Ardent Leisure Group

2013 Half Year Results

ARDENT LEISURE

Contents

HY13 financial summary

	HY13	HY12	
Revenue[1]	$219.7m	$200.0m	9.8%
Core earnings[2]	$29.5m	$27.3m	8.1%
EPS[3]	8.03c	8.47c	(5.2%)
DPS	6.6c	6.5c	1.5%

The Group reported a statutory profit of $21.4m for the half year, up 11.4% on the prior period ($19.2m).

Movement based on prior corresponding period (pcp)

(1) From operational activities excluding revaluations, interest income and gain on acquisitions

(2) Adjusted for unrealised loss on derivative financial instruments, property revaluations, straightlining of fixed rent increases, pre-opening expenses, IFRS depreciation, amortisation of Health Clubs intangible assets, loss on sale of freehold land and buildings, business acquisition costs, early termination of interest rate swap, gain on acquisitions and the tax impact of Health Clubs intangibles amortisation.

(3) HY13 EPS impacted by 39,062,500 securities issued on 30 September 2012 and 17,363,566 securities issued on 23 October 2012

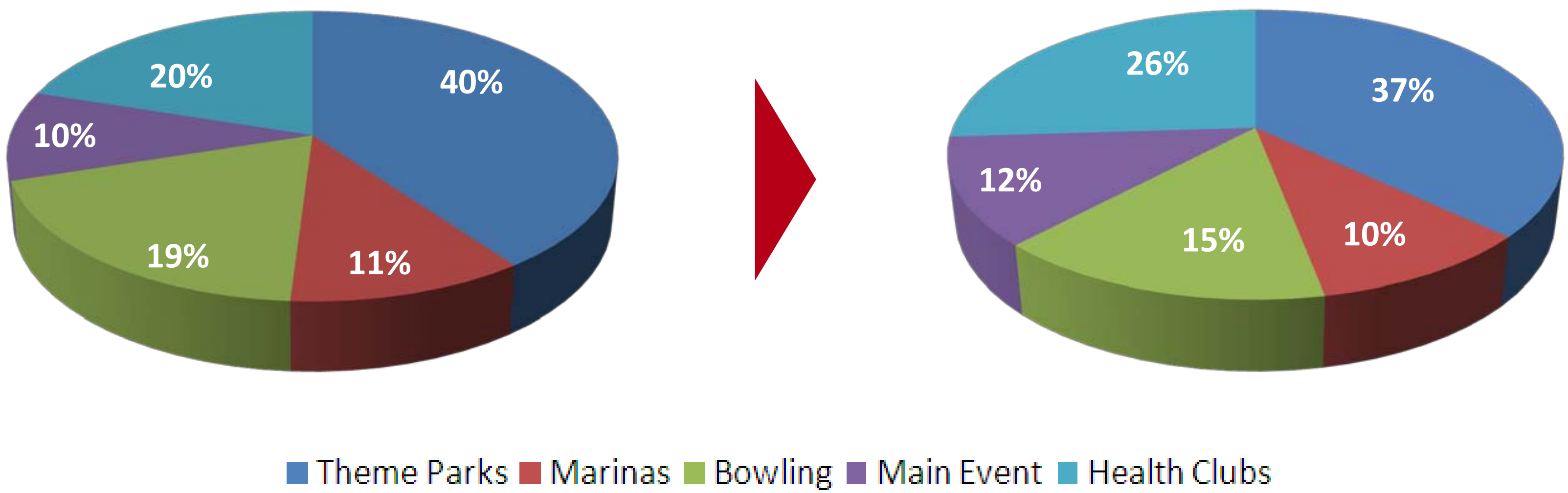
HY13 Highlights

- Main Event delivered strong constant centre earnings growth, boosted by exceptional results from two new centres at San Antonio (opened April 2012) and Katy, Houston (opened December 2012).
- Completion and successful integration of Fenix and Fitness First acquisitions into Goodlife portfolio. Continuation of strong constant centre earnings growth.
- Solid results from Theme Park and Marina divisions.
- Underway with operational restructure to reposition AMF business in order to return Bowling division to positive growth.

- Performance of the Group is a reflection of strong demand for affordable leisure product and the Group's continuing earnings diversification.

Consistently driving earnings growth through portfolio diversification

HY12 EBITDA **HY13 EBITDA**



*EBITDA is earnings before interest, tax, depreciation and amortisation.

Health Clubs

Continuing like-for-like growth and successful integration of acquisitions

$'000	HY13	HY12	% Change
Total revenue	62,822	50,806	23.7
EBRITDA (ex pre-opening cost)	26,403	19,877	32.8
Operating margin	42.0%	39.1%	
Property costs (ex straight line rent)	(12,765)	(9,851)	(29.6)
EBITDA[1]	13,638	10,026	36.0

(1) Excluding pre-opening costs, straight line rent and gain on acquisitions

Health Clubs

$'000	HY13 Revenue	HY12 Revenue	% Change	HY13 EBRITDA	HY12 EBRITDA	% Change
Constant clubs	47,464	47,746	(0.6)	23,302	22,381	4.1
New clubs inc acquisitions[1]	14,671	1,438	920.2	7,332	828	785.5
Closed clubs	607	1,542	(60.6)	209	359	(41.8)
Corporate and regional office expenses/sales and marketing	80	80	-	(4,440)	(3,691)	20.3
Total	**62,822**	**50,806**	**23.7**	**26,403**	**19,877**	**32.8**

(1) Includes acquisition of 11 Fenix clubs completed on 9 October 2012, 6 Fitness First clubs completed on 31 October 2012 and 2 Fitness First clubs completed on 6 November 2012. Also includes new developments at Maroochydore (opened November 2012) and Dernancourt (opened December 2012)

Health Clubs half year commentary

- Strong first half performance across the portfolio.
- The Fenix and Fitness First acquisitions now fully integrated and trading in line with expectations. Synergies achieved as outlined in investment presentation.
- Operational restructure to deliver improved labour productivity and increased penetration of personal training services helped drive margins to 42% from 39.1%.
- New clubs at Maroochydore and Dernancourt opened in November & December 2012 with positive trading results.
- Refurbishments completed at Fortitude Valley and Edward St in QLD and Dingley in VIC. Improved trading at these clubs expected to impact in Q4 FY13.

Health Clubs outlook

- January revenues of $12.6m up 51% on January 2012, like-for-like revenue down 1.6% (impacted by change in personal training model).
- Strong membership sales and low attrition through January providing positive momentum for second half.
- Introduction of 6 new campuses, now 19 across the group, to deliver in-house fitness certification. New trainer acquisition programme expected to further underpin new training model and deliver increased revenues in second half.
- Continuing to realise further operating efficiencies and cost savings, leveraged by the larger portfolio, through re-negotiation of key supply contracts.

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Main Event

MAIN EVENT ENTERTAINMENT

New centres deliver outstanding earnings

US$'000	HY13	HY12	% Change
Total revenue	32,058	26,067	23.0
EBRITDA	10,652	8,316	28.1
Operating margin	33.2%	31.9%	
Property costs	(4,384)[1]	(3,161)	38.7
EBITDA	6,268	5,155	21.6

(1) If EBITDA is normalised for sales and leaseback rentals at Webster, Lubbock and Frisco, growth would be 39.6% over prior year

Main Event

US$'000	HY13 Revenue	HY12 Revenue	% Change	HY13 EBRITDA	HY12 EBRITDA	% Change
Constant Centres	27,059	26,067	3.8	10,649	10,235	4.0
New Centres[1]	4,999	-	-	2,152	-	-
Corporate office expenses	-	-	-	(2,149)	(1,919)	(12.0)
Total	**32,058**	**26,067**	**23.0**	**10,652**	**8,316**	**28.1**

(1) New centres include San Antonio (opened April 2012) and Katy, Houston (opened December 2012)

Main Event commentary

- Total revenue grew 23.0% driving exceptional EBRITDA growth of 28.1%.
- Constant centre revenue grew 3.8% driven by increased guest spend from value based unlimited play promotions.
- Constant centre revenue growth impacted by change of holiday timing to transfer one holiday week to January 2013.
- San Antonio opened in April 2012 and continues to significantly exceed expectations.
- Our newest centre in Katy, Houston opened in December 2012 with strong trading results.
- Disciplined cost management and increased volumes continue to improve operating margins.

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Main Event outlook

- Exceptional trading in January 2013 with revenues of US$6.4m up 37.3% on January 2012. Constant centre revenues up 6.6% (assisted by transfer of one holiday week from December).
- The U.S. economy continues its recovery with Texas improving at a faster pace.
- Twelfth centre in Stafford, Houston is scheduled to open Q4 FY13.
- Thirteenth centre in Tempe, Phoenix is scheduled to open Q3 FY14. Negotiations advancing on a further two sites for FY14 openings.
- Outstanding operating performance and success of new centres supports strong growth potential for Main Event.
- Site selection strategies are focused upon low risk opportunities in the Sunbelt region of the U.S.

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Main Event outlook (cont)

- Portfolio expansion remains on track to meet or exceed target of 19 centres by FY15.
- New prototype centres at San Antonio and Katy, Houston continue to deliver revenues more than 20% higher than portfolio average.

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Theme Parks

Theme Parks return to revenue growth

$'000	HY13	HY12	% Change
Total revenue	55,925	52,989	5.5
EBRITDA	20,650	20,520	0.6
Operating margin	36.9%	38.7%	
Property costs	(1,024)	(743)	37.8
EBITDA	19,626	19,777	(0.8)
Attendance[1]	1,016,423	943,418	7.7
Per capita spend ($)	55.02	56.17	(2.0)

(1) World Pass Sale treated as one entry in FY13. Two entry treatment for HY12 reclassified for comparatives

Theme Parks half year commentary

- New marketing campaign, combined with improved Unlimited World Pass offer, drove increase in sales and visitation, offsetting softer Gold Coast visitation between holiday periods.
- DreamWorks Madagascar and Shrek precincts proved popular in holiday periods, leveraged by launch of the film *Madagascar 3 - Europe’s Most Wanted*.
- Big Brother drove brand awareness and incremental visitation in Q2 FY13, with the Big Brother house a popular attraction in December.
- Margin impacted by DreamWorks licence fees (commenced 1 January 2012), Big Brother licence fees and higher electricity costs – licence fees will normalise in second half.
- SkyPoint delivered growth in attendance with earnings underpinned by a new marketing campaign, inclusion in the World Pass and SkyPoint Climb patronage.

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Theme Parks outlook

- Promising January trading offset by the impact of ex-tropical cyclone Oswald – with majority of peak Australia Day weekend lost (representing over $1.0m revenue loss).

- January revenues of $12.1m down 1.7% on January 2012.

- Kung Fu Panda precinct completed in mid-December to complete DreamWorks offering. Precinct incorporates new Pandamonium thrill ride to increase ride inventory.

- SkyPoint commenced breakfast service in December which will assist revenue and profitability in second half.

- Big Brother Series 2 to resume in calendar 2013.

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Marinas

d'Albora Marinas

Quality locations maintain performance

$'000	HY13	HY12	% Change
Total revenue	11,176	11,393	(1.9)
EBRITDA	6,311	6,426	(1.8)
Operating margin	56.5%	56.4%	
Property costs	(1,150)	(1,096)	4.9
EBITDA	5,161	5,330	(3.2)

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Marinas

$'000	HY13	HY12	% Change
Berthing	6,207	6,278	(1.1)
Land	2,731	2,824	(3.3)
Fuel and other	2,238	2,291	(2.3)
Total	**11,176**	**11,393**	**(1.9)**

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Marinas half year commentary

- Average berthing rate across the portfolio increased 4.6% compensating slightly lower average occupancies.
- Land revenues impacted by rent relief due to construction works at Rushcutters Bay.
- Approval obtained for development of an additional 35 berths at The Spit marina.
- Construction of additional 14 berths at Pier 35 Marina Melbourne completed in December 2012.
- Costs remain well controlled with the operating margin increasing slightly to 56.5%.

Outlook

- January revenues of $2.3m up 1.2% on January 2012.

Bowling

Operational and pricing restructure delivered positive results in January 2013

$'000	HY13	HY12	% Change
Total revenue	58,751	59,415	(1.1)
EBRITDA (ex pre-opening costs)	19,606	20,457	(4.2)
Operating margin	33.4%	34.4%	
Property costs (ex straight line rent)	(11,611)	(10,742)	8.1
EBITDA	7,995	9,715	(17.7)

Bowling

$'000	HY13 Revenue	HY12 Revenue	% Change	HY13 EBRITDA	HY12 EBRITDA	% Change
Constant centres	53,970	55,999	(3.6)	25,085	26,782	(6.3)
New centres[1]	4,629	3,399	36.2	1,645	1,477	11.4
Corporate and regional office expenses/sales and marketing	152	17	800	(7,124)	(7,802)	(8.7)
Total	**58,751**	**59,415**	**(1.1)**	**19,606**	**20,457**	**(4.2)**

(1) New sites include Kingpin Townsville opened October 2011, Kingpin Liverpool opened August 2012, AMF Penrith opened December 2012

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Bowling half year commentary

- Half year revenue decline predominantly due to lower volumes and greater price sensitivity during the October school holiday period.
- Appointment of new CEO, Lee Chadwick, in October to drive organisational change with a focus upon repositioning customer service proposition and price/ value equation in order to drive volume.
- One-off management restructure costs of $305k impacted first half result.
- Cost base review in progress to drive operating efficiencies and mitigate cost increases.
- Kingpin Liverpool opened in August 2012 and has underperformed in western Sydney location – transition underway to AMF brand.
- New AMF Penrith family entertainment prototype opened on Boxing Day and continues to trade ahead of expectations.

Bowling outlook

- January 2013 revenues of $11.5m up 8.1% on January 2012 (constant centres up 1.8%), whilst comparative growth, aligning summer school holidays, is up 5.1%.
- Our AMF January school holiday campaign of “unlimited bowling & laser” for $15.90 has seen a material reversal in trading trends.
- New initiatives will be launched in the second half to drive greater volume through improved value for money.
- New Kingpin centre to open in Darwin in Q1 FY14 and work has commenced on a new AMF ‘centre of the future’ family entertainment concept.

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Group financial results for the half year ended 31 December 2012

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$ million	Theme Parks (HY13)	Marinas (HY13)	Bowling (HY13)	Main Event (HY13)	Health Clubs (HY13)	Other (HY13)	Group Total (HY13)	Group Total (HY12)	% Change (HY12)
Operating revenue	**55.9**	**11.2**	**58.8**	**30.9**	**62.8**	**0.1**	**219.7**	**200.0**	**9.8**
Division EBRITDA[1]	**20.7**	**6.3**	**19.6**	**10.2**	**26.4**	**-**	**83.2**	**75.4**	**10.3**
Property costs[2]	(1.1)	(1.1)	(11.6)	(4.2)	(12.7)	-	(30.7)	(25.5)	20.4
Division EBITDA[1,2]	**19.6**	**5.2**	**8.0**	**6.0**	**13.7**	**-**	**52.5**	**49.9**	**5.2**
Depreciation and amortisation[3]	(2.7)	(0.4)	(3.4)	(2.1)	(1.9)	(0.1)	(10.6)	(10.7)	(0.9)
Division EBIT[1,2,3]	**16.9**	**4.8**	**4.6**	**3.9**	**11.8**	**(0.1)**	**41.9**	**39.2**	**6.9**
Corporate costs[4]							(4.2)	(4.4)	(4.5)
Other income/expenses (including derivative gains and losses)[4]							0.1	0.4	(75.0)
Interest income							0.1	0.3	(66.7)
Interest expense							(5.9)	(6.7)	(11.9)
Tax[4]							(2.5)	(1.5)	66.7
Core earnings							**29.5**	**27.3**	**8.1**

(1) Excludes pre-opening costs
(2) Excludes straight line rent
(3) Excludes IFRS depreciation and Health Clubs amortisation of intangibles
(4) Normalised to exclude adjustments to core earnings – Slide 27

Core earnings reconciliation to statutory profit $ million	HY13	HY12	% Change
Core earnings	**29.5**	**27.3**	**8.1**
Pre-opening expenses	(1.9)	(0.3)	533.3
Straight line rent expense	(1.3)	(1.2)	8.3
IFRS depreciation	(3.5)	(3.2)	9.4
Amortisation of Health Clubs intangibles	(3.1)	(1.7)	82.4
Gain on acquisition	2.6	-	-
Business acquisition costs	(1.4)	-	-
Revaluations	-	(1.1)	(100.0)
Unrealised (loss)/gain on derivatives	(0.4)	0.8	(150.0)
Early termination of US$ interest rate swap	-	(1.8)	-
Loss on sale of freehold land and buildings	-	(0.1)	-
Tax impact of Health Clubs intangibles amortisation	0.9	0.5	80.0
Statutory profit	**21.4**	**19.2**	**11.5**

Consolidated group ($ million)	31 December 2012	30 June 2012
Assets		
Theme Parks	251.4	238.9
Excess land	2.4	2.4
Marinas	101.5	99.9
Bowling	131.0	119.2
Main Event	79.9	69.4
Health Clubs	207.8	125.7
Other	11.7	23.3
Total Assets	**785.7**	**678.8**
Liabilities		
Bank debt	202.5	192.9
Other	90.3	79.2
Total Liabilities	**292.8**	**272.1**
Net Assets	**492.9**	**406.7**
NTA[1]	**$0.75**	**$0.80**

[1] Impacted by issue of new securities to fund Fenix and Fitness First acquisitions

Property valuations

Property	No. of Assets	Last independent valuation $m	Book value[1] Pre reval $m	Book value Post reval $m	Change $m	% change	Valuation methodology
DW/WWW	1	215.0	216.8	216.8	-	-	Cap rate / DCF
Excess land	1	2.4	2.4	2.4	-	-	Direct comparison
SkyPoint Freehold	1	18.0	16.7	18.0	1.3	7.8	Cap rate/ DCF
Marinas	7	97.7	98.6	98.6	-	-	Cap rate/ DCF
Bowling Freehold	1	1.9	1.9	1.9	-	-	Vacant possession highest and best use
Total	13	335.0	336.4	337.7	1.3	0.4	

[1] Property values at 30 June 2012 plus six month capital expenditure less six month depreciation

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Capital management

Debt Facility

— At 31 December 2012 the Group has the following bank facilities:

	Facility $m	Drawn $m
A$ maturing March 2014	112.5	112.5
A$ maturing December 2014	94.4	23.8
US$ maturing March 2014	67.0	67.0
TOTAL	**273.9**	**203.3** [1]

[1] Amount drawn excludes unamortised borrowing costs of $0.7 million

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Capital management (cont)

Covenants

- The Group was well within all covenants at 31 December 2012.

	Covenant	Group 31 December 2012
Gearing	<40%	29.2
FCCR	>1.75	2.4
Debt serviceability	<3.50	2.5

- All covenants strengthened since 30 June 2012.

Capital management (cont)

Interest and foreign exchange

- At 31 December 2012 the Group had 59% of interest on debt facilities fixed through interest rate swaps at an average rate of 6.49% including margin.
- The weighted average debt rate including margin at 31 December 2012 was 6.31% for A$ debt and 1.91% for US$ debt.
- FY13 first half US$ earnings were approximately 45% hedged through fx contracts at an average rate of A$1.00 = US$0.79. There is no further hedging of US$ earnings for the remainder of the year.
- In December 2012 the Group swapped A$28.1m of debt to US$29.6m to better hedge US$ assets and to take advantage of lower US$ interest rates.

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Capital management (cont)

Equity

- $50m Institutional Placement and $22.2m Security Purchase Plan successfully completed at $1.28 in September/October 2012 to fund health club acquisition and Main Event growth strategy.

Capex

	HY13 routine capex $m	HY13 development capex $m
Theme Parks	5.1	-
Marinas	0.9	0.3
Bowling	3.3	7.8
Main Event	1.3	11.2
Health Clubs	2.5	4.9
Other	1.0	-
Total	14.1	24.2

Outlook

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Outlook

Health Clubs	— Second half will benefit from full contribution of acquisition clubs and full synergies. — Strong January membership growth will provide positive momentum for second half. — New training model expected to drive further efficiency improvements.
Main Event	— Second half will benefit from full contribution of new San Antonio and Katy, Houston centres. — New site at Stafford, Houston scheduled to open in Q4 FY13.
Theme Parks	— Cycling rain which impacted April and June school holiday periods in 2012. — Impact of higher licence fees will normalise in second half. — Second half will benefit from full impact of DreamWorks precinct.
Marinas	— January has returned to revenue growth. — Ongoing focus on building occupancies and reducing seasonality.
Bowling	— January has evidenced a material reversal of revenue trends. — New executive team driving renewed focus upon customer service and value proposition to drive volume.

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