

CONTACT DETAILS

Level 16, 61 Lavender Street  
Milsons Point NSW 2061  
AUSTRALIA  
Telephone +61 2 9409 3670  
Investor Services 1800 ARDENT  
Fax +61 2 9409 3670  
[www.ardentleisure.com.au](http://www.ardentleisure.com.au)

REGISTRY

c/- Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Locked Bag A14  
Sydney South NSW 1235  
Telephone 1300 720 560  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**Ardent Leisure Trust**  
ARSN 093 193 438  
**Ardent Leisure Limited**  
ABN 22 104 529 106  
**Ardent Leisure Management Limited**  
ABN 36 079 630 676  
(AFS Licence No. 247010)



---

**ASX RELEASE**

23 February 2017

The Manager  
Company Notices Section  
ASX Limited  
20 Bridge Street  
SYDNEY  
NSW 2000

Dear Sir/Madam

**FIRST HALF RESULT IMPACTED BY SIGNIFICANT ONE-OFF EVENTS, BUT US GROWTH STRATEGY CONTINUES**

**Key Messages**

- **Half year revenue and earnings adversely impacted by the Dreamworld tragedy, the sale of Health Clubs and closure of Kingpin Crown for refurbishment during the half.**
- **Sale of Health Clubs for \$260 million, completed on 25 October 2016 for a \$45 million profit.**
- **Sale of d’Albora Marinas agreed for \$126 million, an 11% premium to book value.**
- **Group Balance Sheet significantly strengthened, providing capacity to fund Main Event’s 200 store US roll-out opportunity.**
- **Main Event opened four centres during the half and remains on track to open a further seven in FY17.**

Ardent Leisure Group (ASX: AAD) today announced its half year result for the six months to 31 December 2016, with revenue of \$317.2 million and core earnings of \$12.8 million.

The results for the period were significantly impacted by the Dreamworld tragedy and the theme park’s subsequent shutdown for 45 days. Other one-off events that impacted earnings include the five-month closure for refurbishment of Kingpin Crown and the loss of more than two months of earnings from Health Clubs following the completion of its sale in late October 2016.

In addition, the Group recorded a statutory loss of \$49.4 million, primarily impacted by a \$95.2 million property, plant and equipment write-down, goodwill impairment and incident costs associated with the Dreamworld tragedy. This was partially offset by a \$45 million gain on the sale of Health Clubs. As Dreamworld recovers it is expected that the future valuation of the asset and profit contribution will improve.

The Board has declared that the distribution per security for the period will be 2 cents, compared with 7 cents for the previous corresponding period.

For personal use only

**CONTACT DETAILS**

Level 16, 61 Lavender Street  
 Milsons Point NSW 2061  
 AUSTRALIA  
 Telephone +61 2 9409 3670  
 Investor Services 1800 ARDENT  
 Fax +61 2 9409 3670  
[www.ardentleisure.com.au](http://www.ardentleisure.com.au)

**REGISTRY**

c/- Link Market Services Limited  
 Level 12, 680 George Street  
 Sydney NSW 2000  
 Locked Bag A14  
 Sydney South NSW 1235  
 Telephone 1300 720 560  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**Ardent Leisure Trust**  
 ARSN 093 193 438  
**Ardent Leisure Limited**  
 ABN 22 104 529 106  
**Ardent Leisure Management Limited**  
 ABN 36 079 630 676  
 (AFS Licence No. 247010)



Group Managing Director and Chief Executive Officer Deborah Thomas said, “The successful sale of the Health Clubs division exceeded market expectations and delivered excellent value for shareholders. The agreed sale price for the Marinas of \$126 million also represents a great result for investors, being well above book value.

“These transactions support our group strategy to reposition Ardent Leisure as a pure entertainment company, anchored by a high growth US business. Proceeds from the Health Clubs and Marinas’ divestments will be used to pay down debt and significantly strengthen the Group’s balance sheet to support our growth strategy,” she added.

**Main Event Entertainment**

Main Event Entertainment recorded total revenues of US\$102.1 million, an increase of 35.2% on revenue for the previous corresponding period. An EBITDA of US\$18.2 million was recorded for the period, representing a 20.6% increase.

Ms. Thomas said, “The revenue and earnings growth achieved at Main Event Entertainment was driven by 11 new centre openings since November 2015. Four new centres were opened during the first half and following the opening of a fifth centre in February, Main Event Entertainment is now operating 32 centres across 12 states in the US. Six more centres are scheduled to open in the second half, including entry into two new states - Indiana and Pennsylvania”.

New centres that opened between FY12 and FY16 continue to deliver average first year EBITDA returns on investment exceeding the target of 30%, supporting the national US roll-out opportunity of 200 centres. In FY18, at least 11 new centres are scheduled to be opened, including the first located inside a shopping mall.

Constant centre revenue declined by 2.9% for the half, impacted by a combination of factors, including weaker corporate and casual dining spending in the US, competitive intrusion in mature Main Event markets and the openings of new Main Event centres in existing core markets to dominate the territory. Post-US presidential election trading in December 2016 saw constant centre revenues comparing positively against prior corresponding period assisted by a shift in the timing of school holidays.

Main Event continues to target positive growth for constant centres over the longer term.

**Theme Parks**

The Theme Park division recorded total revenues of \$41.8 million for the period, and EBITDA fell to \$5.9 million due to the 45-day shutdown of Dreamworld/WhiteWater World following the tragic October incident.

Ms. Thomas said “The effects of this tragedy will be felt for some time and there is much healing still to take place. Our priority in reopening the park was to do so in a way that was respectful to the families of the victims.

For personal use only

**CONTACT DETAILS**

Level 16, 61 Lavender Street  
 Milsons Point NSW 2061  
 AUSTRALIA  
 Telephone +61 2 9409 3670  
 Investor Services 1800 ARDENT  
 Fax +61 2 9409 3670  
[www.ardentleisure.com.au](http://www.ardentleisure.com.au)

**REGISTRY**

c/- Link Market Services Limited  
 Level 12, 680 George Street  
 Sydney NSW 2000  
 Locked Bag A14  
 Sydney South NSW 1235  
 Telephone 1300 720 560  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**Ardent Leisure Trust**  
 ARSN 093 193 438  
**Ardent Leisure Limited**  
 ABN 22 104 529 106  
**Ardent Leisure Management Limited**  
 ABN 36 079 630 676  
 (AFS Licence No. 247010)



“During the shutdown (October 25 – December 10) the Group commissioned and commenced a comprehensive park-wide operations and safety review process. The review, using national and international experts, assessed every ride and slide at Dreamworld and Whitewater World, prior to reopening these attractions to the public. Safety is paramount and this process is central to rebuilding confidence among our customers, staff and the broader community.

“From mid-January, we have seen a steady return in visitation with increased attendance driven mainly by the re-opening of the Big Nine Thrill rides. The newly refurbished Tiger Island, with a refreshed retail and food precinct, has also proven very popular with guests. Australia’s largest LEGO Retail Store launched January 28, with record sales across the weekend,” added Ms. Thomas.

**Bowling**

The Bowling division recorded total revenues of \$64.3 million against previous comparative revenue of \$67.4 million. EBITDA decreased to \$8.4 million from \$11.0 million, heavily impacted by the closure of Kingpin Crown in Melbourne for refurbishment from mid-July to early December.

Excluding the impact of the closure of Kingpin Crown, constant centre revenue for the half was up 4.1% and the division has now achieved six consecutive quarters of constant centre revenue growth.

“These positive trends are attributable to volume growth with an increased focus on the customer, targeted marketing and ongoing improvement of the entertainment offer. This demonstrates that our strategy of transitioning bowling to multi-attraction entertainment centres, similar to the Main Event Entertainment offering in the US, is sound,” she added.

**Marinas**

The Marina division recorded total revenues of \$11.6 million, compared with \$11.0 million and EBITDA of \$5.1 million, up from \$4.6 million in the previous corresponding period.

Completion of the sale of the division is targeted to occur before 30 June 2017.

**Health Clubs**

The excellent sale of the Health Clubs division in October resulted in the loss of two months’ revenue and earnings for the Group. Total revenue from 1 July – 25 October 2016 was \$62.7 million, down from \$92.0 million in six months for the first half 2016, with EBITDA \$9.8 million, down from \$13.3 million.

**Capital Management**

The sales of the Health Clubs and Marina divisions will significantly strengthen the Group’s balance sheet. Proceeds will initially be used to repay debt, substantially increasing capacity to fund Main Event

CONTACT DETAILS

Level 16, 61 Lavender Street  
Milsons Point NSW 2061  
AUSTRALIA  
Telephone +61 2 9409 3670  
Investor Services 1800 ARDENT  
Fax +61 2 9409 3670  
[www.ardentleisure.com.au](http://www.ardentleisure.com.au)

REGISTRY

c/- Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Locked Bag A14  
Sydney South NSW 1235  
Telephone 1300 720 560  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**Ardent Leisure Trust**  
ARSN 093 193 438  
**Ardent Leisure Limited**  
ABN 22 104 529 106  
**Ardent Leisure Management Limited**  
ABN 36 079 630 676  
(AFS Licence No. 247010)



Entertainment's high returning US roll-out opportunity. In addition, funding will also come from debt facilities, increased earnings retention, the dividend reinvestment plan when required, and the sale and leaseback of new Main Event centres by US institutional real estate investors.

### Strategy and Outlook

The Main Event US roll-out opportunity remains on track, supported by new centres continuing to deliver average first year EBITDA returns on investment exceeding 30%.

Main Event constant centres are targeting low single digit revenue growth long term.

Dreamworld is expected to recover over the course of time, assisted by new attractions and exciting branded retail concepts, supported by promotion to domestic and international visitors. The Theme Park businesses are also expected to benefit from increased domestic and international tourism to the Gold Coast for the 2018 Commonwealth Games and the development of land adjoining the property in Coomera.

Growth in the Bowling division is expected to continue, driven by constant centre revenue growth, the new Kingpin Crown redevelopment, disciplined investment in new entertainment centres and amusement arcades and the exit of underperforming centres.

Yours faithfully

Alan Shedden  
Company Secretary

### Media Queries:

Tricia Wunsch, Group General Manager Corporate Communications  
T: +61 2 9409 3687 M: +61 418 585 154

Tim Allerton, City PR  
T: +61 2 9267 4511 M: +61 412 715 707

For personal use only