

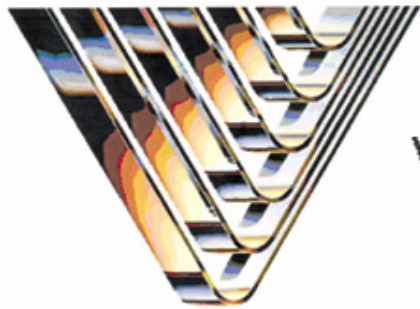
VILLAGE ROADSHOW LIMITED

Results Commentary
For the Year Ended 30 June 2005

Outline

- Strategic Highlights
- Group Overview
- Divisional Performance
- VRPG Restructure
- Outlook 2006





VILLAGE ROADSHOW LIMITED

Strategic Highlights

Strategic Highlights

Strategic Highlights

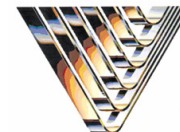
- Capital management
- Exit of non-core businesses
 - Eye Shop
 - Taiwan cinema circuit
 - Val Morgan



Strategic Highlights

Capital Management

- On-market buyback of approx. 30% (66.0 million) of Ordinary shares at a cost of \$140.1 million
- Shares currently on issue:
 - Ordinary - 168.4 million
 - Preference - 108.7 million

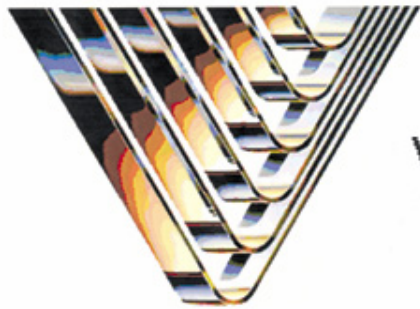


Strategic Highlights

Other

- Sale of 50% interest in Eye Shop for A\$14.9m in Sep-04 (Profit on sale of A\$6.6m)
- Sale of Taiwan cinema circuit in Feb-05 for A\$26m (Profit on sale of A\$2.6m)
- Completion of Val Morgan sale releases \$7m of deferred consideration





VILLAGE ROADSHOW LIMITED

Group Overview

2005 Group Performance

Summary

Normalised and Reported Results

	<u>2005</u>	<u>2004</u>
Normalised Net Profit After Tax*	46,474	68,507
Specific Items	(3,854)	(4,857)
Discontinuing Businesses	(1,929)	(11,433)
Reported Net Profit After Tax	<u>40,691</u>	<u>52,217</u>

* Significant reduction in interest income due to share buy-backs



2005 Group Performance

Specific Items

Specific Items (After Tax)

	A'000
Sale of Eye Shop	6,575
Val Morgan	7,000
Legal Expenses / Other	(17,429)
Total	<u>(3,854)</u>



2005 Group Performance

Discontinuing Businesses

Discontinuing Businesses

	A'000
Profit on Sale of Taiwan	2,601
Trading Profits/(Losses)*	(4,530)
Total	<u>(1,929)</u>

* Austria, Germany and Taiwan



2005 Group Performance

VRL Debt Profile

Debt Profile at 30 June 2005

	A'000
On Balance Sheet - Recourse	101,297
On Balance Sheet - Non-Recourse (Austereo)	175,500
On Balance Sheet - Non-Recourse (VRPG)	786,283
On Balance Sheet - Convertible Notes	14,102
Cash on Hand	<u>(99,654)</u>
Net Debt	<u>977,528</u>

Off balance sheet guaranteed debt - \$42.1 million

Off balance sheet non-guaranteed debt - \$60.6 million



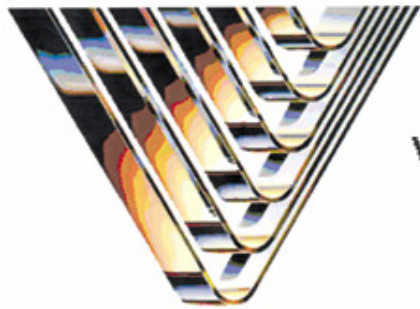
2005 Group Performance

VRL 5 Year Financial Summary

	Ratios				
	2005	2004	2003	2002	2001
Return on average total shareholders equity (%)	7.02	8.05	6.97	6.31	5.74
EBIT / average funds employed (%)	8.93	9.08	8.64	9.82	8.93
Net tangible assets (\$ per share)	2.17	2.15	1.79	2.07	2.21
Total EPS excluding specific and discontinuing (cents)	15.69	14.91	12.55	11.47	12.64
Total Shareholder Return*	1,233	870	585	580	745

* Based on \$1,000 invested on 1 July 2000





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Divisional Performance – Theme Parks

Financial Summary

Theme Parks 2005 Results

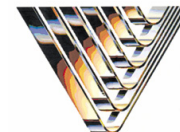
	2005	2004	%change
Segment Revenue	31,905	27,824	14.67%
Reported EBITDA	24,713	23,992	3.01%
Profit Before Tax	16,714	11,527	45.00%
ROA*	18.70%	14.06%	

* Return on Assets (Operating Result / Segment Assets)



Financial Highlights 2005

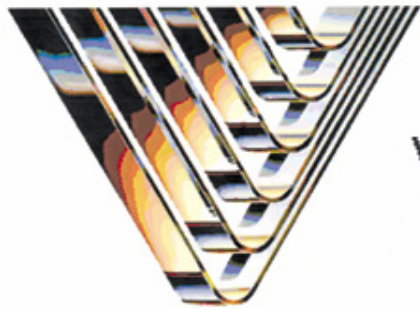
- Profit Before Tax in the prior year was impacted by underlying tax expense on distributions
- Strong performance of Sea World



Operational Highlights

- Sea World attendances up 4.6% assisted by first Christmas trading period for Shark Bay
- Movie World attendances down 2.5% due to lack of new attractions (new attractions opening; Shrek 3D in 09/05 and Superman Coaster in 12/05)
- Wet 'N' Wild and Sea World Nara were in line with previous year
- Studios improved due to higher utilisation





VILLAGE ROADSHOW LIMITED

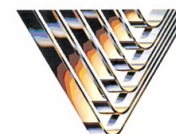
Divisional Performance – Distribution

Financial Summary

Distribution 2005 Results

	2005	2004	% change
Segment Revenue	15,506	15,369	0.89%
Reported EBITDA	16,780	16,248	3.27%
Profit Before Tax	15,766	14,474	8.93%
ROA*	30.04%	25.70%	

* Return on Assets (Operating Result / Segment Assets)



Financial Highlights 2005

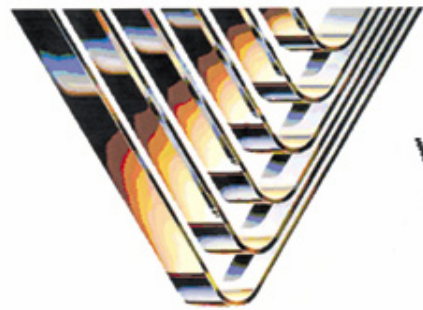
- Overall contribution increased 9% to \$15.8m
- Strong sale of theatrical back catalogue compensated for softer new release activity
- Television performed well, benefiting from higher Movie Network Channel subscribers



Operational Highlights

- Distribution agreements with both ABC Enterprises and BBC Worldwide renewed for 3 years
- New distribution agreement with Hopscotch Entertainment and Kennedy Miller
- Roadshow was number one distributor in the DVD market (Market share of 14.4%)





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Divisional Performance – Production

Financial Summary 2005

Production 2005 Results

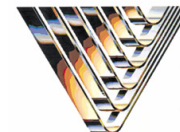
	2005	2004	% change
Segment Revenue	829,745	1,498,065	-44.61%
Reported EBITDA	76,395	76,910	-0.67%
Profit Before Tax	13,403	(815)	
Specific Items (Legal Expenses / Other)*	(17,429)	0	

* After tax



Financial Overview 2005

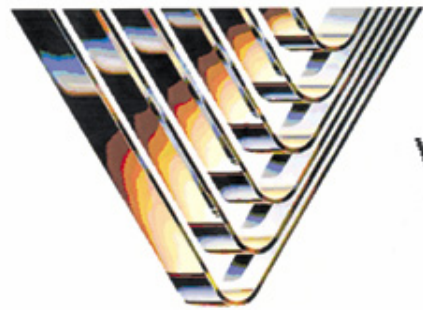
- Producer & Overhead fees increased to \$35.5m from \$19.9m in 2004 due to higher number of films released/in production
- Lower interest costs due to lower average debt
- Exploitation profits down on the prior year due to exceptional product (*Matrix Reloaded* and *Matrix Revolutions*) in 2004 and poor performance of *Catwoman* in 2005



Operational Highlights

- Five films released during the year (*Catwoman*, *Ocean's 12*, *Miss Congeniality 2*, *Constantine*, *House of Wax*)
- The division also earned producer and overhead fees on eight other films in production





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Divisional Performance - Exhibition

Financial Summary 2005

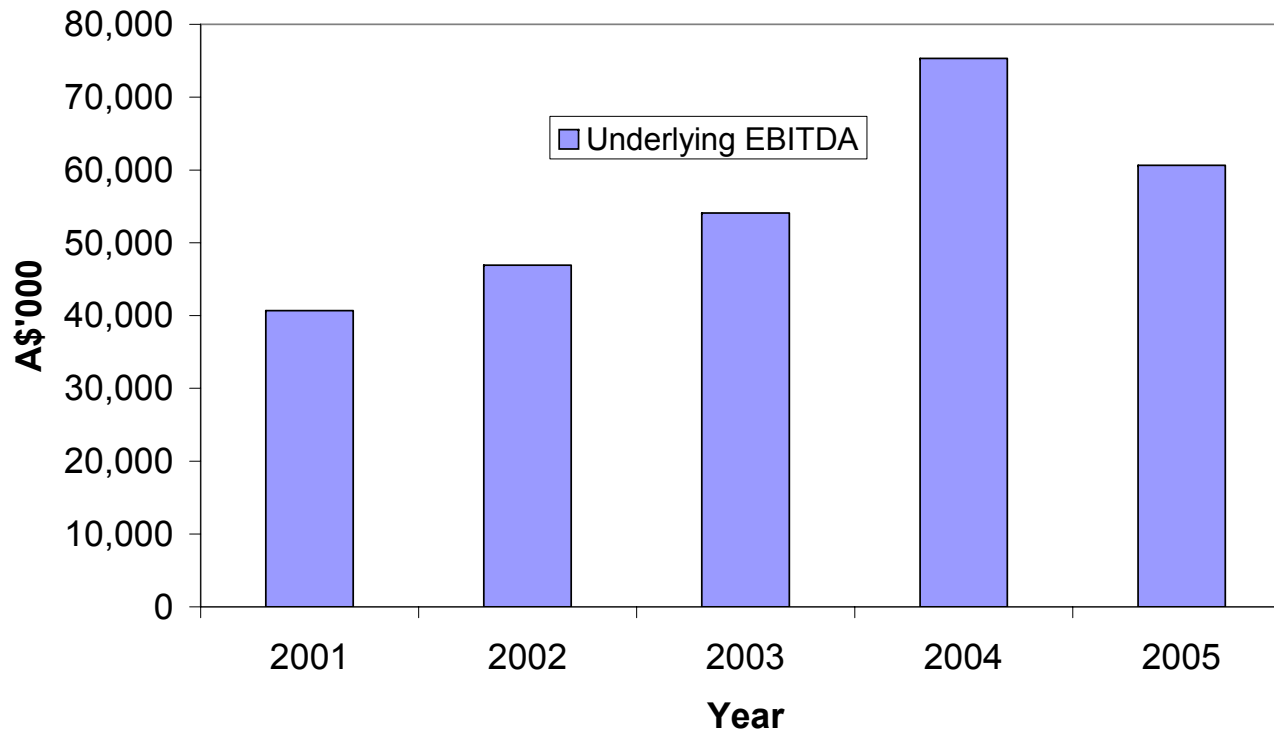
Exhibition 2005 Results

	2005	2004	% change
Segment Revenue	397,910	424,631	-6.29%
Underlying EBITDA	60,629	75,319	-19.50%
Reported EBITDA	36,079	57,998	-37.79%
Profit Before Tax	8,884	27,635	-67.85%



Exhibition

Overview



- Main drivers of lower result - exceptional product in 2004 across all territories and a strong year for Greece in 2004



Operational Overview

- Total admissions in continuing territories down 9% from 69.9 million last year to 63.6 million this year
- Singapore and Fiji achieved admissions growth. All other territories impacted by weaker product
- Sale of Taiwan brings number of territories to 9



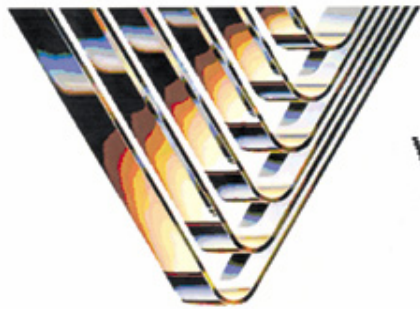
Exhibition

Reported and Underlying EBITDA

Reconciliation of Reported and Underlying EBITDA

	2005	2004
Reported EBITDA	36,079	57,998
Add: Depreciation in equity territories	10,955	8,646
Add: Interest on equity territories	3,912	2,530
Add: Tax on equity territories	2,664	286
Other	7,020	5,859
Underlying EBITDA	60,629	75,319





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Divisional Performance – Radio

Financial Summary 2005

Radio 2005 Results

	2005	2004	% change
Segment Revenue	251,655	242,786	3.65%
EBITDA	76,523	78,935	-3.06%
Profit Before Tax	57,611	60,356	-4.55%
ROA*	10.38%	10.91%	

* Return on Assets (Operating Result / Segment Assets)



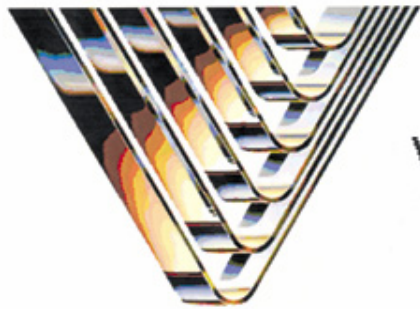
Financial Highlights 2005

- EBITDA margin of 30.4% (2004: 32.5%)
- Radio market growth 11.3%
- 28.3m shares bought back at a cost of A\$45m
- VRL share in Austereo increased from 59.91% to 64.4% in 2005 as a result of the buy-backs, in which VRL did not participate
- VRL received total dividends from Austereo of \$18.1m



Operational Highlights

- Triple M increased sales by 23% on the prior year
- Total sales up by 3% on the prior year reflecting weaker sales of Today Network
- Market leader in all target demographics
- Increased investment in marketing and programming
- Austereo results presentation can be found at **www.austereo.com.au**



VILLAGE ROADSHOW LIMITED

VRPG Restructure

Film Production Restructure

- US\$70m security deposit returned to VRL
- Replaced by US\$70m Letter of Credit, secured against VRP assets only
- US\$20m external debt repaid
- Clawback liability capped at US\$26.5m



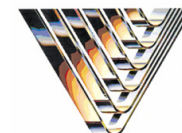
Film Production Sale

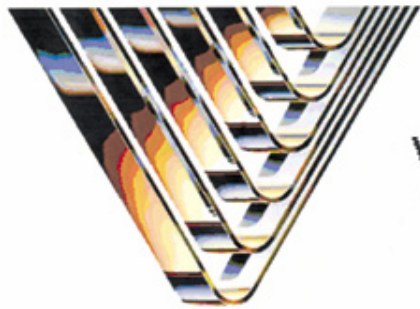
- Transaction expected to complete in October 2005
- Proceeds of US\$115m via issue of Promissory Note and option
- Option is to acquire 50% of VRPG
- After issue of Promissory Note, Crescent receives first US\$115m + 8% coupon from VRPG cashflows
- VRL will receive following US\$115m + 8% coupon
- Straight 50/50 profit split if option is exercised



Film Production Sale

- Transaction costs plus forex losses on loan repayment will be written off against 2006 profit
- Crescent are experienced partners with industry expertise and relationships
- VRPG continues to be reflected as a subsidiary of VRL until option exercised



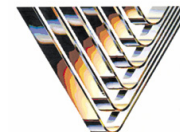


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Outlook 2006

Theme Parks

- Two new major attractions at Warner Bros. Movie World (Superman Ride, Shrek 3D)
- Australian Outback Spectacular under construction and expected to open in April 2006
- Increase in capacity at Wet 'N' Wild due to redevelopment of the children's area (Open Sep-05) and additional slide capacity with new rides from 2006



Distribution

- Growth in DVD market will continue, although at a lower rate
- New distribution agreements should provide sales growth
- Focus on growth opportunities from new technologies



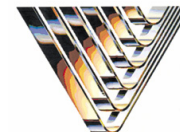
Production

- Impact of Crescent deal from expected completion date of October 2005
- The release of *Charlie and the Chocolate Factory* in July 2005 and *Dukes of Hazzard* in August 2005 has provided a strong start to the 2006 financial year
- Other films set for release include *Rumor Has It*, *Firewall*, *The Lakehouse*, *Lucky You* and *The Reaping*



Exhibition

- Focus on new sites/screens in core territories:
 - 2 major new sites in Greece
 - Gold Class expansion/upgrades in Australia
- Capex approximately \$59.0m compared to \$28.5m in 2005



Radio

- Strong focus on improving performance of the Today Network
- Continued investigation of multimedia initiatives to cement market leading position and provide additional value/opportunities to clients
- Two new capital city radio stations

