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ASX RELEASE

2nd February 2018

- **UPDATE FOR MAIN EVENT AND THEME PARKS**
- **IMPACT OF US TAX REFORMS ON FIRST HALF RESULTS**
- **ADOPTION OF RETAIL CALENDAR BASIS FOR FINANCIAL REPORTING**

Ardent Leisure Group (ASX:AAD) today provides an update for its Main Event and Theme Parks businesses based on preliminary, unaudited results for the first half of FY18, together with the expected impact of the recently enacted US tax reforms on the first half results, and notification of the adoption of a retail calendar basis for periodic reporting.

Update for Main Event and Theme Parks

Main Event achieved constant centre revenue growth of 1.3%[1] (0.9% excluding expected insurance proceeds for business interruption) over the 26-week period ending on 26th December 2017, versus the prior period, driven by event sales growth and improving trends in walk-in business. This positive momentum has continued into January 2018, resulting in constant centre growth of 2.4%[1] (2.0% excluding expected insurance recoveries for business interruption) for the 30-week period ending on 23rd January 2018. The strong constant centre performance in the four-week period from 27th December to 23rd January is expected to moderate over the coming weeks.

Improved constant centre EBITDA margins have been offset by margin pressure from the FY17 cohort of ten locations, which are underperforming from a sales perspective, and the impact of Hurricane Harvey. Additionally, corporate centre costs have increased due to incremental costs associated with higher headcount. As a result, Main Event's core first half EBITDA[2] is expected to be flat, in US dollars, compared with the prior corresponding period. This outcome does not include the expected insurance receipts in relation to the business interruption caused by Hurricane Harvey, which will be brought to account as income on receipt.

The Theme Park business, consisting of Dreamworld, WhiteWater World and SkyPoint, is expected to report a breakeven EBITDA, before revaluation losses, for the first half with a positive EBITDA contribution expected for the full year.

Notwithstanding that trading at Dreamworld continues to improve, with attendances up 41.2% and revenue up 70.6% for the period from 10th December 2017 to 31st January 2018 compared with the same period last year (Dreamworld re-opened on 10th December 2016 following the tragic incident in

1.After including expected business interruption insurance proceeds
2.For the period from 1st July 2017 to 31st December 2017

October 2016), the recovery in attendance at the theme park has been slower than originally projected. As a result, the Group expects to book a further non-cash, pre-tax valuation impairment charge in the range of A$15 million to A$25 million in its accounts for the first half of FY18.

Impact of US Tax Reforms on First Half Results

The US Government has recently enacted a broad ranging tax reform package which, amongst other measures, reduces the Federal corporate tax rate from 35% to 21%. These changes have an immediate impact on Main Event's deferred tax balances which need to be restated because they will now be realised at the lower tax rate of 21% instead of 35%. As a result, the Group expects to book a tax credit in the income statement for the first half of FY18 in the range of US$10 million to US$13 million.

Adoption of Retail Calendar

Following the sale of the Goodlife Health Clubs and d'Albora Marinas businesses, the Group has moved to a retail calendar basis for periodic reporting. This change enables improved comparability for management and investors by ensuring reporting periods comprise the same number of days and, in particular, weekends.

With effect from the first half of FY18, Ardent's businesses (Theme Parks, Bowling and Entertainment, and Main Event) have operated on a "5-4-4 week" quarter with each week ending on Tuesday.

FY18 will be a transitional period with the financial period for the first-half of FY18 being 1st July 2017 to Tuesday 26th December 2017 i.e. 179 days. The financial period for the second-half of FY18 will be Wednesday 27th December 2017 to Tuesday 26th June 2018.

Additionally, Ardent will reduce the number of "below the line" adjustments it reports, with the objective of more closely aligning underlying performance with statutory accounting and the operating cash flows of its business.

When it reports its results in February and August 2018, Ardent will also provide pro-forma results to 31 December 2017 and 30 June 2018 respectively to enable comparison with results reported in the prior corresponding period.

Ardent currently intends to report its results for the first half of FY18 on Monday 26th February 2018.

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About Ardent

Ardent Leisure Group (ASX:AAD) is one of Australia's most successful leisure and entertainment groups. We are owners and operators of premium leisure assets including Dreamworld, WhiteWater World & SkyPoint theme parks and attractions, AMF and Kingpin Bowling (prior to the planned divestment), and Main Event, which is a growing portfolio of family entertainment assets in the United States. Ardent's businesses occupy dominant positions in affordable, family-friendly, leisure and entertainment categories.