CHAIRMAN'S ADDRESS
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
FRIDAY 20 OCTOBER 2017

Ladies and Gentlemen,

It is a pleasure to welcome all shareholders and visitors back to Event Cinemas George Street for this Annual General Meeting of EVENT Hospitality & Entertainment Limited.

This is the Company's first general meeting since the appointment of Jane Hastings as Chief Executive Officer on 1 July 2017. I would like to welcome Jane to this her first Annual General Meeting of the Company.

The 2017 Annual Report, which includes the financial statements for the year ended 30 June 2017, was released to shareholders in September 2017. The Group's total net profit after tax for the year was $110.8 million compared to $130.2 million in the previous year, a decrease of 15%, whilst the normalised result after tax decreased 10% to $114 million. Shareholders will be aware that 2016 was a record year for the Group. The normalised result for 2017 was one of the highest in the Group's 107 year history, second only to the 2016 year.

The Board was pleased to approve a final fully franked dividend for the year of 31 cents per share. The total fully franked dividend was 51 cents per share, consistent with the prior year. Shareholders will note that, since 2001, the total dividend has increased from 10 cents to the current 51 cents per share. The Board has chosen to maintain a dividend policy that is mindful of the needs and expectations of shareholders, and also provides continuity of earnings for both shareholders and the Group.

The Group's total cash balance at 30 June 2017 was $92 million with total debt outstanding of $324 million. The Group's financing facilities were amended and restated in August 2017 and the current total available financing facilities, excluding working capital components, is now $525 million. The Board continues to review, assess and monitor appropriate capital management initiatives and strategies. The capital management program is managed within the context of maintaining a strong balance sheet and maximising sustainable and long-term total return to shareholders.

In line with this strategy the Group continued to invest in its core businesses during the year, notably in the acquisition of the properties located at 458-472 George Street, Sydney, adjacent to the State Theatre, QT hotel and the Group's corporate office. These properties represent an exciting future development opportunity for the Group and Jane will comment further on our plans for this development in her address. Other acquisitions during the year included the Mercure Hotel in Geelong, now rebranded as Rydges Geelong, and the Downtown Cinemas circuit in New Zealand which is comprised of three cinemas in the southern region of New Zealand's North Island.

The Group has been guided by the third edition of the ASX Corporate Governance Council's Principles and Recommendations in the year ended 30 June 2017, and the Corporate Governance Statement has been published on the Group's website. This statement sets out the corporate governance practices and procedures and should assist shareholders in understanding and appreciating the importance placed by the Board upon good corporate governance.

The Board, and committees of the Board, remain committed to ensuring that the Group's corporate governance practices are consistent with the Principles and Recommendations.

The Board also focuses on maintaining an appropriate approach to remuneration, and details of this approach are dealt with in the Annual Report. In particular, the Group's policies are designed to, as far as possible, ensure that the remuneration package is reflective of an employee's duties and responsibilities and to enable the Group to attract, motivate and retain high calibre executives.

As noted in the Annual Report, the Nomination and Remuneration Committee has commenced an external review of the Group's incentive arrangements, including consideration of the current structure and long term incentive hurdles to ensure that they remain appropriate for the Group and consistent with current market practice.

Ladies and Gentlemen, as mentioned in previous years, the business segments in which the Group operates are at times volatile and always subject to varying degrees of change. Your Board and management continue to focus on optimising the Group's position so it can take advantage of appropriate opportunities as they arise.

I and the Board would like to acknowledge the considerable efforts of the former Managing Director, Mr David Seargeant. David was a leader whose passion and talent has been instrumental in building the strong and proud Company we have today. David established the Rydges hotel brand and more recently the premium QT hotel brand, in addition to introducing the Event Cinemas brand, including the premium Vmax and Gold Class experiences. On behalf of the Board, thank you David for all you have contributed to the Group and we look forward to an ongoing relationship with you as chair of our Charity Committee and consulting on the completion of QT Perth which is due to open in July 2018.

The Board and I are delighted to have appointed Jane Hastings as the Group's new CEO. Jane is an outstanding choice to lead Event with an extensive track record in entertainment, travel and media. She re-joined the Group as Chief Operating Officer in August 2016, having previously held the role of General Manager of Event Cinemas from 2010 to 2012, and General Manager Skycity Cinemas from 2008 to 2010. Jane is nearly four months into the role as CEO and has a good grasp on the challenges and opportunities that lie ahead. These include developing new concepts, enhancing our existing assets, increasing our digital capability and recognising that the environment we operate in will be critical to our growth. Jane will comment further on the strategic priorities for the current year which will begin to set the foundation for future growth.

To the rest of the executive team and all Group employees I extend our thanks for their collective and personal efforts. We are proud to have such a depth of experience and recognise the contribution you have made which has enabled our growth. This growth would not have been possible without your contribution.

I would also like to thank my co-directors for their efforts during the year and, again, our 7,000 shareholders for their on-going support.

I will now ask Jane to present her address. Thank you.

Alan Rydge
Chairman

CHIEF EXECUTIVE OFFICER'S ADDRESS
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Thanks Alan and good morning Ladies and Gentlemen.

I would first like to comment on the results for the 2017 year. Whilst our normalised Profit before Interest, Tax, and Individually Significant Items was down 8.6% year on year, it was still the second highest profit in the Company's history. We were pleased with the much stronger second half performance, in which normalised profit was up 6.4% on the prior comparable half year period and this helped close the gap after a challenging first half. We had growth across our Hotels and Resorts, Event Cinemas New Zealand, and Thredbo divisions. Entertainment Germany and Australia had a tougher year, due to the type of films that were released, some one-off earnings in the prior year and increased competition. Overall, given tougher trading conditions, it was a pleasing result.

Turning to the performance of each segment, in Australian Exhibition, the result was primarily impacted by three areas. Firstly there was a higher mix of family targeted films, which traditionally do not play as well in Event locations, with G Rated releases increasing from 4.4% in 2016 to 12.8% in 2017. Secondly, one-off benefits in the prior year included earnings of $4 million from the Virtual Print Fee arrangements (which concluded in the 2016 year) and a loyalty provision write-back of $2.9 million (normalising the result for these one-off adjustments, the earnings from Entertainment Australia were approximately 3% below the prior year). Finally, a competitor site in the Victorian market reopened in October 2016 as the number two cinema site in the country, whilst the prior year benefitted from this site being closed.

The Top 5 titles at the Australian Box Office during the year grossed $198.3 million and included:

- *Rogue One: A Star Wars Story* ($51.2 million);
- *Beauty and the Beast* ($47.7million);
- *Suicide Squad* ($34.2 million);
- *Guardians of the Galaxy Vol. 2* ($32.7 million); and
- *Fantastic Beasts and Where to Find Them* ($32.5 million).

In comparison, the Top 5 films in the prior year grossed $236.2 million and included *Star Wars: The Force Awakens*, which grossed $93.7 million, second only to the record breaking *Avatar* at the all-time Australian Box Office.

During the year, we opened (September 2016) GU Filmhouse in Adelaide and upgraded the 12-screen BCC cinema at Maroochydore. We also achieved pleasing growth in the Group's Gold Class offering, with an increase in admissions of 9%. Overall merchandising revenue increased 4% and the Group's Cinebuzz loyalty program experienced significant growth, with active members increasing more than 30% to over 1.5 million at 30 June 2017.

Entertainment New Zealand experienced growth in normalised profit of 3%, assisted by the acquisition (July 2016) of three provincial cinemas in Palmerston North, Havelock North and Paraparaumu, and growth in merchandising spend per admission of 3.7%.

In contrast, earnings from the German Cinema Exhibition business declined by some 38%. This was primarily impacted by the cyclical release disruption caused by the staging of the European Championships in 2016. This disruption consistently occurs every two years due the popularity of the World Cup and European Championships, during which time German cinema attendances are significantly reduced. Further to this, less German-produced films were screened during the year (12.4% share of the German Box Office compared to 16.8% in the prior comparable year). Pleasingly, merchandising profit per admission increased by 5.6%, whilst the Group continued to grow loyalty program members to over 1 million at 30 June 2017.

The Group's Hotel business delivered an outstanding second half result up 25% on the prior comparable half year period. After a first half result that was impacted by hotel refurbishments in Parramatta, Cronulla and Hobart, normalised profit from the Hotels and Resorts business increased 2% year on year. Each of the Group's Hotel brands delivered growth in the key metric of Revenue Per Available Room, as favourable demand levels prevailed across key locations and market segments, particularly in Cairns, Sydney and Melbourne, whilst Gladstone, Port Douglas and Townsville continued to experience more challenging trading conditions. The result also included a positive contribution from QT Melbourne, which opened in September 2016 and is performing ahead of expectations.

Normalised profit from the Thredbo Alpine Resort increased 21% (up $3,180,000) after an outstanding 2016 snow season, which despite a late start was able to achieve a 5.9% increase in skier visitations. We continue to focus on growing summer revenue and recently completed an additional mountain bike trail. Mountain biking revenue increased 48% (up $522,000) over the prior comparable year.

Earnings from the Group's Property division increased 67% (up $3,759,000) thanks to improved earnings from our Edge Serviced Offices in Double Bay and the Sydney CBD and rental income from the new Flight Centre tenancy on George Street.

Turning to our strategic priorities, this year we will focus on ways to innovate, upgrade and expand each of our businesses. In Entertainment, we will be:

- conceptualising the future cinema design for our premium locations, and focusing on driving strong value propositions to increase the number of admissions into our value locations;
- focusing on selling more to every customer, across digital platforms and within the existing cinema environment; and
- focusing on delivering a greater variety of film content whilst recognising the changing and expanding demographics of the customers we serve and the broader range of experiences that we can deliver.

In Hotels and Resorts, we will be:

- undertaking the planning of an upgrade program for key properties to deliver improved future earnings;
- enhancing our revenue management platform to ensure we are offering the right rates to the right customers across the many platforms where we distribute our product;
- identifying ways to add new room capacity to our portfolio; and
- improving and innovating our food and beverage offering to increase earnings.

In Thredbo, we will be:

- identifying opportunities that add incremental profit both on the Mountain and in the Village; and
- continuing to grow summer revenue including through the development of new mountain bike trails.

In our Property division we will focus on maximising the potential of our existing developments, and continue to identify and assess opportunities to grow our portfolio whilst adhering to our disciplined approach to capital investment.

We have a strong development pipeline into the future. For Entertainment, three new sites opened in September 2017, including:

- Whitford in Perth, which includes two Gold Class and two Vmax screens;
- Palmerston in Darwin which includes two Vmax screens; and
- Smithfield in Cairns, which includes one Vmax screen.

Eight new cinema sites are in the pipeline and due to open in the coming years, including:

- two 8-screen complexes in south-east Queensland in Kawana and Coomera;
- a 14-screen complex in Innaloo in Perth to replace our existing Innaloo site;
- new Village cinemas in Plenty Valley and Clayton in Victoria;
- a five-screen complex in Green Square in Sydney; and
- two new sites in New Zealand at Newmarket, Auckland and Tauranga Crossing.

In Hotels:

- the new QT Queenstown property is expected to open in December 2017 in what is currently a very strong market;
- QT Perth is due to open in July 2018;
- new guest rooms are under development at QT Museum Wellington and are expected to open in 2018; and
- the new Atura Adelaide airport is scheduled to be completed late in 2018.

We will also review the possibility of developing an Atura hotel on the Group's 100 Cable Street property in Wellington adjacent to the QT Museum Hotel.

As mentioned by Alan, we were delighted to secure the acquisition of the properties located at 458 to 472 George Street in the Sydney CBD. The Group now controls a 4,700m^2 area at the south-eastern corner of George and Market Streets in Sydney, including an 88 metre George Street frontage. Plans are underway for a development of the site which will unlock unused developable floor space of the Group's State Theatre property. The redevelopment, which will be subject to Council approval, is expected to include premium retail space on George Street, an extension of the QT Hotel, and a commercial tower. The planning, design and approval process is expected to take two to three years.

Finally, at a Group operating level we will seek to:

- improve cross business leverage;
- target efficiencies via the introduction of new technology and enhance our digital capabilities; and
- focus on enhancing our increasingly important loyalty programmes to ensure we have more customers visiting us more frequently.

I will now comment on the current year and our performance over the first quarter. The 2018Q1 EBITDA result of $63.4 million (2017Q1: $64.2 million) was $0.8 million or 1.3% below the prior year's comparable quarter. This is a pleasing result given our Entertainment businesses have been impacted by the current global issue of the weak line-up of films. By example, the Australian Nationwide Box Office was down 20.2% compared to that of Q1 of the prior year. It is important to acknowledge that we have experienced weak product periods in the past and know that once the film line-up improves, customers will return to cinemas. The release of *It* in September demonstrated this with the film being the highest grossing horror movie of the past ten years. This impact of a poor film line-up has been mostly offset by a strong performance from Hotels, an outstanding result from Thredbo and good cost control.

Looking ahead the short-term outlook for the Exhibition Group looks more positive than Q1 based on what we have seen to date with the highly anticipated *Star Wars: The Last Jedi* arriving in December. This follows several major releases in November, including *Thor: Ragnarok* and *Justice League*, whilst the latest (and final) title in the successful blockbuster *Fack Ju Goehte* series (the first two titles in the series are amongst the Top five most successful German films) is released in Germany next week.

In the second half, we have a number of potentially strong films including: *Pitch Perfect 3*; *Deadpool 2*; *Jurassic World Fallen Kingdom*; and *Avengers: Infinity War*. At the conclusion of today's meeting we will preview a number of trailers highlighting several future releases.

I would now like to take the opportunity to acknowledge and thank our capable and experienced executive team who have underpinned our growth over the recent years and will continue to do so into the future. I also want to recognise our staff for their commitment to delivering the best customer experiences every day as this is what counts the most. I would also like to thank you all for your support and interest in attending this morning.

Jane Hastings
Chief Executive Officer