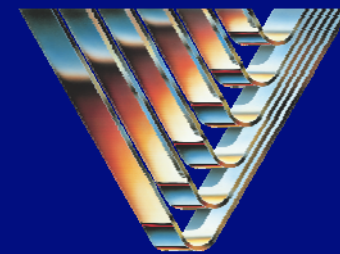


# Creation of Village Roadshow Entertainment Group

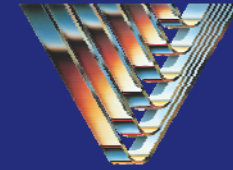
Village Roadshow Pictures  
Group merges with Concord  
Music Group



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VILLAGE ROADSHOW LIMITED

# Outline



VILLAGE ROADSHOW LIMITED

- Merger expected to complete by late October 2007 but effective from 1 July 2007.
- VRL receives US\$47.8 million in cash funded from new VREG debt facilities and has US\$38.25 million of distributions to be received in priority. (Only payable from future distributable excess cash flows in VREG).
- VREG ownership to be:
  - 48% Crescent Entertainment, 39.9% VRL, 12.1% Tailwind Capital (private equity)
- VRPG (film production) and Concord (music publishing) will operate as independent businesses under the ownership of VREG.
- Significant cross-platform opportunities and scalable corporate overheads across the new merged business.
- VRPG will be deconsolidated, VREG will be equity accounted.

# VRL F07 results re-stated for VREG impacts



VILLAGE ROADSHOW LIMITED

## Pro-forma Profit & Loss summary (F07 re-statement - *A\$ millions*)

	VRL Group incl VRPG	VRPG Group	VREG Group	Pro-forma VRL Group
Total Income	<u>1,538</u>	<u>(671)</u>	<u>-</u>	<u>867</u>
Reported EBITDA	225	(30)	-	195
Depreciation & amortisation	(54)	1	-	(53)
Finance Costs - Net	<u>(122)</u>	<u>85</u>	<u>-</u>	<u>(37)</u>
Profit Before Tax	<u>49</u>	<u>56</u>	<u>-</u>	<u>105</u>
Income Tax Revenue/(Expense)	9*	2	-	11*
Profit After Tax	<u>58</u>	<u>58</u>	<u>-</u>	<u>116</u>
Minority Interests	(21)	-	-	(21)
Attributable Profit After Tax	<u>37</u>	<u>58</u>	<u>-</u>	<u>95</u>

\* Includes \$37.7 million tax expense credit.

# VRL F07 results re-stated for VREG impacts

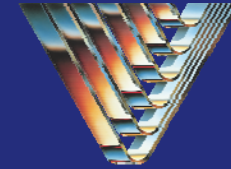


VILLAGE ROADSHOW LIMITED

## Pro-forma Balance Sheet summary (F07 re-statement - *A\$ millions*)

	VRL Group incl VRPG	VRPG Group	VREG Group	Pro-forma VRL Group
<b>Assets</b>				
Cash	170	(72)	58	156
Intangibles - Film Library	776	(759)	-	17
Other Assets	1,846	(185)	-	1,661
<b>Total Assets</b>	<u>2,792</u>	<u>(1,016)</u>	<u>58</u>	<u>1,834</u>
<b>Liabilities</b>				
Borrowings	1,702	(1,028)	-	674
Other Liabilities	505	(102)	-	403
<b>Total Liabilities</b>	<u>2,206</u>	<u>(1,130)</u>	<u>-</u>	<u>1,077</u>
<b>Net Assets</b>	<u>586</u>	<u>114</u>	<u>58</u>	<u>758</u>
Contributed Equity	457	-	-	457
Reserves	318	(18)	-	300
Accumulated Losses	(305)	-	-	(305)
One-off Profit on Deconsolidation of VRPG	-	132	58	190
Minority Interests	116	-	-	116
<b>Total Equity</b>	<u>586</u>	<u>114</u>	<u>58</u>	<u>758</u>

# VRL F07 results re-stated for VREG impacts



VILLAGE ROADSHOW LIMITED

## Pro-forma Cash Flow extracts (F07 re-statement - *A\$ millions*)

	VRL Group incl VRPG	VRPG Group	VREG Group	Pro-forma VRL Group
Operating Cash Flows - total	<u>(72)</u>	<u>223</u>	<u>-</u>	<u>151</u>
Financing cash flows - extract				
Proceeds from borrowings	1,364	(555)	-	809
Repayment of borrowings	<u>(919)</u>	<u>348</u>	<u>-</u>	<u>(571)</u>
Net Proceeds from borrowings	<u>445</u>	<u>(207)</u>	<u>-</u>	<u>238</u>

Note: US\$47.8m cash received will be reflected as proceeds from sale of assets/investments.