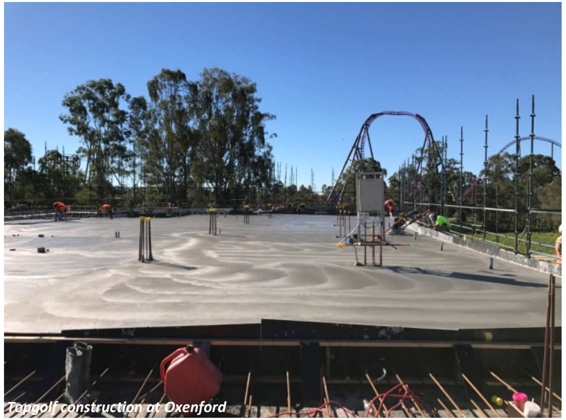
LAI SUN - LIONSGATE ENTERTAINMENT WORLD (CY19)

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

THEME PARKS GROWTH - TOPGOLF

- Under construction on the Gold Coast
- Opening in mid-2018
- A true social going out experience
- Success of Topgolf USA’s 31 locations in America (with a further nine sites under construction) is indicative of the potential in Australia

TOPGOLF


Topgolf construction at Oxenford


Topgolf construction at Oxenford


Topgolf construction at Oxenford


Topgolf construction at Oxenford

THEME PARKS OUTLOOK

- Gold Coast parks saw some recovery in the fourth quarter (4Q17 attendance down 5.6% on 4Q16)
- FY18 is off to a solid start, with some recovery in attendance and ticket sales
  - The Gold Coast parks had a strong pre-sales campaign in 4Q17, and deferred revenue taken into FY18 is largely in line with that taken into FY17
  - July 2017 attendance at the Gold Coast theme parks was down 4.5% on the prior corresponding period; however this was cycling an exceptionally strong July 2016
- *Heroes and Villains* special event run in the June and July school holidays was successful and relatively low cost
  - Drove length of stay and in-park spend
- There is no doubt that the Australian Theme Park market will recover from the tragedy at Dreamworld
  - VRTP is committed to providing the best guest experience, with dynamic initiatives, and outstanding safety
  - It is expected that the division will deliver an FY18 EBITDA result which is a substantial improvement on FY17

SAFETY AT VILLAGE ROADSHOW THEME PARKS

- An uncompromising approach to safety is integral to the guest experience and Village Roadshow Theme Parks brand
- This approach is manifest in the quality of attraction selection, safety awareness programs and induction processes to ingrain VRL's safety culture in all team members
- These programs are benchmarked on the highest global industry standards

3) FILM DISTRIBUTION

FILM DISTRIBUTION - KEY RESULTS

Key results ($m)	FY17	FY16
Sales revenue	**359.3**	**377.1**
Other Income	0.2	0.2
Share of Associate's Profit	3.2	1.1
Total Expenses	(341.5)	(353.9)
EBITDA	**21.2**	**24.5**
Depreciation & Amortisation	(3.6)	(3.5)
EBIT	**17.7**	**21.0**
Interest Expense (Net)	(3.8)	(3.6)
PBT	**13.8**	**17.4**
Total Capital Expenditure	*(1.7)*	*(1.0)*

- Further exacerbating the disappointing results was soft trading for the Film Distribution division, which is traditionally a hit driven business as some titles underperformed

ROADSHOW IS MORPHING TO A FOUR PILLAR BUSINESS MODEL

NEW BUSINESS MODEL WILL INSULATE AGAINST THE EXPOSURE TO A HIT DRIVEN BUSINESS AND IN A YEAR OF BIG HITS, IT'S ALL CREAM

1	• **Aligning costs in the core distribution business** - a structured approach to reductions in the cost base delivering recurring savings of approximately $2 million per annum in addition to savings already implemented • Targeted film acquisitions and content partner selection and focus on direct customer engagement • Continuing to drive value from emerging markets – SVOD and Digital Transactional
2	• **In the TV space**, Roadshow is expanding its presence, with Roadshow Rough Diamond and BlinkTV • The first production, a miniseries, Romper Stomper is shooting in Melbourne
3	• **In Australian production**, Roadshow are well advanced in putting in place the building blocks for a portfolio of quality Australian product, planned to be financed by a third party film investment fund • These projects are at different stages of development and the intention is for them to become a key part of the future content slate
4	• **FilmNation** continues to provide positive exposure to an international sales and production company • FilmNation is continuing its production strategy, with a number of titles in post-production

FIGHTING PIRACY WITH NEW LEGISLATION

- The Film Distribution division's sales have also been impacted by piracy
- New government legislation is in the process of being enabled that will block sites that constitute 95% of the illicit traffic
- Concurrently, the industry is launching a powerful national public relations campaign that piracy is illegal and warning people of the real dangers of malware and stolen credit card details that exist in the pirate space
- It is expected, based on overseas experience, that these initiatives and others will significantly reduce piracy, which should remove this negative impact on Roadshow's results

FILM DISTRIBUTION - OUTLOOK

- Major titles for the division in FY18 include *Justice League*, *IT*, *Tomb Raider*, *Ready Player One*, *Ocean's Eight*, as well as new releases from major TV franchises, *Game of Thrones* and *Westworld*
- Roadshow Rough Diamond and BlinkTV are building momentum
- Roadshow's FY18 EBITDA will depend on film performance, however the division has had a solid start to the year

Note: Artwork shown relates to VRL as distributor of this title

4) MARKETING SOLUTIONS

MARKETING SOLUTIONS - KEY RESULTS

Key earnings metrics ($m)	FY17	FY16
EBITDA	9.8	8.0
EBIT	8.5	7.0
PBT	6.0	5.6
Total capital expenditure	*(1.6)*	*(0.8)*

EDGE

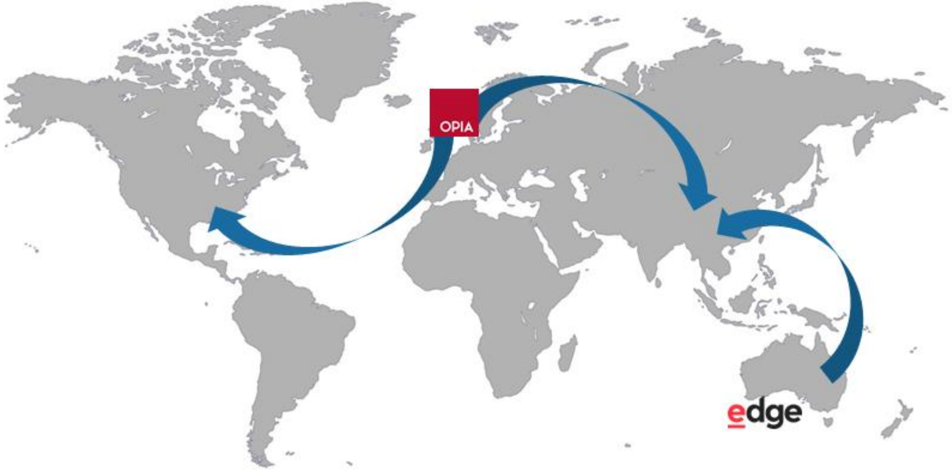
- FY17 result was primarily driven by strength in the Promotions and Digital offerings

OPIA

- Opia's FY17 result was impacted by Brexit, with a softening of market sentiment reducing promotional activity and devaluation of the UK Pound resulting in lower earnings reported in Australian dollars
- The fundamentals of the business are strong
- The business has seen stable sales in Europe, and the newly appointed teams in USA and Asia have seen good interest, with campaigns run in both regions in 4Q17

MARKETING SOLUTIONS TO EXPAND GEOGRAPHICALLY

- In FY18 the Marketing Solutions division will continue to expand its global footprint with Edge and Opia moving into Asia and Opia into the USA
  - The Australian business will continue the transition from local transactional payments provider to an end to end digital promotional sales agency across Asia Pacific
  - Opia will focus on growing its existing customer base in the UK and Europe as well as extending its geographical reach



MARKETING SOLUTIONS - OUTLOOK

- In July 2017, Edge Loyalty rebranded as Edge, reflecting the business' move toward a more sophisticated suite of digital platform based promotional solutions
- FY18 has started well, with a number of promotions in the market for key clients and the first Edge promotion soon to be launched in the Asian region for Microsoft
- The Marketing Solutions division is expected to slightly outperform FY17 in FY18

5) FILM PRODUCTION

VILLAGE ROADSHOW

VREG NOW JOINED WITH VINE

- Village Roadshow Entertainment Group has recently had a run of disappointing films including *Grimsby*, *Fist Fight*, *Collateral Beauty* and *Passengers*
  - This has ever been the nature of the portfolio business which has always been hit driven
- To strengthen the business' future, VREG has joined with Vine Alternative Investments
  - Following the latest restructuring, VRL has reduced its shareholding to 20% of what will be a stronger entity
- The strategic plan for VREG is to enhance core competencies and drive long-term value through:
  - Focus on the portfolio of proven global sequels and franchises including *Matrix*, *Ocean's* and *Mad Max*
  - Drive the Chinese production joint venture with Perfect World, VREG and WME-IMG
  - Diversify into new business streams leveraging Vine's and VREG's deep copyright library
- The division is on the brink of three very strong projects in:
  - *Ready Player One*
  - *Ocean's Eight*
  - *The 15:17 Train to Paris*
- VRL has never felt more confident about the potential future capital growth in this part of the business

6) CORPORATE & DEBT

CORPORATE AND OTHER – KEY RESULTS

Key results ($m)	FY17	FY16
EBITDA - Corporate	(21.5)	(28.3)
EBITDA - Digital, IT and Other Development	(5.7)	(5.4)
EBITDA - Corporate & Other	**(27.2)**	**(33.7)**
Depreciation & Amortisation	(1.1)	(1.7)
Interest Expense (Net)	(5.2)	(4.2)
PBT	**(33.5)**	**(39.6)**
Total Capital Expenditure	*(5.1)*	*(5.5)*

- Focus on cost reduction across all areas
- Continued to invest in IT infrastructure and technology to support improved eCommerce capabilities, improve employee productivity and expand the Digital offering
- Village Digital focussed on the development of new products with the potential to generate new revenue streams
- FY17 corporate results impacted by one-off reduction in employee-related costs of approximately $2 million

DEBT AND DIVIDENDS

- Investment in opportunities for future growth combined with the unforeseen decline in earnings has resulted in Net Debt/EBITDA of 3.87x at 30 June 2017
- While VRL remains in compliance with its debt covenants, the Board has been actively working toward reducing gearing significantly
  - This includes the sale of VRL's 50% stake in the Singapore Cinema Exhibition business, Golden Village
    - The legal agreement with mm2 has lapsed, however VRL continues to explore options for the disposal of its stake, including with mm2
  - The business is actively pursuing other potential asset sales, including the sale and long-term leaseback of freehold land at the Oxenford, Queensland site
  - The group will remain focussed on cost control and judicious capex spending, with FY18 capex expected to be largely in-line with the prior year excluding the investment in Topgolf
- VRL's Board is committed to shareholder returns, while maintaining the ability to invest
  - Given current leverage and substantial growth opportunities available, the Board has not declared a final FY17 dividend
  - This is a cautious short-term measure under the current conditions and the Directors intend to reinstate the dividend as soon as it is deemed prudent

THE ESSENCE OF VRL IS GOING OUT

Disruption of the internet challenges large sectors of commerce and in particular areas of retail and media

While people may want savings and the convenience of shopping at home, they will always want to go out for entertainment

VRL's primary businesses are going out experiences

Whether it be theme parks, cinemas with VRL's unique concepts of **Gold Class**, **Vmax** and **VJunior**, movies selling tickets, and coming up, Topgolf – a unique social experience proven in the USA

QUESTIONS

VILLAGE ROADSHOW

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 audited financial statements. It is noted that the audit of the financial statements for the year ended 30 June 2017 is still in the process of being completed.

Included in the ASX Appendix 4E (pages 14 & 15) is a Reconciliation of Results which provides further detail on the Non-IFRS financial information contained in this presentation.