



VILLAGE ROADSHOW LIMITED



1999 Annual Report



Dear Shareholders

My purpose in creating Village Roadshow in the 1950s was to build a company with strong foundations for the long term. I have seen and been part of many difficult periods of this industry in my career. It is pleasing that your management team has brought the Company through this tough period recently with stronger results in most areas other than Cinema Exhibition. This says much about the powerful foundations of today's Village Roadshow—its strength in radio, distribution, film production and theme parks. And its management depth of talent and dedication. These assets, with the immediate outlook of better film product, demonstrates to me that the foundations for growth are strong indeed.

As a shareholder, and as one who knows the Company well, I am confident that the Company is well positioned to deliver increased shareholder value in the future; the foundations are in place to allow me to share my confidence with you.

Roc Kirby AM

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Company Profile

Village Roadshow is one of the few fully integrated, international entertainment and leisure groups in the world, operating divisions in Cinema Exhibition, Film Distribution, Film Production, Theme Parks and Radio.

History

Village Roadshow's history began in the 1950s with drive-in cinemas, and expanded over the decades into city cinemas and film distribution; television and film production; production and distribution of videos; and construction of multiplex cinemas. In the late 1980s, the Group's strategy required greater access to capital and accordingly it was decided the Company should become a public company, hence the creation of Village Roadshow Limited in 1988.

In the 1990s, the Group sought to strengthen its operating position by diversifying into complementary entertainment assets. This has included the development and purchase of the theme parks and the Austereo radio network. Simultaneously, the Group's reliance on Australia was reduced through the export of its cinema development and management expertise into selected international markets.

Exhibition

Village Roadshow's international cinema network spans over 1,400 screens in 19 countries, along with strong strategic partnerships and alliances worldwide, including Warner Bros. in Australia, United Kingdom, Italy and Taiwan.

Village cinemas are truly 'cinemas of the future', incorporating the very latest innovative design features and state of the art technology. In Australia, Asia Pacific, Europe and Latin America, Village Roadshow is a powerful force in cinema exhibition with spectacular megaplexes and innovative concepts. Many new landmark projects are also in development with exciting new sites currently under construction.

Distribution

In Australia, the Company has earned the reputation of being a leading distributor of quality, blockbuster movies for cinema, television, pay TV, home video and multi-media, and is proud to be the exclusive theatrical distributor for Warner Bros. in Australia and New Zealand.

Production

Village Roadshow Pictures produces movies for domestic and international release. With offices at its Australian Gold Coast studios, and in Los Angeles, Village Roadshow Pictures offers an alternative to the more traditional movie-making studios

elsewhere in the world. Box office sensation, *The Matrix*, was produced in partnership with Warner Bros. as part of an agreement to jointly produce up to 20 movies over the next four years as the first production slate.

Radio

Village Roadshow's wholly-owned Austereo is a market leader in Australian radio, with the country's two top radio networks, Today and Triple M. These networks lead the market, enjoying the biggest share of the lucrative under 40s age group. They form one of the largest radio networks in the world and are expanding internationally with Hitz FM and other stations in Malaysia and plans for further expansion throughout Asia.

Theme Parks

Warner Bros. Movie World, Sea World and Wet 'n' Wild Water Park, three of Australia's most popular theme parks, form another highly successful division of Village Roadshow, operating in partnership with Warner Bros. Together, they attract millions of Australian and international visitors each year.

Village Roadshow's unique portfolio of entertainment assets has created a company with a sound earnings profile and excellent opportunities for growth – Village Roadshow, one of the world's great entertainers.

Objectives

Village Roadshow's primary aim is the maximisation of long-term shareholder value. Objectives supporting this include:

Maintaining a portfolio of complementary entertainment assets providing a balance of strong cash generation and exceptional growth prospects.

Leading the market in developing entertainment standards and in so doing, become one of the world's most successful cinema exhibition companies.

Consolidating the Group's position as Australia's premier radio operator, while developing profitable opportunities in complementary businesses.

Continuing to be Australia's premier theme park operator.

Expanding the Group's film production activities in a prudent manner.

Strategies

To achieve the Company's objectives, the following strategies are being pursued:

Selective expansion of the Group's cinema circuit within Australia and chosen international markets. The focus is on quality sites, an ability to deliver rapid investment payback and reaching critical mass in our chosen markets.

Utilising Austereo's proven marketing and market research expertise to selectively expand the Group's operations into complementary businesses such as direct marketing.

Increase theme park attendance through innovative marketing strategies in both Australia and new and growing markets overseas.

Continue investigating complementary entertainment opportunities, particularly analogous online businesses.

Maximise project opportunities and share investment risks through the formation and nurturing of strong strategic alliances and partnerships.

Development of a long-term IT strategic plan to effectively position the Group in the online economy.

Actively manage the Group's portfolio of assets through:

- Divesting non-core activities.
- Enhancing the efficiency of existing businesses through improved management structures and increased financial accountability.
- Further exploiting the synergies inherent in the portfolio.

Highlights

Increased cinema circuit by 416 screens and 85 sites since the last annual report, bringing the total number of screens globally to 1,453 at 227 sites.

Opened major destination cinemas in Buenos Aires, Argentina, including Recoleta; and an 18 screen complex in Magliana in Rome, Italy.

Moved to full ownership of the Group's German cinema circuit (50 screens in six sites).

Created a new joint venture in New Zealand with the merger of the Village Force and Hoyts cinema assets.

In partnership with Warner Bros., produced and released the first three movies under our partnership agreement, including the blockbuster *The Matrix*.

Village Roadshow's Austereo strengthened its position as Australia's leading radio network capturing around 50% of all listeners in the 18 to 40 age demographic.

Introduced Shareholder Discount Plan.

Continued to sharpen our focus on entertainment:

- Sold Laguna Quays Resort.
- Sold Yoram Gross animation studios.
- Sold television production business.
- Sold remaining holding and management rights in Village Entertainment Property Trust.

Summary of Major Business Units



Recoleta, Argentina



You've Got Mail



Three Kings



Triple M and Today Networks



3 Park Super Pass

Cinema Exhibition

Country	Brand	Sites*	Screens*
Australia	Village**	55	453
	Palace	18	52
Austria	Village	1	8
Argentina	Village	6	65
China	Golden Cinemas	1	4
Fiji	Village	2	10
France	Village	1	1
Germany	Village	6	50
Greece	Village	3	24
Hong Kong	Golden Village	3	19
	Golden Harvest	5	10
Hungary	Hollywood Cinemas	3	26
India	Priya Village Roadshow	1	4
Italy	Warner Village	6	60
Korea	CJ Golden Village	1	11
	Tanjong Golden Village	6	44
	Golden Screens	35	83
New Zealand	Village Hoyts	19	122
	Village Rialto	5	17
Singapore	Golden Village	8	58
Taiwan	Warner Village	1	17
Thailand	Entertain Golden Village	10	80
	Mongkol Golden Harvest	7	13
UK	Warner Village	24	222
Total		227	1,453

* As at 23 September 1999.

** Includes Greater Union and Birch, Carroll & Coyle branded joint venture locations.

Distribution

Region	Brand
Australasia	Roadshow Film Distributors
	Roadshow Entertainment
	Roadshow Television
Greece	Warner Village Film Distributors Greece
Singapore	Golden Village Distribution
Asia	Golden Harvest distributes across several Asian territories including Hong Kong, and Chinese communities in other parts of the world.

Production

Country	Brand
USA	Village Roadshow Pictures
Australia	Village Roadshow Pictures
	Warner Roadshow Movie World Studios

Radio

City/Country	Brand
Sydney	2DayFM
	Triple M
Melbourne	FoxFM
	Triple M
Adelaide	SA FM
	Triple M
Brisbane	B105FM
	Triple M
Perth	PMFM
	94.5 FM
Newcastle	KOFM
	NXFM
Canberra	FM104.7
	Mix 106.3
Malaysia	Hitz FM
	Mix FM
	Light & Easy
	Era
	My FM

Theme Parks

Country	Brand
Australia	Warner Bros. Movie World
	Sea World
	Wet 'n' Wild Water Park
	Sea World Nara Resort

Financial Highlights

	1999	1998	
	\$000	\$000	% Change
Sales revenue	617,256	441,664	39.8
EBITDA attributable to members	165,086	138,788	18.9
Operating profit after tax attributable to members	27,170	70,066	(61.2)
Operating profit after tax pre abnormalities attributable to members	75,418	68,126	10.7
Total shareholders' equity	1,017,225	938,188	8.4
Total dividends	51,068	48,499	5.3
Total earnings per share – pre abnormalities (total shares)	17.33c	16.24c	6.7
Net tangible assets per share (total shares)	\$2.00	\$2.13	(6.1)

In 1998/99, Village Roadshow reported an operating profit after tax and before abnormalities of \$75.4 million, a 10.7% increase over the previous year. With an absence of quality movie releases affecting cinema attendances and the Asian crisis continuing to dampen theme park visitations, the Group's result was highly creditable.

Importantly, the Group's underlying business strengthened over the year with EBITDA increasing 18.9% over the year and net operating cash flows increasing by 90%.

Sales revenue increased substantially, mostly due to the first time consolidation of the German and Singapore exhibition circuits and the Golden Harvest Group. Excluding the impact of this change, sales revenue still increased 11%.

Through the year the Group continued to sharpen its focus on its core businesses. As a result of these efforts, the Group booked an abnormal loss of \$48.2 million. These items were classed as abnormal due to their size and non-recurring nature and principally involved writing down the carrying value of selected non-core assets. Profit after tax and abnormal items for the year was \$27.2 million, a 61% decline over the previous year.

The fortunes of the five main divisions of the Group were mixed for the 1999 financial year.

Exhibition

Despite a weak first half driven by poor cinema product, this division recovered in the final quarter to contribute \$14.7 million to operating profit before abnormalities. Although net profit for the division was lower than the previous year, underlying returns as measured by EBITDA improved 9.2% as the benefits of the Group's international cinema expansion began to emerge. Higher amortisation expenses from capitalised development costs eroded the bottom line. Increasing cinema attendances across all territories are now becoming evident.

Distribution

The distribution division had a solid year achieving the highest market share of theatrical distribution in Australasia. Video rental also recorded a good year capturing a 25% market share.

Production

With the first movies from the joint venture with Warner Bros. completed, this division is now beginning to generate solid returns. The profit contribution from this division increased 58% over the prior year.

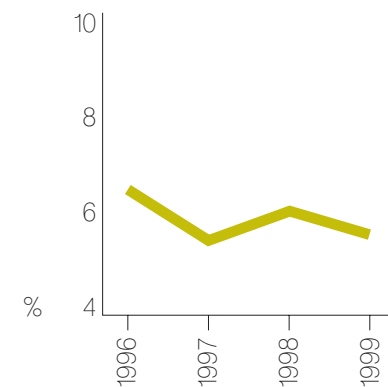
Radio

This division had a record year with profit increasing 19%. The strong market position of Austereo's radio networks has enabled this division to be a significant cash generator for the Group.

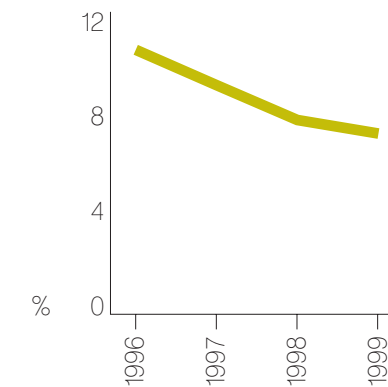
Theme Parks

Profits declined slightly during the period, mostly due to inclement weather on the Gold Coast and weak offshore attendances that are only just beginning to recover from the Asian crisis. Over the year this division contributed \$8.2 million to the Group's bottom line. With the sale of Laguna Quays and Daydream Island Resorts, the returns from this division should improve in the current year.

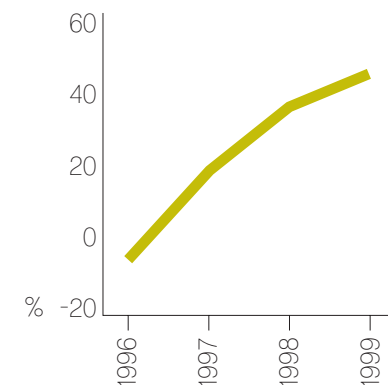
Return on assets (pre abnormalities)



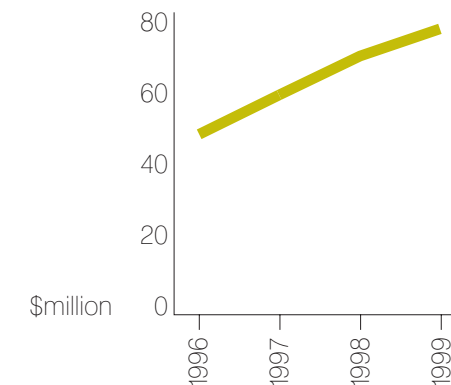
Return on average shareholders' equity (pre abnormalities)



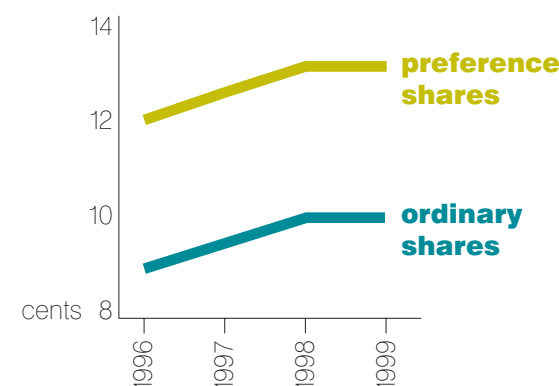
Gearing



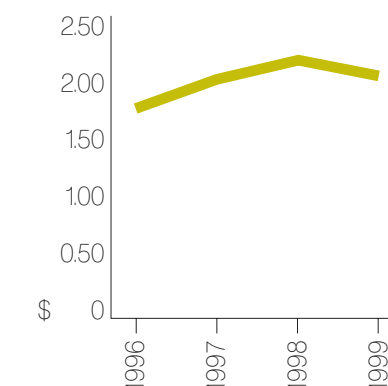
Operating profit after tax pre abnormalities attributable to members



Dividends per share



Net tangible assets per share (total shares)



Ten Year Financial Summary

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Operating Results (\$000)										
Sales revenue	617,256	441,664	392,570	297,119	246,615	153,014	72,846	36,397	30,369	13,140
EBITDA pre abnormals attributable to members	165,086	138,788	98,223	77,392	60,043	37,824	23,461	16,545	8,670	5,205
EBIT pre abnormals attributable to members	115,445	108,659	67,232	56,037	47,298	28,997	18,052	12,408	6,038	3,626
Net interest expense/(credit)	25,010	23,981	909	1,938	(1,101)	4,946	2,681	3,355	495	(23)
Tax expense/(credit) on ordinary earnings	10,493	12,697	8,293	6,610	10,399	2,130	5,220	1,807	1,273	(20)
Operating profit after tax pre abnormals attributable to members	75,418	68,126	58,030	47,489	38,000	21,921	10,151	7,247	4,270	3,669
Total dividends declared (total shares)	51,068	48,499	44,404	30,452	24,242	11,283	5,947	4,279	2,506	911
Selected Balance Sheet Items (\$000)										
Total shareholders' equity	1,017,225	938,188	830,202	754,999	479,590	198,529	127,332	81,679	48,422	42,108
Net borrowings	388,839	270,293	344,214	(106,159)	18,751	82,745	10,791	6,244	53,747	39,706
Funds employed	1,515,883	1,368,574	1,174,416	648,840	498,341	281,274	138,123	87,923	102,169	81,814
Total assets	1,954,429	1,792,681	1,482,496	1,126,436	775,851	442,052	328,934	157,850	132,707	93,181
Other Major Items (\$000)										
Capital expenditure	211,851	107,382	310,438	161,075	95,717	35,460	40,699	4,207	28,972	N/A
Depreciation and amortisation excluding production amortisation	49,641	30,129	30,991	21,355	12,745	8,827	5,409	4,136	2,632	1,579
Ratios										
Return on average total shareholders' equity (%)	7.17	7.70	9.09	10.48	12.67	13.45	9.71	11.14	9.29	9.68
EBIT/average funds employed (%)	8.00	8.55	7.37	9.77	12.13	13.83	15.97	13.06	6.56	4.96
Net borrowings/total shareholders' equity (%)	38.23	28.81	41.46	(14.06)	3.91	41.68	8.47	7.64	111.00	94.30
Interest cover (times)	3.24	3.37	5.04	4.60	3.88	4.46	6.03	2.11	3.75	2.35
Per Share Calculations										
Total earnings per share pre abnormals (cents per share)	17.33	16.24	15.18	14.10	14.66	10.72	6.11	5.91	4.46	4.14
Total earnings per share inclusive of abnormals (cents per share)	6.24	16.70	15.74	14.10	14.66	10.72	6.69	6.38	4.46	4.14
Dividends - ordinary shares (cents per share)	10.00	10.00	9.50	9.00	7.00	5.00	3.00	3.00	3.00	1.00
Dividends - preference shares (cents per share)	13.00	13.00	12.50	12.00	10.00	6.00	N/A	N/A	N/A	N/A
Net tangible assets (\$ per share)	2.00	2.13	1.97	1.73	1.34	0.85	0.64	0.53	0.42	0.39
Accumulation Index - Ordinary Shares (index base 1,000 as at June 1990)										
	7,448	8,877	12,026	13,344	9,678	6,593	4,827	2,753	1,276	1,000

Chairman's Report

With its established expertise in the entertainment sector and its network of global links and alliances, Village Roadshow is well placed to take a strong position in emerging opportunities as we enter the 21st Century.

The sound results of the past year have again emphasised the value of the Company's balanced diversification within our core business of entertainment.

In a period when a hiatus in the run of hit movies caused a temporary slowdown in cinema attendance, and when Asia's economic slump was affecting theme park returns, the Company was able to maintain its earnings through the good performance of other divisions.

Radio in particular, under the leadership of Peter Harvie and Brad March, recorded solid improvements in what was a challenging and very competitive year. Our film production division, Village Roadshow Pictures, expertly guided by Bruce Berman and his team, also had significant successes with films like *Analyze This* and *The Matrix*. Other divisions contributed in line with expectations, which were moderated by the ripple effect of lower box office results.

I am pleased on behalf of your Board to report, as a net result of these factors, an operating profit after tax but before abnormals of \$75.4 million compared with \$68.1 million the previous year. An increase of nearly 11%.

This result should generate solid confidence that Village Roadshow can maintain the upward path in earnings that has characterised its performance over the past decade. The reason is that despite the abnormal write-offs for (primarily) Resorts, Leisure and Warner Bros. Studio Stores, the underlying traditional businesses of the Company are strongly profitable and positioned for growth.

We also take confidence in the fact that there were elements of the 1998/99 business environment that we would not expect to see repeated in the coming year. Cinema attendances, which had shown a healthy 7.7% growth in 1997/98, proved disappointingly soft in 1998/99 as the industry endured an unusually prolonged shortage of big-drawcard films. Nevertheless, that the Company was able to maintain and marginally improve on last year's operating profit result is a testament to the ability of management and the deliberately planned balance of the Company's main businesses in cinema exhibition, distribution, production, radio and theme parks. These results, given the circumstances, serve to reinforce our confidence in the future. This point should not be lost on anyone.

Moreover, the release of the high profile *Star Wars* and *Austin Powers* films in the closing month of this last financial year saw patronage climbing back to previous high levels, reaffirming the public's immense appetite for filmgoing whenever the right product is available. A shortage of crowd-pulling product from all major producers, such as we experienced early in the past year, is not unprecedented in the industry but is a relative rarity. We would therefore expect cinema revenue to be stronger in the coming year in line with historic trends.

Addressing the outlook for the year ahead, we see positive signs in most key areas.

Exhibition

In addition to resumed attendance growth from our Australian sites we can look forward to increasing contributions from offshore where our international investments in cinema exhibition are beginning to show their predicted returns. The United Kingdom, Hungary, Argentina and Korea are performing strongly and there is tangible evidence of a recovery in Thailand and other Asian centres. Unfortunately, growth in Hong Kong and Malaysia is still constrained by the widespread 'piracy' which sees new release product in the cinemas having to compete with cheap, illegal videotape and DVD copies. The governments of these countries have yet to come to grips properly with this issue.

Clearly, operating in a wide range of markets adds some complexity to our exhibition business, but we believe that in the long term such challenges are more than balanced by the higher potential growth and greater diversity in our income streams. Accordingly, we remain committed to a staged and measured development of our global operations in cinema exhibition.

Theme Parks

A strengthening Japanese and Asian recovery would also see an upturn in Australian tourism, with positive consequences for our theme parks. Stringent cost control programs, initiated in response to the Asia-led slowdown in tourism, have left these operations well placed to earn solid returns as tourism resumes its upward path. We are seeing the early and encouraging signs of growth in a number of Asian markets. In the meantime, domestic Australian tourism has grown strongly over the last year.

Radio

The success of Village Roadshow's Austereo in the highly competitive Australian radio market remains an industry phenomenon. The group leads its chosen under-40 market segment and continues to exhibit revenue and ratings growth. The strength of the management team and the breadth of creative talent give us confidence that it will continue to do well in a competitive environment.

Film Production

Our production division's successes are building a reputation as one of the hottest studios in the industry. This breeds confidence with those investing in film and should be reflected in increased opportunities in the coming year. Together with the pipeline of earnings from current releases, the growth prospects for this business remain strong.

Village Online

An emerging and popular business opportunity but one in which your Company has been active for some years. *The Village* website was one of the pioneering and most popular sites in Australia and the unique nature of our cinema, film, radio and theme park assets give an equally unique content richness which can form strong foundations in this area.

We are expanding our resource here to give Village Roadshow strong growth opportunities in this exponentially expanding area of commerce into the new millennium. At the same time, Village Online has great potential to strengthen revenue streams in other divisions of the Company. This internet investment is consistent with the Board's views on organic and synergistic progression in traditional or core businesses. It is in fact an outgrowth based on the very solid foundation of our unique entertainment assets.

Distribution

Roadshow Film Distributors and Roadshow Entertainment continue to perform soundly and to hold their strong market positions.

Strategic goals

Your Board's primary objective is to generate increased shareholder value in the form of both long term dividend flows and a higher share price. Our strategy to create such growth, while preserving maximum security for shareholders, has three key strands:

- Balanced diversification within the entertainment sector, our area of core expertise
- Shared risk, particularly when operating outside Australia
- Forging strategic alliances

This approach allows us to explore new markets and opportunities, positioning the Company to capitalise on profitable trends while minimising risk to shareholders. It has both underpinned our steady growth over the past decade and allowed us to weather adverse conditions in some sectors with no loss of overall Group earnings.

With many indicators suggesting a more positive global outlook, our astutely hedged international investments represent both a major shareholder asset and a revenue growth source.

Asset sales

Your Board's growth strategy for the Company is accompanied by a continued review of all operations and the sale of non-core or low prospect assets. In the past year, this has included genuine progress on a number of fronts.

At the time of writing (September 1999) your Company has sold its interests in Yoram Gross Animation, Village Roadshow Television, Laguna Quays and the Village Entertainment Property Trust. We are in the process of concluding sales for both Warner Bros. Studio Stores and Daydream Island Resort.

The entertainment sector worldwide is one of continually changing tastes and technologies and only a company willing to explore all opportunities presented by this can maintain market leadership. Importantly, your Board rigorously monitors all new ventures and, as we have demonstrated this year, is quick to act if predicted market growth does not materialise.

A new millennium

With its established expertise in the entertainment sector and its network of global links and alliances, Village Roadshow is well placed to take a strong position in emerging opportunities as we enter the 21st Century.

Our capacity to take advantage of new opportunities, when they arise, will be greatly strengthened by solid cash flows from existing operations and our international cinema portfolio. Your Board is committed to increasing shareholder value. Your Village Roadshow, has a strong portfolio of entertainment assets. We believe shareholders can embrace the new millennium with soundly based optimism in the Company's prospects.



John R Kirby
Chairman

Excitement *is* the product; all else is but a tool to that end. A glance at the year's results from Village Roadshow shows that, properly executed, this age-old maxim still translates into strong revenue flows and powerful balance sheet assets.

One of Village Roadshow's greatest assets does not appear on the balance sheet. It is our deep understanding of one of the fundamentals of our industry, the art of showmanship.

There is a truism that has been demonstrated over the years by great entertainment entrepreneurs, whether it be Steven Spielberg, Sam Goldwyn or P T Barnum: excitement *is* the product; all else is but a tool to that end.

A glance at the year's results from Village Roadshow shows that, properly executed, this age-old maxim still translates into strong revenue flows and powerful balance sheet assets.

The divisions of our Company that have enjoyed greatest success this year, radio and film production, are great exponents of that philosophy. Other divisions, like theme parks, distribution and cinema exhibition, have exploited this truism to weather unexpectedly difficult circumstances.

Films like *The Matrix* and *Deep Blue Sea* were not only quality product but benefited from strong pre-publicity and from tours and massive media exposure by the stars, particularly Keanu Reeves and Carrie-Anne Moss. This was showmanship, the old Hollywood excitement machine in modern dress. It was jointly orchestrated by our production and distribution arms—and the added box office returns flowed not only to them but also to our cinemas.

With a likely eight, and maybe more, films scheduled for production in the coming year and a probable 50 titles to be handled by our distribution arm, it is clear that our ability to add magic to the entertainment product is recognised as a real and tangible asset.

Our radio division, Austereo, is an equally impressive example: in a medium where volatility and audience mobility are more common than stability, Austereo has been able to keep a firm grip on its target market. In every Australian capital, almost half of all listeners aged under 40 are tuned to the Today or Triple M networks operated by Austereo.

This audience loyalty is not something passive. It is fuelled and fostered every hour of every day by network and station management, both in promotions and in content.

Their inherent grasp of the principles of showmanship is illustrated by the fact that so many of the network promotions have become media events in their own right, picked up not only by Australian press and TV (generating massive publicity for the stations) but even internationally.

Examples include the *House from Hell* promotion, built around incompatible house-mates, which was seized upon as a TV show format. The *Two Strangers and a Wedding* promotion made news as far afield as the UK and Europe. *Whirl till you Hurl*, in which participants endure marathon roller-coaster rides, has similarly won national and international attention while the *Big Bang* promotion, in which individuals can win a spectacular sky-show for their own street, is generating media coverage everywhere it occurs. A promotional CD of beer songs sold 250,000 copies. All these are showmanship at its finest.

This core understanding—that an audience's attention is an entertainer's most prized asset - is reflected not only in the choice of high profile on-air personalities (like Eddie McGuire, Andrew Denton and Wendy Harmer) but right through to the tailoring of the commercial product. Austereo works closely with major clients to ensure that advertising not only generates revenues but provides top entertainment value.

Austereo's creative energy has been recognised with awards or finalist placings at the Clio, Golden Stylus and International Broadcasting Awards and at the New York Festival.

The ability to weave an advertiser's message into a high-profile, high energy promotion has earned Austereo close links with major advertisers like Telstra, Diet Coke, Uncle Tobys and Optus. In every case, Austereo can add value to the client's promotion by adding that magical touch of show-biz. It is a truly bankable commodity and one that is reflected in continuing high ratings and revenues.

One of the more recent developments has been closer integration of this remarkable capacity of all the various arms of Village Roadshow to engage and hold the public's attention. Over time, this will give shareholders in the Group a value greater than the sum of individual parts.

Two recent examples provide an indication of this potential:

One is the marketing of our theme parks. The new multi-million dollar *Wild Wild West Adventure Ride* at Warner Bros. Movie World is being jointly promoted with the film that is being distributed by Roadshow. The complete promotional package involves activities at Village cinemas in Australia and New Zealand, on the Austereo radio networks and on video as well as through direct mail.

The parks will not only significantly increase their own audience (and earnings) base, but provide revenue and promotions for other arms of the company.

Similarly, in London a major joint promotion for the three theme parks and the Gold Coast where they are centred, has involved widespread use of Village cinemas as well as TV and direct presentations to travel agents.

That concept is being expanded to allow commercial clients of the Company to similarly harness all its arms—cinema, radio, theme parks, movies and movie themes, video and our direct-marketing interests—to create high-exposure, high-value campaigns. Called MAVIS—for Marketing Austereo Village Integrated Solutions—it will make an increasing contribution to Group earnings in the years ahead.

All the technology and all the resources are, however, but tools whose worth rests on an innate understanding of what it takes to attract, entrance, titillate and even shock an audience. That understanding, inherent in everything the Group does, is our core strength: all our investments are merely vehicles for capitalising on it.

The ability to turn a night at the movies into something more special—to 'sprinkle pixie dust' on the occasion—underlies the creation of our Europa and Gold Class cinemas.

We are continually exploring new electronic technologies for entertainment, for there is little doubt that these will play an ever increasing role in the 21st Century leisure market.

But in a world in which virtual reality and computer-generated special effects offer dazzling new possibilities, we are reminded from time to time that it is not the technology that is critical, but the imagination behind it.

The armoury of technologies and media available to Village Roadshow will continue to grow, as will the size and geographic spread of the resources available to us. But in translating this into earnings, we must never forget that first principle of show-biz: excitement *is* the product.

For us, imaginative marketing or showmanship is not an add-on; it is a core component of the product we create.



Graham W Burke
Managing Director

Board of Directors

John R Kirby

Chairman, Village Roadshow Limited. Bachelor of Economics (University of Tasmania). Certified Practising Accountant. Joined Village Roadshow 1971. Formerly Chairman, Village Roadshow Corporation Limited (1994-98), the Company's major shareholder. Formerly Chairman, Village Roadshow Limited (1990-94).

(Member: Executive Committee, Nomination Committee)

Robert G Kirby

Deputy Chairman, Village Roadshow Limited. Bachelor of Commerce (University of Melbourne). Joined Village Roadshow in 1972. Pioneered home video industry in Australia and founded Roadshow Entertainment in 1981. Responsible for introduction and development of multi-screen cinemas in Australia, Asia and Europe. Previously Chairman, Village Roadshow Limited (1994-98). Responsible for all internet and group IT activities.

(Member: Executive Committee)

Graham W Burke

Managing Director, Village Roadshow Limited. Attended University of Melbourne. Joined Village Roadshow in 1960. Founded Roadshow Distributors with Roc Kirby in 1968. Four years as original commissioner of Australian Film Commission. Member Victorian Arts Centre Trust Board (1996-1999). Founded Warner Bros. Movie World with Warner Bros. and managed takeover of Sea World. Founding Director, 2DayFM.

(Member: Executive Committee)



Left to right: John Kirby, Robert Kirby, Graham Burke

Peter E Foo

Finance Director, Village Roadshow Limited. Bachelor of Economics (La Trobe University). Joined Village Roadshow in 1978 and has 21 years experience in the management and finance of all facets of the Group. Director, Austereo Pty Ltd and all Village Roadshow's subsidiaries.

(Member: Executive Committee)

Peter A Ziegler

Executive Director, Village Roadshow Limited. Bachelor of Commerce (Hons), Bachelor of Law (Hons) and Master of Financial Management (University of Queensland), ACA, FCPA, Barrister and Solicitor of High Court of Australia, previously a Partner with Ernst & Young. Joined Village Roadshow in 1993, and has responsibility for the formulation and implementation of strategies for the Group with emphasis on the film production and exhibition divisions.

(Member: Executive Committee, Taxation Committee)



Left to right: Peter Foo, Peter Ziegler, Bill Conn, Terry Jackman, Lord Puttnam, Charles Stern, Barry Reardon

William J Conn

Spent over 30 years in investment banking. Director, Austereo Pty Ltd. Chairman, the Grand Hotel Group Ltd, Vice-Chairman of the Women's and Children's Healthcare Network of Victoria. Director, The King Island Company Ltd and an Advisor to Merrill Lynch International (Australia) Ltd.

(Member: Audit Committee, Nomination Committee, Taxation Committee, Remuneration Committee)

P Terence Jackman

Chairman and Proprietor, Pacific Cinemas Pty Ltd, operators of multiplex cinemas in Sydney and Queensland. Former CEO, Birch, Carroll & Coyle Ltd, and Hoyts Theatres Ltd and involved in the construction of Warner Roadshow Movie World Studios. Chairman, Sea World Management Limited, (the manager of the listed Sea World Property Trust). Director, Prime Television Limited. Founding Director, Queensland Film Commission, and Chairman, IndyCar Australia. Appointed in 1998 by the Queensland Government as Chairman, Queensland Tourism.

(Member: Audit Committee, Remuneration Committee, Nomination Committee)



Lord Puttnam CBE

Chairman, Enigma Productions Ltd. Independent film producer since 1971. Chairman and Chief Executive, Columbia Pictures (1986-88). Chairman, National Film and Television School (1987-96). Chairman, Spectrum Strategy Consultants. Director, Anglia Television Group. Chancellor, University of Sunderland. Trustee, The Science Museum. Chairman, The National Museum of Photography, Film and Television. Chairman, National Endowment for Science, Technology and the Arts.

Charles R Stern

Finance Director, United News & Media plc, the international media and information group with interests in television: Anglia Television, Meridian Broadcasting and Channel 5; and newspapers: *The Express*, *The Star* and *Miller Freeman* - the largest trade show and trade magazine company in the world.

(Member: Audit Committee, Taxation Committee)



D Barry Reardon

Over 30 years in the motion picture business. Executive Vice President and Assistant to the President, Paramount Pictures. Executive Vice President, General Cinema Theatres and President, Warner Bros. Distribution (1978-99). Bachelor of Arts, Holy Cross College and MBA, Trinity College. Serves on the boards of various United States companies and organisations.

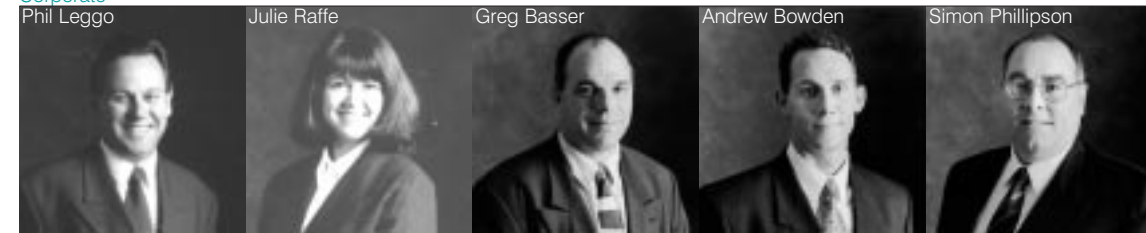
(Member: Remuneration Committee)

Charles R Gregson

(not pictured)
Alternate Director for Charles Stern. Board Member of United News & Media plc since 1996. Chief Executive, business information division, United News & Media plc. Joined MAI plc as group solicitor in 1974 and became a director in 1984. Responsible for MAI's money and securities broking division following its demerger in November 1998. Executive chairman of Garban plc. Non-executive Director of Provident Financial plc.

Senior Executive Team

Corporate



Distribution



Production



Theme Parks



Exhibition



Radio



Corporate

Executive Committee

John Kirby
Chairman

Robert Kirby
Deputy Chairman

Graham Burke
Managing Director

Peter Foo
Finance Director

Peter Ziegler
Executive Director

Philip Leggo
Group Company Secretary

Julie Raffe
Chief Financial Officer

Greg Bassar
Director, Commercial and Legal

Finance and Administration

Andrew Bowden
Group Manager, Investor Relations

Shaun Driscoll
Group Manager, Corporate Services

Lee Ewe
Group Manager, Internal Audit

John Huddle
Corporate Finance

Joe Locandro
Group Chief Information Officer

Robert Macolino
General Manager, Group Marketing and Communications

Simon Phillipson
General Counsel

Peter Spencer
General Manager
Group Information Technology

Exhibition

Corporate

John Crawford
Executive Chairman and
Co-Chief Executive Officer

John Anderson
Co-Chief Executive Officer

Richard Potter
Director, Finance

Kirk Senior
Director, Business Affairs

Caroline Aubrey
Chief Financial Officer, Europe

Marie Camassa
Chief Financial Officer

**Design, Development
and Real Estate**

Chris Johnstone
Managing Director
Design and Development

Murray Adair
Executive Director
Design and Development

Tony Sticca
Director
Project Management, Australasia

Huw Rhys Lewis
Director, Global Purchasing

Simon Jeffries
Regional Project Manager, Europe

Michael Adair
Regional Project Manager, Europe

Paul Huckin
Capital Budgets Manager
International

Greg Huc
Design Manager, International

Des Silvester
Technical Manager, International

Real Estate and Investment

Patrick Garner
Executive Vice President
Property and Finance

Steve A'Beckett
Director, Property & Development

Operations and Administration

Neil Griffiths
Director, UK Property

John Sullivan
Senior Vice President, Development

Caroline Jackman
Vice President, Research and Analysis

Ian Riches
Regional Director, Europe

Didier Bedin
Managing Director, France

Harry Antonopoulos
Managing Director, Greece

Steve Kappen
Director, Development, Asia

Gerald Dibbayawan
General Manager, Asia

George Livery
General Manager, Australia

John Iozzi
Director, International Operations

John Oxlade
International Food and
Beverage Manager

Fiona Smith
General Manager, Human Resources

Film and Marketing

Ross Entwistle
Director, Film Buying

Shoba Martin
Director, International Marketing

Village Entertainment

Joe Bonin
Managing Director and
Chief Executive Officer

Distribution

Roadshow Film Distributors

Ian Sands
Chairman

Joel Pearlman
Managing Director

Kathryn Hamilton
Director, Acquisitions

Darryn Hugo
General Manager, Business Affairs

Libby Rhys-Jones
General Manager
Roadshow Film Distributors (NSW)

Brett Rosengarten
National Sales Manager
Australia and New Zealand

Fran Morris
Marketing Manager, Warner Bros.

Inge Burke
National Publicity Manager

Erin Jameson
National Publicity Manager
Australian Motion Picture Unit

Sabina Kuntze
National Media Manager

Lisa Hubbard
General Manager
Film Distributors, New Zealand

Roadshow Television

Derek Malone
Managing Director

**Roadshow Entertainment
Australia**

Chris Chard
Managing Director

Ros Wilson
General Manager

Colin Sargeant
Chief Financial Officer

**Roadshow Entertainment
New Zealand**

Noel Beckett
Managing Director

Paul Mora
Chief Financial Officer

Production

Village Roadshow Pictures

Bruce Berman
Chairman and Chief Executive Officer

Bernie Goldmann
President, Production

Michael Lake
Executive Vice President
Worldwide Feature Productions;
President, Warner Roadshow Movie
World Studios

Steve Krone
Executive Vice President
Chief Operating Officer

Robert Meyers
Senior Vice President
International Acquisitions

Radio

Austereo

Peter Harvie
Executive Chairman

Brad March
Group Managing Director, Executive
Director, Group Programming

Brian Bickmore
Group General Manager, Executive
Director, Finance

Michael Anderson
Executive Director, Sales

Jeff Allis
Group Program Director

Greg Smith
Senior Programming Consultant

Sean Pickwell
Group General Manager
Promotions and Marketing

Des DeCean
Group General Manager
Engineering and Computing

Kathy Gramp
Group General Manager Finance

Gay Wallace
Group General Manager
Corporate Affairs

Ian Davis
Group General Manager, Research

Richard Barker
General Manager, B105FM Brisbane

Jim Johnston
General Manager, Triple M Brisbane

Cathy O'Connor
General Manager
2DayFM and Triple M Sydney

Elysa Preece
General Manager
Fox FM and Triple M Melbourne

Noelene Buddle
General Manager
SAFM and Triple M Adelaide

Gary Roberts
Managing Director
PMFM and 94.5FM Perth

Theme Parks

John Menzies
Chief Executive Officer
Warner Village Theme Parks

Graham McHugh
Chief Financial Officer
Warner Village Theme Parks

Tony Baker
General Manager
Sea World

Peter Burrows
General Manager
Warner Bros. Movie World

Steve Peet
General Manager
Wet 'n' Wild Water World

Ernst Pfister
General Manager
Sea World Nara Resort Hotel

'Exhibition enters the new millennium better placed than ever to move forward with the expansion of its business worldwide' – Robert Kirby, Deputy Chairman.



Village Cinemas Southland, Australia

The Exhibition division has been challenged throughout the past year responding to one of the toughest trading periods in the history of cinema exhibition.

'We have used the period to review and redefine how we do business, optimising the way we select, construct and operate our cinemas' – John Crawford.

As with all droughts, there is an end and in Exhibition's case, the catalyst was the phenomenal success of the *Star Wars* prequel in May 1999. This combined with a raft of quality new cinema releases in mid 1999 has bought people back to the cinema, a trend that has continued into the current financial year.

The division's development program is focused on consolidating investments in key territories and adding only quality and profitable sites to the growing circuit. It is directed towards growth for expanded cash flow and profitability, not growth for growth's sake! The construction program aims to create an environment of quality entertainment theming and ancillary lifestyle retailing, thus providing a consistently high level of incentive for people to leave their homes for cinema anchored destinations.

'Exhibition enters the new millennium better placed than ever to move forward with the expansion of its business worldwide' – Robert Kirby, Deputy Chairman. The technological revolution driven by the internet is comparable only with the Industrial Revolution in terms of its impact on business. The revolution is providing new and unique opportunities for the cinema division.

The Exhibition division sees its role at the cutting edge of this revolution, where simple awareness of the ramifications of change is not enough. Village Roadshow is planning to stay ahead of change, creating opportunities and capitalising on them, just as it did with home video.

'We have used the period to review and redefine how we do business, optimising the way we select, construct and operate our cinemas' – John Crawford.



Village Cinemas Southland, Australia

'We are at a truly unique moment in time for both the operation and development of our international cinema business. We are working on many fronts to take advantage of new technologies to expand our revenue streams and reduce costs' – John Anderson.

Typical of this technological change are telephone, internet and location-based automatic ticketing. Sophisticated management systems are in place to facilitate better management of both operating business and expansion. Village will also be at the forefront of new digital film delivery systems.

‘We are at a truly unique moment in time for both the operation and development of our international cinema business. We are working on many fronts to take advantage of new technologies to expand our revenue streams and reduce costs’ – John Anderson.



Cinema Europa Auditorium, Australia



Cinema Europa Bar, Australia

Another graphic example of Village’s determination to pioneer change is the advent of Gold Class Cinemas providing a truly first class cinema experience; and Cinema Europa for a sophisticated film-going experience. At the conclusion of last year’s reporting period, just four Gold Class screens were in operation, all at the Crown Entertainment Centre in Melbourne. Since then, another nine Gold Class screens have opened in Melbourne—three in Southland; two at Century City, Glen Waverley; three at Sunshine; and one at the Jam Factory. The Gold Class concept broadened to Queensland with two screens at Indooroopilly and two at Mt Gravatt as part of an anticipated national roll-out.

The Cinema Europa concept was a world first, launched in October 1998. It has seen three screens open at Southland and three at the Jam Factory. Gold Class and Europa cinemas will continue to be developed in premium locations throughout the world.

The division’s careful and focused development program has seen the worldwide circuit grow to 1,453 screens at 227 sites (as at 23 September 1999) and this growth will continue over the coming year with approximately 300 screens at over 30 sites being added.

Cinema Performance

	Gross Box Office	EBITDA* (100%)	EBITDA* (VRL Share)
Australia			
1999	254,117	82,756	29,885
1998	232,580	74,515	28,742
1997	190,129	59,019	23,278
Asia/New Zealand			
1999	182,522	37,559	13,343
1998	145,438	29,172	11,962
1997	107,119	25,336	10,712
Europe			
1999	222,167	56,004	26,348
1998	170,715	50,765	25,381
1997	82,788	23,455	11,728
South America			
1999	25,931	10,383	5,711
1998	13,207	2,948	1,622
1997	2,532	487	268

All figures are in \$000.

1999 figures converted at 1999 exchange rates. 1997 and 1998 figures converted at 1998 exchange rates.

EBITDA shown is actual operating EBITDA, which differs from reported EBITDA due to the accounting treatment of corporate structures.

* EBITDA: Earnings before interest, tax, depreciation and amortisation.

Distribution



Roadshow Film Distributors

Roadshow Film Distributors enjoyed another outstanding year due in part to strong strategic relationships with its suppliers. The undoubted highlight was *The Matrix*, which grossed \$22.5m in Australia to become the third most successful movie the division has ever released, and the 18th biggest grossing picture of all time.

The Matrix was a Village Roadshow Pictures production in joint venture with Warner Bros., and its success typified the synergy Roadshow Film Distributors has developed with suppliers of this stature. New Line, Miramax and others all contributed enormously to the division's run of outstanding box office hits.

Village Roadshow Pictures/Warner Bros.' other two major hits for Australian and New Zealand distribution were Robert De Niro's *Analyze This* (\$8.1m), and *Practical Magic*, starring Nicole Kidman and Sandra Bullock (\$5.8m).

From Warner Bros., the division also enjoyed great success with *You've Got Mail*, a powerful Boxing Day release (\$13.7m).

Other successful releases for the year included: *Austin Powers The Spy Who Shagged Me* (\$22m); *Rushhour* (\$11.1m); *Payback* (\$7.4m); *Southpark: Bigger, Longer & Uncut* (\$7m); *Message In A Bottle* (\$4.2m); and *Eyes Wide Shut*.

Perhaps the most satisfying release of the year was Roberto Benigni's *Life is Beautiful*, which received three Academy Awards, and grossed \$6.4m at the Australian box office to become the most successful foreign language film of all time.

Major releases for 1999/2000 are:

- *Wild Wild West* (Warner Bros.) based on the '60s TV series. A western fantasy adventure directed by Barry Sonnenfeld (*Get Shorty*, *Men in Black*), starring Will Smith and Kevin Kline.
- *The Talented Mr Ripley*, directed by Anthony Minghella (*The English Patient*) and stars Gwyneth Paltrow and Matt Damon.
- *End of Days*, stars Arnold Schwarzenegger who must combat the anti-Christ on his once-every-thousand-years return to earth.
- *Deep Blue Sea*, directed by Renny Harlin (*Die Hard Two*, and *Cliff Hanger*). A joint production between Village Roadshow Pictures and Warner Bros., stars Samuel L Jackson.
- *Magnolia*, (New Line) directed by Paul Thomas Anderson (*Boogie Nights*).

Roadshow Film Distributors emerged stronger than ever in the second half after its 11-year agreement with Walt Disney Pictures ended on 31 December 1998.

Disney ended on a high note with *A Bug's Life* grossing \$20m, but more importantly Roadshow Film Distributors demonstrated over the following six months that a policy of aggressive acquisition and cost structure reviews could achieve much and maintain overall returns after the termination of so significant an era in the division's history.

Australian Distribution

In a difficult year for the Australian film industry, the division came through with flying colours due largely to the Group's ongoing recognition of the

vital role of home grown product, and its long tradition of support for Australian movies.

Highlights of the year included Jimeoin's *The Craic* (\$5.3m); and *Dark City* (\$3.3m).

Standing out from the coming year's offerings are *Holy Smoke*; *Looking for Alibrandi*; *Mr Accident*; and *He Died With A Felafel In His Hand*.

'The Company's role of cultivating and nurturing emerging talent among the new generation of Australian film makers ensures Village Roadshow's standing at the forefront of domestic production' – Joel Pearlman.

Roadshow Entertainment

The video rental division maintained clear market leadership, achieving an average of 25% market share this year.

The division's long standing relationship with Australian Broadcasting Corporation was renewed as was the agreement to distribute the BBC product – both of whom are significant contract producers for the retail video market. The division also commenced working with Channel 9 and has achieved success with the first children's product *Hi 5*. Internationally, *Savage Garden* continued to achieve strong sales and with album two (*Affirmation*) due for release in October, it is expected that this unique and successful relationship will continue to deliver strong financial gains for the division.

Interests in Interactive software distribution have been restructured to improve efficiency, while at the same time creating a base for profitable growth in this area.

Roadshow Television

The single most important event in a year of change for Roadshow Television was the restructuring of the long term pay TV supply agreement with OptusVision. Roadshow Television has now become a 25% equity partner in a joint venture with Hollywood giants Warner Bros., Disney and MGM to supply OptusVision with the three movie network channels.

Production



Deep Blue Sea

Village Roadshow Pictures

Village Roadshow Pictures' (VRP) first full year of operation, in its co-production joint venture with Warner Bros., has been highly successful in the fiercely competitive world of studio feature film product. The 10 movies VRP either completed or gave a green light to in its first 18 months, have provided the company with a robust and stable platform for the future.

The Matrix was an outstanding success with a projected ultimate box office of over \$640m worldwide.

Analyze This grossed \$170m in the US and is expected to gross \$80m internationally, another major contributing factor to VRP's successful year. *Practical Magic* achieved \$80m at the American box office and \$80m internationally.

Deep Blue Sea had a solid opening in the US and is expected to gross \$110m. Even larger results are expected internationally.

Scheduled for release on 1 October, George Clooney and Mark Wahlberg's *Three Kings*, promises to become the first hit movie based on the Gulf War, and later in October, the release of Matthew Perry and Neve Campbell's romantic comedy *Three to Tango* also has excellent prospects.

Warner Roadshow Movie World Studios

Warner Roadshow Movie World Studios enjoyed one of its best-ever years with operating profit well ahead of last year.

The Studios' international reputation, particularly in Los Angeles from where the majority of the Company's business originates, has never been higher, with bookings through to January 2000.

Michael Lake, President Warner Roadshow Movie World Studios, is now based in Hollywood allowing greater access to the growing number of film-makers who are responding to the Studios' aggressive marketing campaign.

Wilshire Court Productions is currently filming its ninth and tenth 'Movie of the Week' productions, *Monster* and *Chameleon*, at the Studios.

Beastmaster, an Alliance Films and Coote/Hayes Productions project to go to air in the United States, will occupy the main stage until January 2000.

Lost World, a production by the Canadian company Telecine, in association with Coote/Hayes Productions will be completed by December 1999.



Under the guidance of management team Peter Harvie (Executive Chairman); Brad March (Managing Director); Brian Bickmore (General Manager); and Michael Anderson (Sales Director); and through the dedication of its 862 staff, Village Roadshow's Austereo has emerged as one of the world's most successful radio groups.

The division's success in the Australian radio market during the year saw its two networks, Today and Triple M, increase their strengths in programming, promotion and sales.

The AC Neilsen Radio Survey 4 of 22 June 1999, rated the Triple M and Today Networks as market leaders with under-40 listeners, with a 47.9% mainland capital city share. The division also achieved number one ratings with people 10+ in Brisbane, Melbourne, Adelaide and Perth, and number two in Sydney.

Exceptional programming and sales focus, and rigorous control of operating costs achieved a record financial result of \$47.4m. This was 19.2% up on the previous year. All stations within the division delivered profits – an outstanding achievement in a challenging market.

Commercial radio at the turn of the millennium has become among the most fiercely competitive of all media. Only the most exceptional programming, sales strategies and disciplined cost controls bring prosperity in a crowded market.

Commercial radio is the most important medium in Australia for the emergence and sustenance of local broadcast talent and music. To maintain a creative environment and the current world-class broadcasting standards enjoyed here, the industry must do more than survive – it must flourish. New and unreasonable levels of competition may compromise the industry's great standards.

With this in mind, the division's sales staff performed superbly to convert strong audience ratings into sales growth. In May 1999 the combined networks' share of revenue increased by more than three percentage points over the previous year.

In addition, all other Radio operations recorded profits. The local and international programming production and syndication joint venture, austereo mcm entertainment, overcame challenging conditions.

Austereo International's radio joint venture in Malaysia increased sales by 60% during the year. The network of five nationwide FM stations now accounts for more than 30% of all radio revenue in Malaysia. Austereo International is now monitoring Asia and other relevant regions of the international market for further expansion opportunities where Australian intellectual talent can influence the successful development of radio markets.

In August 1998, Village Roadshow's Austereo entered into a joint venture with the Simon Richards Group, a database, direct marketing and telemarketing agency. Simon Richards Group has now grown from number three to number two in the Australian direct marketing agency field. The joint venture is already demonstrating the benefits of synergy with Village Roadshow's and Austereo's core businesses, as well as proving to be a strong growth force in its own field.

The division's executive team is also involved with the development of Village Roadshow's exciting entertainment and radio website, www.village.com.au.

The division's creative teams won a significant number of national and international programming and advertising awards during the year, including finalists in International Broadcasting Awards, Golden Stylus Awards, Clio and New York Festival.

The division is also a foundation member of the radio industry consortium testing the exciting new technology of digital radio, and is poised to exploit the medium's superb sound and data potential.

In summary, the year has seen Village Roadshow's Austereo further strengthen its already leading position in the market, and in the process, enhance its returns.



Wild Wild West Adventure Ride, Warner Bros. Movie World

An encouraging resurgence in Asian tourism, combined with an increase in interstate patronage in the domestic market, helped the theme parks achieve a solid result.

Domestically, vigorous marketing in Melbourne and Sydney featuring Warner Bros. Movie World's new attraction, *Wild Wild West Adventure Ride* during the last months of the financial year saw an upturn in overall domestic attendances.

Opened in December 1998, *Wild Wild West Adventure Ride* made a major contribution to income largely due to its appeal as a family ride crossing all sections of the demographic. Synergy via a marketing campaign with the movie of the same name, released in September 1999, is expected to increase the ride's popularity.

Strong relationships with Tourism Queensland, Qantas and motoring organisations produced a series of co-operative marketing strategies largely responsible for the buoyant domestic market.

The local Gold Coast and Queensland markets are expected to surge once the highway between Brisbane and the Gold Coast is upgraded to an eight-lane freeway in early 2001.

Sea World's new 3D movie adventure *Pirates* opened last year, giving the theme park a new look and adding a major drawcard. By the end of 1999 a new *Cartoon Beach* for children,

sponsored by the Cartoon Network, will open with five kids rides in the one area of the park, all featuring favorite cartoon characters. Again, younger children and their parents, Sea World's most important demographic, are the target market.

Internationally, the parks enjoyed increased patronage off a relatively small base in Europe and the United Kingdom; and New Zealand remained an important source of revenue. Japan, however, remained soft.

The encouraging result is underpinned by the prospect of the much sought after Chinese market playing a significant role in the near future. China awarded its coveted 'approved destination' status to Australia in May 1999.

Sea World Nara Resort is still achieving the highest occupancy rate of any hotel on the Gold Coast, maintaining its lead in the face of increasing competition.

The synergies between the parks and Sea World Nara Resort were a major factor in the continued strong returns on capital.

Recovery in the Asian sector and the emergence of new markets combine to ensure the parks will continue to flourish as one of the Group's major strategic assets.

Corporate Governance

The following statement summarises the Company's key corporate governance practices that were in place during the financial year.

Support for Corporate Governance Principles

The Directors support and have regard to best practice guidelines in corporate governance. In supporting those principles, the Directors recognise the need for the highest standards of ethical behaviour and accountability.

The Board provides leadership and direction to management and agrees with management the aims, strategies and policies of the Company. It is also responsible for the overall corporate governance of the Company.

In fulfilling this responsibility, the Board is supported by a number of committees. These committees, set out below, assist the Board by reviewing and monitoring the financial reports, remuneration levels, audit process, business risk management controls and the operations of the Company.

In supporting the development of sound corporate governance within Village Roadshow Limited, the Board will vary and augment the policies outlined from time to time as are appropriate for the Company.

The Composition and Membership of the Board of Directors

Composition of the Board is determined in accordance with the following principles:

- The Board should comprise at least nine Directors with an appropriate balance of Executive, Non-executive, Independent and Shareholder Directors, the definitions of which are:

Executive Director – one in full time employment by the Company, either directly or through a consultancy;

Non-executive Director – one who is not in full time employment with the Company but may derive a small proportion of their income directly or indirectly from the Company by management or consultancy fees;

Independent Non-executive Director – one who is not a substantial shareholder and who derives minimal or zero income (excluding Directors' Fees) from the Company, compared to income from other sources;

Shareholder Director – one with a prescribed direct, indirect or representative shareholding interest exceeding 5% of the total issued ordinary capital of the Company.

- The Board should comprise Directors with an appropriate range of qualifications and specific expertise that will enable them to make a contribution to its deliberations.
- The Board shall meet at least seven times per year with meeting guidelines designed to ensure that Directors have all necessary information to fully participate in an informed discussion of all agenda items.

At the conclusion of the financial year, the names of the Directors, their respective roles, appointment dates and classifications as Directors were as follows:

Director	Role	Appointment Date	Classification
John R Kirby	Chairman	August 1988	Shareholder, Executive
Robert G Kirby	Deputy Chairman	August 1988	Shareholder, Executive
Graham W Burke	Managing Director	September 1988	Shareholder, Executive
Peter E Foo	Finance Director	February 1998	Executive
Peter A Ziegler	Executive Director	March 1998	Executive
William J Conn	Non-executive Director	March 1992	Independent Non-executive
P Terence Jackman	Non-executive Director	July 1993	Non-executive
Lord Puttnam	Non-executive Director	June 1989	Independent Non-executive
D Barry Reardon	Non-executive Director	March 1999	Independent Non-executive
Charles R Stern	Non-executive Director	December 1998	Shareholder, Non-executive

Alan G Rydge, Lord Clive Hollick and John A O'Neill resigned as Directors in November 1998, December 1998 and February 1999 respectively. In addition Charles Gregson has been an alternate Director for Charles Stern since December 1998.

The Company's Articles of Association sets out the procedures to be followed regarding:

- the appointment, number and rotation of the Directors
- the appointment of the Managing Director, and
- procedures for Directors' meetings, including voting.

The functioning of the Board as a whole and the performance of all Directors is reviewed annually by the Chairman and Directors. The resourcing of both the Board and management with respect to the tasks to be performed is also reviewed periodically.

When required, informal meetings of Non-executive Directors are held to discuss matters of mutual interest.

A formal Letter of Appointment is provided to incoming Non-executive Directors, incorporating the Company's Corporate Governance Policy Manual.

The Chairman and Deputy Chairman of the Company are determined by the Board of Directors. As at least 50 percent of the Board is comprised of Non-executive Directors, the Company considers that there is adequate monitoring of the Executive Directors.

All Directors are entitled to seek independent professional advice at the Company's expense, subject to the prior approval of the Chairman, such approval not to be unreasonably withheld.

Audit Committee

The Company established an Audit Committee in 1991. In accordance with its Terms of Reference, all members of the Audit Committee are Non-executive Directors with appropriate skills and experience.

The role of the Audit Committee is to review, both with management and the Company's external auditors, all published financial statements and year end audited statements prior to approval by the Board and their subsequent publication. In particular the Committee focuses on:

- significant changes in accounting policies and adjustments
 - material judgmental areas and significant audit adjustments, and
 - ensuring financial information provided to shareholders is reliable.
- The key responsibilities of the Committee include:
- periodically reviewing the nomination, performance and competence of the external auditors
 - reviewing preliminary announcements prior to publication
 - monitoring and ensuring compliance with statutory and Australian Stock Exchange requirements for financial reporting
 - ensuring the effectiveness of internal control procedures

- periodically liaising with the external auditors and ensuring that the annual statutory audit and the half yearly review are conducted effectively
- Disclosure Standards
- implementation of appropriate risk management procedures, and
- reviewing the Company's corporate code of conduct and compliance with corporate governance policies, recommending to the Board of Directors when changes or additions may be required.

During the financial year the Audit Committee comprised the following members with their respective appointment dates:

William J Conn	August 1992	Chairman
P Terence Jackman	March 1994	
John A O'Neill	October 1997 to February 1999	
Charles A Stern	March 1999	

The Audit Committee invites the audit partner and senior Company executives to its meetings as required.

The Audit Committee meets at least twice per year. The minutes of the Committee are provided to all Directors of the Company.

Nomination Committee

The Company established a Nomination Committee in 1998. Prior to this, membership of and nominations to the Board had been the exclusive responsibility of the full Board of Directors and subject to the approval of the Company's shareholders in general meeting.

In accordance with the Terms of Reference, the members of the Nomination Committee include the Chairman of the Company and comprise a majority of Non-executive Directors.

The role of the Nomination Committee is to monitor the composition of the Board of Directors in the light of corporate governance best practice and to periodically make recommendations to the full Board.

In addition the Nomination Committee is responsible for periodically reviewing the Company's policy regarding the maximum period of service of Non-executive Directors and their retirement age.

During the financial year the Nomination Committee comprised the following members with their respective appointment dates:

John R Kirby	July 1998	Chairman
William J Conn	July 1998	
P Terence Jackman	March 1999	
John A O'Neill	July 1998 to February 1999	

The Nomination Committee meets at least annually. The minutes of the Committee are provided to all Directors of the Company.

Executive Committee

In 1990 the Board of Directors established an Executive Committee which monitors and reports on the major risks affecting each business segment and develops, subject to the approval of the full Board, strategies to mitigate these risks. The Executive Committee has responsibility to fully inform the Board on all matters of substance.

The key functions and responsibilities of the Executive Committee include:

- development of the strategic plan which encompasses the Company's vision, mission and strategy statements and stakeholders' needs
- implementation of operating plans and budgets by management and monitoring progress against budget as well as monitoring all significant areas of the business
- establishment of committees to report on environmental issues as well as health and safety matters

- reviewing cash flow projections and gearing
- review of acquisitions and disposal of businesses and assets and approval of contracts within defined limits including budgets, and
- treasury responsibility including advising the Board on liquidity, currency and interest rate risk and credit policies.

The management of the Company's various business segments annually bring to the Executive Committee detailed budget proposals for consideration, the final consolidated version of which is submitted for consideration by the full Board of Directors in May each year.

In addition, outside of the annual budgetary process, the Executive Committee and various divisional boards of the Company's joint ventures have formalised authority levels.

During the financial year the Executive Committee comprised the following members:

John R Kirby	Robert G Kirby
Graham W Burke	Peter E Foo
Peter A Ziegler	Philip S Leggo
Julie E Raffae	Gregory Basser (February 1999)

Guy Jalland resigned from the Committee in October 1998.

The Executive Committee meets at frequent intervals, generally weekly.

Taxation Committee

A Taxation Committee of the Board has been in operation since 1994.

The Taxation Committee's role is to monitor and report on all material taxation issues relevant to the Company and the various business segments of the Village Roadshow group.

External taxation developments are monitored by the Committee in order to identify taxation advantages and exposures and, where appropriate, third party opinions are sought.

During the financial year the Taxation Committee comprised the following members with their respective appointment dates:

William J Conn	July 1994	Chairman
John A O'Neill	October 1997 to February 1999	
Peter A Ziegler	July 1994	
Charles R Stern	March 1999	

In addition senior executives may be invited to attend the Committee meetings as required. The Committee meets at least twice per year.

Remuneration Committee

A Remuneration Committee of the Board has been in operation since April 1994.

The Committee's Terms of Reference provide for the review of Executive Committee recommendations on senior divisional and corporate executive remuneration packages and Village Roadshow group policies. In particular, the Remuneration Committee reviews Executive Director remuneration including equity participation and makes appropriate recommendations thereon to the Company's full Board.

The Committee periodically obtains independent advice from external consultants and utilises benchmarks from comparable organisations.

The operation of the Committee is as follows:

- At the commencement of each year, the Executive Directors submit a business plan of their goals to the Committee for review and adoption which forms the basis for remuneration review
- The bonus arrangement is weighted so that the more important goals receive greater rewards

- Senior executive performance and remuneration is reviewed annually and is tabled at the Committee meetings.

The quantum and adequacy of all remuneration packages for senior executives is assessed and monitored by the Remuneration Committee. The Company discloses remuneration details in accordance with the Corporations Law and relevant Australian Accounting Standards.

During the financial year the Remuneration Committee comprised the following members with their respective appointment dates:

William J Conn	April 1994	Chairman
P Terence Jackman	April 1994	
D Barry Reardon	August 1999	

In addition, senior executives may be invited to Committee meetings to provide input on management performance and salary packages.

The Committee meets at least twice per year and formally reports either verbally or in writing to the Board.

The cash remuneration of Non-executive Directors (being Directors' Fees not paid to a person in an Executive capacity) is approved by shareholders in general meeting from time to time.

In addition, the Company encourages Executive and Non-executive Directors to hold shares in the Company. Subject to the approval of shareholders, Directors may be invited from time to time to participate in share and option plans offered by the Company. The various share and option entitlements of all Directors are set out in the Directors' Report.

Shareholder Meetings

The Company's Articles of Association sets out the procedures to be followed regarding:

- the convening of meetings
- the form and requirements of the notice
- chairman and quorums, and
- voting procedures, proxies, representatives and polls.

The Directors support the principle of longer notification periods for meetings of shareholders in excess of those periods prescribed by the Company's Articles of Association.

The format of resolutions to be put to meetings of shareholders will be clear, concise and in plain English. Distinctly separate issues will be presented in separate motions and only combined into one resolution where the subject matter requires it to be so presented.

The format of proxies will be such that shareholders will be able to clearly indicate their voting intentions.

The Directors believe that, in accordance with the Company's Articles of Association, voting by shareholders should be determined firstly on a show of hands of those present at the meeting and by poll where requested by shareholders. The Articles of Association set out the circumstances in which a poll may be called by members whether present in person or by proxy or by representative.

All shareholders are entitled to inspect or obtain copies of the Company's minutes of shareholders' meetings during normal business hours at the Company's head office.

Code of Conduct

The Board of Directors insist on the highest ethical standards from all officers and employees of the Company. All practical steps are taken to ensure professional conduct at all times regarding:

- the maintenance, quality and safety of goods and services
- appropriate insider trading code of conduct
- use of market power and pricing practices, and
- conflicts of interest.

All purchases of major consumables are obtained by all business segments of the Company by a periodic competitive tendering process.

All Directors and managers have an obligation to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

All Directors have an obligation to immediately advise the Company of all changes to their interests in shares, options and debentures, if any, in the Company and its associates for reporting to the Australian Stock Exchange by the Company Secretary.

In addition, Directors are precluded from dealing in securities of the Company during the periods 31 December to release of the half year profit announcement and 30 June to the release of the full financial year end profit announcement.

Outside of those periods, a Director may not deal in securities of the Company when in possession of any information which, if made publicly available, could reasonably be expected to materially affect the price of the Company's securities, whether upwards or downwards. Legal advice will be obtained by the Company Secretary on behalf of the Director in circumstances where any doubt exists.

Financial Risk Management

The Company's formal Financial Risk Management Policy includes the recognition, measurement and management of interest rate risk, foreign exchange exposures, credit risk, liquidity levels and monitoring of economic and financial conditions.

The Company's financial structure includes a number of covenants to its banks to which it must adhere requiring a structured level of monitoring and management to ensure compliance.

The structure and design of the Company's Financial Risk Management Policy was developed by an independent consultant in conjunction with the Company's corporate management. The parameters of the Financial Risk Management Policy are periodically reviewed by the Audit Committee to ensure the Policy addresses current issues.

In addition, the Audit Committee seeks input from both the Company's internal and external auditors who report on the adequacy of the Policy and upon the Company's compliance with the Policy's guidelines.

The Audit Committee reviews and recommends the Financial Risk Management Policy to be adopted by the Board of Directors. The Executive Committee monitors the performance of the Company against the Policy guidelines.

1999 Financial Statements

Directors' Report

Your Directors submit their report for the year ended 30 June 1999.

Directors

The names of the Directors of the Company in office during the financial year and until the date of this report are:

Directors:

John R KIRBY (Chairman)	William J CONN
Robert G KIRBY	P Terence JACKMAN
Graham W BURKE	Lord PUTTNAM
Peter E FOO	Peter A ZIEGLER

Alan G RYDGE (resigned 2 November 1998)

Lord HOLLICK (resigned 17 December 1998)

John A O'NEILL (resigned 11 February 1999)

Charles R STERN (appointed 17 December 1998)

D Barry REARDON (appointed 24 March 1999)

Alternate Directors:

Bruce J YAHL (for Alan G RYDGE—resigned 2 November 1998)

Roger LAUGHTON (for Lord HOLLICK—resigned 17 December 1998)

Charles R GREGSON (for Charles R STERN—appointed 17 December 1998)

The qualifications, experience and special responsibilities of the Directors are disclosed on pages 14 and 15 of the Annual Report.

Directors' relevant interests in shares and options of the Company and related bodies corporate as at the date of this report were as follows:

John R Kirby

1,941,734	Ordinary shares in Village Roadshow Corporation Limited
1,467	Preference shares in Village Roadshow Corporation Limited
111,819,817	Ordinary shares in Village Roadshow Limited
6,906	A Class Preference shares in Village Roadshow Limited

Robert G Kirby

1,936,294	Ordinary shares in Village Roadshow Corporation Limited
1,167	Preference shares in Village Roadshow Corporation Limited
111,820,817	Ordinary shares in Village Roadshow Limited
254,573	A Class Preference shares in Village Roadshow Limited

Graham W Burke

54,972	Ordinary shares in Village Roadshow Corporation Limited
1,746	Preference shares in Village Roadshow Corporation Limited
815,400	A Class Preference shares in Village Roadshow Limited

Peter A Ziegler

57,200	A Class Preference shares in Village Roadshow Limited
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P Terence Jackman

2,447,650	Ordinary shares in Village Roadshow Limited
525,309	A Class Preference shares in Village Roadshow Limited
64,350	Options over Ordinary shares in Village Roadshow Limited (exercisable on 7 December 1999 at \$3.06)

William J Conn

191,563	Ordinary shares in Village Roadshow Limited
1,191,172	A Class Preference shares in Village Roadshow Limited
64,350	Options over Ordinary shares in Village Roadshow Limited (exercisable on 7 December 1999 at \$3.06)

Lord Puttnam

136,168	Ordinary shares in Village Roadshow Limited
66,127	A Class Preference shares in Village Roadshow Limited
64,350	Options over Ordinary shares in Village Roadshow Limited (exercisable on 7 December 1999 at \$3.06)

Principal Activities

The principal activities of the Economic Entity during the financial year were:

- Cinema Exhibition
- FM Radio Operations
- Film Production
- Theme Park and Resort Operations
- Film and Video Distribution
- Leisure Centre Operations

There have been no significant changes in the nature of those activities during the year.

Review of Operations and Results

Operating profit before abnormal items and income tax was \$80.6 million for the year, which was in line with the previous year's comparable result. Abnormal losses before income tax of \$65.4 million were booked, relating to the rationalisation and restructuring of the Group's business interests and the write-off of various development costs.

After minorities of \$5.8 million, the net profit attributable to members of the Company was \$27.2 million, a reduction of 61% compared to the previous year's result. Consolidated sales revenue increased by 40% to \$617.3 million.

Dividends

The Directors recommend payment of an unfranked dividend of 10 cents per fully paid Ordinary share and an unfranked dividend of 13 cents per fully paid A Class Preference share.

Since the commencement of the financial year, unfranked dividends of \$48.5 million (10 cents per Ordinary share and 13 cents per A Class Preference share) were paid in accordance with the recommendation of the Directors in the previous report.

Earnings per Share

Basic earnings per share were (0.13) cents (1998 19.41 cents) and before abnormal items, basic earnings per share were 20.44 cents (1998 18.57 cents). Diluted earnings per share were not materially different to basic earnings per share.

Significant Changes in State of Affairs

Total Shareholders' Equity of the Economic Entity increased by \$79.0 million to \$1,017.2 million during the year. This increase was attributable to a decrease in retained earnings of \$23.9 million, an increase in share capital of \$50.1 million (arising from Executive Share Plan issues, issues upon exercise of options, Dividend Reinvestment Plan issues and the conversion of convertible notes), an increase in reserves of \$1.2 million, and an increase in outside equity interests of \$51.6 million. The acquisition of the Golden Harvest Entertainment (Holdings) Limited group (including Dartina Development Limited group and City Entertainment Corporation Ltd.) and Village Roadshow Exhibition GmbH & Co during the year added \$79.2 million in net assets to the Group.

Events Subsequent to Reporting Date

Other than the following, there have been no material transactions which significantly affect the financial or operational position of the Economic Entity since the end of the financial year.

Subsequent to balance date, to restore the free float and enable the relisting of Golden Harvest Entertainment (Holdings) Limited, the Economic Entity sold 35 million and 6.9 million Golden Harvest Entertainment (Holdings) Limited shares on 27 July and 9 August 1999 respectively at HK\$0.60 per share. Together with a capital increase by Golden Harvest, the Economic Entity's investment has been reduced from 41.15% to its present 34.76%.

Directors' Report

Likely Developments and Expected Results

It is anticipated that the continued international expansion of the Economic Entity's cinema interests will be reflected in the future growth of operating profit before tax.

Share Options

Details of unissued shares under option, and shares issued as a result of the exercise of options, are set out in Note 18 of the financial report. Details of share and option transactions in relation to Directors of the Economic Entity are set out in Note 31(d) of the financial report.

Indemnifying and Insurance of Officers and Auditors

Since the commencement of the financial year, the Company has not, in respect of any person who is or has been an officer or auditor of the Company or related body corporate, indemnified or made any relevant agreement for indemnifying against a liability (including costs and expenses incurred in successfully defending legal proceedings) incurred as an officer or auditor, nor has the Company paid or agreed to pay a premium for insurance against any such liabilities incurred as an officer or auditor other than an un-allocated group insurance premium of \$263,340 (1998 \$262,305) which has been paid to insure each of the Directors and secretaries of the Company against any liabilities for costs and expenses incurred in defending any legal proceedings arising out of their conduct as officers of the Company or related body corporate, other than conduct involving wilful breach of duty.

Corporate Governance Statement

The statement set out on pages 26 to 28 of the Annual Report summarises the Company's key corporate governance practices that were in place during the financial year.

Directors' and Executive Officers' Emoluments

The Remuneration Committee of the Board of Directors is responsible for determining compensation arrangements for the Directors and reviewing compensation arrangements for senior executives. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the attraction and retention of a high quality Board and executive team.

To assist in achieving these objectives, the Remuneration Committee links the nature and amount of Executive Directors' and senior executives' emoluments to the Company's financial and operational performance. All senior executives have the opportunity to participate in the Company's bonus scheme where specified criteria are met including criteria relating to profitability, cash flow, share price growth and other performance indicators.

Directors' Report

Directors' and Executive Officers' Emoluments (continued)

The income paid or payable, or otherwise made available in respect of the financial year to all Directors of Village Roadshow Limited, directly or indirectly, from the entity or any related party was as follows:

Name	\$ Salary/Fees	\$ Bonus	\$ Superannuation	\$ Non-Cash	
				Benefits	\$ Total
John R Kirby*	1,382,612	700,600	70,000	116,452	2,269,664
Robert G Kirby*	1,425,000	700,600	25,000	61,954	2,212,554
Graham W Burke*	1,380,000	700,600	70,000	65,224	2,215,824
Peter E Foo	405,365	450,000	14,582	28,713	898,660
Peter A Ziegler	3,101,805	—	—	—	3,101,805
William J Conn	128,972	—	9,028	—	138,000
P Terence Jackman	118,000	—	—	—	118,000
Charles R Stern	38,000	—	—	—	38,000
Lord Hollick	30,000	—	—	—	30,000
Lord Puttnam	60,000	—	—	—	60,000
D Barry Reardon	38,000	—	—	—	38,000
John A O'Neill	56,075	—	3,925	—	60,000
Alan G Rydge	50,000	—	—	—	50,000
Roger Laughton (alternate)	—	—	—	—	—
Bruce J Yahl (alternate)	—	—	—	—	—
Charles R Gregson (alternate)	—	—	—	—	—

* 1999 amounts include bonus for 1998. The bonus payable in 2000 relating to 1999 will be considerably less than the bonus paid in 1999.

The income paid or payable, or otherwise made available in respect of the financial year, to the 5 most highly paid executive officers of the Village Roadshow Limited Economic Entity, directly or indirectly, from the entity or any related party was as follows:

Name	\$ Salary/Fees	\$ Bonus	\$ Superannuation	\$ Non-Cash	
				Benefits	\$ Total
Peter A Ziegler	3,101,805	—	—	—	3,101,805
John R Kirby*	1,382,612	700,600	70,000	116,452	2,269,664
Graham W Burke*	1,380,000	700,600	70,000	65,224	2,215,824
Robert G Kirby*	1,425,000	700,600	25,000	61,954	2,212,554
Brad C March	892,079	—	25,578	21,160	938,817

* 1999 amounts include bonus for 1998. The bonus payable in 2000 relating to 1999 will be considerably less than the bonus paid in 1999.

In the opinion of Directors, remuneration paid to Directors and senior executives is considered reasonable and fair having regard to comparable companies and the performance and responsibilities of each respective Director and senior executive. The various share and option interests of all Directors of the Company are set out earlier in this Directors' Report.

Directors' Report

Directors' Meetings

The following statement sets out the attendance of Directors at formal Directors' meetings and committee of Directors' meetings held during the period the Director held office:

Name of Director	Number of Meetings Held While in Office					Number of Meetings Attended				
	Formal	Audit	Taxation	Remuneration	Nomination	Formal	Audit	Taxation	Remuneration	Nomination
John R Kirby	9	—	—	—	3	9	—	—	—	3
Robert G Kirby	9	—	—	—	—	8	—	—	—	—
Graham W Burke	9	—	—	—	—	9	—	—	—	—
Peter E Foo	9	—	—	—	—	8	—	—	—	—
Peter A Ziegler	9	—	3	—	—	8	—	3	—	—
P Terence Jackman	9	2	—	7	2	9	2	—	7	2
William J Conn	9	2	3	7	3	9	2	2	7	3
Lord Puttnam	9	—	—	—	—	3	—	—	—	—
Alan G Rydge	4	—	—	—	—	4	—	—	—	—
Lord Hollick	5	—	—	—	—	1	—	—	—	—
John A O'Neill	6	1	1	—	1	5	—	—	—	1
D Barry Reardon	2	—	—	—	—	1	—	—	—	—
Charles R Stern	4	1	1	—	—	2	—	1	—	—
Bruce J Yahl (alt)	—	—	—	—	—	—	—	—	—	—
Roger Laughton (alt)	5	—	—	—	—	1	—	—	—	—
Charles R Gregson (alt)	4	—	—	—	—	1	—	—	—	—

Informal procedural meetings attended by a minimum quorum of 3 Directors to facilitate document execution and incidental matters, are not included in determining the number of Directors' meetings held.

Rounding

The amounts contained in this report and in the financial statements have been rounded-off under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors at Melbourne this 22nd day of September 1999.

Signed
G W Burke
Director

Profit and Loss Statement

for year ended 30 June 1999

	Notes	Economic Entity		Chief Entity	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Operating Profit before Income Tax	2	15,129	78,945	51,165	76,604
Income Tax Expense/(Credit) Attributable to Operating Profit	4	(6,233)	8,879	733	13,210
Operating Profit after Income Tax		21,362	70,066	50,432	63,394
Outside Equity Interests in Operating Profit after Income Tax		(5,808)	–	–	–
Operating Profit after Income Tax Attributable to Members of the Chief Entity		27,170	70,066	50,432	63,394
Retained Profits at Beginning of the Financial Year		76,033	61,955	15,703	808
Prior Year Adjustment to Retained Profits	1	–	(7,489)	–	–
Total available for Appropriation		103,203	124,532	66,135	64,202
Dividends Provided for or Paid	5	51,068	48,499	51,068	48,499
Retained Profits at end of the Financial Year		52,135	76,033	15,067	15,703

Balance sheet

as at 30 June 1999

	Notes	Economic Entity		Chief Entity	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Current Assets					
Cash	6	85,457	136,750	11,191	109,078
Receivables	7	166,426	123,057	23,366	7,530
Investments	11	32,480	–	–	–
Inventories	8	8,938	11,429	–	–
Other	10	50,861	72,155	158	1,249
Total Current Assets		344,162	343,391	34,715	117,857
Non-Current Assets					
Receivables	7	241,525	191,559	1,165,241	1,092,458
Inventories	8	–	15,726	–	–
Radio Licenses	9	454,663	454,663	–	–
Investments	11	352,350	402,782	254,022	204,024
Property, Plant and Equipment	12	384,530	269,490	3,047	2,328
Intangibles	13	70,086	31,278	–	–
Other	10	107,113	83,792	3,013	2,779
Total Non-Current Assets		1,610,267	1,449,290	1,425,323	1,301,589
Total Assets		1,954,429	1,792,681	1,460,038	1,419,446
Current Liabilities					
Accounts Payable	14	161,010	72,867	3,021	3,363
Borrowings	15	11,286	11,686	113	5
Provisions	16	71,795	56,990	53,086	49,829
Other	17	20,050	22,466	–	–
Total Current Liabilities		264,141	164,009	56,220	53,197
Non-Current Liabilities					
Accounts Payable	14	58,718	60,740	239,538	365,544
Borrowings	15	463,010	395,357	132,585	2,100
Convertible notes	15	109,819	160,093	109,819	160,093
Provisions	16	39,996	48,179	819	–
Other	17	1,520	26,115	–	–
Total Non-Current Liabilities		673,063	690,484	482,761	527,737
Total Liabilities		937,204	854,493	538,981	580,934
Net Assets		1,017,225	938,188	921,057	838,512
Shareholders' Equity					
Share Capital	18	858,009	213,387	858,009	213,387
Convertible notes	18	14,866	14,897	14,866	14,897
Reserves	19	40,576	633,871	33,115	594,525
Retained Profits		52,135	76,033	15,067	15,703
Shareholders' Equity attributable to members of Village Roadshow Limited		965,586	938,188	921,057	838,512
Outside equity interests in controlled entities	20	51,639	–	–	–
Total Shareholders' Equity		1,017,225	938,188	921,057	838,512

	Notes	Economic Entity		Chief Entity	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Cash Flows from Operating Activities					
Receipts from Customers		654,343	559,748	–	14,707
Payments to Suppliers and Employees		(501,825)	(498,847)	(15,421)	(17,348)
Dividends and Distributions Received		10,271	13,253	22,500	–
Interest Received		24,020	32,132	47,189	56,102
Borrowing Costs		(35,625)	(37,700)	(18,578)	(12,242)
Partnership Profits		7,052	14,659	–	–
Income taxes paid		(285)	(126)	–	–
Net Operating Cash Flows	6	157,951	83,119	35,690	41,219
Cash Flows used in Investing Activities					
Purchases of Property, Plant and Equipment		(135,080)	(79,277)	(1,182)	(1,720)
Sale of Investments		–	–	–	–
Sale of Property, Plant & Equipment		62,856	60,748	–	–
Purchase of Investments		(76,771)	(28,105)	(1,223)	(155,916)
Loans to Controlled Entities		–	–	(232,710)	–
Loans to Other Entities		(37,090)	(66,707)	(6,708)	(24,055)
Loans Repaid by Other Entities		8,155	17,933	–	213,606
Other*		(53,542)	(111,868)	723	–
Net Investing Cash Flows		(231,472)	(207,276)	(241,100)	31,915
Cash Flows from Financing Activities					
Proceeds from Issues of Shares, Options		32,237	46,757	32,237	46,757
Borrowings		115,811	211,894	149,005	–
Convertible debt		–	177,442	–	177,442
Repayment of Borrowings		(77,322)	(194,571)	(25,221)	(155,031)
Dividends Paid		(48,498)	(44,404)	(48,498)	(44,404)
Net Financing Cash Flows		22,228	197,118	107,523	24,764
Net Increase/(Decrease) in Cash Held		(51,293)	72,961	(97,887)	97,898
Cash at beginning of Year		136,750	63,789	109,078	11,180
Cash at End of Year	6	85,457	136,750	11,191	109,078

* Economic Entity includes the acquisition of radio licenses of \$98.1 million in 1998.

1 Summary of Significant Accounting Policies

a Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law including applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

b Capitalisation of Borrowing Costs

Costs attributable to borrowings used to finance capital works are included in the cost of those works while those works are being completed.

c Carrying values of non-current assets

The carrying amounts of non-current assets are reviewed annually by the Directors to ensure they are not in excess of their recoverable amounts. Recoverable amounts are determined on the basis of expected future net cash flows deriving from use and subsequent disposal. Other than radio licenses, the expected cash flows have not been discounted to present values in determining recoverable amounts.

d Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding overdrafts.

e Deferred Expenditure

Expenditure incurred, where the benefits of such expenditure are attributable to future years, is brought to account as a non-current asset and amortised over five years. The amortisation policy is reviewed at each balance date and where necessary adjusted to reflect the amount and timing of amortisation.

f Depreciation and Amortisation of Fixed Assets

Buildings and improvements are depreciated over forty years using the straight line method.

Plant, equipment and vehicles are depreciated between three and twenty years using the straight line or reducing balance method.

Leasehold improvements are amortised over the unexpired occupancy periods using the straight line method.

Finance lease assets are amortised over the period the Economic Entity is expected to benefit from the use of those assets.

g Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Economic Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale and Exploitation of Film Productions: Revenue and minimum guarantee payments from the sale and exploitation of film productions are brought to account only after conditions contained in the relevant contracts are fully satisfied and the film is available for delivery.

Revenue earned as film producer fees, where the Economic Entity does not have any ownership interest or responsibilities in the intellectual property, is brought to account as services are rendered.

Costs incurred in relation to the development of film projects are accumulated and treated as work in progress until the project is developed into a film production. Those projects which do not progress into production are written off when no future value can be attributed to the project. Film production costs for each project are accumulated during the term of the production and amortised to profit and loss in the ratio that current year revenues bear to anticipated total gross revenues from that film but such period of amortisation not to exceed 10 years.

Sale of Other Goods: Control of the goods has passed to the buyer.

Rendering of Services: Control of a right to be compensated for the services has been attained.

Interest: Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

Dividends: Control of a right to receive consideration for the investment in assets has been attained.

Royalties: Control of a right to receive consideration for the provision of the asset has been attained.

h Foreign Currency

Conversion of transactions: Transactions in foreign currencies of entities within the Economic Entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by entities within the Economic Entity that are outstanding at balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year.

Gains and losses arising from conversions of foreign currency transactions or balances, whether realised or unrealised, are brought to account in determining profit or loss for the period in which they occur.

Translation of overseas accounts: Where overseas operations are deemed to be integrated foreign operations the accounts are translated using the temporal method, otherwise, accounts are translated using the current rate method and any exchange differences are taken directly to the foreign currency translation reserve.

i Goodwill

Goodwill is amortised on a straight line basis over 20 years, this being the period in which the future benefits are expected to arise.

j Interests in Joint Ventures

Interests in unincorporated joint venture projects are accounted for by including the relevant share of output and expenses in operating results for the year and share of assets and liabilities under the appropriate classification categories in the balance sheet.

k Radio Licenses

The Directors have undertaken to carry out annual independent valuations of radio broadcasting licenses held within the Economic Entity. The valuation of the licenses has been arrived at using future income projections and a discounted cash flow methodology.

Directors are of the view that the depreciable amount of the Group's radio licenses is negligible, based on residual values calculated at the end of an outlook period over which projections can be prepared with a degree of confidence. Furthermore, the Directors see no reason why this situation should not prevail beyond this outlook period. In any event if the Directors' views in relation to these residual values were to change the Directors currently believe that the useful lives of the asset are of such duration that any annual amortisation charge on radio licenses would be immaterial.

l Revaluations

Where non-current assets are revalued, no allowance is made for any potential income tax or capital gains tax liability unless it has been determined that the assets are to be sold.

m Valuation of Inventories

Inventories are valued at the lower of cost and net realisable value and are accounted for on a first in first out basis.

n Employee Entitlements

The value of the Executive and Employee Option Plan described in Note 18 is not being charged as an employee entitlement expense.

In respect of the Economic Entity's superannuation and retirement plans described in Note 23, any contributions made to the plans by the entities within the Economic Entity are charged against profits when due.

o Prior Year Adjustment to Retained Earnings

Economic Entity		Chief Entity	
1999	1998	1999	1998
\$'000	\$'000	\$'000	\$'000

Adjustment on adoption of AASB 1016—Accounting for Investments in Associates—relates to impact of amortising goodwill on equity

–	(7,489)	–	–

Notes to the Financial Statements

	Notes	Economic Entity		Chief Entity	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
2 Operating Profit before Taxation					
has been determined after including the following:					
Sales revenue		617,256	441,664	–	–
Commissions/Fees		28,018	47,060	–	–
Dividends from –					
Controlled entities		–	–	22,500	40,000
Interest from –					
Other entities*		10,616	16,520	3,029	3,069
Associated entities (cinema interests)		13,404	15,612	–	–
Controlled entities		–	–	44,160	53,033
Sale of non-current assets		64,405	69,144	12,631	–
Management and service fees		23,599	20,868	4,133	10,922
Rental income		4,217	1,944	–	329
Share of partnership profits		8,029	7,008	–	–
Share of associates' net profits	11	9,131	7,650	–	–
Other income		20,042	8,881	842	240
Total Operating Revenue		798,717	636,351	87,295	107,593
Profit on sale of –					
Property, plant & equipment		1,699	5,096	91	47
Investments		12,959	–	11,282	–
Profit on conversion of convertible notes		7,937	–	7,937	–
Foreign currency gains		4,362	4,642	3,518	–
* Cash on deposit		10,616	8,299	3,029	3,069
Film production investments		–	8,221	–	–
		10,616	16,520	3,029	3,069
Expenditure Items					
Borrowing costs –					
Other entities		35,375	32,165	17,887	11,742
Controlled entities		–	–	487	–
Finance lease interest		251	115	18	1
Total Borrowing Costs		35,626	32,280	18,392	11,743

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
2 Operating Profit before Taxation (continued)				
Expenditure Items (continued)				
Depreciation of –				
Buildings and improvements	3,675	826	–	–
Plant, equipment and vehicles	28,551	20,471	967	1,178
Amortisation of –				
Goodwill	2,088	674	–	–
Leasehold improvements	4,032	2,219	2	–
Finance lease assets	703	286	67	2
Goodwill on consolidation	800	1,060	–	–
Deferred expenditure	8,923	4,593	1,012	43
Operating rights/licences	869	–	–	–
Investment in completed films	36,923	41,384	–	–
Employee entitlements	2,519	3,278	652	239
Operating lease rental	40,957	39,272	–	562
Share of partnership losses	976	2,020	–	–
Provision for doubtful debts	(272)	672	–	–
Bad debts written off – other	776	307	–	–
Loss on sale of property, plant and equipment	701	872	6	–
Provision for non-recoverability of investment	–	373	–	–
Abnormal Items				
Included in the operating profit are the following abnormal items:				
Profit on sale of radio license	–	13,326	–	–
Applicable income tax	–	–	–	–
	–	13,326	–	–
Gain on sales and restructuring of operations	23,345	–	–	–
Applicable income tax	249	–	–	–
	23,096	–	–	–
Write-off of non-recoverable set up costs	–	(3,458)	–	–
Applicable income tax	–	(1,245)	–	–
	–	(2,213)	–	–
Provision for losses on rationalisation of business interests	(58,911)	(11,746)	–	–
Applicable income tax	(11,254)	(2,573)	–	–
	(47,657)	(9,173)	–	–
Loss on sale of resort assets	(12,149)	–	–	–
Applicable income tax	(2,430)	–	–	–
	(9,719)	–	–	–
Write-off of film project costs and development costs	(17,716)	–	–	–
Applicable income tax	(3,291)	–	–	–
	(14,425)	–	–	–
Total abnormal items before tax	(65,431)	(1,878)	–	–
Total abnormal items after tax	(48,705)	1,940	–	–

Notes to the Financial Statements

	1999	1998
3 Earnings per Share		
a Earnings Per Share:		
Basic EPS (Note i)	(0.13) cents	19.41 cents
Total EPS (Note ii)	6.24 cents	16.70 cents
b Earnings Per Share adjusted to eliminate abnormal items from the calculations:		
Basic EPS	20.44 cents	18.57 cents
Total EPS (Note ii)	17.33 cents	16.24 cents

Weighted average number of issued Ordinary shares during the year used in determining earnings per Ordinary share (basic) was 234,592,819 (1998 230,949,210). The weighted average number of total issued shares during the year used in determining total earnings per share (basic) was 435,224,683 (1998 419,533,441). Diluted EPS is not materially different to Basic EPS.

- i Basic EPS calculated in accordance with AASB 1027: Earnings Per Share for 1999 is negative due to the A Class Preference share dividend, which has been held at the same rate as 1998, exceeding the operating profit after tax.
- ii Total EPS represents Earnings Per Share on total Ordinary and A Class Preference shares. This is an alternative form of measurement to Basic EPS.

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
4 Income Tax				
Prima facie income tax attributable to reported operating profit	5,447	28,420	18,419	27,577
Which is adjusted for –				
Prior year adjustment	(22)	(575)	–	33
Non tax deductible expenses	1,222	2,672	43	–
Rebatable dividends	(159)	(1,323)	(8,100)	(14,400)
Other tax deductible expenditure	(245)	(1,825)	–	–
Non taxable income	(8,435)	(6,431)	–	–
Prior year losses not previously brought to account	(2,908)	(10,840)	(9,629)	–
Tax on unit trust distributions included in equity profits	(1,133)	(1,219)	–	–
Income tax expense	(6,233)	8,879	733	13,210
Which is adjusted for –				
Prior year adjustment	829	–	–	(33)
Provision for tax acquired	1,931	–	–	–
Losses transferred from controlled entities	–	–	–	(13,177)
Future income tax benefit	28	439	–	–
Deferred income tax liability	5,430	(9,318)	(733)	–
Income tax payable	1,985	–	–	–

The following future income tax benefits arising from tax losses of controlled entities have not been brought to account as realisation of those benefits is not virtually certain –

Benefits for revenue losses	141,741	58,347	–	–
Benefits for capital losses	138,358	143,530	–	–

These benefits will only be obtained if:

- a the entity derives future assessable income of a nature and amount sufficient to enable the benefits of deductions for the losses to be realised;
- b there is continuity of compliance with the conditions for deductibility, imposed by law; and
- c no changes in tax legislation adversely affect the entity from realising the benefits of deductions for the losses.

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
5 Dividends				
Dividends provided for –				
Ordinary shares at 10 cents per share (unfranked)				
(1998 10.0 cents unfranked)	23,602	23,271	23,602	23,271
A Class Preference shares at 13 cents per share (unfranked)				
(1998 13.0 cents unfranked)	27,466	25,228	27,466	25,228
	51,068	48,499	51,068	48,499

There are no franking credits available.

6 Statement of Cash Flows

a Reconciliation of Cash

Cash balance comprises:

Cash	85,457	136,750	11,191	109,078
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b Reconciliation of Operating Profit after Tax to Net Operating Cash Flows

Operating profit after tax:	27,170	70,066	50,432	63,394
Adjust for:				
Depreciation	32,227	21,296	967	1,178
Amortisation	54,338	50,217	1,081	46
Provisions	2,247	7,450	3,457	13,387
Profit on disposal of assets	(14,658)	(5,096)	(11,373)	(47)
Abnormal items	65,431	1,879	–	–
Exchange (profit)/loss	(4,362)	–	–	–
Changes in assets & liabilities:				
Trade receivables	26,191	24,470	(7,774)	3,216
Associate loans	–	–	–	(40,000)
Trade creditors	23,838	13,630	(1,638)	225
Unearned income	(54,865)	(65,249)	–	–
Inventories	2,491	(2,992)	–	8
Work in progress	(8,862)	(32,200)	–	–
Prepayments	9,404	5,068	1,091	312
Capitalised borrowing costs	(2,639)	(5,420)	(553)	(500)
Net operating cash flows	157,951	83,119	35,690	41,219

c Undrawn Credit Facilities

The Economic Entity has undrawn credit facilities of \$161,188,000 at balance date (1998 \$180,027,000).

d Acquisition of Controlled Entities

The Company acquired control over the following entities during the year:

	Date acquired
Golden Harvest Entertainment (Holdings) Limited (Group) (41.15%), including Dartina Development Limited (Group) (70.58%) and City Entertainment Corporation Ltd. (70.58%)	1 August 1998
Village Roadshow Exhibition GmbH & Co (100%)	1 October 1998
Consideration:	\$'000
Cash	61,199
Cash consideration outstanding	18,000
	79,199

Notes to the Financial Statements

	\$'000
6 Statement of Cash Flows <i>(continued)</i>	
d Acquisition of Controlled Entities <i>(continued)</i>	
The aggregate net assets of these acquired entities upon acquisition were:	
Cash	–
Receivables	68,745
Prepayments	3,984
Distribution film rights/inventory	15,234
Investments	18,956
Land & Buildings	43,725
Plant & Equipment	29,063
Leasehold improvements	33,201
Other	8,361
	221,269
Borrowings	32,004
Trade Creditors	36,627
Provisions and other liabilities	33,178
	119,460
Less: Minority interest	60,835
Fair value of tangible net assets acquired	58,625
Goodwill arising on acquisition	20,574
	79,199

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000

7 Receivables

Current

Trade debtors	135,147	93,887	15,304	7,530
Provision for doubtful debts	(12,780)	(1,977)	–	–
	122,367	91,910	15,304	7,530
Due from associated entities	15,566	12,563	6,993	–
Due from controlled entities	–	–	1,069	–
Other advances	28,493	18,584	–	–
	166,426	123,057	23,366	7,530

Non-Current

Unsecured advances (refer Note 31(d))	301,614	405,246	4,117	2,998
Provision for non recovery (loans Nil (1998 \$18.3 million) written off during year)	(230,239)	(387,449)	(1,220)	–
	71,375	17,797	2,897	2,998
Owing by –				
Controlled entities	–	–	1,162,344	1,089,460
Associated entities	170,150	173,762	–	–
	241,525	191,559	1,165,241	1,092,458

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000

8 Inventories

Current

Merchandise held for resale – cost	8,938	11,429	–	–
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Non-Current

Assets held for resale – cost	–	15,726	–	–
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9 Radio Licenses

At cost	454,663	454,663	–	–
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10 Other Assets

Current

Film projects, productions advances and other work in progress	222,669	203,024	–	–
Less amortisation	(208,869)	(161,163)	–	–
	13,800	41,861	–	–
Prepayments	20,890	30,294	158	1,249
Distribution rights (net)	16,171	–	–	–
	50,861	72,155	158	1,249

Non-Current

Deferred expenditure	96,379	58,497	2,295	2,186
Less amortisation	(17,901)	(11,854)	(345)	–
	78,478	46,643	1,950	2,186
Operating rights/licenses	27,234	26,220	136	–
Less amortisation	(13,527)	(6,624)	(10)	–
	13,707	19,596	126	–
Capitalised interest	11,474	11,300	686	500
Less amortisation	(3,142)	(1,489)	(93)	(43)
	8,332	9,811	593	457
Future income tax benefit	–	7,026	189	103
Security deposits	6,596	716	155	33
	107,113	83,792	3,013	2,779

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
11 Investments				
Current				
Investments at cost comprise:				
Shares – Listed	33,819	–	–	–
Provision for diminution in value	(1,339)	–	–	–
	32,480	–	–	–
Non-Current				
Investments at cost comprise:				
Shares – Listed	4,945	–	–	–
– Unlisted	6,372	54,538	5,843	5,820
– Controlled Entities	–	–	247,975	198,000
Interests in partnerships	174,814	229,981	–	–
Provision for diminution in value	(2,296)	(12,335)	–	–
	183,835	272,184	253,818	203,820
Investments at equity accounted amount:				
Associated companies				
Unlisted shares	121,145	63,931	204	204
Listed shares	47,370	66,667	–	–
	168,515	130,598	204	204
	352,350	402,782	254,022	204,024

a Investments in controlled entities

Name	Incorporated in	%	Chief Entity	
			1999 \$'000	1998 \$'000
2 Day FM Australia Pty. Limited	Australia	100.00%	–	–
ACN 058 310 535 Pty. Limited	Australia	100.00%	–	–
Adelaide FM Radio Pty. Limited	Australia	100.00%	–	–
Allehondro Pty. Limited	Australia	100.00%	–	–
Animus No. 2 Pty. Limited	Australia	100.00%	–	–
Aqua Del Rey International (Club Villa) Pty. Limited	Australia	100.00%	–	–
Aqua Del Rey International Air Industries Pty. Limited	Australia	100.00%	–	–
Aqua Del Rey International Pty. Limited	Australia	100.00%	–	–
Aras Park Pty. Limited	Australia	100.00%	–	–
Austereo Broadcast Data Pty. Limited	Australia	100.00%	–	–
Austereo Capital FM Pty. Limited	Australia	100.00%	–	–
Austereo Direct Marketing Pty. Limited	Australia	100.00%	–	–
Austereo Entertainment Pty. Limited	Australia	100.00%	–	–
Austereo Finance Pty. Limited	Australia	100.00%	–	–
Austereo International Pty. Limited	Australia	100.00%	–	–
Austereo Investments Pty. Limited	Australia	100.00%	–	–
Austereo Pty. Limited	Australia	100.00%	–	–
B105 FM Pty. Limited	Australia	100.00%	–	–
Baltimore House Pty. Limited	Australia	100.00%	–	–
Bamboo Grove Enterprises Limited	British Virgin Islands	41.15%	–	–
Blackstone Pty. Limited	Australia	100.00%	–	–
	carried forward		–	–

Notes to the Financial Statements

Name	Incorporated in	%	Chief Entity	
			1999 \$'000	1998 \$'000
11 Investments (continued)				
a Investments in controlled entities (continued)				
	brought forward		–	–
Blouseman Productions Inc.	United States of America	100.00%	–	–
Broadcast FM Pty. Limited	Australia	100.00%	–	–
Bruce Nixon Smith Trust	Australia	84.00%	–	–
C0015744X Pty. Limited	Australia	100.00%	–	–
Cine Art Laboratory Limited	Hong Kong	41.15%	–	–
Cinema Investments Italia SPA	Italy	100.00%	–	–
City Entertainment Corporation Limited	Hong Kong	70.58%	–	–
Colorado Bay Pty. Limited	Australia	100.00%	–	–
Conneway Films Company Limited	Hong Kong	41.15%	–	–
Consolidated Broadcasting System (WA) Pty. Limited	Australia	100.00%	–	–
Dartina Development Limited	Hong Kong	70.58%	–	–
Daydream Finance Holdings Pty. Limited	Australia	100.00%	–	–
Daydream Finance Pty. Limited	Australia	100.00%	–	–
Daydream Investments Holdings Pty. Limited	Australia	100.00%	–	–
Daydream Island International Resort Pty. Ltd.	Australia	100.00%	–	–
Daydream Operations Holdings Pty. Limited	Australia	100.00%	–	–
DEG Holdings Pty. Limited	Australia	100.00%	70	70
Dootson Investment Corporation Limited	Panama	41.15%	–	–
Dwerryhouse Properties Limited	British Virgin Islands	41.15%	–	–
Emperion Pty. Limited	Australia	100.00%	–	–
Entertainment and Leisure Operations Inc.	British Virgin Islands	100.00%	–	–
Entertainment of The Future Pty. Limited	Australia	100.00%	–	–
Entertainment Research Pty. Limited	Australia	100.00%	–	–
Euramo Pty. Limited	Australia	100.00%	–	–
Feature Productions Pty. Limited	Australia	100.00%	–	–
Film Services (Australia) Pty. Limited	Australia	100.00%	–	–
Flipper Productions Pty. Limited	Australia	100.00%	–	–
FM 104 Pty. Limited	Australia	100.00%	–	–
FM Broadcasting Pty. Limited	Australia	100.00%	–	–
FM Media (ACT) Pty. Limited	Australia	100.00%	–	–
FM Media Finance Pty. Limited	Australia	100.00%	–	–
FM Media Finance Trust	Australia	100.00%	–	–
FM Media Overseas Pty. Limited	Australia	100.00%	–	–
FM Operations Pty. Limited	Australia	100.00%	–	–
Fortress Films II Pty. Limited	Australia	100.00%	–	–
Fortress Films Pty. Limited	Australia	100.00%	–	–
Fortress Production Services Pty. Limited	Australia	100.00%	–	–
Fortune Wheel Limited	British Virgin Islands	41.15%	–	–
Fox FM Pty. Limited	Australia	100.00%	–	–
GC Supplies Pty. Limited	Australia	–	–	–
Gala Film Distribution Limited	Hong Kong	41.15%	–	–
GH-VRL Limited	British Virgin Islands	50.00%	–	–
Gold Wheel Limited	British Virgin Islands	41.15%	–	–
Golden Harvest Cinemas Holding Limited	British Virgin Islands	41.15%	–	–
	carried forward		70	70

Notes to the Financial Statements

Name	Incorporated in	%	Chief Entity	
			1999	1998
		owned	\$'000	\$'000
11 Investments (continued)				
a Investments in controlled entities (continued)				
	brought forward		70	70
Golden Harvest Entertainment Company Limited	Hong Kong	41.15%	–	–
Golden Harvest Entertainment (Holdings) Ltd. (Listed)	Bermuda	41.15%	–	–
Golden Harvest Entertainment International Limited	Hong Kong	41.15%	–	–
Golden Harvest Films Distribution Holding Limited	British Virgin Islands	41.15%	–	–
Golden Harvest Films Distribution Pte. Limited	Singapore	41.15%	–	–
Golden Harvest Multiplex Pte. Limited	Singapore	41.15%	–	–
Golden Movies International Limited	British Virgin Islands	41.15%	–	–
Golden Reserves Limited	Hong Kong	41.15%	–	–
Golden Screen Limited	Hong Kong	41.15%	–	–
Golden Touch Licencing BV	Netherlands	41.15%	–	–
Golden Village Entertainment (Singapore) Pte. Limited	Singapore	70.58%	–	–
Golden Village Holdings Pte. Limited	Singapore	70.58%	–	–
Golden Village Multiplex Pte. Limited	Singapore	70.58%	–	–
Golden Village Pictures Pte. Limited	Singapore	70.58%	–	–
Golden Village Regional Pte. Limited	Singapore	70.58%	–	–
Golden Village Renters Pte. Limited	Singapore	70.58%	–	–
Goldlite Consultants Limited	British Virgin Islands	41.15%	–	–
Grand Prix FM Pty. Limited	Australia	100.00%	–	–
Hale Equipment Leasing Limited	Cyprus	100.00%	–	–
Happy Way Limited	Hong Kong	41.15%	–	–
Hotel No.2 Trust	Australia	100.00%	–	–
Hotel No.3 Trust	Australia	100.00%	–	–
IMP International Pty. Limited	British Virgin Islands	100.00%	–	–
International Equipment Supplying Limited	Hungary	100.00%	–	–
International Theatre Equipment Leasing Pty. Ltd.	Australia	100.00%	–	–
Intertasman Entertainments Limited	New Zealand	100.00%	–	–
Island Travel Pty. Limited	Australia	100.00%	–	–
Jack The Ripper Productions Pty. Limited	Australia	100.00%	–	–
Jantar PLC SA	British Virgin Islands	100.00%	–	–
Jantar Productions Inc.	United States of America	100.00%	–	–
Jaran Bay Pty. Limited	Australia	100.00%	–	–
Jimbolla Pty. Limited	Australia	100.00%	–	–
Kaiser Finance and Investments Limited	Cayman	100.00%	–	–
Kirby Banner Pty. Limited	Australia	100.00%	–	–
Kotewall Limited	British Virgin Islands	41.15%	–	–
Larry Bruce Communications Pty. Limited	Australia	75.00%	–	–
Leisure Industries Inc.	British Virgin Islands	100.00%	6	6
LQR Nominees Pty. Limited	Australia	100.00%	–	–
Marat Pty. Limited	Australia	100.00%	–	–
Marketing Austereo Village Integrated Solutions Pty. Ltd.	Australia	100.00%	–	–
Medbourne Proprietary Limited	Australia	100.00%	–	–
Melbourne FM Radio Pty. Limited	Australia	100.00%	–	–
Meskan House Pty. Limited	Australia	100.00%	–	–
Mount Gambier Broadcasters Pty. Limited	Australia	100.00%	–	–
	carried forward		76	76

Notes to the Financial Statements

Name	Incorporated in	%	Chief Entity	
			1999	1998
		owned	\$'000	\$'000
11 Investments (continued)				
a Investments in controlled entities (continued)				
	brought forward		76	76
MX Promotions Pty. Limited	Australia	100.00%	–	–
MX Services Pty. Limited	Australia	100.00%	–	–
New Broadcasting Pty. Limited	Australia	100.00%	–	–
Nu-Pay View Entertainment Pty. Limited	British Virgin Islands	100.00%	–	–
NW Productions Inc.	United States of America	100.00%	–	–
Pacific Drive Productions Pty. Limited	Australia	100.00%	–	–
Panasia Films Limited	Hong Kong	41.15%	–	–
Paradise Beach Productions Pty. Limited	Australia	100.00%	–	–
Paradise Road Films Pty. Limited	Australia	100.00%	–	–
Perth FM Facilities Pty. Limited	Australia	66.67%	–	–
Perth FM Radio Pty. Limited	Australia	100.00%	–	–
Pietman Pty. Limited	Australia	100.00%	–	–
Plan B Entertainment Inc.	United States of America	100.00%	–	–
Pratt Film Productions Pty. Limited	Australia	100.00%	–	–
Pratt Motion Pictures Pty. Limited	Australia	100.00%	–	–
Prime Prospect Enterprises Limited	Hong Kong	41.15%	–	–
Radio & Research Pty. Limited	Australia	100.00%	–	–
Radio Newcastle Pty. Limited	Australia	100.00%	–	–
Reidhaven Holdings Pty. Limited	Australia	100.00%	–	–
Roadshow, Coote & Carroll Pty. Limited	Australia	100.00%	684	684
Sinclud Investments Pty. Limited	Australia	100.00%	–	–
South Seas Pty. Limited	Australia	100.00%	–	–
Staging Connections (SA) Pty. Limited	Australia	100.00%	–	–
TAJ Walker Pty. Limited	British Virgin Islands	100.00%	–	–
Tarzan Films Pty. Limited	Australia	100.00%	–	–
Tarzan Productions Pty. Limited	Australia	100.00%	–	–
The Triple-M Broadcasting Company Pty. Limited	Australia	100.00%	–	–
Triple M Radio Holdings Pty. Limited	Australia	100.00%	–	–
Turtle Beach Inc.	United States of America	–	–	–
United Harvest Asia Limited	Hong Kong	41.15%	–	–
Village Cinemas Australia Pty. Limited	Australia	100.00%	33,062	33,062
Village Cinemas GmbH	Austria	100.00%	–	–
Village Cinemas International Pty. Limited	Australia	100.00%	200,000	150,000
Village Online Pty. Limited	Australia	100.00%	–	–
Village Roadshow (Asia) Pty. Limited	Australia	100.00%	–	–
Village Roadshow (D & B) Limited	United Kingdom	100.00%	–	–
Village Roadshow (Fiji) Limited	Fiji	100.00%	–	–
Village Roadshow (Hong Kong) Limited	Hong Kong	100.00%	–	–
Village Roadshow (Hungary) Distribution KFT	Hungary	100.00%	–	–
Village Roadshow (NZ Holdings) Pty. Limited	Australia	100.00%	–	–
Village Roadshow (Schweiz) GmbH	Switzerland	100.00%	–	–
Village Roadshow (Singapore) Pte. Limited	Singapore	100.00%	–	–
Village Roadshow (Thailand) Pty. Limited	Australia	100.00%	–	–
Village Roadshow Animation Pty. Limited	Australia	100.00%	–	–
	carried forward		233,822	183,822

Notes to the Financial Statements

Name	Incorporated in	%	Chief Entity	
			1999	1998
			Carrying Values	Carrying Values
		owned	\$'000	\$'000
11 Investments (continued)				
a Investments in controlled entities (continued)				
	brought forward		233,822	183,822
Village Roadshow Asset Management Pty. Limited	Australia	–	–	–
Village Roadshow Boulange Billancourt SNC	France	100.00%	–	–
Village Roadshow Broadcasting Pty. Limited	Australia	100.00%	–	–
Village Roadshow Car Park Management Pty. Limited	Australia	100.00%	–	–
Village Roadshow Cinemas UK Limited	United Kingdom	100.00%	–	–
Village Roadshow Coburg Pty. Limited	Australia	100.00%	–	–
Village Roadshow Custodians Pty. Limited	Australia	100.00%	–	–
Village Roadshow Czech Republic SRO	Czech Republic	100.00%	–	–
Village Roadshow Developments Pty. Limited	Australia	100.00%	–	–
Village Roadshow Distribution (BVI) Limited	British Virgin Islands	100.00%	–	–
Village Roadshow Distribution (Malaysia) Sdn Bhd	Malaysia	100.00%	–	–
Village Roadshow Distribution Netherlands BV	Netherlands	100.00%	–	–
Village Roadshow Distribution Pty. Limited	Australia	100.00%	–	–
Village Roadshow Distribution USA Inc.	United States of America	100.00%	–	–
Village Roadshow Equipment Pty. Limited	Australia	100.00%	–	–
Village Roadshow Exhibition Beteiligungs GmbH	Germany	100.00%	–	–
Village Roadshow Exhibition GmbH & Co. KG Partnership	Germany	100.00%	–	–
Village Roadshow Exhibition GmbH Kinobetriebe	Germany	100.00%	–	–
Village Roadshow Exhibition Properties Limited	Guernsey	100.00%	–	–
Village Roadshow Exhibition Pty. Limited	Australia	100.00%	–	–
Village Roadshow Exhibition UK Limited	United Kingdom	100.00%	–	–
Village Roadshow Film Administration Pty. Limited	Australia	100.00%	–	–
Village Roadshow Film Distributor Pty. Limited	Australia	100.00%	–	–
Village Roadshow Film Distributors Greece EPE	Greece	100.00%	–	–
Village Roadshow Film Finance Pty. Limited	Australia	100.00%	–	–
Village Roadshow Film Operator Pty. Limited	Australia	100.00%	–	–
Village Roadshow Film Productions Pty. Limited	Australia	100.00%	–	–
Village Roadshow Film Services Pty. Limited	Australia	100.00%	–	–
Village Roadshow Films (UK) Limited	United Kingdom	100.00%	–	–
Village Roadshow Finance Pty. Limited	Australia	100.00%	–	–
Village Roadshow Finance and Investments Pty. Limited	Australia	100.00%	12,499	12,499
Village Roadshow FM Pty. Limited	Australia	100.00%	987	987
Village Roadshow France SARL	France	100.00%	–	–
Village Roadshow Germany GmbH	Germany	100.00%	–	–
Village Roadshow GmbH	Austria	100.00%	–	–
Village Roadshow Hide and Seek Pty. Limited	Australia	100.00%	–	–
Village Roadshow Holdings Britain Limited	United Kingdom	100.00%	–	–
Village Roadshow Holdings Pty. Limited	Australia	100.00%	–	–
Village Roadshow Holdings USA Inc.	United States of America	100.00%	–	–
Village Roadshow Hungary RT	Hungary	100.00%	–	–
Village Roadshow Intensity Pty. Limited	Australia	100.00%	–	–
Village Roadshow International BV	Netherlands	100.00%	–	–
Village Roadshow Investments UK Limited	United Kingdom	100.00%	–	–
Village Roadshow Ireland Limited	Ireland	100.00%	–	–
	carried forward		247,308	197,308

Notes to the Financial Statements

Name	Incorporated in	%	Chief Entity	
			1999	1998
			Carrying Values	Carrying Values
		owned	\$'000	\$'000
11 Investments (continued)				
a Investments in controlled entities (continued)				
	brought forward		247,308	197,308
Village Roadshow Italy Holdings SRL	Italy	100.00%	–	–
Village Roadshow Italy SRL	Italy	90.00%	–	–
Village Roadshow Jam Factory Pty. Limited	Australia	100.00%	–	–
Village Roadshow Leisure Pty. Limited	Australia	100.00%	–	–
Village Roadshow Licensing and Finance Limited	United Kingdom	100.00%	–	–
Village Roadshow Luxembourg SA	Luxembourg	100.00%	–	–
Village Roadshow Manakau Cinemas Pty. Limited	Australia	100.00%	–	–
Village Roadshow Motion Pictures (BVI) Limited	British Virgin Islands	100.00%	–	–
Village Roadshow Motion Pictures Pty. Limited	Australia	100.00%	–	–
Village Roadshow Nice SNC	France	100.00%	–	–
Village Roadshow Operations Greece SA	Greece	100.00%	–	–
Village Roadshow Participations SNC	France	100.00%	–	–
Village Roadshow Perpignon SNC	France	100.00%	–	–
Village Roadshow Pictures (Australia) Pty. Limited	Australia	100.00%	–	–
Village Roadshow Pictures (BVI) Limited	British Virgin Islands	100.00%	–	–
Village Roadshow Pictures (USA) Inc.	United States of America	100.00%	663	663
Village Roadshow Pictures Entertainment Inc.	United States of America	100.00%	–	–
Village Roadshow Pictures International Pty. Limited	Australia	100.00%	–	–
Village Roadshow Pictures Music Publishing Pty. Limited	Australia	100.00%	–	–
Village Roadshow Pictures Pty. Limited	Australia	100.00%	–	–
Village Roadshow Pictures Television Pty. Limited	Australia	100.00%	–	–
Village Roadshow Pictures Worldwide Pty. Limited	Australia	100.00%	–	–
Village Roadshow Production Services Pty. Limited	Australia	100.00%	1	–
Village Roadshow Productions (BVI) Limited	British Virgin Islands	100.00%	–	–
Village Roadshow Productions Inc.	United States of America	100.00%	–	–
Village Roadshow Project Management Pty. Limited	Australia	100.00%	–	–
Village Roadshow Properties (Malaysia) Sdn Bhd	Malaysia	100.00%	–	–
Village Roadshow Properties Limited	Guernsey	100.00%	–	–
Village Roadshow Properties Switzerland GH	Switzerland	100.00%	–	–
Village Roadshow Property Development Pty. Limited	Australia	100.00%	1	2
Village Roadshow Property Finance Pty. Limited	Australia	100.00%	2	2
Village Roadshow Property Management Limited	Australia	–	–	25
Village Roadshow Resorts Pty. Limited	Australia	100.00%	–	–
Village Roadshow Restaurant and Bars Pty. Limited	Australia	100.00%	–	–
Village Roadshow Retail Stores Pty. Limited	Australia	100.00%	–	–
Village Roadshow Theatres Europe Limited	United Kingdom	100.00%	–	–
Village Roadshow Theatres Guernsey Limited	Guernsey	100.00%	–	–
Village Roadshow Theatres Pty. Limited	Australia	100.00%	–	–
Village Roadshow Ticketing Pty. Limited	Australia	100.00%	–	–
Village Roadshow UK Holdings Pty. Limited	Australia	100.00%	–	–
Village Roadshow Warehousing Services Pty. Limited	Australia	100.00%	–	–
Village Roadshow World Live! Pty. Limited	Australia	100.00%	–	–
Village Sea World Aviation Pty. Limited	Australia	100.00%	–	–
Village Sea World Investments Pty. Limited	Australia	100.00%	–	–
	carried forward		247,975	198,000

Notes to the Financial Statements

Name	Incorporated in	% owned	Chief Entity Carrying Values	
			1999 \$'000	1998 \$'000
11 Investments (continued)				
a Investments in controlled entities (continued)				
	brought forward		247,975	198,000
Village Sea World Operations Pty. Limited	Australia	100.00%	–	–
Village Theatres (Paddington) Pty. Limited	Australia	100.00%	–	–
Village Theatres Morwell Pty. Limited	Australia	75.00%	–	–
VR (Matrix) Films Pty. Limited	Australia	100.00%	–	–
VR International Pictures Pty. Limited	Australia	100.00%	–	–
VRL Aluminium Pty. Limited	Australia	100.00%	–	–
VRP Film Entertainment Inc.	United States of America	100.00%	–	–
VRP International Distribution Pty. Limited	Australia	100.00%	–	–
VRP Production Services Pty. Limited	Australia	100.00%	–	–
VRP TV Financing Inc.	United States of America	100.00%	–	–
VRS Holdings Pty. Limited	Australia	100.00%	–	–
Warner Bros. Studio Store Australia Pty. Limited	Australia	64.00%	–	–
Wilricha Limited	Australia	100.00%	–	–
Worldwide Films Pty. Limited	Australia	100.00%	–	–
			247,975	198,000

Foreign controlled entities carry out their business activities in the country of incorporation. Material overseas entities are audited by Ernst and Young International affiliates.

b Investments in associates

	Economic Entity	
	1999 \$'000	1998 \$'000
i Share of associates' profits/(losses):		
Operating profits/(losses) before income tax	15,151	15,276
Abnormal loss before income tax	(86)	(2,768)
Income tax expense/(benefit) attributable to operating profits/(losses)	3,638	2,908
Operating profits/(losses) after income tax	11,427	9,600
Amortisation of goodwill on acquisition	(2,296)	(1,950)
Share of associates' profits/(losses)	9,131	7,650

Notes to the Financial Statements

	Equity Share of Profits/(Losses) after Tax	
	1999 \$'000	1998 \$'000
11 Investments (continued)		
b Investments in associates (continued)		
ii Of the total share of associates' profits/(losses), the following associates are individually material to the Economic Entity:		
CJ Golden Village Company Ltd Cinema operator	2,724	–
Golden Harvest Entertainment (Holdings) Limited Cinema operator	–	(1,921)
Golden Screen Cinemas Sdn Bhd Cinema operator	(2,006)	–
Roadshow Distributors Pty. Limited Film distributor	–	1,879
Roadshow Unit Trust Film distributor to TV	1,285	2,570
Sea World Property Trust (Listed) Theme park lessor	3,891	5,163
Village Entertainment Property Trust Property Owner	2,407	–
Village Roadshow Greece SA Cinema Investor	1,114	–
iii Equity accounted share of associates:		
Accumulated profits/(losses):		
At beginning of year	162	
At end of year	11,590	
Other reserves:		
At beginning of year	8,070	
At end of year	14,863	
	Economic Entity Carrying Values	
	1999 \$'000	1998 \$'000
iv Carrying amount of investments in associates:		
Balance at beginning of year	130,598	108,219
Investments equity accounted for the first time	23,095	45,316
Increase in cost of Investments	76,203	–
Investments no longer equity accounted	(66,751)	(14,786)
Recoverable amount writedown	–	(10,600)
Share of associates' profit	9,130	7,650
Dividends from associates	(9,483)	(13,253)
Share of associates' increase in reserves	5,723	8,052
Balance at end of year	168,515	130,598

Notes to the Financial Statements

Name	Business	% owned	Economic Entity Carrying Values	
			1999 \$'000	1998 \$'000
11 Investments (continued)				
b Investments in associates (continued)				
iv Carrying amount of investments in associates: (continued)				
Equity accounted carrying amount of investments in associates represented by:				
Ballarat Cinemas Pty. Limited	Cinema owner	50.00%	4,961	5,123
Cinemax SA	Cinema operator	50.00%	1,736	1,957
CJ Golden Village Company Limited	Cinema operator	35.29%	14,908	6,228
Dartina Development Limited	Multiplex investor	–	–	3,994
Entertain Golden Village Co. Limited	Cinema manager	34.58%	3,106	1,526
Five Hundred Chapel Street Pty. Limited	Nominee company	50.00%	158	158
Golden Communications (Taiwan) Co. Limited	Film distribution	19.65%	4,004	–
Golden Harvest Entertainment (Holdings) Ltd.	Holding company	–	–	17,497
Golden Screen Cinemas Sdn. Bhd.	Cinema exhibitor	16.54%	8,029	–
LQ Management Pty. Ltd.	Resort operator	–	–	–
Melbourne FM Facilities Pty. Limited	Radio transmitter	50.00%	591	1,404
Priya Village Roadshow Limited	Cinema operator	40.00%	836	735
Rich Will Limited	Cinema operator	20.58%	531	–
Roadshow Distributors Pty. Limited	Film distributors	50.00%	18,346	19,143
Roadshow Unit Trust	Film distributor to TV	50.00%	7,782	7,920
Sari Lodge Pty. Limited	Trustee	50.00%	–	136
Sea World Property Trust (Listed)	Theme park lessor	34.25%	47,370	46,550
Staging Connections (Vic) Pty. Limited	Audio visual services	25.00%	919	677
Subiaco Cinemas Unit Trust	Cinema operator	24.90%	364	356
Sydney FM Facilities Pty. Limited	Radio transmitter	50.00%	564	–
Village/Nine Network Leisure Co. Pty. Limited	Leisure centre developer	40.00%	753	1,224
Village Cinemas SA*	Cinema operator	55.00%	48,145	573
Village Entertainment Property Trust (Listed)	Property owner	22.80%	–	2,620
Village Force Cinemas Limited	Cinema manager	50.00%	242	203
Village Roadshow Developments AE (SA)	Cinema developer	50.00%	810	–
Village Roadshow Greece SA	Investor in cinema business	50.00%	2,631	1,534
Village Twin Cinemas (Morwell) Pty. Limited	Cinema operator	50.00%	507	609
Warner Village (D&B) Limited	Cinema design & building	49.99%	256	249
Warner Village Cinemas Limited	Cinema operator	50.00%	–	97
Warner Village Cinemas SPA	Cinema owner/operator	45.00%	2,335	472
Warner Village Exhibition Limited	Cinema operator	49.99%	980	276
Yoram Gross Film Studios Pty. Limited	Film production	–	–	9,213
Other equity accounted entities in aggregate	N/A	N/A	(2,349)	124
			168,515	130,598

* Although the Chief Entity has a 55% ownership interest in the issued share capital of Village Cinemas SA, it does not control the voting rights. Consequently, it has been determined with reference to AASB 1016 Accounting for Investments in Associates, that the Chief Entity has significant influence over the entity as opposed to control. It has therefore been accounted for as an associate.

Notes to the Financial Statements

	1999 \$'000
11 Investments (continued)	
b Investments in associates (continued)	
v Share of net assets of associates:	
The Economic Entity's share of net assets of associates in aggregate at 30 June 1999 is:	
Current assets	221,149
Non-current assets	515,574
Current liabilities	(214,708)
Non-current liabilities	(360,425)
Net assets	161,590
vi Events Subsequent to Reporting Date:	
No event has occurred after reporting date in relation to any associated entity which could materially affect their financial position or operating performance other than the sale of interest in Golden Harvest Entertainment (Holdings) Limited as outlined in Note 27.	
vii The annual balance date of associated entities is 30 June except for the following:	
Cinemax SA	31 December
CJ Golden Village Company Limited	31 December
Golden Village (Taiwan) Co. Limited	30 November
Priya Village Roadshow Limited	31 March
Sea World Property Trust	31 December
Tanjong Golden Village Sdn Bhd	31 December
Village Roadshow Exhibition Beteiligungs GmbH	30 November
Village Roadshow Greece SA	31 December
Warner Village Cinemas Company Limited	30 November
Warner Village Cinemas Limited	30 November
Warner Village Cinemas SPA	30 November
Warner Village (D&B) Limited	30 November
Warner Village (Design and Build) Limited	30 November
Warner Village Investments Limited	30 November
Warner Village Properties Limited	30 November
Warner Village Trustees Limited	30 November

Notes to the Financial Statements

Name	Business	% owned	Economic Entity	
			Carrying Values	
			1999 \$'000	1998 \$'000
11 Investments (continued)				
c Interests in partnerships				
Albury Regent Cinemas	Cinema operator	50.00%	232	221
Hastings and Napier Cinemas	Cinema operator	12.00%	–	–
Morwell Cinemas Partnership	Cinema operator	50.00%	–	–
Movie World Enterprises	Theme park operator	50.00%	(767)	734
Sea World Aviation	Helicopter ride operator	50.00%	980	1,069
Sea World Enterprises	Theme park operator	50.00%	1,407	1,723
Staging Connections (Australia)	Audio Visual hire	50.00%	–	–
Staging Connections (Brisbane)	Audio Visual hire	25.00%	–	–
Staging Connections (Cairns)	Audio Visual hire	25.00%	–	–
Staging Connections (Gold Coast)	Audio Visual hire	33.30%	–	–
Staging Connections (IDT)	Audio Visual hire	25.00%	–	–
Staging Connections (Tasmania)	Audio Visual hire	25.00%	–	–
Staging Connections (WA)	Audio Visual hire	25.00%	–	–
Staging Connections (Whitsunday)	Audio Visual hire	50.00%	–	–
Staging Connections Coffs Harbour	Audio Visual hire	25.00%	–	–
Staging Connections Wollongong	Audio Visual hire	25.00%	–	–
Tasmanian Cinemas	Cinema operator	50.00%	3,580	2,941
Unison Productions	Audio Visual hire	50.00%	–	–
Village Asqa Films	Film Production	5.00%	–	–
Village Clipsal Film	Film Production	25.00%	–	–
Village Roadshow Ambridge Films	Film Production	10.00%	–	–
Village Roadshow Avoca Films	Film Production	10.00%	–	–
Village Roadshow Class Productions	Film Production	8.70%	–	–
Village Roadshow Groucho Films	Film Production	10.00%	–	–
Village Roadshow Groucho Films II	Film Production	7.35%	–	1,838
Village Roadshow Groucho Films III	Film Production	3.29%	–	1,000
Village Roadshow Hoyts Films	Film Production	10.00%	–	1,333
Warner Village Cinema Management	Manager of cinema business	50.00%	168	1
Warner Village Exhibition GmbH	Cinema operator	–	–	21,469
Warner Village Exhibition Management	Manager of cinema business	50.00%	803	295
Warner Village Investments Ltd	Investor in cinema operator	49.99%	168,411	185,022
			174,814	217,646

The Economic Entity and Chief Entity have interests in other partnerships for which no carrying value has been recorded.

	Economic Entity	
	1999	1998
	\$'000	\$'000
Aggregate contribution to consolidated profit after tax for the year	6,423	4,405

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
12 Property, Plant & Equipment				
Land:				
At cost	47,000	51,384	–	–
Buildings & improvements:				
At cost (completed)	99,209	54,620	–	–
Less depreciation	(14,869)	(5,378)	–	–
	84,340	49,242	–	–
Construction in progress	1,799	11,420	–	–
	86,139	60,662	–	–
Leasehold improvements:				
At cost	110,100	59,822	228	63
Less amortisation	(25,353)	(11,118)	(2)	–
	84,747	48,704	226	63
Equipment & vehicles (owned):				
At cost	274,725	189,360	6,841	5,735
Less depreciation	(114,290)	(81,678)	(4,509)	(3,477)
	160,435	107,682	2,332	2,258
Equipment & vehicles (leased):				
At cost	7,755	1,819	556	24
Less amortisation	(1,546)	(761)	(67)	(17)
	6,209	1,058	489	7
	384,530	269,490	3,047	2,328
Recent Valuations:				
As at 30 June 1997, the Directors valued interests in Land & Buildings, based on a market appraisal by qualified valuers, at \$90.6 million (Economic Entity). These interests are recorded in the accounts (before aggregate depreciation) as follows:				
	\$'000			
Freehold land	24,514			
Buildings & improvements	21,303			
	45,817			
13 Intangibles				
Goodwill purchased	50,257	14,960	–	–
Less amortisation	(3,809)	(1,890)	–	–
	46,448	13,070	–	–
Goodwill on consolidation	27,496	23,484	–	–
Less amortisation	(6,896)	(5,827)	–	–
	20,600	17,657	–	–
Other intangibles	3,038	551	–	–
	70,086	31,278	–	–

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
14 Accounts Payable				
Current				
Trade and sundry creditors	134,481	70,502	1,725	3,363
Owing to –				
Controlled entities	–	–	1,296	–
Associated entities	6,425	1,043	–	–
Other	20,104	1,322	–	–
	161,010	72,867	3,021	3,363
Non-Current				
Owing to –				
Controlled entities	–	–	235,847	363,794
Associated entities	22,179	40,708	183	–
Other	36,539	20,032	3,508	1,750
	58,718	60,740	239,538	365,544
15 Borrowings				
Current				
Secured borrowings	9,678	11,394	–	–
Finance lease liabilities	1,608	292	113	5
	11,286	11,686	113	5
Non-Current				
Secured borrowings	458,799	394,406	132,183	2,100
Finance lease liabilities	4,211	951	402	–
	463,010	395,357	132,585	2,100
Convertible notes	109,819	160,093	109,819	160,093

The Chief Entity has a \$180,000,000 (1998 \$180,000,000) long term finance facility. These borrowings are secured by a fixed and floating charge over all of the assets of the Chief Entity and 4 of its controlled entities. During the financial year the Economic Entity arranged a credit facility for US\$115 million secured over some operating assets of the UK exhibition division with a guarantee restricted to the remaining unsecured UK assets.

Other secured borrowings are separately secured by a fixed and floating charge over assets in the Warner Bros. Movie World Joint Venture, the investment in the Sea World Property Trust and the Austereo Pty. Limited economic entity. The security for these borrowings is limited to the assets and undertakings of each particular operation. The lease liability is secured by a charge over the leased assets.

On 30 April 1998 the Company issued 2,400,000 convertible debt securities of US\$50.00 each which have been disclosed partly as liabilities and partly as equity. These Perpetual Redeemable Income Debt Exchangable for Stock (PRIDESSM) are unsecured, subordinated perpetual debt securities, convertible at the option of the holders into A Class Preference shares within 10 years of issue or, at the option of the Company, may be paid out in cash at the then prevailing closing price of the A Class Preference shares. At any time after 30 April 2008 the PRIDES may be redeemed, in whole or in part, at the option of the Company upon payment of the principal and accrued unpaid interest. Subject to certain adjustments, the A Class Preference shares will be issuable at \$3.60 per share.

During the year ended 30 June 1999, 440,000 PRIDES were redeemed for cash and 234,000 PRIDES were redeemed by the issue of A Class Preference shares. The Company realised a profit of \$7.937 million on the cash redemptions.

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
16 Provisions				
Current				
Taxation	1,985	–	–	–
Employee entitlements	10,153	8,491	2,018	1,330
Dividends	51,068	48,499	51,068	48,499
Other	8,589	–	–	–
	71,795	56,990	53,086	49,829
Non-Current				
Deferred income tax	36,918	45,727	819	–
Employee entitlements	3,078	2,452	–	–
	39,996	48,179	819	–
17 Other Liabilities				
Current				
Unearned revenue	20,050	22,466	–	–
	20,050	22,466	–	–
Non-Current				
Unearned revenue	1,520	26,115	–	–
	1,520	26,115	–	–
Unearned revenue is partially offset by other current assets relating to film production.				
18 Share Capital				
Issued & fully paid up capital:				
236,018,052 (1998 232,709,502)				
Ordinary shares of 50 cents each	125,078	116,355	125,078	116,355
211,277,501 (1998 194,064,114)				
A Class Preference shares of 50 cents each	138,406	97,032	138,406	97,032
	263,484	213,387	263,484	213,387
Transfer in from Share Premium Account	594,525	–	594,525	–
	858,009	213,387	858,009	213,387
Convertible notes	14,866	14,897	14,866	14,897

On 1 July 1998, as a consequence of the abolition of the concepts of the 'par value' of shares and 'share premium' by the Company Law Review Act 1998, the 'Issued Capital Account' was renamed the 'Share Capital Account' and an amount of \$594,525,469 was transferred from the 'Share Premium Account' to the 'Share Capital Account'.

Dividend rates on A Class Preference shares

Non redeemable A Class Preference shares are entitled to a non-cumulative dividend in priority to all other classes of shares payable annually in respect of each financial year at the greater of 10.175 cents per share or 3 cents above all the dividends payable on each Ordinary share.

Notes to the Financial Statements

	Consideration		Number of Shares	
	1999	1998	1999	1998
	\$'000	\$'000	'000	'000

18 Share Capital (continued)

During the 1998 and 1999 years fully paid shares were issued as follows:

a Ordinary shares –

New issue upon exercise of options –

July at \$2.51 premium	–	81	–	27
August at \$2.82 premium	–	79	–	24
December at \$2.56 premium	–	1,181	–	386
December at \$2.13 premium	–	8,905	–	3,386
May at \$3.62 premium	–	181	–	44
May at \$3.63 premium	–	161	–	39
May at \$2.40 premium	–	125	–	43
July issued at \$3.01	81	–	27	–
August issued at \$3.32	54	–	16	–
December issued at \$2.63	8,589	–	3,266	–

b A Class Preference shares –

Executive Share Plan –

July 1997 at \$2.87 premium	–	3,370	–	1,000
July 1997 at \$3.14 premium	–	728	–	200
January 1998 at \$2.72 premium	–	13,556	–	4,210
February 1998 at \$2.73 premium	–	1,663	–	515
May 1999 issued at \$2.37	3,405	–	1,437	–
Dividend re-investment –				
November 1997 at \$1.97 premium	–	16,213	–	6,564
December 1997 at \$1.97 premium	–	503	–	204
November 1998 issued at \$2.12	20,797	–	9,810	–

Convertible Notes –

April 1999 issued at \$2.99	229	–	77	–
June 1999 issued at \$2.99	13,722	–	4,589	–
June 1999 issued at \$2.99	3,888	–	1,300	–
Transfer in of capitalised costs in relation to Convertible Notes	(668)	–	–	–
Total for the year	50,097	46,746	20,522	16,642

Issued Options

No options either during the financial year or since the end of the financial year to the date of this report have been allotted.

Pursuant to the Executive and Employee Option Plan approved by shareholders on 5 October 1993, the options over A Class Preference Shares are exercisable during the 30 day period prior to the first anniversary of their date of grant and one quarter of the options over Ordinary shares are exercisable during the 30 day period prior to the second, third, fourth and fifth anniversaries of their date of grant. The names of all persons who currently hold options are entered in the register kept by the Company, which may be inspected free of charge.

During the year, 3,308,550 options were exercised over 3,308,550 Ordinary shares by 44 executives. Since the end of the financial year to the date of this report 5,325 options were exercised over 5,325 Ordinary shares by one executive. The method of fixing the price for the issue and exercise of such options is set out in the terms of the Executive and Employee Option Plan, and is based on the market value of the shares at the time of issue.

The market price of the Ordinary and A Class Preference shares at 30 June 1999 was \$2.64 and \$2.26 respectively. The number of options over Ordinary shares at the end of the financial year was 1,940,595 (1998 6,630,540 options over Ordinary shares).

Each option, if exercised, entitles the holder to one fully paid Ordinary share in Village Roadshow Limited.

Notes to the Financial Statements

18 Share Capital (continued)

Issued Options (continued)

As at 30 June 1999, the details of outstanding options over Ordinary shares were as follows:

	Number of Options	Expiry Date	Exercise Price per Option	
	26,775	11/7/1999		\$3.01
	23,775	12/8/1999		\$3.32
	386,100	7/12/1999		\$3.06
	572,175	7/12/1999		\$5.14
	183,585	7/5/2000		\$4.13
	176,010	23/5/2000		\$4.12
	572,175	7/12/2000		\$5.14
	1,940,595			

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000

19 Reserves

Share premium reserve

Balance at beginning of year	594,525	556,089	594,525	556,089
Amount arising from new share issues during the year, less costs	–	38,436	–	38,436
	594,525	594,525	594,525	594,525
Transfer to Share Capital Account	(594,525)	–	(594,525)	–
Balance at end of year	–	594,525	–	594,525

Foreign currency translation reserve

Balance at beginning of year	18,835	5,814	–	–
Amount relating to translation of accounts	(2,825)	24,628	33,115	–
Post acquisition share of associates	5,866	(11,607)	–	–
Balance at end of year	21,876	18,835	33,115	–

Asset revaluation reserve

Balance at beginning of year	20,511	834	–	–
Post acquisition share of associates	(1,877)	19,677	–	–
Balance at end of year	18,634	20,511	–	–

Capital profits reserve

Balance at beginning of year	–	–	–	–
Post acquisition share of associates	66	–	–	–
Balance at end of year	66	–	–	–
Total reserves	40,576	633,871	33,115	594,525

20 Outside Equity Interests

Outside equity interests in controlled entities:

Issued & paid up capital	8,505	–	–	–
Reserves	32,453	–	–	–
Profit & loss appropriation	10,681	–	–	–
	51,639	–	–	–

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
21 Contingent Liabilities				
Estimated maximum amounts relating to:				
a Termination benefits under personal service agreements for executives	63,655	51,408	14,555	11,275
b Guarantees for secured credit facilities of controlled entities	109	1,869	100	1,860
c Guarantees for unsecured credit facilities of controlled entities	912	–	307	152,376
d Guarantees for secured credit facilities of associated entities	122,226	81,512	120,226	85,512
e Unsecured guarantees for credit facilities of associated entities	8,050	–	8,050	–
f Secured guarantees for operating lease commitments of controlled entities	63,061	76	62,985	–
g Secured guarantees for operating lease commitments of associated entities	629	143	43	43
h Secured guarantees for operating lease commitments of joint ventures	441	542	–	–
i Unsecured guarantees for long term operating lease commitments of controlled entities	–	3,405	14,186	22,449
j Unsecured joint and several operating lease commitments of controlled entities	1,964	–	–	–
k Unsecured long term joint and several operating lease commitments of joint ventures	647,786	564,626	–	–
l Unsecured several guarantees for long-term operating lease commitments of joint ventures	–	–	258,838	160,775
m Unsecured several operating lease commitments of joint ventures	93,898	–	–	–
n Unsecured guarantees for operating lease commitments of associated entities	114,873	–	–	–
o Unsecured several guarantees for long term operating lease commitments of associated entities	–	–	2,704	–
p Unsecured joint and several guarantees for long-term operating lease commitments of offshore joint venture	–	–	439,522	436,113
q Unsecured short term head lease commitments of controlled entities	605	1,827	–	1,112
r Unsecured guarantees for performance related financing commitments for film productions	2,000	14,642	2,000	14,642
s Unsecured guarantee in respect of partnership commitments of controlled entities	125	125	125	125
	1,120,334	720,175	923,641	886,282

21 Contingent Liabilities (continued)

In the event that any entity in the Economic Entity is required to meet a joint venture or partnership liability in excess of its proportionate share, that entity has right of recourse against the co-joint venturers or other partners in respect of that excess.

A number of claims have been lodged against the Economic Entity in relation to various matters, the total of which is approximately \$4.5 million. Liability is not admitted and the claims are being defended. The Directors believe that potential losses, if any, arising from these claims are not able to be reliably measured at reporting date, and are not likely to be material.

The Economic Entity entered into contractual arrangements with Hoyts Cinemas Limited and Force Corporation Limited for the formation of a joint venture effective 30 June 1999. The Economic Entity's assets were sold into the joint venture at a consideration arrived at by independent valuation resulting in an abnormal profit to the Economic Entity of \$10 million after elimination of the ongoing Village interest. The Commerce Commission of New Zealand has commenced proceedings against the joint venture partners in relation to the new joint venture. As a result of negotiations and undertakings given by the joint venture partners, the Commerce Commission has accepted that the joint venture can be implemented. The Commerce Commission is continuing the proceedings as it contends that the new joint venture breaches provisions of New Zealand's Commerce Act relating to anti-competitive behaviour. The Company believes it will be able to negotiate a satisfactory resolution to the proceedings.

The Australian Taxation Office ('ATO') is conducting a number of income tax audits of the Economic Entity. The Company has had discussions with the ATO and has provided the ATO with certain information that the ATO has requested. The ATO has indicated that the process may take up to two or three years to complete and may result in the issuing of amended assessments or other adjustments and/or the testing of the Economic Entity's position in the courts. While the Economic Entity believes that it has made adequate provisions for taxes in its Financial Statements, if such audits result in determinations significantly in excess of such provisions, there could be a significant impact on the Economic Entity.

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000

22 Expenditure Commitments

a Finance leases

Payable within 1 year	1,608	368	113	5
Payable between 1 and 2 years	1,182	815	113	–
Payable between 2 and 5 years	2,832	246	372	–
Payable after 5 years	1,270	–	–	–
	6,892	1,429	598	5
Less future finance charges	(1,073)	(185)	(83)	–
Total finance lease liabilities	5,819	1,244	515	5

b Operating leases

Payable within 1 year	76,822	54,712	1,105	913
Payable between 1 and 2 years	79,349	54,460	500	913
Payable between 2 and 5 years	223,740	152,353	1,500	–
Payable after 5 years	857,216	476,060	1,875	–
Total operating lease commitments	1,237,127	737,585	4,980	1,826

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
22 Expenditure Commitments <i>(continued)</i>				
c Other expenditure commitments				
Estimated capital expenditure contracted for at balance date but not provided for:				
Payable not later than one year:				
– joint ventures	56,517	79,304	–	–
– associates	34,707	72,017	–	–
– other	124,256	28,512	–	–
	215,480	179,833	–	–
Payable later than one year but not later than two years:				
– joint ventures	62,108	62,195	–	–
– associates	36,632	10,556	–	–
– other	85,979	132,079	–	–
	184,719	204,830	–	–
Payable later than two years but not later than five years:				
– joint ventures	56,316	128,494	–	–
– associates	46,955	29,255	–	–
– other	31,854	45,494	–	–
	135,125	203,243	–	–

23 Superannuation Commitments

There are established superannuation and retirement plans for the benefit of employees of the Company and its controlled and associated entities. The benefits provided are accumulation benefits. Contributions to the plans are based on varying percentages of employees' gross remuneration and are made either by the employer or by the employee and the employer. Contributions made to the plans will not exceed the permitted levels prescribed by income tax legislation from time to time. There are legally enforceable obligations for contributions to be made to the plans in respect of some employees. As the plans are accumulation type funds, no actuarial assessment is made and the level of funds is sufficient to meet applicable employee benefits which may accrue in the event of termination of the plans or on the voluntary or compulsory termination of employment of any employee.

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
24 Remuneration of Directors				
The names of Directors of the Chief Entity who have held office during the year are:				
Directors at balance date:				
JR Kirby, RG Kirby, GW Burke, PE Foo, PA Ziegler, WJ Conn, PT Jackman, D Puttnam, DB Reardon, CR Stern, CH Gregson (alternate)				
Resigned during the year:				
AG Rydge, CR Hollick, JA O'Neill, BJ Yahl (alternate), R Laughton (alternate)				
Income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of each entity in the Economic Entity, directly or indirectly, by the entities of which they are Directors or any related party:				
	16,802	15,363		
Income paid or payable, or otherwise made available in respect of the financial year, to all Directors of Village Roadshow Limited, directly or indirectly, from the entity or any related party:				
			11,231	10,010

The number of Directors who derived the above aggregate income were within the following bands:

\$ 0 – \$ 9,999	3	2
\$ 30,000 – \$ 39,999	3	–
\$ 40,000 – \$ 49,999	–	1
\$ 50,000 – \$ 59,999	1	3
\$ 60,000 – \$ 69,999	2	–
\$ 70,000 – \$ 79,999	–	1
\$ 100,000 – \$ 109,999	–	1
\$ 110,000 – \$ 119,999	1	–
\$ 130,000 – \$ 139,999	1	–
\$ 690,000 – \$ 699,999	–	1
\$ 740,000 – \$ 749,999	–	1
\$ 890,000 – \$ 899,999	1	–
\$1,460,000 – \$1,469,999	–	1
\$1,730,000 – \$1,739,999	–	1
\$1,770,000 – \$1,779,999	–	1
\$2,210,000 – \$2,219,999	2	–
\$2,260,000 – \$2,269,999	1	–
\$3,100,000 – \$3,109,999	1	–
\$3,210,000 – \$3,219,999	–	1

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000

25 Remuneration of Executive Officers

Remuneration received or due and receivable by executive officers of the Economic Entity whose remuneration is \$100,000 or more, from entities in the Economic Entity or a related party, in connection with the management of the affairs of the entities in the Economic Entity whether as an executive officer or otherwise.

26,930 23,884

Remuneration received or due and receivable by executive officers of the Company whose remuneration is \$100,000 or more, from the Company or any related party, in connection with the management of the affairs of the Company or any related party, whether as an executive officer or otherwise.

13,431 11,583

The number of executives who derived the above aggregate income in excess of \$100,000 were within the following bands:

	1999	1998	1999	1998
\$ 100,000 – \$ 109,999	5	4	1	–
\$ 110,000 – \$ 119,999	2	7	1	1
\$ 120,000 – \$ 129,999	7	7	1	2
\$ 130,000 – \$ 139,999	5	2	1	–
\$ 140,000 – \$ 149,999	5	4	1	1
\$ 150,000 – \$ 159,999	4	3	2	–
\$ 160,000 – \$ 169,999	5	4	–	–
\$ 170,000 – \$ 179,999	6	3	–	–
\$ 180,000 – \$ 189,999	1	4	–	–
\$ 190,000 – \$ 199,999	4	4	–	–
\$ 200,000 – \$ 209,999	3	3	1	–
\$ 210,000 – \$ 219,999	2	1	–	–
\$ 220,000 – \$ 229,999	1	1	1	–
\$ 230,000 – \$ 239,999	2	–	–	–
\$ 240,000 – \$ 249,999	4	–	–	–
\$ 250,000 – \$ 259,999	–	3	–	1
\$ 260,000 – \$ 269,999	1	1	–	–
\$ 270,000 – \$ 279,999	2	1	1	–
\$ 280,000 – \$ 289,999	–	1	–	–
\$ 300,000 – \$ 309,999	–	2	–	1
\$ 310,000 – \$ 319,999	2	3	1	–
\$ 320,000 – \$ 329,999	1	–	–	–
\$ 340,000 – \$ 349,999	1	–	–	–
\$ 350,000 – \$ 359,999	1	–	–	–
\$ 360,000 – \$ 369,999	1	–	1	–
\$ 380,000 – \$ 389,999	1	–	–	–
\$ 400,000 – \$ 409,999	–	3	–	1
\$ 410,000 – \$ 419,999	1	–	1	–
\$ 450,000 – \$ 459,999	2	–	–	–
\$ 470,000 – \$ 479,999	–	1	–	1
\$ 530,000 – \$ 539,999	–	1	–	–
\$ 690,000 – \$ 699,999	–	1	–	1
\$ 710,000 – \$ 719,999	1	–	–	–
\$ 740,000 – \$ 749,999	–	2	–	1
\$ 890,000 – \$ 899,999	2	–	1	–
\$ 930,000 – \$ 939,999	1	–	–	–
\$ 970,000 – \$ 979,999	–	1	–	–
\$1,460,000 – \$1,469,999	–	1	–	1
\$1,730,000 – \$1,739,999	–	1	–	1
\$1,770,000 – \$1,779,999	–	1	–	1
\$2,210,000 – \$2,219,999	2	–	2	–
\$2,260,000 – \$2,269,999	1	–	1	–
\$3,100,000 – \$3,109,999	1	–	1	–
\$3,210,000 – \$3,219,999	–	1	–	1

Notes to the Financial Statements

	Economic Entity		Chief Entity	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000

26 Remuneration of Auditors

Aggregate remuneration received or due and receivable by the auditors, directly or indirectly from the Chief Entity or any related entity, in connection with:

Chief Entity auditor:

Auditing accounts	577	565	120	120
Other services	332	968	–	–

Other auditors:

Auditing accounts	494	177	–	–
Other services	5	8	–	–

1,408 1,718 **120** 120

27 Events Subsequent to Reporting Date

Other than the following, there have been no material transactions which significantly affect the financial or operational position of the Economic Entity since the end of the financial year.

Subsequent to balance date, to restore the free float and enable the relisting of Golden Harvest Entertainment (Holdings) Limited, the Economic Entity sold 35 million and 6.9 million Golden Harvest Entertainment (Holdings) Limited shares on 27 July and 9 August 1999 respectively at HK\$0.60 per share. Together with a capital increase by Golden Harvest, the Economic Entity's investment has been reduced from 41.15% to its present 34.76%. There was no profit or loss impact as a result of this sale of shares.

Notes to the Financial Statements

Name	Business	% owned	Contributions to Operating Profit after Tax	
			1999 \$'000	1998 \$'000
28 Business Undertakings				
Interests in joint ventures:				
Names and principal activities of joint ventures, the percentage interest held by entities in the Economic Entity and the contributions of those undertakings to results after tax –				
Adelaide Nova/Palace	Cinema operator	25.00%	(1)	–
Austereo/Simon Richards	Direct marketing	50.00%	549	–
Austereo MCM Entertainment	Music media	50.00%	253	446
Australian Multiplex Cinemas	Multiplex cinema operators	33.30%	13,794	12,106
Austereo Village Music TV	Music media	–	–	(1,253)
Browns Plains Multiplex Cinemas	Multiplex cinema operators	25.00%	134	17
Canberra FM Radio	Radio broadcasting	50.00%	1,062	563
Carlton Nova/Palace	Cinema operator	25.00%	62	–
Castle Towers Multiplex Cinemas	Multiplex cinema operators	25.00%	562	22
Cathay Golden Village Distribution	Film distributor	35.29%	(20)	(92)
Cathay Golden Village Theatres	Cinema operator	–	–	–
Damodar Village Force Cinemas	Cinema operator	33.30%	463	429
Geelong Cinema	Cinema operator	50.00%	712	–
Golden Village Chinese Films	Film distributor	70.58%	(339)	(154)
Hide & Seek	Entertainment	53.40%	(32)	–
Intencity	Entertainment	53.40%	(9,643)	–
Jam Factory	Shopping Centre	50.00%	(229)	(61)
Jam Factory Cinema	Cinema operator	50.00%	919	1,607
Laguna Quays Management	Resort manager	–	(883)	(1,644)
Morwell Multiplex Cinemas	Cinema operator	75.00%	409	381
Movieline	Cinema ticket seller	33.33%	–	–
Mt. Gravatt Multiplex Cinemas	Cinema operator	37.50%	699	–
New Zealand Multiplex Cinemas	Cinema developer and lessor	50.00%	4,343	5,406
Parramatta Cinemas	Cinema operator	50.00%	40	492
Rialto Cinemas	Cinema operator	12.50%	–	–
Village Force Hoyts Cinemas	Cinema operator	25.00%	–	–
Village/GUO/BCC Cinemas	Cinema operator	50.00%	(2,753)	–
Village/Nine Network Restaurants & Bars	Non-operating	53.40%	–	–
Village/Sali Cinemas Bendigo	Cinema operator	50.00%	312	178
Village/Sega Equipment Distribution	Equipment distributor	26.70%	(1,233)	(199)
Village/Sega Equipment Wholesaler	Equipment wholesaler	53.40%	–	–
Village Anderson Cinemas	Cinema operator	50.00%	379	557
Village Nine Network Leisure	Indoor theme park operator	53.40%	(5,705)	(6,661)
	carried forward		3,854	12,140

Notes to the Financial Statements

Name	Business	% owned	Contributions to Operating Profit after Tax	
			1999 \$'000	1998 \$'000
28 Business Undertakings (continued)				
Interests in joint ventures (continued)		brought forward	3,854	12,140
Village Palace Cinemas	Cinema operator	50.00%	1,414	761
Village Roadshow Intercom	Cinema operator	–	–	770
Village Roadshow Pratt Films	Film production	50.00%	–	–
Village Warrnambool Cinemas	Cinema operators	50.00%	187	149
Warner Bros. Movie World Holdings	Theme park, Queensland	33.33%	2,180	2,441
Warner Bros. Studio Store Australia	Retail trading	64.00%	(19,737)	(4,266)
Warner Village Cinema Operating Assets	Property owner/lessor	49.99%	(340)	–
Warner Village Cinema Properties	Property owner/lessor	49.99%	(915)	–
Warner Village Exhibition Operating Assets	Property owner/lessor	49.99%	724	427
Warner Village Exhibition Properties	Property owner/lessor	49.99%	(2,110)	–
World Live!	Non operating	53.40%	(531)	437
Yoram Gross Village Roadshow	Film and television production	–	424	489
			(14,850)	13,348
Economic Entity				
			1999 \$'000	1998 \$'000
Aggregate share of assets in joint ventures –				
<i>Current assets:</i>				
Cash			13,146	10,802
Receivables			14,002	8,296
Inventories			4,504	9,126
Other			3,872	1,710
<i>Non-current assets:</i>				
Property, plant & equipment			186,628	166,278
Deferred expenditure			10,794	18,980
Receivables			5,888	1,055
Other			36,528	21,413
			275,362	237,660

Notes to the Financial Statements

	Economic Entity	
	1999 \$'000	1998 \$'000
29 Segment Reporting		
a Statement of Operations by Geographical Segments		
<i>Revenue from outside customers:</i>		
Australia	535,290	537,349
United States of America	8,976	6,262
British Virgin Islands	26,927	–
New Zealand	26,760	23,113
South East Asia	95,034	3,920
Europe	105,703	61,729
South America	27	3,978
Consolidated operating revenue	798,717	636,351
<i>Segment operating profit/(loss) before taxation and abnormals:</i>		
Australia	52,046	60,194
United States of America	7,280	210
British Virgin Islands	13,786	–
New Zealand	3,586	7,157
South East Asia	(5,032)	(718)
Europe	8,894	10,002
South America	–	3,978
Consolidated operating profit before taxation and abnormal items	80,560	80,823
<i>Segment assets:</i>		
Australia	1,087,083	1,226,683
United States of America	15,283	11,904
British Virgin Islands	30,259	25,167
New Zealand	27,532	11,720
South East Asia	277,453	112,106
Europe	459,456	369,609
South America	57,363	35,492
Consolidated assets	1,954,429	1,792,681

Notes to geographical segment analysis:

South America:

Revenue in 1999 represents equity accounted loss, revenue in 1998 represents consolidated gross revenue.

South East Asia:

Operating profit in 1998 includes equity accounted loss of \$2,000,000 relating to an abnormal exchange loss in the accounts of Golden Harvest Entertainment (Holdings) Ltd.

Inter-segment transactions are not material.

Reconciliation of operating profit before tax and abnormal items to operating profit before tax:

Operating profit before tax and abnormal items	80,560	80,823
Abnormal items before tax	(65,431)	(1,878)
Operating profit before tax	15,129	78,945

Notes to the Financial Statements

	Economic Entity	
	1999 \$'000	1998 \$'000
29 Segment Reporting <i>(continued)</i>		
b Statement of Operations by Industrial Segments		
<i>Revenue from outside customers:</i>		
Exhibition	370,137	212,753
Theme parks and resorts	54,286	48,405
Radio	198,643	192,683
Production	101,589	99,003
Other	74,062	83,507
Total operating revenue	798,717	636,351
<i>Operating profit/(loss) before taxation and abnormals:</i>		
Exhibition	14,666	29,966
Theme parks and resorts	8,180	10,186
Radio	47,360	39,736
Production	18,475	11,675
Other	(8,121)	(10,740)
Consolidated operating profit before taxation and abnormal items	80,560	80,823
<i>Segment assets:</i>		
Exhibition	1,008,392	646,823
Theme parks and resorts	120,097	155,240
Radio	534,857	525,696
Production	142,738	181,114
Other*	148,345	283,808
Consolidated assets	1,954,429	1,792,681

* Includes cash on hand held by central treasury 1999 of \$11 million (1998 \$109 million).

Inter-segment transactions are not material.

30 Financial Instruments

a Terms, conditions and accounting policies

The Economic Entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments

i Financial assets

Receivables – trade debtors:

Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Credit sales are normally settled on 30 day terms.

Receivables – associated entities and other advances:

Amounts (other than trade debts) receivable from associated entities and for other advances are carried at nominal amounts due. Interest, when charged, is recognised in the profit and loss on an accrual basis. Details of the terms and conditions applicable to related parties are set out in Note 31.

Unsecured advances:

Unsecured advances are shown at cost. Interest, when charged, is recognised in the profit and loss on an accrual basis.

Investments in unlisted shares:

Investments in unlisted shares are shown at the lower of cost or recoverable amount. Dividends and distributions are recognised when declared by the investee.

ii Financial liabilities

Trade and sundry creditors:

Creditors are recognised at amounts to be paid in the future for goods and services already received, whether or not billed to the Economic Entity and are normally settled on 30 day terms.

Accounts payable – associated and other entities:

Amounts owing to associated and other entities are carried at the principal amount. Interest, when charged, is recognised in the profit and loss on an accrual basis. Details of the terms and conditions applicable to related parties are set out in Note 31.

Secured and unsecured borrowings:

Borrowings are carried at the principal amount. Interest is recognised in the profit and loss on an accrual basis. Bank loans are repayable either monthly, quarterly or bi-annually with terms ranging from less than one year to five years. While interest is charged either at the bank's floating rate or at a contracted rate above the Australian dollar BBSY rate, certain borrowings are subject to interest rate swaps. Refer interest rate swaps in the unrecognised financial instruments section below.

Details of security over bank loans is set out in Note 15.

Provision for dividends:

Dividends payable represents provision for a final dividend of 10 cents (1998: 10 cents) per Ordinary share and 13 cents (1998: 13 cents) per A Class Preference share for the financial year ended 30 June 1999. No franking is attributable to these proposed dividend payments.

Convertible Notes:

Refer Note 15 for details in relation to convertible notes issued by the Chief Entity.

Finance lease liabilities:

Finance lease liabilities are accounted for in accordance with AASB 1008. As at balance date, the Economic Entity had finance leases with an average lease term of 3 years. The average discount rate implicit in the leases is 6.39% p.a.

iii Equity

Ordinary shares:

From 1 July 1998, Ordinary share capital has been recognised at the issue value of the shares. Prior to that date, Ordinary share capital was recognised at the par value of the amount paid up, and any excess between the par value and the issue price was recorded in the share premium reserve. Details of shares issued and the terms and conditions of options outstanding over Ordinary shares at balance date are set out in Note 18.

Preference shares:

From 1 July 1998, Preference share capital has been recognised at the issue value of the shares. Prior to that date, Preference share capital was recognised at the par value of the amount paid up, and any excess between the par value and the issue price was recorded in the share premium reserve. Details of shares issued and the terms and conditions of options outstanding over Preference shares at balance date are set out in Note 18.

Unrecognised Financial Instruments

Interest rate swaps:

The Economic Entity enters into interest rate swap or hedge agreements that are used to convert the variable interest rates attached to various of its specific facilities into fixed interest rates. The swaps are entered into with the objectives of ensuring that earnings are not subject to wide fluctuations caused by fluctuating interest commitments and ensuring compliance with loan covenants. Interest rate swaps are not recognised in the financial statements.

At balance date, various entities within the Economic Entity had entered into interest rate swaps on debts totalling \$295.5 million. These swaps covered approximately 51% of total borrowings of the Economic Entity drawdown at balance date. The majority of the swaps mature in the short to medium term.

30 Financial Instruments (continued)

b Interest rate risk

The Economic Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:		Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate	
	1999 \$'000	1998 \$'000	Over 1 to 5 years	More than 5 years			1999	1998
i Financial assets								
Cash	85,457	136,750	-	-	-	136,750	4.65%	4.95%
Receivables – trade debtors	-	-	-	-	91,910	91,910	N/A	N/A
Receivables – associated entities and other current advances	-	24,323	-	-	180,586	204,909	N/A	7.04%
Unsecured advances	29,967	14,809	-	-	2,988	17,797	6.10%	6.24%
Investments in unlisted shares	-	-	-	-	54,538	54,538	N/A	N/A
Total financial assets	115,424	175,882	-	-	377,984	493,408		
ii Financial liabilities								
Trade and sundry creditors	-	-	-	-	70,502	70,502	N/A	N/A
Accounts payable – associated and other entities	-	25,167	-	11,740	23,834	60,741	N/A	3.52%
Secured and unsecured borrowings	283,977	220,013	180,500	4,000	-	405,800	5.74%	5.95%
Convertible notes	-	-	109,819	-	-	160,093	6.45%	6.45%
Other liabilities	-	-	-	-	2,462	2,462	N/A	N/A
Provision for dividends	-	-	-	-	48,499	48,499	N/A	N/A
Finance lease liabilities	-	-	1,358	292	951	1,243	6.39%	7.00%
Interest rate swaps	-	-	-	-	-	*	N/A	N/A
Total financial liabilities	283,977	245,180	181,858	113,208	113,208	749,340		

N/A – not applicable for non-interest bearing financial instruments.

* not applicable since these financial instruments are not recognised in the financial statements.

	Total carrying amount as per balance sheet		Aggregate net fair value	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000

30 Financial Instruments (continued)**c Net fair values**

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows.

Financial assets

Cash	85,457	136,750	85,457	136,750
Receivables – trade debtors	122,367	91,910	122,367	91,910
Receivables – associated entities and other advances	214,209	204,909	160,577	148,493
Unsecured advances	71,375	17,797	53,505	12,897
Investments in unlisted shares	–	54,538	–	54,538
Total financial assets	493,408	505,904	421,906	444,588

Financial liabilities

Trade and sundry creditors	134,481	70,502	134,481	70,502
Accounts payable – associated and other entities	–	60,741	–	58,070
Secured and unsecured borrowings	468,477	405,800	416,929	364,075
Convertible notes	109,819	160,093	83,214	116,016
Other liabilities	85,247	2,462	85,247	2,462
Dividends payable	51,068	48,499	51,068	48,499
Finance lease liabilities	5,819	1,243	5,819	1,243
Interest rate swaps	*	*	254	47
Total financial liabilities	854,911	749,340	777,012	660,914

* not applicable since financial instruments are not recognised in the financial statements.

Receivables from associated entities and other advances, and unsecured advances, are carried in excess of their net fair value. The Directors have decided not to write down these amounts since they expect to recover their full face values.

30 Financial Instruments (continued)**c Net fair values**

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised financial instruments*Cash, cash equivalents and short-term deposits:*

The carrying amount approximates fair value because of short-term maturity.

Receivables and accounts payable – current:

The carrying amount approximates fair value because of short term maturity.

Receivables – non-current:

The fair values of non-current receivables are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of arrangements.

Investments:

For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment.

Dividends payable:

The carrying amount approximates fair value.

Borrowings – current:

The carrying amount approximates fair value because of short-term maturity.

Borrowings – non current:

The fair values of non current borrowings are estimated using discounted cash flow analysis, based on current incremental borrowing rates for similar types of arrangements.

Unrecognised financial instruments*Interest rate swaps:*

The fair values of interest rate swap contracts is determined as the difference in present value of the future interest cash flows.

d Credit risk exposures

The Economic Entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet.

The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

The Economic Entity's maximum credit risk exposure in relation to these is as follows:

Interest rate swap contracts—limited to the net fair value of the swap agreements at balance date, being \$254,416.

Concentrations of credit risk:

The Company minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers within the specified industries. However, the majority of customers are concentrated in Australia. Refer also to Note 29—Segment reporting.

Concentrations of credit risk on trade accounts receivable arise in the following industries:

Maximum credit risk exposure for each concentration

Industry segment	Percentage of total trade debtors	Consolidated total balance
	1999 (%)	1999 \$000
Exhibition	20	24,826
Theme parks and resorts	2	2,738
Radio	28	34,031
Production	33	40,068
Other	17	20,704
	100	122,367

Credit risk in trade receivables is managed in the following ways:

- payment terms are generally 30 days;
- a risk assessment process is used for customers over \$50,000.

Notes to the Financial Statements

31 Related Party Transactions

The following related party transactions occurred during the financial year and were conducted on normal commercial terms and conditions unless otherwise stated:

a Immediate Parent Entity

Immediate parent entity is Village Roadshow Corporation Limited which is incorporated in Australia. The ultimate parent entity is Kirby's Investments Pty. Limited which is incorporated in Australia.

Village Roadshow Corporation Limited received an unfranked dividend of \$10,963,192 (1998 \$10,019,562) on Ordinary shares and \$898 (1998 \$863) on A Class Preference shares from the Chief Entity.

Rent totalling \$Nil (1998 \$1,594,497) was paid to Symet Pty. Limited, a controlled entity of Village Roadshow Corporation Ltd., for the cinema property and office block at The Village Centre, Bourke Street, Melbourne, Victoria.

During the year 2,187,900 (1998 2,187,900) options over Ordinary shares in the Chief Entity were exercised at \$2.63, of which Nil (1998 Nil) were disposed of on market.

b Controlled entities

During the year the following transactions occurred between the Chief Entity and its Controlled Entities:

	1999 \$'000	1998 \$'000
Dividends received from Controlled Entities	22,500	40,000
Interest received from Controlled Entities	44,160	53,033
Borrowing costs paid to Controlled Entities	487	—

At balance date, the following aggregate loans were outstanding between the Chief Entity and its Controlled Entities:

Owing by Controlled Entities	1,163,413	1,089,460
Owing to Controlled Entities	237,143	363,794

c Associated entities

Dividends of \$601,500 (1998 \$3,416,000) were received from Roadshow Distributors Pty. Limited an associated entity. At balance date \$12,291,000 (1998 \$5,647,795) had been advanced by the Economic Entity to Roadshow Distributors Pty. Limited. No interest was charged in respect of these advances. Film hire charges of \$17,689,811 (1998 \$20,640,384) were paid to entities controlled by Roadshow Distributors Pty. Limited. Management fees of \$1,586,575 (1998 \$1,622,565) were received from Roadshow Distributors Pty. Limited. At balance date, \$3,924,513 was owing by the Economic Entity to Roadshow Distributors Pty Limited. No interest was paid in respect of this amount. Fees totalling \$669,760 (1998 \$402,833) were received from Village Roadshow Netherlands BV. A trust distribution of \$3,135,679 (1998 \$3,212,634) was received from Roadshow Unit Trust, a controlled entity of Roadshow Distributors Pty. Limited. At balance date \$9,518,678 (1998 \$6,383,345) had been advanced by the Economic Entity to Roadshow Unit Trust.

The Economic Entity sold Stage 2 of the Jam Factory development to Village Entertainment Property Trust for a total consideration of \$17,600,000. The 36,500,000 partly paid units, paid to \$0.01, held by the Economic Entity were credited as fully paid to \$1.00 as consideration of the sale of Stages 1 and 2 of the Jam Factory development. The Village Entertainment Property Trust paid the Economic Entity \$2,124,690 for the first tranche of the Rivoli development. Rent and outgoing contributions totalling \$7,185,914 (1998 \$1,474,099) were paid to Village Entertainment Property Trust in accordance with leases with the Economic Entity. Management fees received by the Economic Entity from the Village Entertainment Property Trust were \$1,557,336 (1998 \$359,538) for management of the Trust, and \$616,731 (1998 \$145,995) for the management of the Trust's properties. The Economic Entity received distributions from the Village Entertainment Property Trust totalling \$2,408,242 (1998 Nil). Management costs reimbursed by the Village

Entertainment Property Trust to the Economic Entity were \$34,850 (1998 Nil) for Trust Management and \$298,809 (1998 Nil) for Property Management costs. The Economic Entity maintained a Licensed Real Estate Agent General Trust bank account on behalf of the Village Entertainment Property Trust.

A trust distribution of \$4,388,770 (1998 \$6,313,875) was received from Sea World Property Trust and management fees of \$257,958 (1998 \$279,978) were received from Sea World Enterprises Partnership. Management fees of \$57,500 (1998 \$228,500) were also received from Sea World Investments Pty. Limited. At balance date, \$2,466,544 was receivable from Sea World Property Trust. No interest was charged on this amount. At balance date \$426,372 (1998 \$425,100) was receivable from the Movie World Enterprises Partnership. Management fees of \$390,841 (1998 \$389,675) were received from this partnership.

During the year, Film Services (Australia) Pty Ltd received \$41,629 (1998 \$Nil) from Yoram Gross Film Studios Pty Limited for the sale of animation rights.

At balance date, \$5,191 (1998 \$Nil) was receivable from Cathay Golden Films Pte Ltd. No interest was charged.

At balance date, \$700,319 (1998 \$Nil) was receivable from CJ Golden Village Co Limited. No interest was charged. Management fees of \$796,200 (1998 \$Nil) and intellectual property fees of \$277,010 (1998 \$Nil) were received from this entity.

At balance date, \$7,232,972 (1998 \$Nil) was receivable from EGV Exhibition Co Limited. No interest was charged. Management fees of \$57,773 (1998 \$Nil) and interest of \$349,081 (1998 \$Nil) were received from this entity.

At balance date, \$7,465,655 (1998 \$Nil) was receivable from Entertain Golden Village Co Limited. No interest was charged. Management fees of \$467,226 (1998 \$523,070) and interest of \$352,399 (1998 \$581,513) were received from this entity.

At balance date, \$13,342,499 (1998 \$7,279,184) was receivable from Tanjong Golden Village Sdn. Bhd. No interest was charged.

At balance date \$1,635,732 was payable to (1998 \$265,318 receivable from) Village Force Cinemas Limited, an associated entity, on which no interest was charged and management fees totalling \$3,638,770 (1998 \$4,595,829) were received from this entity. Film hire charges of \$4,972,881 (1998 \$4,047,822) were paid by Village Force Cinemas Limited to entities controlled by Roadshow Distributors Pty. Limited, an associated entity.

At balance date, \$17,079,270 (1998 \$28,542,426) was receivable from Warner Village Cinemas Company Limited. No interest was charged. Management fees of \$470,577 (1998 \$Nil) were received from this entity.

During the year, the Economic Entity made payments totalling \$809,477 (1998 \$593,613) to FM facilities companies for the provision of common transmission facilities.

License fees totalling \$2,548,405 (1998 \$2,780,910) were received from Warner Village Exhibition Limited.

License fees totalling \$437,528 (1998 \$Nil) were received from Warner Village Cinemas Limited.

Intellectual property fees totalling \$190,315 (1998 \$Nil) were receivable from Multiplex Operations KFT.

At balance date \$6,256,388 (1998 \$11,428,657) was receivable from Warner Village Investments Limited Partnership. No interest was charged on this amount.

At balance date \$2,919,180 (1998 \$7,513,973) was receivable from Village Roadshow Greece SA, \$1,425,361 (1998 \$970,290) was receivable from Cinemax SA and \$22,748,000 (1998 \$28,606,803) was receivable from Warner Village Cinemas SPA. No interest was charged on these amounts.

Intellectual property fees totalling \$1,491,049 (1998 \$1,009,894) were receivable from Village Roadshow Hungary RT.

Notes to the Financial Statements

At balance date \$2,029,112 (1998 \$1,448,305) was payable by associated entities to Austereo Pty. Limited (controlled entity). Radio advertising charges of \$1,523,097 (1998 \$1,838,560) have been paid or are payable by associated entities to Austereo Pty. Limited.

At balance date, \$36,046,818 (1998 \$Nil) was receivable from Village Roadshow Developments AE SA. No interest was charged.

At balance date, \$16,328,316 (1998 \$32,395,306) was receivable from Village Cinemas SA. No interest was charged.

At balance date, \$2,952,917 (1998 \$Nil) was receivable from Warner Village Exhibition Ltd. No interest was charged.

At balance date, \$2,952,917 (1998 \$Nil) was receivable from Warner Village Cinemas Ltd. No interest was charged.

At balance date, \$3,691,962 (1998 \$924,715) was receivable from Village Nine Leisure. No interest was charged.

At balance date, \$2,657,898 (1998 \$2,802,090) was receivable from Village Nine Leisure Operations (M) Sdn. Bhd. No interest was charged.

At balance date, \$10,688,836 (1998 \$9,673,853) was payable to Warner Village Properties Ltd. No interest was paid.

At balance date, \$3,500,000 (1998 \$3,500,000) was payable to Village Theatres (Tas.) Pty Ltd. Interest of \$195,465 was paid on this amount.

In aggregate at balance date, other amounts due by associated entities were \$8,854,000 and other amounts payable to associated entities were \$8,854,000.

d Transactions with Directors and Director-related entities

The names and remuneration of Directors is disclosed in Note 24 and detailed in the Directors' Report.

Unfranked dividends totalling \$277,637 (1998 \$895,729) on Ordinary shares and \$296,304 (1998 \$91,965) on A Class Preference shares were paid by the Chief Entity to Messrs RG Kirby, PT Jackman, GW Burke, PA Ziegler, D Putnam and WJ Conn and their Director-related entities. WJ Conn and his Director-related entities received unfranked dividends of \$6,286 (1998 \$89,046) on Ordinary shares and \$529 (1998 \$Nil) on A Class Preference shares which were reinvested in the Chief Entity's Dividend Reinvestment Plan for 3,214 A Class Preference shares of 50 cents (1998 32,051 A Class Preference shares) at \$2.12 per share (1998 \$2.47).

An aggregate of Nil A Class Preference shares in the Chief Entity were purchased on market during the year (1998 185,000) by RG Kirby and GW Burke and their Director related entities.

During the year Nil (1998 471,000) options over Ordinary shares in the Chief Entity were exercised by Directors of the Chief Entity or their Director related entities.

A total of \$1,008,585 (1998 \$1,395,670) was paid for stationery and printing services provided to the Economic Entity by Chanel Press Pty. Limited which Messrs JR Kirby and RG Kirby are Directors.

A total of \$1,268,504 (1998 \$1,490,042) was paid for stationery and printing services provided to the Economic Entity by Southport Printing Pty. Limited of which Messrs JR Kirby, RG Kirby and GW Burke are Directors.

A total of \$170,269 (1998 \$79,723) was paid for stationery and printing services provided to the Economic Entity by Prestige Plates Pty Limited of which Messrs JR Kirby, RG Kirby and GW Burke are Directors.

Film buying fees of \$Nil (1998 \$393,468) were paid by the Economic Entity to Roc Kirby Theatres Pty. Limited of which Messrs JR Kirby and RG Kirby are Directors.

A trust distribution of \$1,330,288 (1998 \$1,362,935) was paid by Roadshow Unit Trust, a controlled entity of Roadshow Distributors Pty. Limited, to Mr GW Burke, a Director of the Trust.

Management fees totalling \$83,730 (1998 \$176,262) were paid by Roadshow Unit Trust, a controlled entity of Roadshow Distributors Pty. Limited, to Mr GW Burke, a Director of the Trust.

In total, 1,436,765 (1998 5,925,000) A Class Preference Shares were issued during the year to executives including Directors of Controlled Entities of the Chief Entity and their related entities under the Executive Share Plan approved by shareholders.

During the year, 800,000 A Class Preference Shares at market value of \$1,896,000 (1998 3,120,000 shares at \$10,280,400 value) in the Chief Entity were issued under the Executive Share Plan to J Anderson and G Bassar (or their Director-related entities), who are Directors of controlled entities of the Chief Entity, for \$2.37 per share, which amounts were funded by loans totalling \$1,903,584.

During the year, 418,648 options over Ordinary shares in the Chief Entity were exercised at prices ranging from \$2.63 to \$3.32 per share under the Executive and Employee Option Plan by J Anderson, J Crawford, P Harvie, C Johnstone, S Kappen, M Lake, P Leggo, R Potter and J Raffae, who are Directors of controlled entities of the Chief Entity, which amounts were funded by loans totalling \$1,114,194.

As at the end of the financial year, total loans to executives who were Directors of controlled entities of the Chief Entity at the time of the granting of the loans, in relation to the Executive Share Plan and the Executive and Employee Option Plan were \$18,534,061 (1998 \$15,628,810).

Under the terms of the Executive and Employee Option Plan loan facility, dividends are used to repay the interest accrued with any surplus dividend payment used to repay the capital amount of the loan.

Under the terms of the Executive Share Plan loan facility, the first 10 cents of every dividend per share is used to repay the interest accrued and 50% of any remaining dividend per share is used to repay the capital amount of the loan.

Other than the required dividend allocations, no repayments have been made during the year under the relevant loan agreements.

	Economic Entity		Chief Entity	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Other	2,639	4,257	—	—

32 Borrowing Costs

The amounts of Borrowing Costs paid or payable which have been recognised during the financial year as part of the carrying amounts of assets are as follows:

Other	2,639	4,257	—	—
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The interest rate used to determine capitalised borrowing costs was 8.55% (1998 7.88%).

Directors' Declaration

In accordance with a resolution of the Directors of Village Roadshow Limited, I state that:

In the opinion of the Directors—

- a the financial statements and notes of the Company and of the Consolidated Entity are in accordance with the Corporations Law, including:
 - i giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 1999 and of their performance for the year ended on that date; and
 - ii complying with Accounting Standards and Corporations Regulations; and
- b there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Melbourne, 22 September 1999

GW Burke, Director

Independent Audit Report

To the members of Village Roadshow Limited

Scope

We have audited the financial report Village Roadshow Limited for the financial year ended 30 June 1999, as set out on pages 34 to 76, including the Directors' Declaration. The financial report includes the financial statements of Village Roadshow Limited, and the consolidated financial statements of the Economic Entity comprising the Company and the entities it controlled at year's end or from time to time during the financial year. The Company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material mis-statement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Company's and the Economic Entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Village Roadshow Limited is in accordance with:

- a the Law including:
 - i giving a true and fair view of the Company's and Economic Entity's financial position as at 30 June 1999 and of their performance for the year ended on that date; and
 - ii complying with Accounting Standards and the Corporations Regulations; and
- b other mandatory professional reporting requirements.

Ernst & Young

PI Buzzard

Partner, Melbourne

Date 22 September 1999

1999 Additional Information

Actual Group EBITDA by Division

	1999	1998
	\$'000	\$'000
Exhibition	58,506	53,582
Theme Parks and Resorts	16,582	18,678
Radio	67,302	52,536
Distribution	3,336	6,817
Production	19,626	11,675
Other (includes corporate overheads)	(266)	(4,500)
	165,086	138,788

Calculation of Actual Group EBITDA

Operating profit before abnormals and tax	80,560	80,823
Add: Amortisation of goodwill	2,888	1,734
Depreciation and amortisation (excluding goodwill)	83,676	69,779
Production amortisation	(36,923)	(41,384)
Interest expense	35,626	32,280
Tax on unit trust distributions	1,771	1,905
Goodwill on equity profits	2,296	1,950
Less: Interest income	(24,020)	(32,132)
Interest from exhibition partnership/associates	13,404	15,612
Interest from production investments	–	8,221
Minority interests	5,808	–
Total Actual Group EBITDA	165,086	138,788

Significant Differences between Australian GAAP and US GAAP

Introduction

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in Australia ('A GAAP'), which differ in certain respects from accounting principles generally accepted in the United States of America ('US GAAP'). The following is a summary of the significant differences between A GAAP and US GAAP that may affect the Company's consolidated operating profit after tax and shareholders' equity for the periods presented. No attempt has been made to identify disclosures, presentation or classification differences that could affect the manner in which transactions and events are presented in the consolidated financial statements of the Company.

A principal difference between the Company's results calculated under A GAAP as compared to US GAAP arises from the different treatment of deferred expenditure by the Company and its associate entities. This difference and other differences outlined below are timing differences, as the Company amortises such expenditure over time, and have no cash flow effect. As described in Note 2 below, under US GAAP these expenditures are recognised as incurred. The Company has undertaken a significant expansion program of its operations over the last few years. In years of expansion, the effect of deferred expenditure will have a greater current and lower long-term impact on the Company's reported profit under US GAAP.

Notes accompanying US GAAP Reconciliation

1 Amortisation of Radio Licenses

The Company's consolidated financial statements presently carry radio licenses at cost in the balance sheet. A GAAP only requires amortisation of the carrying amount where a depreciable amount exists. Directors have determined that the depreciable amount is negligible and therefore radio licenses have not been amortised. Under US GAAP, radio licenses are systematically amortised over their estimated period of benefit. This period of benefit must not exceed forty years.

2 Deferred Expenditure

Under A GAAP, where the benefits of expenditure are attributable to future years, that expenditure can be capitalised and amortised over the expected period of benefit. The Company's balance sheet contains capitalised expenditure which primarily relates to the development of new exhibition and leisure centre sites. When each site becomes operational, these costs are amortised on a straight line basis over a period of five years.

Under US GAAP, these costs would be considered as start up costs and expensed as incurred. The net difference between A GAAP and US GAAP in any one year is the difference between costs capitalised in the period and amortisation expense on previously capitalised amounts.

3 Equity Accounting

Prior to July 1 1997 under A GAAP, investments in incorporated associate entities were carried at cost in the consolidated balance sheet and only dividends declared from these entities were recognised in the consolidated profit and loss statement.

Under US GAAP, equity accounting is used to account for investments in interests where the investor has significant influence over the investee. These adjustments include US GAAP adjustments within the associate entities own accounts.

Effective July 1 1997, equity accounting has been adopted by the Company using A GAAP principles. The main impact of this change under US GAAP equity accounting is the treatment of deferred expenditure in the associate entity's profit and loss statement. Most associate entities capitalise start up costs as described in Note 2 above.

4 Motion Picture Income

The Company recognises certain income relating to motion picture projection where the income is non-refundable and deemed to be earned under A GAAP. Under US GAAP, this income may only be recognised for profit purposes when the picture is available for delivery. These amendments are timing differences for profit recognition.

5 Acquisition Accounting

There are two major differences between A GAAP and US GAAP relating to acquisition accounting:

- Prior to 1992, a majority of the Company's shares were owned by Village Roadshow Corporation Limited ('VRC'). During that period, the Company acquired interests in certain businesses from VRC. Under A GAAP, this has resulted in a gain being recorded in the books of VRC representing the difference between the carrying value of the assets disposed of and the purchase consideration. Under US GAAP, no gain would have been recorded as the acquisitions represented a transfer between entities under common control. Accordingly, the acquired businesses would have been transferred to the Company at their carrying amounts in the accounts of VRC and not at fair value.
- The Company amortises goodwill over twenty years in accordance with A GAAP. Under US GAAP, this amortisation period would be forty years.

6 Sale of Real Estate

During the years ended June 30 1998 and June 30 1999, certain interest in land and buildings were sold into a property trust in which the Company has an interest. Under US GAAP these sales are not recognised and gains/losses have been reversed. Rental costs and depreciation have been adjusted to reflect the reversal.

7 Lease Accounting

The Company has numerous leases over property which it classifies as operating leases and are therefore not reflected in the Company's balance sheet. This treatment is in accordance with A GAAP under which leases are only recorded in the balance sheet where the lessee enjoys substantially all the risks and benefits of ownership associated with the leased asset, the expense in the profit and loss statement reflects the amount paid or due and payable in the period. Under US GAAP, the application of the lease classification rules results in the capitalisation of some of these leases. In the earlier years of the lease this results in a reduction of the Company's profit as interest and amortisation charges exceed the lease payments. As the lease reaches maturity, this effect will reverse.

8 Interest Capitalisation

Up to June 30 1998, under A GAAP, interest was capitalised on deferred expenditure including constructed assets. Under US GAAP, only interest on constructed assets was capitalised. From July 1 1998, A GAAP and US GAAP capitalisation requirements are both based on constructed assets. Under A GAAP, capitalised interest is amortised over five years from the opening date whereas under US GAAP, the amortisation is over an average of 25 years.

Significant Differences between Australian GAAP and US GAAP

9 US GAAP Adjusted Tax Expense

Under A GAAP, the expected benefits arising from the utilisation of tax losses are only booked to the profit and loss account where the benefits are virtually certain of being realised. Under US GAAP, the expected benefit of the loss is booked at the time that they become more likely than not to be realised. The Company has a mix of booked and unbooked tax losses which has reduced the overall group tax expense. Under US GAAP, this reduction would have been booked in earlier years on the actual incurring of the loss.

10 Provision for Dividends

Under A GAAP, dividends are recorded in the period to which they relate. Under US GAAP, dividends are recorded in the period they are declared.

11 Revaluation of Property, Plant and Equipment

Certain interests in property, plant and equipment are carried in the Company's consolidated financial statements and by associated entities at valuations above cost resulting in the establishment of asset revaluation reserves. US GAAP does not allow the revaluation of non-current assets except on realisation, and these reserves are therefore reversed under US GAAP. The Sea World Property Trust revalues its assets on a bi-annual basis and the Company has therefore recognised this in its balance sheet at June 30 1999. Under US GAAP, this is required to be reversed.

12 Stock based Compensation

In accordance with the rules of the Village Roadshow Limited Executive and Employee Option Plan, free options are issued from time to time to certain executives of the Company. Under A GAAP, no expense is recorded in the books of the Company. Under US GAAP, the issuance of options to an employee is considered to be stock based compensation and either the intrinsic or fair value of the award must be recognised in the accounts as an expense.

The Company has adopted the intrinsic value method. Given that the option price is the same as the fair value of related shares at the date the options are granted, no expense is recorded in the accounts of the Company.

The Company makes certain loans to executives to enable those executives to exercise the options. Under A GAAP, these loans are recorded as a receivable, whereas under US GAAP, the loans would be a deduction from shareholders' equity.

13 Convertible Debt

During the year ended June 30 1998 the Company issued convertible debt securities which in accordance with A GAAP were disclosed partly as liabilities and partly as equity. Under US GAAP, convertible debt is disclosed as a liability and any costs netted against equity are required to be amortised over the life of the option to convert from debt to equity.

14 Earnings per Share ('EPS')

Basic and diluted EPS are presented under US GAAP using the two class method. Additionally, to determine diluted EPS, the treasury stock method is applied to calculate the dilutive effect of options.

Significant Differences between Australian GAAP and US GAAP

Reconciliation to US GAAP

Set forth below are reconciliations to US GAAP of the Company's operating profit after tax and shareholders' equity for the periods indicated therein.

	Note	30 June 1999 (A\$ in millions)	30 June 1998 (A\$ in millions)
Operating Profit			
Operating Profit after tax after minority interests as reported under A GAAP		27.2	70.1
US GAAP Adjustments			
Amortisation of radio licenses	1	(10.6)	(10.2)
Deferred expenditure	2	(9.3)	(6.3)
Equity accounting	3	(1.2)	(0.2)
Recognition of motion picture income	4	0.5	6.2
Acquisition accounting	5	1.7	1.6
Lease accounting	7	(3.6)	(2.4)
Interest capitalisation	8	1.5	(0.9)
Convertible notes	13	(0.1)	—
Sale of real estate	6	3.5	(1.1)
Deferred tax	9	(2.9)	4.2
Tax effect of US GAAP adjustments	9	6.3	4.8
Total Adjustment		(14.2)	(4.3)
Estimated Profit after tax and after minority interests under US GAAP		13.0	65.8
Estimated Profit before abnormal items after tax and after minority interests under US GAAP		66.5	66.1

Earnings per share

Basic earnings per share (A cents)	0.07	12.68
Diluted earnings per share (A cents)	0.08	12.73
Basic earnings per share before abnormal items (A cents)	12.03	12.76

Shareholders' Equity

Total shareholders' equity	1,017.2	938.2	
Less: Outside equity interest	51.6	—	
Shareholders equity attributable to members of the Company	965.6	938.2	
US GAAP: Add/(Deduct)			
Amortisation of radio licenses	1	(29.6)	(19.0)
Deferred expenditure	2	(40.4)	(31.1)
Equity accounting	3	(32.1)	(30.9)
Deferred tax	9	8.0	10.9
Provision for dividends	10	2.6	4.1
Revaluation of land	11	(18.6)	(11.4)
Recognition of motion picture income	4	—	(0.5)
Stock based compensation	12	(30.2)	(25.0)
Acquisition accounting	5	5.1	3.4
Lease accounting	7	(10.9)	(7.3)
Interest capitalisation	8	0.3	(1.2)
Convertible notes	13	(15.0)	(14.9)
Sale of real estate	6	2.4	(1.1)
Tax effect on US GAAP adjustments	9	37.8	31.5
Total Adjustment		(120.6)	(92.5)
Estimated shareholders' equity according to US GAAP		845.0	845.7

These reconciliations do not identify the additional disclosures required by US GAAP.

Share Register Information and Directory

The following information is given pursuant to the requirements of the Listing Rules of the Australian Stock Exchange Limited.

a On Market Buy-Back

On 17 March 1999 the Directors approved an on market buy-back of up to 2,500,000 A Class Preference Shares. The buy-back period expires 7 October 1999. As at 16 September 1999 no shares had been acquired.

b Substantial Shareholders

Notices of substantial shareholdings received and the number of issued Ordinary shares held as at 16 September 1999:

<i>Name of Substantial Shareholder</i>	<i>Ordinary Shares</i>	<i>%</i>
Village Roadshow Corporation Limited	116,430,247	50.03
United Danmark A/S	42,331,109	18.19
Deutsche Australia Limited	12,107,092	5.13

c Security Holders as at 16 September 1999

<i>Equity Security</i>	<i>Number of Holders</i>	<i>Voting Rights</i>
Ordinary shares	6,620	On a show of hands – one vote for every member present in person or by proxy. On a poll – one vote for every share held.
A Class Preference shares	4,537	On a show of hands – one vote for every member present in person or by proxy. On a poll – one vote for every share held. A preference share shall confer no right to vote at any general meeting except in one or more of the following circumstances: a) on a proposal that affects rights attaching to the preference share; b) during a period during which any dividend (or part of any dividend) payable on the preference share is more than 6 months in arrears; c) on a proposal to reduce the share capital of the Company; d) on a proposal to wind up the Company; e) on a proposal for the sale of the Company's undertaking.

d Distribution of Security Holders as at 16 September 1999

<i>Category of Holding</i>	<i>Ordinary Shares</i>		<i>A Class Preference Shares</i>	
	<i>Number of Holders</i>	<i>%</i>	<i>Number of Holders</i>	<i>%</i>
1 – 1,000	2,807	42.4	2,384	52.5
1,001 – 5,000	3,051	46.1	1,482	32.7
5,001 – 10,000	436	6.6	298	6.6
10,001 – 100,000	270	4.1	279	6.1
100,001 and over	56	0.8	94	2.1
	6,620	100.0	4,537	100.0
Number of holdings of less than a marketable parcel	159		173	

e 20 Largest Security Holders as at 16 September 1999

<i>Name of Holder – Ordinary Shares</i>	<i>Shares</i>	<i>%</i>	<i>Rank</i>
Village Roadshow Corporation Limited	111,819,917	47.38	1
United Danmark A/S	42,331,109	17.94	2
Westpac Custodian Nominees Limited	13,227,964	5.60	3
Chase Manhattan Nominees Limited	12,618,821	5.35	4
Canberra Theatres Limited	6,544,167	2.77	5
Queensland Investment Corporation	4,065,706	1.72	6
National Nominees Limited	2,538,904	1.08	7
Classicist Pty Limited	2,447,650	1.04	8
MLC Limited	2,431,855	1.03	9
Queensland Investment Corporation (No. 4 a/c)	2,060,000	0.87	10
Perpetual Trustees Nominees Limited	1,670,190	0.71	11
Citicorp Nominees Pty Limited	1,648,937	0.70	12
AMP Life Limited	876,580	0.37	13
LGSS Pty Limited	710,827	0.30	14
JMB Pty Limited	620,000	0.26	15
Commonwealth Life Limited	581,178	0.25	16
Transport Accident Commission	577,942	0.24	17
ANZ Nominees Limited	577,685	0.24	18
Victorian Superannuation Board	549,180	0.23	19
Mr Gregory Coote	476,500	0.20	20
	208,375,012	88.28	

Name of Holder – A Class Preference Shares

National Nominees Limited	47,398,408	22.43	1
Chase Manhattan Nominees Limited	41,344,680	19.57	2
Westpac Custodian Nominees Limited	19,530,313	9.24	3
Perpetual Trustees Nominees Limited	7,939,152	3.76	4
MLC Limited	7,698,441	3.64	5
Mercantile Mutual Life	6,660,908	3.15	6
HKBA Nominees Limited	4,590,093	2.17	7
Citicorp Nominees Pty Limited	4,426,515	2.10	8
National Australia Financial Management Limited	3,868,146	1.83	9
LGSS Pty Limited	3,426,681	1.62	10
Perpetual Nominees Limited	3,375,871	1.60	11
Westpac Life Insurance Services Limited	3,287,456	1.56	12
Norwich Union Life Australia Limited	2,446,543	1.16	13
Victorian Superannuation Board	2,273,221	1.08	14
ANZ Nominees Limited	1,636,331	0.77	15
AMP Nominees Pty Limited	1,577,169	0.75	16
AMP Life Limited	1,468,410	0.70	17
Energy Industries Superannuation Scheme Pty Limited	1,417,345	0.67	18
Amcil Limited	1,338,797	0.63	19
AXA Trustees Limited	1,197,078	0.57	20
	166,901,558	79.00	

Share Register Information and Directory

f Audit Committee

The members of the audit committee are
Messrs W J Conn, P T Jackman and C R Stern.

g Secretaries

Peter E Foo
Philip S Leggo

h Registered Office

Warner Roadshow Movie World Studios,
Pacific Highway, Oxenford,
Queensland 4210 Australia.
Telephone (07) 5588 6666.

i Principal Administrative Office

206 Bourke Street, Melbourne,
Victoria 3000 Australia
Telephone (03) 9667 6666.

j Home Exchange

Australian Stock Exchange Limited,
123 Eagle Street, Brisbane,
Queensland 4000.

k Share Registry

Computershare Registry Services Pty. Limited
Level 12, 565 Bourke Street, Melbourne,
Victoria 3000
Telephone (03) 9611 5711

Level 5, 1 Eagle Street, Brisbane,
Queensland 4000
Telephone (07) 3877 4000

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VILLAGE ROADSHOW LIMITED