



Web Site: www.villageroadshow.com.au

28 August 2008

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'):

30 June 2008

Previous financial year ended ('previous corresponding period')

30 June 2007

Results for announcement to the market

Extracts from this report for announcement to the market.

\$A'000

Income from continuing operations (<i>item 1.1</i>)	Up	51%	to	1,311,894
Profit after tax from continuing operations (<i>item 1.7</i>)	Down	8%	to	98,899
Profit after tax from discontinued operations (<i>item 1.8</i>)	Up	n/a	to	181,570
Profit attributable to members of Village Roadshow Limited (<i>item 1.11</i>)	Up	470%	to	256,882
Dividends (distributions)		Amount per security		Franked amount per security
Reporting Period:				
- Final dividend (<i>item 15.4</i>) (for FY2008) (To be paid December 2008)	- Ords	9.0c		9.0c
	- Prefs	12.0c		12.0c
- Interim dividend (<i>item 15.6</i>) (for FY2008) (Paid December 2007)	- Ords	9.0c		9.0c
	- Prefs	12.0c		12.0c
- Interim dividend (<i>item 15.6</i>) (for FY2008) (Paid April 2008)	- Ords	7.5c		7.5c
	- Prefs	7.5c		7.5c
- Special dividend (<i>item 15.8</i>) (Paid April 2008)	- Ords	10.0c		10.0c
	- Prefs	10.0c		10.0c
Previous Corresponding Period:				
- Final dividend (<i>item 15.5</i>)		--		--
- Interim dividend (<i>item 15.7</i>)		--		--
- Special dividend (<i>item 15.9</i>) (Paid December 2006)	- Ords	34.0c		34.0c
	- Prefs	37.0c		37.0c
⁺ Record date for determining entitlements to the dividend (<i>see item 15.2</i>)				19 November 2008
Brief explanation of any of the figures reported above:				Refer attached commentary.



28 August 2008

Solid Profit Result Continues

- **Normalised profit after tax up 10% to \$62.2 million¹**
 - **Strong underlying divisional trading results**
 - **Acquisitions growth in Theme Parks portfolio**
 - **Dividend Growth Continues**

Village Roadshow Limited (“VRL”) today announced a strong performance from its operating divisions underpinning a net profit after tax from continuing operations of \$62.2 million¹ for the year ended 30 June 2008 – up 10% compared to \$56.7 million¹ for the prior period.

VRL recorded after tax profits of \$194.7 million from material items and discontinued operations, mainly arising from the deconsolidation of its Film Production division.

Announcing the result, VRL Group Chairman Mr John Kirby said: “Our improved 2008 Net Profit after Tax result has been driven by excellent results from our Cinema Exhibition, Film Distribution and Radio businesses. On a like for like basis, these divisions have increased EBITDA from their 2007 levels by 13.8%”.

“Our healthy cash flows and strong balance sheet position us well to continue to expand, especially our theme park operations, which together with our exhibition and distribution businesses remain in high demand, even in these challenging times”.

Highlights

- Net profit after tax, including one-off material items and discontinued operations totalled \$256.9 million, compared with \$45.1 million for the prior year.
- Exceptional trading from Cinema Exhibition, Film Distribution and Radio.
- Final dividend declared of 9 cents per Ordinary share and 12 cents per Preference share, both fully franked.
- Interim dividends paid in April 2008 were 7.5 cents per Ordinary and Preference share, fully franked.
- Special dividends of 10 cents per share were paid in April 2008.
- Dividends paid, capital returns and share buy backs totalled \$142.1 million during the year.
- VRL completed Film Production merger with Concord music group, realising \$53.8 million in cash.
- *I Am Legend* grossed US\$580 million box office worldwide.
- Pre-production underway on *Happy Feet 2*.
- VRL moved to 100% ownership of Film Distribution.
- VRL moved to 100% ownership of Sydney Attractions Group.
- VRL expanded its Theme Park and aquarium operations with acquisitions in Noosa, Auckland, Hawaii and Phoenix.

¹ Excludes (a) material items of income and expense and (b) after tax profits from discontinued operations as disclosed in sections 1.8 and 12.1 of the Appendix 4E.

Mr Kirby said “It is testament to the strength of our Gold Coast Theme Parks that the 2008 EBITDA result of \$80.2 million was only marginally behind the record \$84.1 million set in 2007. This result was achieved despite the extremely wet and monsoonal weather conditions as reported in our December half year and which continued on into this half.

VRL continues to focus on expansion in the Theme Park and Leisure arena and has purchased Aquarium and Theme Park operations in Sydney, Noosa, New Zealand, Hawaii and Phoenix.

I would also like to take this opportunity to thank Mr Bill Conn for his 16 years as a non-executive Director of VRL. Bill announced his retirement in April, and his knowledge and counsel will be greatly missed” Mr Kirby said.

VRL Group CEO Mr Graham Burke noted: “Our portfolio of businesses continues to produce strong cash flow and earnings. Growing and driving EBITDA in all our businesses is a major focus for Village Executive Directors and senior executives.

The new additions to our Theme Parks portfolio are being integrated into the greater Village Roadshow Group with energised marketing expertise and cost synergies starting to take effect.”

VRL Group Chairman John Kirby added: “In December 2007, fully franked dividends of 9 cents per Ordinary share and 12 cents per Preference share were paid. A fully franked interim dividend of 7.5 cents per share was paid in April 2008, and the directors of VRL have now recommended a final dividend of 9 cents per Ordinary share and 12 cents per Preference share fully franked. This final dividend is expected to be paid on 3 December 2008.”

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A copy of this release can also be found at www.villageroadshow.com.au

OPERATIONAL OVERVIEW

Theme Parks

EBITDA for the Theme Parks division, including trading from Sydney Attractions Group, was \$84.9 million compared to \$84.1 million for the corresponding period. Operating profit before tax for the Theme Parks division was \$34.4 million, compared to \$40.6 million for the prior corresponding period. Sydney Attractions Group (SAG) contributed \$4.9 million in EBITDA and \$1.3 million in NPAT to the current year's result (\$nil for 2007). SAG's results represented the period February to June 2008 following the successful takeover during the year.

The reduction in the underlying business performance of the Gold Coast parks can mostly be attributed to extended poor weather, which covered all the major trading periods for the year including January school holidays.

- Gold Coast

The Gold Coast Parks managed to hold attendances remarkably well despite the weather. Well above average rainfall impacted particularly on Sea World and Wet 'N' Wild but with less impact on Australian Outback Spectacular and Warner Bros. Movie World.

Overall attendances were 4.0 million compared to 4.2 million in the prior year. Per capita spending was strong with total revenue increasing to \$275.4 million from \$267.9 million in the prior year.

Despite the increase in revenues, EBITDA fell marginally reflecting a decline in margins generated. The slippage can be attributed to a committed additional marketing spend in the expectation of a major lift in attendances during the summer period which did not eventuate. Equally in the peak December/January period, when almost all additional admission revenue over a certain level converts into EBITDA, incremental admissions did not eventuate due to the weather. The Parks also incurred additional operating costs on new attractions including labour costs which were not matched by expected admission levels which merited that additional labour.

In addition, the rising costs for food and beverage were not passed on to customers until post Easter when admission numbers stabilised and in retail discontinued lines were sold at lower clearance price margins.

In the last quarter of 2008 and continuing into 2009, restoration of the 2007 margin levels has been the number one focus of Park management. Proactive cost management, together with an increase in pricing, is expected to ensure that margins will return to 2007 levels in the 2009 financial year.

New attractions at each Park in the next financial year will include the new Hollywood Stunt Driver show due to open at Warner Bros. Movie World in December 2008. The Jet Ski Rescue thrill ride at Seaworld will also open in December 2008. The new whale watching experience at Seaworld opened in June 2008 and the Kamikaze Double Sidewinder ride at Wet 'n' Wild will be open in September 2008.

Additionally the Parks have been reinvigorated with a number of new marketing initiatives including the introduction of more multi-park pass ticketing options and the new digital entertainment platform, *My Fun*, both expected to generate increased ticket purchases in the future.

- Sydney Attractions Group and Kelly Tarltons

The process of introducing the VRL culture into the SAG business particularly in the marketing area, is now well under way. All areas of the operations are being critically reviewed to drive both revenue and margins. The removal of all public company listing costs previously associated with the company will have an immediate positive affect on EBITDA.

Focus for driving growth will concentrate on Sydney Wildlife World which was recently voted Australia's number one Family Attraction.

Improvements in food, ticketing, merchandise offerings and enhancing the experience will all drive revenue.

In addition, educational facilities are being expanded to appeal to school groups and international tourists.

Investment approval has now been received to complete the acquisition of the Kelly Tarlton aquarium in Auckland. This is expected to take place towards the end of the first quarter of the 2009 financial year.

- Hawaii and Phoenix

Following the acquisition of Hawaiian Waters, VRL has introduced exciting new attractions including the visually stunning "Tornado", a waterslide that appeals to thrill-seekers, a family friendly Tipping Bucket and the family oriented special event concept, "Dive In" Movies, a concept perfected on the Gold Coast at our own Wet n Wild water park. These new attractions have seen revenues improve 22% since 1 July 2008 on the prior corresponding period.

Further to our recent success in Hawaii, and our goal to expand our North America interest, the completion of the Phoenix Water Park acquisition is expected in October 2008. The Phoenix water park redevelopment strategy calls for a complete image make-over of the park and includes the addition of the world's most exciting water oriented attractions.

Both Hawaii and Phoenix will be rebranded Wet 'n Wild and relaunched in May 2009 to coincide with the US summer holiday season. Wet 'n Wild on the Gold Coast went from approx 150,000 admissions at the point of VRL's initial acquisition to 920,020 in our last full year. With the rebranding, addition of new attractions and above all VRL management and marketing expertise, we predict dramatic improvements in these parks both of which are located in warm weather locations. Hawaii attracts 4.6 million (Oahu) tourists a year and the Scottsdale/Phoenix area 11.2 million tourists a year.

Water parks are an important part of the VRL growth strategy; they have become for the new millennium what a day at the beach was to yesteryear and are driving multiple visits among families and teens. For young people it has become a destination "where the boys are / where the girls are" and for families a safe environment with no sharks, stingers and with shade for parents.

We are currently investigating a financial structure for the USA parks that will involve access to non-recourse monies, enabling us to drive these businesses and enjoy the upside.

Film Distribution

Effective 25 July 2007, VRL moved to 100% ownership of the Roadshow Distributors group.

Operating profit before tax was \$36.8 million compared to \$14.4 million in the previous corresponding period, with the prior period representing 50% of the after tax profits for the division. The 2008 result included \$12.7 million of additional amortisation expense resulting from the acquisition.

Roadshow Films is the largest independent film distributor in the Australian marketplace, with strong relationships with partners such as Warner Bros., Village Roadshow Pictures, ABC, BBC and The Weinstein Company. Roadshow Films had outstanding theatrical releases during the year including *Harry Potter and the Order of the Phoenix*, *I Am Legend*, *Get Smart*, *Hairspray*, *Rush Hour 3*, and *Sex and the City*.

2009 has started strongly with *The Dark Knight* performing at blockbuster levels.

Roadshow Entertainment was the Australian DVD market's leading distributor in 2008 and has performed exceptionally well during the period due to a continued focus on cost reduction and improved unit volumes. The DVD market grew at a rate of 15% on the prior year; Roadshow's revenues grew by 22%.

Strong sales were achieved from titles such as *Oceans 13*, *Teenage Mutant Ninja Turtles* and *The Illusionist*. TV programming on DVD has continued to increase in popularity with *Summer Heights High*, *Kath & Kim Series 4* and *Thank God You're Here Series 2* all exceeding expectations. The highlight of the year has been *Underbelly Uncut* which outperformed expectations.

Future Roadshow Entertainment titles include Christmas releases for *Sex and the City* and *Get Smart* as well as the release of *Kenny's World*, the new TV series that has been spawned from the most successful Australian comedy at the box office in recent years, *Kenny*.

Roadshow has historically been the leading distributor of Australian films and this tradition continues with *Mao's Last Dancer* from the best selling book currently in production and directed by Bruce Beresford. Roadshow is in active discussions on a number of other important Australian titles that will be announced in the coming weeks. The company's commitment to Australian films is strongly beneficial to exhibition as well as distribution and importantly is putting back something into our community and culture of which we are very proud.

Cinema Exhibition

VRL's share of operating profit before tax for the year ended 30 June 2008 was \$19.1 million, excluding discontinued items, compared to \$12.9 million in the previous corresponding period. EBITDA from this division was \$43.2 million compared to \$36.8 million in 2007.

All territories generated improved profit results from the prior year. This is an outstanding result, given last year's fantastic crop of blockbusters (*Shrek 3*, *Pirates of the Caribbean 3*, *Spiderman 3*, *Happy Feet*, *Casino Royale*). This year saw a more even release of films, which compensated for the top 5 releases this year generating 11% less box office revenue than the top 5 last year.

2009 has commenced strongly with blockbusters releases; *Hancock*, *The Dark Knight* and *Mamma Mia* all opening in July. Some of the big films to follow are; Disney Pixar's *Wall-E*, Baz Lurhmann's *Australia*, the new James Bond – *The Quantum of Solace*, *Madagascar* and from January, Jim Carrey stars in *Yes Man*, the follow-up to *Da Vinci Code* *Angels & Demons* as well as *Terminator 4*.

The unique VRL developed concepts of Gold Class and **▼max™** have performed exceptionally well with very high occupancy rates and outstanding return on investment.

List of Sites & Screens – Cinema Exhibition Division – Continuing Operations ¹

	As at June 2007		Opened/ (Closed/Sold) during 2008		As at June 2008		To be Developed during 2009	
	Sites	Screens	Sites	Screens	Sites	Screens	Sites	Screens
Australia	53	533	(3)	(26)	50	507	1	9
Czech Republic	2	22	-	-	2	22	-	-
Greece	7	72	(1)	(10)	6	62	-	-
Singapore	9	73	-	-	9	73	-	-
Total	71	700	(4)	(36)	67	664	1	9

1. Includes all screens in which Village Roadshow has an economic interest, taking no account of ownership structure.

During the year the Victorian sites of Dandenong and Waverley Gardens were closed whilst in Greece VRL completed the sale of its Maroussi freehold site. The proceeds from this sale were used to retire debt. The new Doncaster site in Victoria is on schedule to open in October 2008 and will deploy the best of VRL's experience in cinema design construction including our concepts **▼max™**, Gold Class and Cinema Europa.

VRL is focused on introducing 3D enabled digital projectors into multiplex cinemas. There will be an increase in 3D releases over the next 18 months and it is expected that 3D will be a major boost to the Cinema Exhibition business.

We are very optimistic about our Gold Class USA joint venture given the exceptionally strong performance of this concept in Australia, Singapore and Greece since its inception some 11 years ago. There are a total of 21 sites that have been approved and are under construction across America. These are being financed 80% by the Alabama pension fund and we have a joint venture partner with long experience in US exhibition. Our first two Gold Class complexes open in October 2008 in Chicago and Seattle.

Radio

Austereo recorded an increase in both EBITDA and EBIT by 7.2% to \$94.4 million and 6.0% to \$86.4 million respectively.

Austereo's leading share of capital city audiences* rose to 22.9% and under 40 audiences increased to 34.2%. Austereo held No 1 FM place in Sydney, Melbourne, Adelaide and Perth and was No 2 in Brisbane. The group's joint ventures in Canberra and Newcastle also held No 1 positions.

Total capital city radio industry advertising revenues rose 5.65%. Austereo continued to lead the industry in sales market share and also maintained leadership of online radio sites. **

In the period under review, Austereo boosted radio rates and the retention rate of the Group's Top Twenty Advertising Clients was an outstanding 100% year on year. Amongst key advertising categories, Retail advertising increased 7.4%, Automobile was up 13.7% and Beverages rose 39.2% in spending year on year.

*Nielsen Media Research, Survey 4, June 2008.

** Nielsen NetRatings, June 2008.

Film Production

Following the completion of the merger between Film Production (Village Roadshow Pictures Group ("VRPG")) and the US music group, Concord Music to form the Village Roadshow Entertainment Group ("VREG"), this division is no longer consolidated in the results of VRL. However VRL remains committed to the business and is forecasting strong, more diversified earnings from the combined entity going forward.

The deconsolidation of the division gave rise to a one-off pre-tax profit of \$184.7² million. In addition VRL received a cash inflow of \$53.8 million.

VRL's share of the divisional operating loss before tax and one-off material items for the year ended 30 June 2008 was \$5.0 million compared with a loss of \$54.9 million in the previous corresponding period. The previous year's loss was mainly due to closing off the second portfolio of films in August 2007. The decision to close the portfolio early allowed VRPG to go into the proposed merged entity with a new slate of films.

Had the merger of VRPG and Concord Music occurred on 1st July 2007, VRL's share of the underlying net loss after tax result for VREG for the 2008 financial year would have been \$6.8 million. This result is in line with expectations.

Films released in the period included the highly successful *I Am Legend* which has achieved box office sales in excess of US\$580 million. Major films set for release in 2009 year include *Get Smart*, *Nights in Rodanthe* with Richard Gere, *Yes Man* with Jim Carrey and *Gran Torino* with Clint Eastwood.

The Hollywood writers strike has delayed production starts with a number of films being pushed into the 2010 year. However, there have been further pictures added for 2009 including *Armies of the Dead* (directed by Zack Snyder of *300* fame) and *Sherlock Holmes* with Robert Downey Jnr which we believe has the potential to be a franchise. It is likely there will be a number of other titles that will start production for release during calendar year 2009.

2010 and 2011 will see the culmination of many years work with the proven strength of a number of our sequels being the backbone of a release schedule that also includes a number of original projects which we believe have blockbuster potential. Included in these projects are the eagerly awaited *Happy Feet 2* directed by George Miller and *Guardians of Ga'hoole* both of which will be shot in Australia.

Concord Music continues to trade strongly and has a number of initiatives in planning including driving the power of movies selling music and music selling movies.

² Includes a pre-tax trading loss of \$5.0 million for the period to the date of sale

Our film library was independently evaluated in March 2008 with the equity significantly exceeding debt confirming our view that it is one of if not the most valuable libraries outside the major studios.

The existing film financing facility is a total of US\$1.4 billion. VRPG periodically seeks to extend the revolving period of its financing facility to allow additional capacity for new films. In addition VRPG typically updates the amortisation profile of the facility for its library films to more closely match expected future cash flows.

VRPG is currently renegotiating the facility with its film finance banking syndicate. The restructuring of the facility is expected to be complete during the 2nd quarter of the 2008/2009 financial year.

Capital Management details

In the 2007 financial year, the Board of Directors declared a fully franked dividend of 9 cents per ordinary share and 12 cents per A Class preference share, both of which were paid in early December 2007.

Additionally, in recognition of the Group profits, cash flows and balance sheet, Directors announced VRL's first ever fully franked half year dividend of 7.5 cents per Ordinary share and 7.5 cents per Preference share which was paid in April, 2008.

In partial recognition of the cash received on the merger of Film Production with Concord Music to form the new VREG business, a fully franked special dividend of 10 cents per Ordinary share and 10 cents per Preference share was paid in April, 2008.

As announced to the market in January, 2008, VRL completed a Preference share buy-back at a cost of approximately \$34.7 million. There are now approximately 98 million Preference shares remaining on issue.

The Ordinary share buyback was completed in May, 2008 at an approximate cost of \$39.9 million. There are now approximately 126.9 million Ordinary shares on issue.

The Directors have recommended a fully franked final dividend of 9 cents per Ordinary share and 12 cents per Preference share, which is expected to be paid on 3 December 2008. The Record Date for this final dividend is 19 November 2008.

The Directors are pleased to advise shareholders that that the Shareholder Discount Plan booklet has been enhanced. In addition to the one-for-one vouchers for cinemas and the three Queensland theme parks, shareholders will also receive a one-for-one voucher for Australian Outback Spectacular, Sydney Aquarium, Sydney Wildlife World and Sydney Sky Tower. The Record Date for this booklet is 13 October 2008.

A copy of this release can also be found at www.villageroadshow.com.au

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Consolidated Income Statement		2008 \$A'000	2007 \$A'000
Continuing operations			
1.1	Income (<i>see item 1.14</i>)	1,311,894	867,073
1.2	Expenses excluding finance costs (<i>see item 1.15</i>)	(1,142,978)	(746,355)
1.3	Finance costs (<i>see item 1.16</i>)	(63,151)	(46,405)
1.4	Share of net profits (losses) of associates and jointly controlled entities accounted for using the equity method (<i>see item 16.5</i>)	2,722	21,257
1.5	Profit from continuing operations before income tax expense	108,487	95,570
1.6	Income tax revenue (expense)	(9,588)	12,182
1.7	Profit after tax from continuing operations	98,899	107,752
Discontinued operations			
1.8	Profit (loss) after tax from discontinued operations	181,570	(41,537)
1.9	Net Profit for the period	280,469	66,215
1.10	Less: Profit attributable to minority interest	(23,587)	(21,136)
1.11	Profit attributable to members of Village Roadshow Limited	256,882	45,079

Earnings per security (EPS)		2008	2007
1.12	Basic EPS	170.06c	22.68c
1.13	Diluted EPS	170.06c	22.68c

Refer item 10.1 for additional EPS disclosures including normalised EPS excluding material items and discontinued operations and EPS from continuing operations.

Notes to the Consolidated Income Statement:

		2008 \$A'000	2007 \$A'000
1.14	Income from continuing operations		
	Revenues from continuing operations:		
	Revenue from sale of goods	418,096	155,633
	Rendering of other services	856,609	668,651
	Dividends from other entities	--	200
	Finance revenue:		
	Other entities	8,318	7,784
	Associated entities	683	19
	Total revenues from continuing operations	1,283,706	832,287
	Other income from continuing operations:		
	Commission income from:		
	Other entities	234	456
	Associated entities	16	17
	Management fee income from:		
	Other entities	4,728	5,341
	Associated entities	2,975	8,934
	Rental income	1,402	1,767
	Net gains on disposal of investments in associates and other entities	1,583	--
	Other income	17,250	18,271
	Total other income from continuing operations	28,188	34,786
	Total income from continuing operations	1,311,894	867,073

Notes to the Consolidated Income Statement (Cont'd):

	2008 \$A'000	2007 \$A'000
1.15 Expenses excluding finance costs, from continuing operations		
Employee expenses:		
Employee benefits	21,572	20,614
Remuneration and other employee expenses	277,559	237,411
Total employee expenses	299,131	258,025
Cost of Goods Sold	106,327	52,305
Occupancy expenses:		
Operating lease rental – minimum lease payments	71,311	55,101
Operating lease rental – contingent rental payments	372	2,652
Other occupancy expenses	42,861	39,152
Total occupancy expenses	114,544	96,905
Film hire and other film expenses	288,417	105,649
Depreciation of:		
Buildings & improvements	2,527	2,789
Plant, equipment & vehicles	37,351	36,037
Amortisation of:		
Leasehold improvements	14,526	12,171
Finance lease assets	599	969
Deferred expenditure	357	2
Other intangibles	15,022	870
Total depreciation and amortisation	70,382	52,838
Impairment of goodwill / other assets	765	196
Net loss on disposal of assets	4,384	1,520
Net foreign currency (gains) and losses	(1,288)	2,570
Provision for recoverability of loan - Film Production operations – (refer item 1.19)	10,000	--
Legal settlement and legal expenses – Film Production division (refer item 1.19)	(3,493)	(3,600)
Theme Park restructuring costs written-off (refer item 1.19)	--	4,899
Loss on repurchase of Convertible Notes (refer item 1.19)	--	6,781
Management & service fees paid	3,702	3,011
Advertising and promotions	115,863	43,526
Regulatory and licence fees	19,627	20,479
Settlement and other discounts	18,955	18,174
Telecommunications	6,723	6,396
General and administration expenses:		
Provision for doubtful debts	103	(1,475)
Bad debts written off – other	210	373
Other general and administration expenses	88,626	77,783
Total general and administration expenses	88,939	76,681
Total expenses from continuing operations excluding finance costs	1,142,978	746,355

Finance Costs – Continuing Operations		2008 \$A'000	2007 \$A'000
1.16	Total finance costs (on a historical cost basis)	66,731	48,940
	Fair value change on derivatives	(3,580)	(2,535)
	Total finance costs	63,151	46,405

Net Gain/(Loss) on Sale - Continuing Operations		2008 \$A'000	2007 \$A'000
1.17	Net Gain/(Loss) on sale of:		
	Property, plant & equipment	(4,384)	(462)
	Investments	1,583	(884)
	Receivables	--	(174)

1.18 Reconciliation of operating profit (loss)		2008 \$A'000	2007 \$A'000
	Profit from continuing operations before income tax expense (item 1.5)	108,487	95,570
	Less: material Items profit (loss) before tax (see item 1.19)	(6,507)	(8,080)
	Profit (loss) before tax excluding discontinued operations & material items	114,994	103,650
	Income tax revenue (expense) excluding discontinued operations & material items	(29,240)	(25,821)
	Less: Profit attributable to Minority Interests excluding discontinued operations & material items	(23,587)	(21,136)
	Net profit attributable to members excluding discontinued operations & material items	62,167	56,693

1.19 Material items of income and expense		2008 \$A'000	2007 \$A'000
	Profit (loss) from continuing operations after tax (item 1.7) contains the following material items which are relevant in explaining the financial performance of the group		
	Provision for recoverability of loan – Film Production operations	(10,000)	--
	Loss on repurchase of Convertible Notes	--	(6,781)
	Theme Park restructuring costs written-off	--	(4,899)
	Legal settlement and legal expenses – Film Production operations (refer item 19.6 – material changes in contingent liabilities)	3,493	3,600
	Total profit (loss) from material items before tax	(6,507)	(8,080)
	Income Tax (expense) credit - material items	19,652	38,003
	Total attributable profit (loss) from material items after tax	13,145	29,923

1.20 Calculation of Income tax on continuing and discontinued operations		2008 \$A'000	2007 \$A'000
	Income tax (expense) attributable to reported profit from ordinary activities	(32,546)	(28,671)
	Prior year adjustments	4,360	(195)
	Non tax-deductible expenses	(5,457)	(2,526)
	Other assessable income	--	(747)
	Losses brought to account less losses not recognised	5,529	--
	Adjustments to deferred tax assets and non-current tax liabilities (included in Item 1.19)	20,700	37,656
	After-tax equity accounted profits/losses included in pre-tax profit	817	4,687
	Other	(2,991)	1,978
	Total Income tax (expense)/credit – continuing operations (item 1.6)	(9,588)	12,182
	Income tax (expense) attributable to discontinued operations	(3,080)	(3,523)
	Total income tax (expense) credit	(12,668)	8,659

1.21 Consolidated retained earnings/ (accumulated losses)	2008 \$A'000	2007 \$A'000
Accumulated losses at the beginning of the period	(305,121)	(252,036)
Adjustment to accumulated losses from acquisition accounting (see page 20)	4,913	--
Net profit (loss) attributable to members (<i>item 1.11</i>)	256,882	45,079
Net transfers from (to) reserves	12,051	(5,758)
Dividends and other equity distributions paid or payable	(67,492)	(92,406)
Accumulated losses at end of financial period	(98,767)	(305,121)

Intangible items	<i>Consolidated – Current period – A\$'000</i>			
	Before tax (a)	Related tax (b)	Related outside +equity interests (c)	Amount (after tax) attributable to members (d)
2.1 Amortisation of other intangibles	15,022	(4,507)	--	10,515

Note: mainly relates to amortisation of Film Distribution Rights.

Comparison of half year profits/(losses)		2008 \$A'000	2007 \$A'000
3.1	Consolidated profit (loss) from continuing and discontinued operations after tax attributable to members reported for the <i>1st</i> half year (item 2.3 in the half yearly report)	45,306	35,647
3.2	Consolidated profit (loss) from continuing and discontinued operations after tax attributable to members for the <i>2nd</i> half year (refer Note 1)	211,576	9,432

¹ Includes \$181,570 profit from discontinued operations in 2008.

Consolidated Balance Sheet		2008 \$A'000	2007 \$A'000
Current assets			
4.1	Cash and cash equivalents	65,614	169,680
4.2	Trade and other receivables	210,458	262,678
4.3	Film distribution royalties (2008) / Intangibles - film library (net)	59,168	418,266
4.4	Inventories	24,184	9,509
4.5	Current tax assets	80	63
4.6	Derivatives	6,601	--
4.7	Other	26,232	45,594
4.8	Other intangibles (2008) / Assets classified as held for sale	10,117	33,285
4.9	Total current assets	402,454	939,075
Non-current assets			
4.10	Trade and other receivables	37,525	32,866
4.11	Investments (equity accounted)	17,856	83,244
4.12	Available-for-sale investments	4,759	24,040
4.13	Property, plant and equipment	692,399	577,370
4.14	Film distribution royalties (2008) / Intangibles - film library (net)	73,632	357,539
4.15	Intangibles - radio licences (refer note 1 below)	453,194	458,877
4.16	Intangibles – goodwill	368,634	175,902
4.17	Other Intangibles (net)	58,095	36,443
4.18	Deferred tax assets	55,681	59,063
4.19	Derivatives	5,776	30,564
4.20	Other	7,609	17,194
4.21	Total non-current assets	1,775,160	1,853,102
4.22	Total assets	2,177,614	2,792,177
Current liabilities			
4.23	Trade and other payables	261,792	256,241
4.24	Interest bearing loans and borrowings – excl. convertible notes - convertible notes	118,335 --	557,363 3,126
4.25	Derivatives	2,231	--
4.26	Income tax payable	13,043	10,107
4.27	Provisions (excluding tax liabilities)	31,841	29,688
4.28	Other	24,135	8,656
4.29	Liabilities directly associated with assets classified as held for sale	--	7,430
4.30	Total current liabilities	451,377	872,611
Non-current liabilities			
4.31	Trade and other payables	35,136	48,901
4.32	Interest bearing loans and borrowings	819,556	1,141,366
4.33	Deferred and other income tax liabilities	115,005	127,800
4.34	Derivatives	--	1,748
4.35	Provisions (excluding tax liabilities)	21,378	10,019
4.36	Other	2,399	3,981
4.37	Total non-current liabilities	993,474	1,333,815
4.38	Total liabilities	1,444,851	2,206,426
4.39	Net assets	732,763	585,751
Equity			
Parent entity interest:			
4.40	Contributed equity	388,977	456,796
4.41	Reserves	319,262	318,253
4.42	Accumulated (losses)	(98,767)	(305,121)
4.43	Parent interests	609,472	469,928
4.44	Minority interests	123,291	115,823
4.45	Total equity	732,763	585,751
4.46	Preference capital included as part of 4.40	399,510	434,528

Notes to the Consolidated Balance Sheet

Note 1. As at 30 June 2008, Austereo Group Limited reflect the carrying value of Radio Licences at cost of \$865.2 million. This value is supported by an independent valuation which is commissioned annually and updated six monthly. The carrying value of Radio Licences by Austereo Group Limited is currently below the lower end of the range of estimates provided by the independent valuer. The Village Roadshow Ltd. group has continued to record these Radio Licences at original cost of \$453.2 million. Both the \$865.2 million and \$453.2 million amounts referred to above represent 100% of the Radio Licences.

5. Exploration and evaluation expenditure capitalised – N/A

6. Development properties - N/A

Consolidated Statement of Cash Flows		2008 \$A'000	2007 \$A'000
Cash flows related to operating activities			
7.1	Receipts from customers	1,712,786	1,522,245
7.2	Payments to suppliers and employees (refer note 2)	(1,559,926)	(1,480,627)
7.3	Dividends and distributions received from associates	1,667	7,851
7.4	Other dividends received	--	199
7.5	Interest and other items of similar nature received	11,385	11,512
7.6	Interest and other costs of finance paid	(122,250)	(122,850)
7.7	Income taxes paid	(41,923)	(12,110)
7.8	Other	118	1,735
7.9	Net operating cash flows (refer notes 1 & 2 below)	1,857	(72,045)
Cash flows related to investing activities			
7.10	Purchases of property, plant and equipment	(54,828)	(51,955)
7.11	Proceeds from sale of property, plant and equipment	1,384	464
7.12	Payment for purchases of equity investments (refer notes 3 and 4)	(206,771)	(279,641)
7.13	Proceeds from sale of equity investments (refer note 5)	24,559	230,617
7.14	Loans to or repaid to other entities	(15,678)	(20,782)
7.15	Loans from or repaid by other entities	4,707	16,472
7.16	Other	472	(5,850)
7.17	Net investing cash flows	(246,155)	(110,675)
Cash flows related to financing activities			
7.18	Proceeds from issues of shares	5,700	--
7.19	Proceeds from borrowings	767,566	1,364,288
7.20	Repayment of borrowings	(471,775)	(918,985)
7.21	Dividends paid	(83,088)	(105,154)
7.22	Other (incl. payments for buyback of shares and capital return)	(74,575)	(154,958)
7.23	Net financing cash flows	143,828	185,191
7.24	Net increase (decrease) in cash held	(100,470)	2,471
7.25	Cash at beginning of period (see Reconciliation of cash)	170,552	178,160
7.26	Exchange rate adjustments to item 7.25	(4,468)	(10,079)
7.27	Cash at end of period (see Reconciliation of cash)	65,614	170,552

Notes to the Consolidated Statement of Cash Flows:

Note 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.

Note 2: Payments to suppliers include amounts to acquire film copyrights from third parties. Revenues earned from these copyright assets are derived over several years hence significant timing differences in cash flows can occur. In the seven month period ended 31 January 2008, \$222.0 million was expended on copyright assets (year ended 30 June 2007: \$320.6 million).

Note 3: Payment for purchases of equity investments in 2008 of \$206.8 million includes \$54.1 million for the acquisition of the balance of Roadshow Distributors Pty. Ltd., \$119.0 million for the acquisition of the balance of Sydney Attractions Group Ltd. and \$30.1 million for the acquisition of Hawaiian Waters Adventure Park – refer "Acquisition of Controlled Entities".

Note 4: Payment for purchases of equity investments in 2007 of \$279.6 million includes \$277.5 million for the acquisition of Theme Park interests.

Note 5: Proceeds from sale of equity investments in 2007 of \$230.6 million includes \$92.8 million relating to Discontinued Operations – refer Item 12.1.

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

Reconciliation of operating profit after tax to net operating cash flows

	2008 \$A'000	2007 \$A'000
Net profit/(loss)	280,469	66,215
Adjust for:		
Depreciation	39,950	39,095
Amortisation	155,736	183,243
Impairment of non-current assets and held-for-sale assets (net)	765	196
Provisions	9,663	5,288
Net gains on disposal of assets	(200,939)	(12,285)
Unrealised foreign currency (profit)/loss	(1,383)	(598)
Unrealised derivative (gain) loss	(823)	6,920
Net equity accounted (profits) losses	11,356	(19,878)
(Profit) loss on repurchase of convertible notes	(941)	5,924
Changes in assets & liabilities:		
Trade and other receivables	6,393	(7,639)
Trade and other payables	(147,784)	67,685
Income tax payable	(25,828)	8,813
Unearned income	13,715	4,595
Other payables and provisions	106,938	(62,223)
Intangibles – film library	(221,990)	(320,584)
Inventories	(5,782)	(447)
Capitalised borrowing costs	(344)	(750)
Deferred and other income tax assets and liabilities	(20,329)	(29,582)
Prepayments and other assets	3,015	(6,033)
Net operating cash flows	1,857	(72,045)

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.

	Current period \$A'000	Previous corresponding period \$A'000
8.1 Cash on hand and at bank	37,572	46,930
8.2 Deposits at call	28,042	122,750
8.3 Bank overdraft	--	--
8.4 Total cash at end of period – continuing operations	65,614	169,680
8.5 Cash on hand & at bank attributable to discontinued operations	--	872
8.6 Total cash and cash equivalents at end of period	65,614	170,552

Disposal of controlled entities

The economic entity did not dispose of any material controlled entities in either the current or previous corresponding reporting periods, other than the sale of 59.1% of Village Roadshow Pictures Group effective 31 January 2008 (refer items 14.1 to 14.5). Following this sale, the economic entity has a 40.9% shareholding in Village Roadshow Entertainment Group.

Undrawn credit facilities

The economic entity has undrawn credit facilities at balance date of \$206.0 million (2007: \$1,021.3 million), which includes \$nil (2007: \$786.6 million) relating to Village Roadshow Films (BVI) Limited.

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 (except as detailed below under "Acquisition of Controlled Entities")

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

Acquisition of controlled entities

(a) Acquisition of remaining 50% of the Roadshow Distributors Pty. Ltd. group:

As detailed in the Company's 30 June 2007 financial report, the Village Roadshow Limited group ("VRL group") has acquired the remaining 50% of the Roadshow Distributors Pty. Ltd. group ("RD group"). The acquisition resulted in a net cash outflow of \$54.1 million, and included the assumption of a shareholder loan of \$34.4 million. The transaction, which was effective from 25 July 2007, was funded by a drawdown on the VRL group bank facilities and from existing cash reserves.

Amounts recognised on acquisition	2008 A\$'000
Cash and cash equivalents	20,517
Receivables	97,629
Film distribution royalties	51,363
Intangible assets	30,576
Other assets	26,211
Total Assets	226,296
Payables	(70,758)
Borrowings	(25,000)
Other liabilities	(36,097)
Total Liabilities	(131,855)
Fair value of identifiable net assets	94,441
Goodwill arising on acquisition	35,150
	129,591
Cost of combination	
Cash paid	95,000
Shareholder loan assumed	34,440
Costs associated with the acquisition	151
	129,591
The net outflow on acquisition is as follows:	
Net cash acquired with the subsidiary	20,517
Net cash previously equity accounted, now consolidated (50%)	20,517
Cash Paid	(95,151)
Net Cash outflow	(54,117)

From the date of acquisition, the RD group has contributed \$19.8 million to the consolidated net profit of the Group (in addition to contributing \$2.0 million as share of associates profit prior to consolidation).

Notes to the Consolidated Statement of Cash Flows (continued):
Acquisition of controlled entities (continued)

(b) Acquisition of remaining shares in Sydney Attractions Group Ltd.:

As detailed in the Company's 31 December 2007 Half-Year financial report, the VRL group has acquired the remaining shares that it did not own in Sydney Attractions Group Ltd. ("SAQ group"). The acquisition resulted in a net cash outflow of \$119.0 million. The VRL group gained control of the SAQ group effective 1 February 2008, and the transaction was funded by a drawdown on the VRL group bank facilities and from existing cash reserves.

Amounts recognised on acquisition	2008 A\$'000
Cash and cash equivalents	2,731
Receivables	665
Property, plant and equipment	87,376
Intangible assets	8,808
Other assets	9,522
Total Assets	109,102
Payables	(4,882)
Borrowings	(62,800)
Other liabilities	(21,582)
Total Liabilities	(89,264)
Fair value of identifiable net assets	19,838
Goodwill arising on acquisition	126,906
	146,744
Cost of combination	
Cash paid	120,608
Cost of shareholding acquired in prior periods	24,839
Costs associated with the acquisition	1,297
	146,744
The net outflow on acquisition is as follows:	
Net cash acquired with the subsidiary	2,731
Cash Paid	(121,755)
Net Cash outflow	(119,024)

From the date of acquisition, the SAQ group has contributed \$1.3 million to the consolidated net profit of the VRL group. The accounting for the above acquisition is provisional at this stage, in accordance with AASB 3: *Business Combinations*. As a result of obtaining control of the SAQ group, the amount that had been written-off in the prior period of \$4.913 million was written back to the profit and loss appropriation account.

(c) Acquisition of Hawaiian Waters Adventure Park:

As advised to the Australian Securities Exchange on 5 March 2008, the VRL group has acquired the Hawaiian Waters Adventure Park ("HWAP") in Hawaii. The acquisition resulted in a net cash outflow of \$30.1 million. The transaction was effective 12 May 2008, and was funded by a drawdown on the VRL group bank facilities and from existing cash reserves.

Amounts recognised on acquisition	2008 A\$'000
Property, plant and equipment	18,532
Other assets	2,246
Other liabilities	(425)
Fair value of identifiable net assets	20,353
Goodwill arising on acquisition	9,932
	30,285
Cost of combination	
Cash paid	29,501
Costs associated with the acquisition	784
	30,285
Net Cash outflow	(30,072)

From the date of acquisition, there has been no material impact from HWAP to the consolidated net profit of the VRL group. The accounting for the above acquisition is provisional at this stage, in accordance with AASB 3: *Business Combinations*.

Other notes to the financial statements

Ratios		Current period	Previous corresponding period
9.1	Profit before tax / revenue Consolidated profit (loss) from continuing operations before income tax expense (<i>item 1.5</i>) as a percentage of income (<i>item 1.1</i>)	8.3%	11.0%
9.2	Profit after tax / ⁺equity interests Consolidated profit (loss) attributable to members of Village Roadshow Limited (<i>item 1.11</i>) as a percentage of parent entity equity at the end of the period (<i>item 4.43</i>) (<i>Refer Note 1</i>)	42.1%	9.6%

¹ Excluding material items and discontinued operations, ratio for 2008 is 10.2%.

Earnings per security (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 <i>Earnings Per Share</i> are as follows. Basic EPS ^{1,3,4} Total EPS ^{2,4}	170.06c 105.68c	22.68c 17.36c
	Basic and diluted EPS from continuing operations are as follows: Basic EPS ^{1,3,4} Total EPS ^{2,4}	39.53c 30.98c	50.43c 33.35c
	Basic EPS (excluding material items & discontinued operations) ⁵ Total EPS (excluding material items & discontinued operations) ⁵	30.08c 25.58c	30.44c 21.83c
	Weighted Average Number of shares outstanding during the period used in the calculations of EPS: Ordinary Shares Total Shares	139,103,258 243,072,288	149,671,573 259,741,831

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

Note 2: Total EPS represents Earnings Per Share on total Ordinary and Preference shares.

Note 3: There are no potential ordinary shares that are dilutive. The 6,000,000 issued options were reviewed and determined not to be potential ordinary shares as at 30 June 2007.

Note 4: Under Accounting Standard AASB 2 *Share Based Payment*, shares issued under the company's various share plans are treated as 'in-substance' options. Shares issued under these plans that are treated as 'in-substance' options are included in Ordinary Shares and Total Shares for the purposes of the EPS calculation.

Note 5: Alternative disclosure based on attributable net profit of \$62.167 million (2007: \$56.693 million).

NTA backing		Current period	Previous corresponding period
11.1	Net tangible asset backing per ⁺ ordinary security	(\$1.25)	(\$3.97)

Note: Net tangible asset backing shown at item 11.1 above excludes the carrying value of Radio Licences and (in 2007 only) Film Library assets. Including these assets, the NTA per ordinary security is \$0.77 (2007: \$1.01).

Discontinued Operations – Current Period

12.1 During the year ended 30 June 2008, the economic entity discontinued the Film Production operations as a result of sale of the interests in Village Roadshow Pictures Group ("VRPG") as part of the restructuring of VRPG to form Village Roadshow Entertainment Group ("VREG"). In addition, during the year, final sale proceeds were received in relation to the sale of the New Zealand and Fiji cinema operations effective 30 June 2006. These disposals and cessation of activities are part of a major restructuring program which is aimed at improving the return on assets across the economic entity.

	NZ & Fiji 2008 \$A'000	Total Cinema Exhibition 2008 \$A'000	VRPG 2008 \$A'000	Total Film Production 2008 \$A'000	Total Group 2008 \$A'000
Income Statement					
Revenues (including total Segment Revenues of \$510.385 million)	--	--	512,769	512,769	512,769
Other income (including \$203.7 million from gain on disposal of investments)	--	--	203,877	203,877	203,877
Share of net profits (losses) of associates	--	--	(14,331)	(14,331)	(14,331)
Finance costs	--	--	(51,115)	(51,115)	(51,115)
Expenses excluding finance costs	--	--	(466,550)	(466,550)	(466,550)
Profit (loss) from discontinued operations before tax	--	--	184,650	184,650	184,650
Income tax revenue (expense)	--	--	(3,080)	(3,080)	(3,080)
Profit (loss) from discontinued operations after tax	--	--	181,570	181,570	181,570
Cashflow Information					
The consolidated net cashflows of the discontinued operations during the reporting period were as follows:					
Net operating cashflows	--	--	(117,782)	(117,782)	(117,782)
Net investing cashflows	16,810	16,810	--	--	16,810
Net financing cashflows	--	--	126,044	126,044	126,044
Total net cashflows	16,810	16,810	8,262	8,262	25,072
Balance Sheet					
Assets – carrying amount at balance date	--	--	--	--	--
Liabilities at balance date	--	--	--	--	--
Net Assets (Liabilities) at balance date	--	--	--	--	--
Proceeds from net liabilities disposed	--	--	53,778	53,778	53,778
Net liabilities disposed of less loan provision	--	--	(135,886)	(135,886)	(135,886)
Gain on disposal of net liabilities	--	--	189,664	189,664	189,664
Income tax (expense) relating to the disposal of net liabilities	--	--	(2,407)	(2,407)	(2,407)

Discontinued Operations – Previous Corresponding Period

	NZ & Fiji 2007 \$A'000	Germany 2007 \$A'000	Austria 2007 \$A'000	Italy 2007 \$A'000	Total Cinema Exhibition 2007 \$A'000	VRPG 2007 \$A'000	Total Group 2007 \$A'000
Income Statement							
Revenues (including total Segment Revenues of \$671.981 million)	1,815	--	2,890	--	4,705	672,092	676,797
Other income	1,948	762	336	6,937	9,983	16	9,999
Share of net profits (losses) of associates	--	--	--	8,207	8,207	--	8,207
Finance costs	--	--	--	--	--	(86,517)	(86,517)
Expenses excluding finance costs	--	(368)	(4,705)	(908)	(5,981)	(640,519)	(646,500)
Profit (loss) from discontinued operations before tax	3,763	394	(1,479)	14,236	16,914	(54,928)	(38,014)
Income tax revenue (expense)	--	--	2	(1,294)	(1,292)	(2,231)	(3,523)
Profit (loss) from discontinued operations after tax	3,763	394	(1,477)	12,942	15,622	(57,159)	(41,537)
Cashflow Information							
The consolidated net cashflows of the discontinued operations during the reporting period were as follows:							
Net operating cashflows	--	(481)	2,331	--	1,850	(181,454)	(179,604)
Net investing cashflows	28,789	--	--	63,963	92,752	--	92,752
Net financing cashflows	--	--	--	(19,539)	(19,539)	209,350	189,811
Total net cashflows	28,789	(481)	2,331	44,424	75,063	27,896	102,959
Balance Sheet							
Assets – carrying amount at balance date	--	222	232	--	454	--	454
Liabilities at balance date	--	(519)	(784)	--	(1,303)	--	(1,303)
Net Assets (Liabilities) at balance date	--	(297)	(552)	--	(849)	--	(849)
Selling price of net assets disposed	--	--	--	63,963	63,963	--	63,963
Net Assets disposed of	--	--	--	49,727	49,727	--	49,727
Gain/(Loss) on disposal of net assets	--	--	--	14,236	14,236	--	14,236
Income tax revenue (expense) relating to the disposal of net assets	--	--	--	(1,294)	(1,294)	--	(1,294)

In addition to total assets and liabilities for discontinued operations shown above, additional European Cinema Exhibition surplus assets of \$32.831 million and associated liabilities of \$6.127 million were included in the Consolidated Balance Sheet as "Held for Sale" (items 4.8 and 4.29 respectively).

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	Acquisition of remaining interests in Roadshow Distributors Pty. Ltd. and Sydney Attractions Group Ltd. - refer pages 19 & 20 for details.
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	\$21.1 million.
13.3	Date from which such profit has been calculated	For Roadshow Distributors Pty. Ltd., the effective date was 25 July 2007, and for Sydney Attractions Group Ltd., the effective date of control was 1 February 2008.
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)	Village Roadshow Pictures Group ("VRPG")
14.2	Consolidated profit (loss) after tax of the entity (or group of entities) for the current period to the date of loss of control	(\$5.687) million
14.3	Date to which the profit (loss) in item 14.2 has been calculated	31 January 2008
14.4	Consolidated profit (loss) after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	(\$57.159) million
14.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control (Refer also to item 12.1)	\$187.257 million

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable (Final dividend for FY2008)	3 December 2008
15.2	+Record date to determine entitlements to the dividend (distribution) (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)	19 November 2008
15.3	Has the dividend been declared?	Yes

(Note: the final dividend for FY2008 has not been accrued in the 30 June 2008 accounts)

Amount per Security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
15.4	Final dividend: Current year - Ords	9.0c	9.0c	--
	(for FY2008) Prefs	12.0c	12.0c	--
15.5	Previous year - Ords	--	--	--
	Prefs	--	--	--
15.6	Interim dividends: Current year - Ords	16.5c	16.5c	--
	(for FY2008) - Prefs	19.5c	19.5c	--
15.7	Previous year - Ords	--	--	--
	- Prefs	--	--	--
15.8	Special dividend: Current year - Ords	10.0c	10.0c	--
	- Prefs	10.0c	10.0c	--
15.9	Special dividend: Prior year - Ords	34.0c	34.0c	--
	- Prefs	37.0c	37.0c	--

Total dividend (distribution) per security (interim, final & special)

	Current year ¹	Previous year ²
15.10	+Ordinary securities	35.5c
15.11	Preference +securities	41.5c
		34.0c
		37.0c

Note 1: Includes special dividend payment in December 2007 of 10c per share, relating to the 2007 financial year.

Note 2: Special dividend payment in November 2006, relating to the 2006 financial year.

Dividends (distributions) on all securities

	Current period \$A'000	Previous corresponding period \$A'000
15.12 +Ordinary securities <i>(each class separately)</i>	37,367	51,871
15.13 Preference +securities <i>(each class separately)</i>	30,125	40,535
15.14 Total	67,492	92,406

The +dividend or distribution plans shown below 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 profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':		Current period \$A'000	Previous corresponding period \$A'000
16.1	Profit (loss) from continuing operations before income tax	5,864	28,703
16.2	Income tax on continuing operations	(3,142)	(8,081)
16.3	Profit (loss)from continuing operations after income tax	2,722	20,622
16.4	Adjustments	--	635
16.5	Share of net profit (loss) of associates and joint venture entities	2,722	21,257

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. .

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) after tax (item 1.9)	
	Current period	Previous corresponding period	Current Period A\$'000	Previous corresponding period A\$'000
17.1 Equity accounted associates and joint venture entities				
Associates:				
Ballarat Cinemas Pty Ltd	50.00%	50.00%	9	7
Dartina Developments Ltd	50.00%	50.00%	912	3,399
Radio Newcastle Pty Ltd	50.00%	50.00%	1,898	1,582
Roadshow Distributors Pty Ltd ¹	--	50.00%	2,037	15,112
Village Roadshow Entertainment Group (BVI) Ltd ²	40.89%	50.00%	--	--
Other ³	N/A	N/A	(51)	372
			4,805	20,472
Joint venture entities/partnerships:				
Albury Regent Cinemas Partnership	50.00%	50.00%	255	147
Tasmanian Cinemas Partnership	50.00%	50.00%	(136)	(54)
Warner Village Exhibition Management P/ship.	50.00%	50.00%	--	1,324
VRGCC Holdings LLC	50.00%	50.00%	(2,202)	(632)
			(2,083)	785
17.2 Total			2,722	21,257
17.3 Other Material Interests			N/A	N/A
17.4 Total			N/A	N/A

- Roadshow Distributors Pty. Ltd. became a wholly-owned subsidiary effective from 25 July 2007.
- The investment in Village Roadshow Entertainment Group (BVI) Limited reduced from 50% to 40.894% as part of the restructuring of the Village Roadshow Pictures Group effective from 31 January 2008.
- In relation to the 'Other' associates referred to above, there have been no significant changes in the state of affairs during the year.

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) A Class Preference shares ¹	98,025,451	98,025,451		
18.2 Changes during current period				
(a) Increases through issues	--	--		
(b) Decreases through returns of capital, buybacks, redemptions	(11,000,000)	(11,000,000)		
18.3 +Ordinary securities ¹	126,908,449	126,908,449		
18.4 Changes during current period				
(a) Increases through issues	2,000,000	2,000,000		
(b) Decreases through returns of capital, buybacks	(14,100,000)	(14,100,000)		
18.5 +Convertible debt securities (description and conversion factor) PRIDES, converting into preference shares at any time up to 30/4/2008. Each PRIDES is convertible into a minimum of 25.628 and a maximum of 30.750 A Class Preference shares. The Company has the right to redeem the PRIDES for cash on request for conversion.	--	--	US\$50.00	US\$50.00
18.6 Changes during current period				
(a) Increases through issues	--	--		
(b) Decreases through securities matured, converted	(39,000)			
18.7 Options (description and conversion factor)			Exercise Price	Expiry Date (if any)
Options over Ordinary shares ^{1,2}	--	--		
18.8 Issued during current period	--	--		
18.9 Exercised during current period	(2,000,000)	--		
18.10 Expired during current period	(4,000,000)	--		
18.11 Debentures (description)				
18.12 Changes during current period	N/A	N/A		
18.13 Unsecured notes (description)				
18.14 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 treated as 'in-substance' options. Shares issued under these plans that are treated as 'in-substance' options are included in the Ordinary and Preference securities disclosed in items 18.1 and 18.3, and excluded from the Options disclosed in item 18.7.

Note 2: Details of options over ordinary shares issued in July 2008, with an effective grant date of 1 March 2008 were as follows:

Number of Options	Exercise Price	Expiry Date
2,000,000	\$3.00	1/3/2015
2,000,000	\$3.00	1/3/2015
2,000,000	\$3.00	1/3/2015

Reporting by Business Segments¹

	Cinema Exhibition		Theme Parks		Radio		Film Production		Film Distribution		Unallocated		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
AMOUNTS INCLUDING MATERIAL ITEMS AND DISCONTINUED OPERATIONS														
Total segment revenue – continuing	286,441	272,016	298,240	267,953	257,921	250,539	--	--	422,922	30,948	18,182	10,831	1,283,706	832,287
Segment result – continuing	20,717	12,984	60,439	55,821	84,110	79,245	--	--	38,980	(156)	(98,481)	(73,581)	105,765	74,313
Equity-accounted net profit (loss) – continuing	(1,157)	4,205	--	--	1,842	1,549	--	--	2,037	15,112	--	391	2,722	21,257
Profit (loss) before tax – continuing													108,487	95,570
Income tax revenue (expense) – continuing													(9,588)	12,182
Profit (loss) after tax from continuing operations													98,899	107,752
Profit (loss) after tax from discontinued operations													181,570	(41,537)
Net profit (loss) for the period													280,469	66,215
Less: Profit attributed to outside equity interest													(23,587)	(21,136)
Net profit attributable to members													256,882	45,079
Depreciation and amortisation expense – continuing	18,854	19,560	25,829	23,556	7,931	7,236	--	--	14,312	1,409	3,456	1,077	70,382	52,838
Non-cash expenses other than depreciation – continuing	(293)	8,125	547	(470)	274	337	--	--	1,112	28	10,002	(9,553)	11,642	(1,533)
Segment assets	229,703	253,169	855,280	579,111	541,373	548,883	--	960,040	351,442	107,310	199,816	343,664	2,177,614	2,792,177
Segment liabilities	37,580	54,875	56,142	38,621	55,473	56,759	--	108,024	187,096	79,625	1,108,560	1,868,522	1,444,851	2,206,426
Equity-accounted investments included in segment assets	12,849	10,150	--	--	4,830	4,918	--	--	--	68,226	177	(50)	17,856	83,244
Acquisition of property, plant & equipment and intangible assets (excluding film library acquisitions)	9,700	14,426	33,000	20,478	11,400	14,839	--	--	1,200	77	--	3,359	55,300	53,179

AMOUNTS EXCLUDING MATERIAL ITEMS & DISCONTINUED OPERATIONS														
Total segment revenue														
Segment result														
Equity-accounted net profit (loss)														
Profit (loss) before tax														
Income tax revenue (expense)														
Net profit														
Less: Profit attributed to outside equity interest														
Net profit attributable to members														
Total segment revenue	286,441	272,016	298,240	267,953	257,921	250,539	--	--	422,922	30,948	18,182	10,831	1,283,706	832,287
Segment result	20,717	12,984	60,439	60,719	84,110	79,245	--	--	38,980	(156)	(91,974)	(70,399)	112,272	82,393
Equity-accounted net profit (loss)	(1,157)	4,205	--	--	1,842	1,549	--	--	2,037	15,112	--	391	2,722	21,257
Profit (loss) before tax													114,994	103,650
Income tax revenue (expense)													(29,240)	(25,821)
Net profit													85,754	77,829
Less: Profit attributed to outside equity interest													(23,587)	(21,136)
Net profit attributable to members													62,167	56,693

Notes:

¹ For primary segment reporting purposes, Singapore Distribution business unit results are combined with Cinema Exhibition, and Leisure business unit results are combined with Theme Parks. The definition of segment revenues, segment result, segment assets and segment liabilities restricts the segment disclosures to operating activities and therefore excludes certain financing and investing transactions. The 'unallocated' column therefore combines financial information which is not reported in one of the primary business segments and transactions excluded from the segment definitions. For assets, liabilities and equity-accounted investments, the unallocated column also includes amounts relating to discontinued operations. The exclusions from segment definitions are mainly comprised of interest revenue & profit on disposal of assets (excluded from Segment Revenue), interest revenue & expense, & profit/loss on disposal of assets (excluded from Segment Result), cash, investments which are not equity accounted, loans receivable (other than loans to associates) & tax assets (excluded from Segment Assets) and borrowings, loans payable (other than loans from associates) and tax liabilities (excluded from Segment Liabilities).

Reconciliation of segment result and reported EBITDA analysis – continuing operations	Segment result ¹ excluding material items		Operating result ¹ Excluding material items		Reported EBITDA excluding material items	
	Current period \$A'000	Previous corresp. period \$A'000	Current period \$A'000	Previous corresp. period \$A'000	Current period \$A'000	Previous corresp. period \$A'000
	Theme Parks	60,439	60,720	34,409	40,611	84,945
Film Distribution	41,017	14,955	36,770	14,419	55,724	15,034
Cinema Exhibition	19,560	17,189	19,098	12,949	43,230	36,830
Radio	85,952	80,795	70,196	66,888	94,352	87,990
Other (includes corporate overheads)	(91,974)	(70,009)	(45,479)	(31,217)	(38,725)	(28,847)
Total	114,994	103,650	114,994	103,650	239,526	195,090
Calculation of Reported EBITDA						
Profit from continuing operations before material items and tax					114,994	103,650
Add (Subtract):						
Depreciation and amortisation					70,382	52,838
Finance costs – historical cost basis					66,731	48,940
Finance costs – fair value change on derivatives					(3,580)	(2,535)
Interest income					(9,001)	(7,803)
Reported EBITDA (before Minority Interests)					239,526	195,090

Note 1: As outlined in the segment reporting note, certain financing and investing transactions are excluded from the definition of 'segment result' under the revised AASB 114 *Segment Reporting*. These transactions, which comprise interest income, interest expense and profit or loss on sale of assets have been treated as unallocated for 'segment result' purposes, but are included in each segment's 'operating result' above. Operating result includes the items which are excluded from the new segment result definitions, and represents the basis under the previous segment accounting standard. EBITDA has been calculated from each segment's operating result.

Basis of financial report preparation

19.1 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).

(a) Acquisition of long-term management rights for water park at Phoenix, Arizona:

As advised to the Australian Securities Exchange on 9 July 2008, the Village Roadshow Limited group ("VRL group") has acquired the long-term management rights for the Phoenix Waterworld Safari water park. The planned investment in the water park (including new attractions and expansion) will be approximately USD 25 million. The financial impacts on the VRL group are not able to be quantified at this stage.

(b) Completion of acquisition of Kelly Tarlton's Antarctic Encounter & Underwater World in Auckland:

As advised to the Australian Securities Exchange on 19 March 2008, the VRL group has entered an agreement to acquire Kelly Tarlton's Antarctic Encounter & Underwater World in Auckland for NZD 13 million, subject to the approval by New Zealand's Overseas Investment Office and certain commercial conditions. It is anticipated that all conditions will be met, allowing completion of the transaction to take place on 1 September 2008. The financial impacts on the VRL group are not able to be quantified at this stage.

19.2 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.

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

It is anticipated that franking credits will be available to enable future dividends paid by the Company to be at least partly-franked.

19.4 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 and differences in the half yearly report in accordance with AASB 134: Interim Financial Reporting. 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

19.5 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 (except as disclosed at Item 19.4 above).

19.6 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 at 30 June 2008 are not materially different from those disclosed in the 30 June 2007 accounts except as follows:

(i) Claim received from the service company of Mr. Peter Ziegler (Note 22(a)(ix) in the 30 June 2007 accounts):

As advised to the Australian Securities Exchange on 18 December 2007, there was a confidential settlement between Village Roadshow Limited ("VRL") and Orrong Strategies Pty. Ltd., the company of former executive Peter Ziegler. Following the settlement, VRL has written-back the remaining provisions of \$3.5 million in relation to this matter, which had previously been reduced by \$3.6 million in the year ended 30 June 2007 (refer Item 1.19).

(ii) Other contingent liabilities – Film Production:

The film financing facility of Village Roadshow Films (BVI) Limited ("VRF") is secured against its film library and the proceeds from film exploitation. VRF is currently renegotiating the film financing facility and believes that this should be successfully achieved in the second quarter of FY 2008/09.

VRL has provided a guarantee in support of VRF for an amount of up to US\$26.5 million, which relates to fees previously received by VRL. If any guaranteed amount is paid by VRL, then VRL is entitled to recoup this payment from future film exploitation cash flows (after VRPG pays prior obligations). This contingent liability of US\$26.5 million as at 30 June 2008 will not increase. The Directors do not believe that any permanent loss will result from this guarantee and the Directors believe that no payment under the guarantee will be required if VRF's film financing facility is successfully renegotiated.

VRL also provides support to companies involved in film production ("VRPG") by way of guarantees for VRPG's liability for prints and advertising expenditure in relation to released films, and for profit-sharing, predominantly with Warner Bros. As at 30 June 2008 the amounts owing by VRPG supported by VRL guarantees was approximately US\$50 million. In the event that any payment is required to be made by VRL under the guarantees, VRL has recourse against VREG (the owner of both the music and film production businesses) and the other shareholders of VREG (for their proportion of any such payment), as well as to future film exploitation cash flows (after financing obligations). The Directors do not believe that any permanent loss will result from these guarantees and the Directors believe that no payment under the guarantees will be required if VRF's film financing facility is successfully renegotiated.

(iii) Belfast Rent Dispute:

Subsequent to 30 June 2007, litigation between Village Theatres 3 Limited ("VT3"), a wholly-owned subsidiary of the Village Roadshow Limited group ("VRL group"), VT3's landlord and its sub-tenant has been commenced, following correspondence received in March 2007 from the sub-tenant of the Belfast cinema that it believed that the contract should be rescinded, with the effect of cancelling its lease and purchase of the cinema business.

The outcome of this litigation and any resulting financial impact cannot be estimated at the date of these accounts.

(b) Contingent Assets:

Contingent assets are not materially different from those disclosed in the 30 June 2007 accounts except as follows:

(i) Judgement awarded to Village Roadshow Limited (Note 22(b)(ii) in the 30 June 2007 accounts):

As detailed in Note (a)(i) above, following the confidential settlement between VRL and Orrong Strategies Pty. Ltd., there is no longer any contingent asset relating to this matter.

19.7 All financial results for the years ended 30 June 2008 and 30 June 2007 are in accordance with the requirements of International Financial Reporting Standards (IFRS), following the change from previous Australian Accounting Standards effective from 1 July 2004.

Additional disclosure for trusts

20.1	Number of units held by the management company or responsible entity or their related parties.	N/A
20.2	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	Paradise Room, Sea World, Sea World Drive, Main Beach, Queensland 4217
Date	27 November 2008
Time	9.30 a.m.
Approximate date the ⁺ annual report will be available	27 October 2008

Shareholder Benefits Record Date

The Record Date for entitlement to the 2008 Shareholder Benefits booklet is close of business on 13 October 2008.

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
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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*)

- | | |
|---|--|
| <input type="checkbox"/> The ⁺ accounts have been audited. | <input type="checkbox"/> The ⁺ accounts have been subject to review. |
| <input checked="" type="checkbox"/> The ⁺ accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The ⁺ accounts have <i>not</i> yet been audited or reviewed. |

5 The entity has a formally constituted audit committee.

Sign here: _____
(Company secretary)

Date: 28 August 2008

Print name: PHILIP LEGGO