Ardent Leisure Group
1H18 Results Presentation

February 2018

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1H18 Group Overview


1H18 – Key Messages

- Headline revenue[1] down 12.1% due to asset sales - but revenue[1] from continuing businesses (Main Event and Theme Parks) up 12.7% over the prior corresponding period
- Positive constant centre growth of 1.3%[2] and new centre growth at Main Event contributed to 25.4% revenue growth (in US dollar terms) but margin adversely impacted by non-constant centre performance and uplift in marketing and corporate overhead
- Theme Parks continue to be impacted by Dreamworld incident but showing improving trend in visitation and revenue. Dreamworld achieved a breakeven pro forma EBITDA[1] excluding impairment charge and incident-related costs
- Chris Morris announced as new CEO of Main Event
- Sale of Bowling & Entertainment business for $160m announced in December, with completion expected shortly
- Progress made in reducing corporate overheads
- Conservative balance sheet to support growth at Main Event and new attractions at Dreamworld with pro forma net cash of c.$19 million following the sale of Bowling & Entertainment
- Retail calendar adopted and financial reporting simplified

1 *For the period 1st July 2017 to 31st December 2017*
2 *Includes expected proceeds from business interruption insurance (0.9% excluding expected business interruption proceeds)*

Reported Results vs Pro Forma Results

Simplified reporting and adoption of retail calendar

A$m	1H18 As Reported[1]	1H18 Extra Days	1H18 Pro Forma[2]
Revenue	265.6	13.2	278.8
Business unit EBITDA	5.1	4.1	9.2
Corporate	(6.7)	0.0	(6.7)
EBITDA[3]	**(1.6)**	**4.1**	**2.5**
Depreciation and amortisation	(28.5)	(0.7)	(29.2)
EBIT[3]	**(30.1)**	**3.4**	**(26.7)**
Borrowing costs (net)	(5.3)	(0.2)	(5.5)
Net (loss) / profit before tax	**(35.4)**	**3.2**	**(32.2)**
Income tax benefit	19.8	(0.8)	19.0
Net (loss) / profit after tax	**(15.6)**	**2.4**	**(13.2)**

Simplified reporting:

- Group no longer presenting a measure of "core earnings"

Change of reporting period:

- Adoption of retail calendar to enable improved comparability by ensuring reporting periods comprise the same number of days and, in particular, weekends
- 1H18 is a transitionary period from 1st July 2017 to 26th December 2017 i.e. 179 days (1H17 184 days)
- "Extra days" is the trading results for the five day period from 27th December 2017 to 31st December 2017 calculated on a consistent basis with prior periods
- The pro forma result is for the 184 day period from 1st July 2017 to 31st December 2017 for comparison with pcp
- Remainder of this presentation focuses on pro forma results unless otherwise stated

1 *For the period 1st July 2017 to 26th December 2017*
2 *For the period 1st July 2017 to 31st December 2017*
3 *Refer defined terms*

Pro Forma Results vs Prior Corresponding Period

Positive EBITDA achieved in current period

	Consolidated		
A$m	1H18[1]	1H17	Variance
Revenue	278.8	317.2	(12.1%)
Business unit EBITDA	9.2	(6.5)	242.8%
Corporate	(6.7)	(6.9)	2.9%
EBITDA[2]	**2.5**	**(13.4)**	**118.7%**
Depreciation and amortisation	(29.2)	(29.9)	2.4%
EBIT[2]	**(26.7)**	**(43.3)**	**38.4%**
Borrowing costs (net)	(5.5)	(6.2)	10.9%
Net loss before tax	**(32.2)**	**(49.5)**	**35.0%**
Income tax benefit	19.0	0.2	
Net loss after tax	**(13.2)**	**(49.3)**	**73.3%**

Key factors driving variances:

- Reduced revenue reflects sale of Health Clubs and Marinas (which contributed in 1H17), partly offset by growth in Main Event
- Improved EBITDA driven by lower impairment charges relating to Dreamworld
- Income tax benefit includes a credit relating to restatement of Main Event's deferred tax balances in response to US Tax Reforms, which have lowered the US corporate income tax rate
- Refer next slide for specific items impacting results

1 *For the period 1st July 2017 to 31st December 2017*
2 *Refer defined terms*

Specific Items Impacting Results

Results in both periods adversely impacted by non-cash revaluation losses

	Consolidated	
A$m	**1H18[1]**	**1H17**
Specific items impacting EBITDA:		
Dreamworld revaluation loss and incident costs	(24.8)	(95.2)
Pre-opening expenses	(2.5)	(6.9)
Gain on sale of business	4.6	45.0
Selling costs associated with sale of businesses	(1.5)	(0.6)
Loss on disposal of assets	(0.9)	(1.2)
Restructuring and other non-recurring items	(3.1)	(0.1)
Total	**(28.2)**	**(59.0)**
Specific items impacting tax benefit:		
Revaluation of US deferred tax balances	14.9	-
Tax impact of specific items above	2.9	3.6
Total	**17.8**	**3.6**

Specific items impacting results:

- Specific items which are useful in understanding the statutory results are set out on this slide (as per statutory accounts)
- Results for the current and prior period have been significantly impacted by write-downs in the value of Dreamworld following the incident in October 2016, together with the impact of the sale of businesses
- Reconciliations to the previous definitions of “core earnings” and “segment EBITDA” are provided in the appendices
- Prior year comparatives have been restated to reflect the presentation and definitions adopted in the current period

1 *For the period 1st July 2017 to 31st December 2017*

Continuing Operations

Main Event and Theme Parks

A$m	1H18[1]	1H17	Variance
	Continuing Operations		
Revenue			
Main Event	164.0	136.8	19.9%
Theme Parks	37.2	41.8	(11.0%)
Revenue	**201.2**	**178.6**	**12.7%**
EBITDA[2]			
Main Event	18.7	17.8	5.2%
Theme Parks	(24.7)	(89.4)	72.3%
Corporate	(6.7)	(6.9)	2.9%
EBITDA[2]	**(12.7)**	**(78.5)**	**83.8%**
EBITDA[2] margin	**(6.3%)**	**(44.0%)**	**37.7 pts**
EBIT[2]			
Main Event	2.2	6.7	(67.6%)
Theme Parks	(29.1)	(93.9)	69.0%
Corporate	(7.3)	(7.5)	2.6%
EBIT[2]	**(34.2)**	**(94.7)**	**63.8%**
EBIT[2] margin	**(17.0%)**	**(53.0%)**	**36.0 pts**

Continuing operations:

- Main Event now the dominant contributor, accounting for over 80% of first half revenue and growing at 25.4% in US dollar terms (19.9% in Australian dollars after impact of foreign exchange movements)
- Excluding the impairment charge and incident-related costs, Theme Parks achieved a breakeven pro forma EBITDA in 1H18
- Dreamworld continues to recover albeit at a slower rate than originally projected
- Good progress in reducing Corporate costs, which include $1.4 million of restructuring and other non-recurring items in 1H18

1 *For the period 1st July 2017 to 31st December 2017*
2 *Refer defined terms*

Discontinued Operations

Sale of Bowling & Entertainment announced on 20th December 2017

A$m	Discontinued Operations 1H18[1]	1H17
Revenue		
Bowling & Entertainment	75.0	64.3
Marinas	2.7	11.6
Health Clubs	0.0	62.7
Revenue	**77.7**	**138.6**
EBITDA[2]		
Bowling & Entertainment	9.9	7.4
Marinas	5.4	4.5
Health Clubs	(0.1)	53.2
EBITDA[2]	**15.2**	**65.1**
EBIT[2]		
Bowling & Entertainment	2.2	(0.3)
Marinas	5.4	4.5
Health Clubs	(0.1)	47.2
EBIT[2]	**7.5**	**51.4**

Discontinued operations:

- Bowling & Entertainment treated as a discontinued business following the signing of a binding agreement on 20th December 2017 to sell the business
- Sale price represents an attractive multiple of FY17 EBITDA less routine capex and FY17 EBIT
- The sale of the Marinas business completed on 15th August 2017, generating proceeds of $126 million and a profit on sale of $4.7 million
- The Health Clubs business was sold on 25th October 2016

1 *For the period 1st July 2017 to 31st December 2017*
2 *Refer defined terms*

Main Event


Main Event

Revenue up 25.4% to US$128m, EBITDA[2] up 11.7% to US$14.7m[3]

The figures in the table below are in US$ million

US$m	1H18[1]	1H17	Variance
Revenue	128.0	102.1	25.4%
EBRITDA[2]	33.3	26.5	25.6%
Operating margin	26.0%	26.0%	
Property costs	(18.6)	(13.3)	(39.3%)
EBITDA[2]	**14.7**	**13.2**	**11.7%**
EBITDA[2] margin	**11.5%**	**12.9%**	**(1.4 pts)**
Depreciation and amortisation	(12.9)	(8.3)	(55.7%)
EBIT[2]	**1.8**	**4.9**	**(63.4%)**

Main Event Performance:

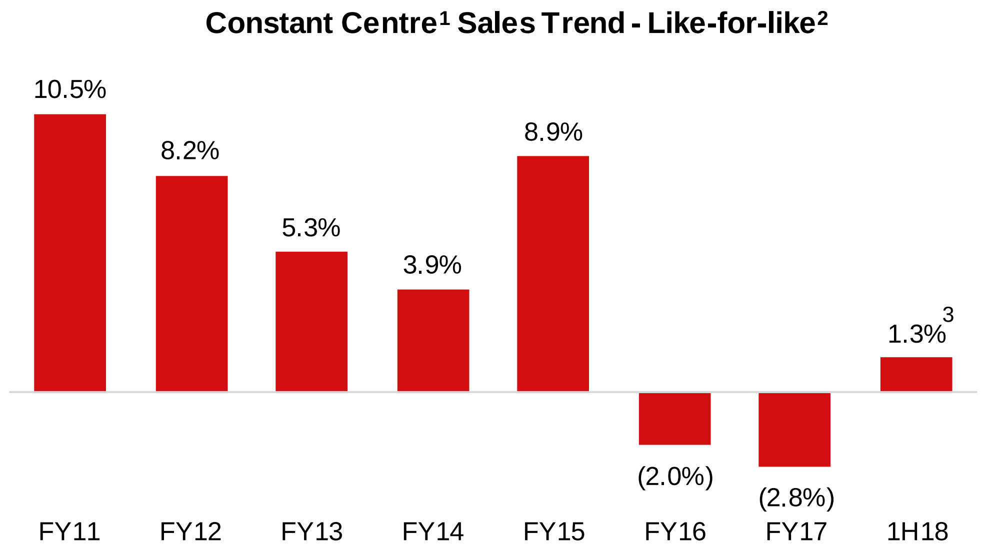
- Sales growth reflects approximately nine additional average centre equivalents vs pcp
- Constant centre sales, on a like-for-like basis, increased 1.3% (0.9% excluding expected insurance proceeds)
- Impact of Hurricane Harvey and fire damage at another centre estimated to have adversely impacted EBITDA by circa US$2.1 million
- Increase in depreciation and amortisation charge reflects the opening of ten new centres in FY17, remodelling of four constant centres, new support centre and related system investments
- Pre-opening costs US$1.5 million in FY18 vs US$4.6 million in 1H17

1 *For the period 1st July 2017 to 31st December 2017*
2 *Refer defined terms*
3 *Excludes US$2.1 million of expected business interruption insurance proceeds*

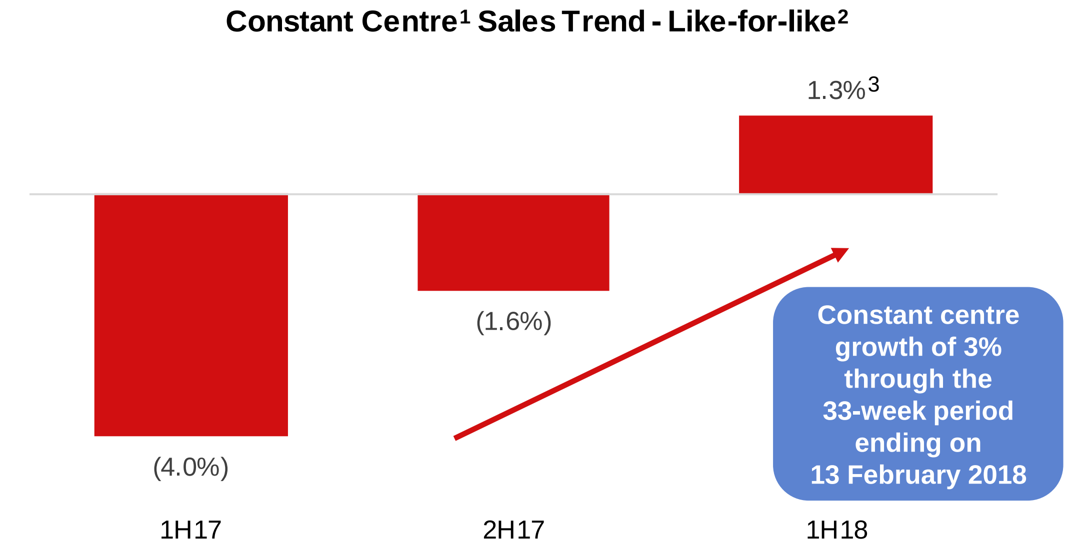
Main Event

Constant centre[1] sales trends improving and now positive

Constant Centre[1] Revenue Trending Up



Trend is Improving with Sequential Improvement



- Improvements in constant centre revenue trends reflects growth of group business and pricing optimisation associated with walk-in business
- Constant centre revenue in 1H18 was negatively impacted by less favourable timing of Christmas school break which shifted more holidays into January, as well as competition moving into some of our trade areas

Strategic Priorities Focused on Constant Centre Revenue Growth

- ✓ Drive higher consumer demand
  - Provide memorable guest experience
  - Enhance F&B offerings and service-level
  - Innovate and refresh core assets
- ✓ Increase brand awareness and deliver targeted marketing
- ✓ Grow corporate event, group and birthday sales
- ✓ Maximise profitability through demand pricing and yield optimisation

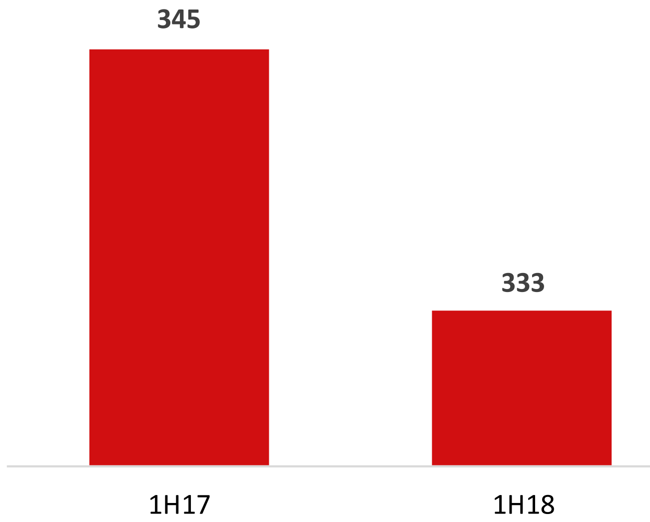
1 *Refer defined terms.*
2 *Constant centres presented on a "like-for-like daily" basis.*
3 *Included US$0.3m of expected business interruption insurance proceeds not recognised in the financial statements; excluding these proceeds constant centres' revenue growth is 0.9%*

Main Event

Constant centre[1] cohort stabilised

US$m	Constant Centres	Non-Constant Centres	New Centres in FY18	Total Centres	Marketing Expenses	Regional/ Central Costs	Pre-opening costs	Other specific item	Total
1H18									
# of centre equivalents	21.0	16.0	0.9	37.9					37.9
Revenue	73.7	49.6	4.7	128.0					128.0
EBITDA	22.7	12.4	2.1	37.2	(6.5)	(12.6)	(1.5)	(1.9)	14.7
EBITDA Margin	30.8%	24.9%	45.2%	29.1%	(5.1%)	(9.8%)	(1.2%)	(1.4%)	11.5%
Average unit revenue	3.5	3.1	5.5	3.4					
1H17									
# of centre equivalents	21.0	7.4		28.4					28.4
Revenue	72.8	29.3		102.1					102.1
EBITDA	22.6	9.8		32.4	(4.6)	(9.8)	(4.6)	(0.2)	13.2
EBITDA Margin	31.0%	32.5%		31.7%	(4.5%)	(9.6%)	(4.5%)	(0.2%)	12.9%
Average unit revenue	3.5	3.9		3.6					
Impact on margin	**(0.1%)**	**(2.9%)**	**0.4%**	**(2.7%)**	**(0.6%)**	**(0.2%)**	**3.3%**	**(1.2%)**	**(1.4%)**

Regional / Central Cost per CE[2] (US$'000)



- Average unit revenue decline is due to addition of lower sales volume centres, primarily associated with the FY17 cohort, plus impact of Humble centre being closed for five months following Hurricane Harvey
- Increase in regional/corporate costs primarily reflect:
  - Additional headcount and related support costs to facilitate future growth
  - Shifted geography of regional costs that were previously recorded at the centre-level
- Marketing expense increase associated with the addition of new centre openings, some in new markets, as well the testing of TV media spend

- Decrease reflects the economies of scale achieved as footprint expands

1 *Refer defined terms.*
2 *Centre Equivalents*

Main Event

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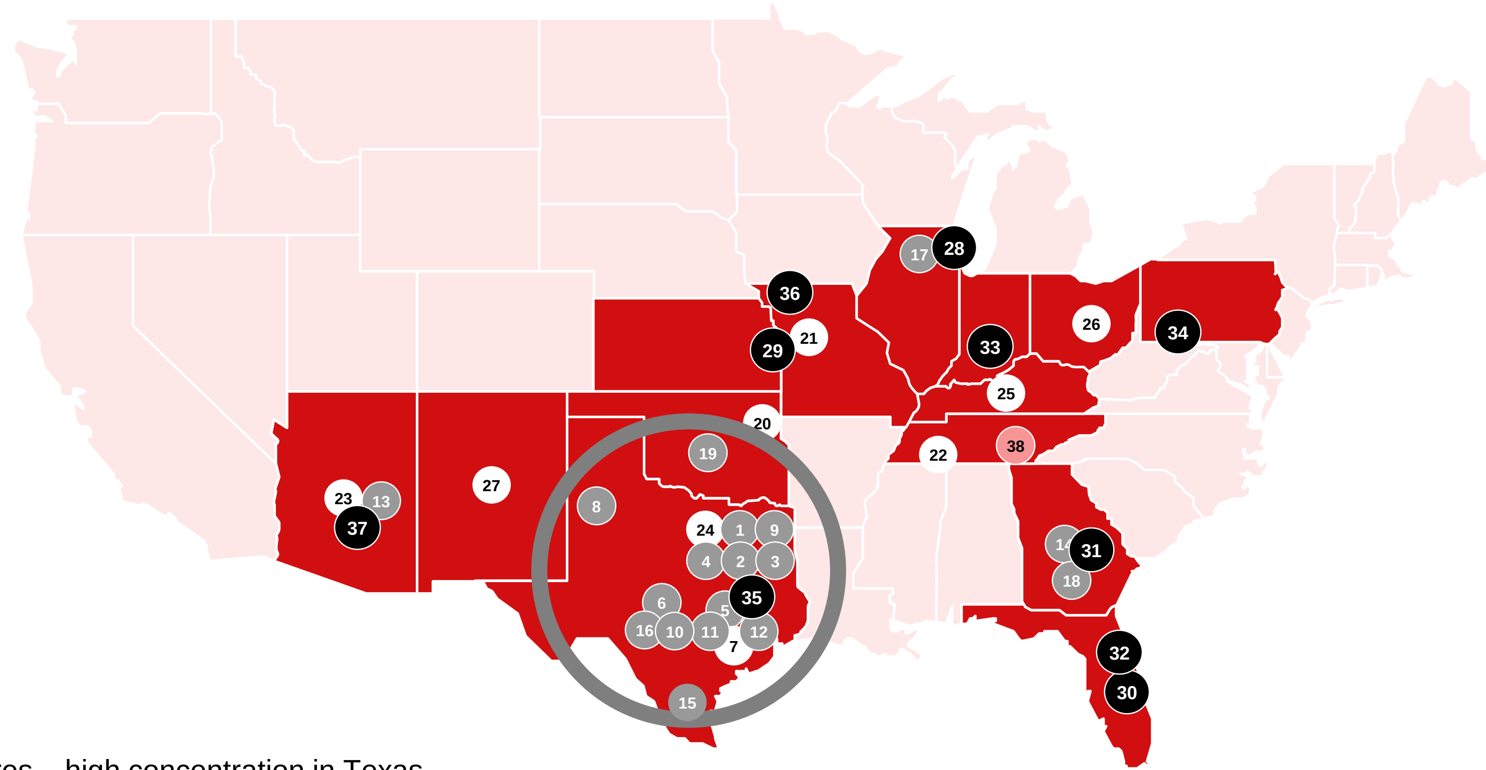
MAIN EVENT

Geographic diversification to drive longer term benefits



- Constant Centres – high concentration in Texas
- FY17 new centres – geographically spread across 9 states
- New centre in 1H18

Existing Sites

1. Lewisville, TX
2. Grapevine, TX
3. Plano, TX
4. Ft Worth (South), TX
5. Shenandoah, TX
6. Austin (North), TX
7. Webster, TX
8. Lubbock, TX
9. Frisco, TX
10. San Antonio (N), TX
11. Katy, TX
12. Stafford, TX
13. Tempe, AZ
14. Alpharetta, GA
15. Pharr, TX
16. San Antonio (W), TX
17. Warrenville, IL
18. Atlanta, GA
19. Oklahoma City, OK
20. Tulsa, OK
21. Independence, MO
22. Memphis, TN
23. Avondale, AZ
24. Ft Worth (North), TX
25. Louisville, KY
26. West Chester, OH
27. Albuquerque, NM
28. Hoffman Estates, IL
29. Olathe, KS
30. Orlando, FL
31. Suwanee, GA
32. Jacksonville, FL
33. Indianapolis, IN
34. Pittsburgh, PA
35. Humble, TX
36. KC North, MO
37. Gilbert, AZ
38. Knoxville, TN

Main Event

Operational Achievements and Second Half Focus

- Three new centres to open in second half; two of these openings will be in new states, with Columbia, MD, being our first true mall site
- Humble reopened strongly at the end of January 2018 after being closed for five months due to Hurricane Harvey
- Tabletop, order, pay & play rolling out to all centres by end of FY18
- New menu with culinary and creative enhancements for April 2018
- Media, promotional and innovation tests commencing in the second half of FY18
- Strategic priorities in second half include:
  - Driving higher consumer demand through:
    - providing memorable guest experience;
    - enhancing F&B offerings and service-level; and
    - innovating and refreshing core assets
  - Increasing brand awareness and delivering targeted marketing
  - Growing corporate event, group and birthday sales
  - Expansion of footprint

Theme Parks


Theme Parks

Results impacted by Dreamworld incident in October 2016

A$m	1H18[1]	1H17	Variance
Revenue	37.2	41.8	(11.0%)
Expenses	(61.9)	(131.2)	52.8%
EBITDA[2]	**(24.7)**	**(89.4)**	**72.3%**
EBITDA[2] margin	**(66.4%)**	**(213.9%)**	**147.5 pts**
Depreciation and amortisation	(4.4)	(4.5)	3.3%
EBIT[2]	**(29.1)**	**(93.9)**	**69.0%**
Attendance ('000s)	**825.6**	**906.4**	**(8.9%)**

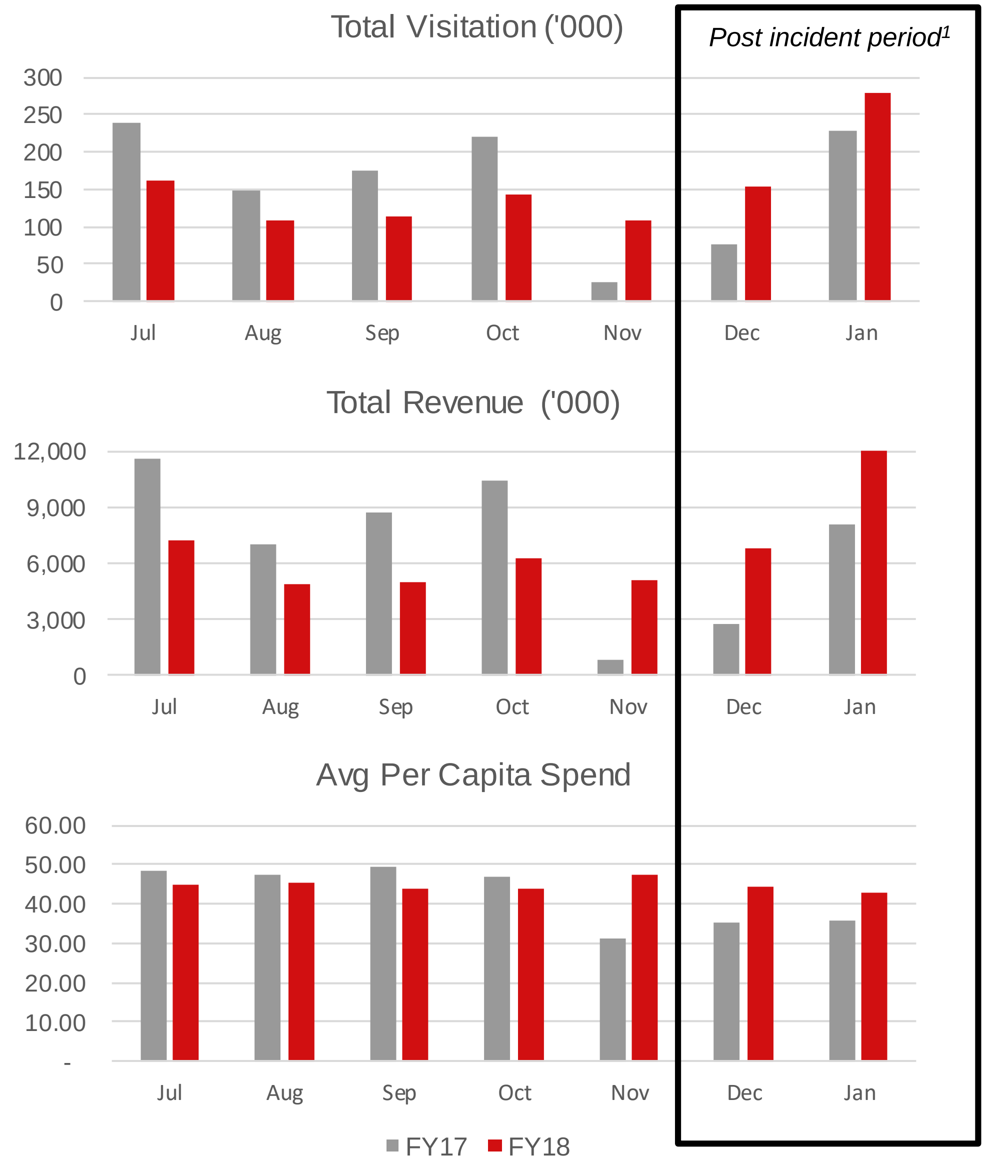
Theme Parks Performance:

- Performance reflects the impact of the Dreamworld incident and lower visitation levels following the re-opening
- EBITDA includes an impairment change of $22.8 million (1H17: $91.4 million) and incident-related costs net of insurance recoveries of $1.9 million (1H17: $3.8 million)
- Excluding the impairment charge and incident-related costs, Theme Parks achieved a breakeven pro forma EBITDA in 1H18, a significant improvement over the $9.4m EBITDA loss incurred in 2H17
- Attendance at Dreamworld is up 32.6% and revenue up 55.6% for the period from 10th December 2017 to 18th February 2018 compared with the same post-incident period in FY17.

1 *For the period 1st July 2017 to 31st December 2017*
2 *Refer defined terms*

Theme Parks

Recovery evident in post incident period vs pcp



1 *After re-opening on 10 December 2016*

Theme Parks Performance:

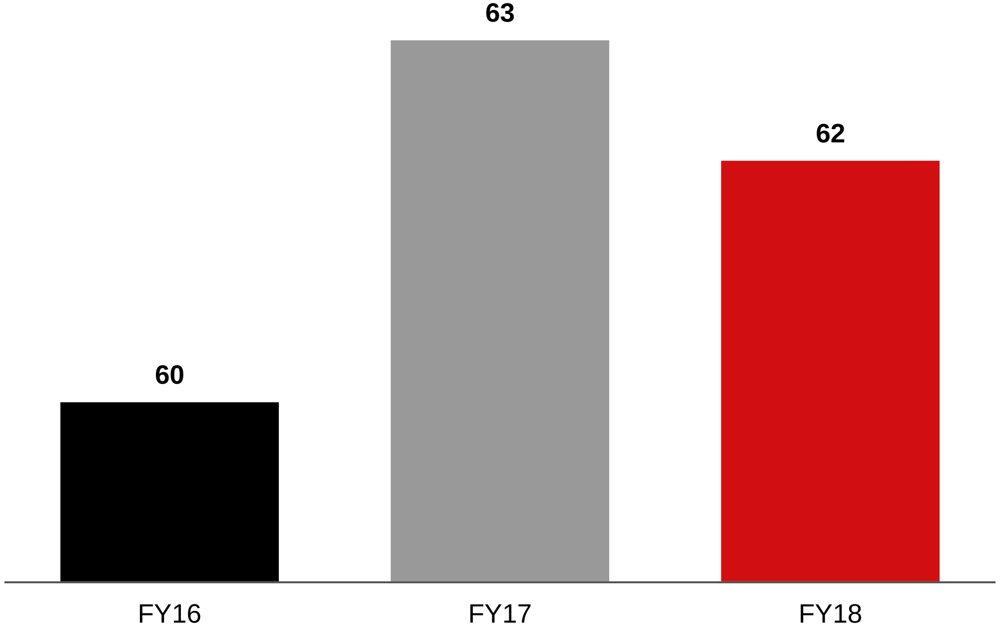
- Recovery timeframe impacted by ride availability – all rides now operational
- Strong response to June 2018 pass campaign – sales on track to reach pre-incident levels
- Continued focus on people, safety, and operating capability – clean bill of health from WHSQ audits
- Per capita spending showing positives signs, revenue from the LEGO® shop exceeded expectations in first year of operation
- Growth in domestic and international visitors to the Gold Coast continues, offset by reduction in day trips and length of stay
- SkyPoint business continues to perform well – restaurant and viewing deck refurbishment complete

Theme Parks

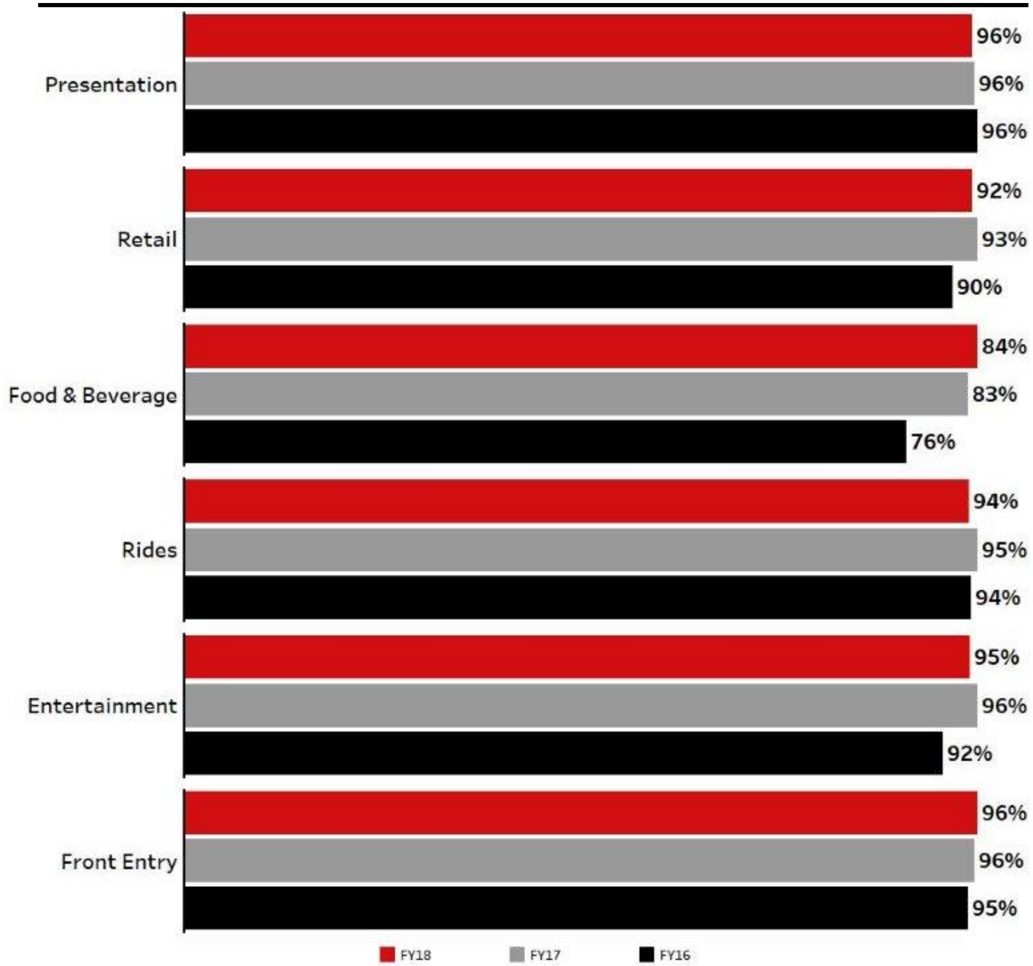
Guest satisfaction remains high

- Customer satisfaction remains very positive
- Net Promoter Score (NPS) of 62
- Excellent feedback on key experiences

Net Promoter Score[1] (NPS)



Guest Satisfaction Survey (Good to Great Scores)[2]



1 *The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others*

2 *Guests answer one question for each of the Theme Park product or experience categories and provide a rating via four options - poor, average, good or great. Good to Great Score is the percentage of guests completing the survey who have rated Good or Great in each category independently*

Theme Parks

Operational Achievements and Second Half Focus

- 10,000 visitors attended Dreamworld on 28th December 2017 – largest attendance day since re-opening in December 2016
- Strong pass campaigns in 1H18 have outperformed the volume of prior campaigns in FY16
- Birth of tiger cubs announced in January 2018 and expected to bolster visitation in lead up to Commonwealth Games
- Corroboree Stage II works will be completed prior to March 2018
- First of a kind DreamWorks walk through attraction planned for mid 2018
- World class Flying Theatre attraction announced for late 2018
- Plans for Water Park expansion and new Dark Ride progressing
- New SkyPoint viewing deck experience to be launched in late 2018

Bowling & Entertainment

Bowling & Entertainment

A$m	1H18[1]	1H17	Variance
Revenue	75.0	64.3	16.6%
EBRITDA[2]	24.8	20.7	20.0%
Operating margin	33.1%	32.2%	0.9 pts
Property costs	(14.9)	(13.3)	(11.8%)
EBITDA[2]	**9.9**	**7.4**	**34.8%**
EBITDA[2] margin	**13.2%**	**11.5%**	**1.7 pts**
Depreciation and amortisation	(7.7)	(7.7)	(0.1%)
EBIT[2]	**2.2**	**(0.3)**	**837.5%**

Bowling & Entertainment Performance:

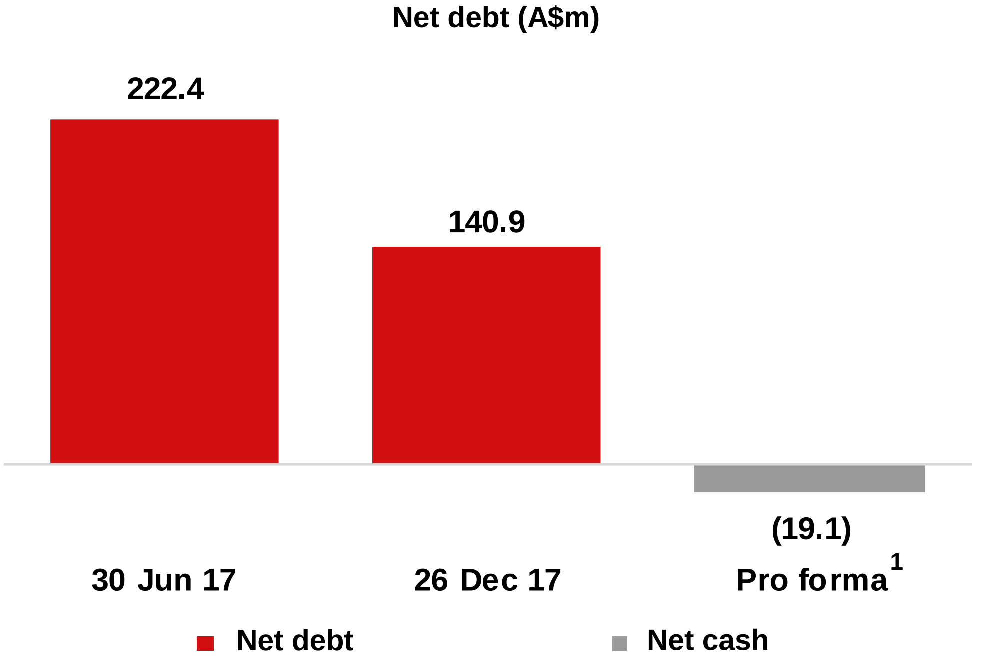
- Achieved revenue growth of 16.6% compared to pcp, driven by a combination of constant centre growth of 3.8%, new venue openings and year-on-year growth in renovated venues
- Two new venues opened during the half: Kingpin Chermside and Playtime Eastland
- Sale of the business is expected to complete in Q3 FY18

1 *For the period 1st July 2017 to 31st December 2017*
2 *Refer defined terms*

Corporate

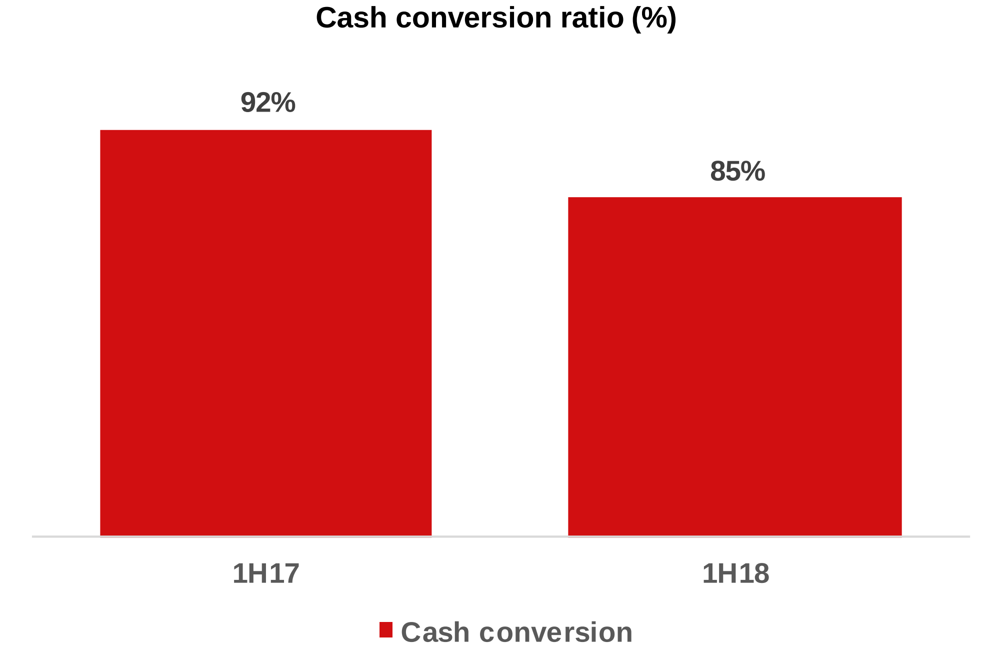

Balance Sheet Management and Strong Free Cash Flow

Balance Sheet Strengthened



- Pro forma net debt reduced to net cash of c.$19 million after sale of Bowling & Entertainment
- Capital freed up to support growth of Main Event and new attractions at Dreamworld

Strong Cash Flow



- Cash conversion solid at 85%
- Ongoing strong cash conversion to fund distributions and growth

1 *Pro forma represents December 2017 balance sheet adjusted for expected proceeds to be received following completion of the sale of Bowling & Entertainment*

Balance Sheet Strengthened

A$m	1H18[1]
Net debt at 30 June 2017	**(222.4)**
Operating cash inflows	14.6
Capital expenditure (cash outflow)	(66.5)
Proceeds from sale of land and buildings	12.6
Insurance recoveries relating to damaged assets	4.9
Sale of Marinas	123.1
Borrowing costs	(5.4)
Distributions	(4.7)
Foreign exchange translation	2.9
	81.5
Net debt at 26 December 2017	**(140.9)**
Expected proceeds from sale of Bowling & Entertainment	160.0
Pro forma net cash after sale of Bowling & Entertainment	**19.1**

As at 30 June 2017	**A$m**
Debt	(233.2)
Cash	10.8
	(222.4)

As at 26 December 2017	
Debt	(162.9)
Cash	22.0
	(140.9)

1 *As at 26 December 2017*

Appendices

Reconciliation of Net Profit After Tax to "Core Earnings"

	Actual	Pro forma	Actual
	26-Dec-17	**31-Dec-17**	31-Dec-16
Net loss after tax	**(15,644)**	**(13,176)**	(49,350)
Add: Items treated as "non-core" in prior periods			
Valuation loss - property, plant and equipment	**22,841**	**22,841**	90,620
Impairment of goodwill	**-**	**-**	783
Impairment of property, plant and equipment	**-**	**-**	112
Pre-opening expenses	**2,534**	**2,534**	6,865
Dreamworld incident costs	**1,926**	**1,926**	3,800
Restructuring and other non-recurring items	**3,066**	**3,066**	-
Gain on sale of discontinued operations	**(4,583)**	**(4,583)**	(44,977)
Selling costs associated with discontinued operation classified as held for sale	**1,491**	**1,491**	574
Unrealised gain/(loss) on derivative financial instruments	**(179)**	**(179)**	54
IFRS depreciation	**3,556**	**3,626**	6,118
Amortisation of health club brands and customer relationship intangible assets	**-**	**-**	907
Straight lining of fixed rent increases	**253**	**253**	452
Loss on closure of bowling centre	**-**	**-**	92
Increase in onerous lease provisions	**295**	**295**	299
Loss on sale and leaseback of family entertainment centre	**706**	**706**	-
	31,906	**31,976**	65,699
Income tax impact of items treated as non-core in prior periods	**(2,568)**	**(2,568)**	(3,534)
	29,338	**29,408**	62,165
	13,694	**16,232**	12,815
Less: Restatement of deferred tax balances to reflect US tax reforms	**(14,931)**	**(14,931)**	-
Core Earnings as defined in prior periods	**(1,237)**	**1,301**	12,815

1 *For the period 1st July 2017 to 31st December 2017*

Reconciliation of 1H18 Pro Forma Segment EBITDA

1st July 2017 to to 31st Dec 2017	Main Event	Theme Parks	Corporate	Continuing Operations	Bowling & Entertainment	Marinas	Health Clubs	Discontinued Operations	Total
Segment EBITDA per 1H18 segment note	**18,740**	**(24,740)**	**(6,729)**	**(12,729)**	**9,915**	**5,421**	**(95)**	**15,241**	**2,513**
Add/(deduct):									
Valuation loss - property, plant and equipment		22,841		22,841				-	22,841
Pre-opening expenses	1,966			1,966	568			568	2,534
Dreamworld incident costs		1,926		1,926				-	1,926
Restructuring and other non-recurring items	1,732		1,334	3,066				-	3,066
Gain on sale of discontinued operations				-		(4,678)	95	(4,583)	(4,583)
Selling costs associated with discontinued operation classified as held for sale				-	1,491			1,491	1,491
Unrealised gain/(loss) on derivative financial instruments			(179)	(179)				-	(179)
Straight lining of fixed rent increases	350			350	(97)			(97)	253
Increase in onerous lease provisions				-	295			295	295
Loss on disposal of assets	653	105	66	824	64	29		93	917
Foreign exchange gains			30	30	8			8	38
"Segment EBITDA" using FY17 definition	**23,441**	**132**	**(5,478)**	**18,095**	**12,244**	**772**	**-**	**13,016**	**31,111**

Reconciliation of 1H17 Segment EBITDA

1st July 2016 to to 31st Dec 2016	Main Event	Theme Parks	Corporate	Continuing Operations	Bowling & Entertainment	Marinas	Health Clubs	Discontinued Operations	Total
Segment EBITDA per 1H18 segment note	**17,814**	**(89,357)**	**(6,932)**	**(78,475)**	**7,357**	**4,476**	**53,237**	**65,070**	**(13,405)**
Add/(deduct):									
Valuation loss - property, plant and equipment		90,620		90,620				-	90,620
Impairment of goodwill		783		783				-	783
Impairment of property, plant and equipment				-	222		(110)	112	112
Pre-opening expenses	6,107			6,107	758			758	6,865
Dreamworld incident costs		3,800		3,800				-	3,800
Restructuring and other non-recurring items				-				-	-
Gain on sale of discontinued operations				-			(44,977)	(44,977)	(44,977)
Selling costs associated with discontinued operation classified as held for sale			(305)	(305)		574	305	879	574
Unrealised gain/(loss) on derivative financial instruments			54	54				-	54
Straight lining of fixed rent increases	306			306	(302)		448	146	452
Loss on closure of bowling centre				0	92			92	92
Increase in onerous lease provisions				0	26		273	299	299
Loss on disposal of assets	319	27		346	255	51	601	907	1,253
Foreign exchange gains			(5)	(5)	(7)		(4)	(11)	(16)
"Segment EBITDA" per 1H17 segment note	**24,546**	**5,873**	**(7,188)**	**23,231**	**8,401**	**5,101**	**9,773**	**23,275**	**46,506**

Cash Conversion

Cash conversion (A$m)	1H18[1]	1H17
Operating cash inflow	14.6	31.1
Add back : Income tax paid	0.2	0.3
Pre-tax operating cash flows	**14.8**	**31.4**
Segment EBITDA	**(1.6)**	**(13.4)**
Add back: Significant non-cash items		
Dreamworld valuation loss and impairment	22.8	91.4
Impairment of property, plant and equipment	-	0.1
Gain on sale of discontinued operations	(4.6)	(45.0)
Loss on disposal of assets	0.9	1.2
Adjusted EBITDA	**17.5**	**34.3**
Cash conversion ratio	**85%**	**92%**

1 *As at 26 December 2017*

Capital Expenditure and Pre-Opening Expenses

ARDENT LEISURE

1H18

(A$m)	Routine Capex	Development Capex	Pre-Opening Expenses
Continuing operations:			
US Entertainment Centres (Main Event)	6.0	35.0	2.0
Theme Parks	5.6		
Corporate	0.4		
	12.0	**35.0**	**2.0**
Discontinued operations:			
Bowling & Entertainment	5.1	12.5	0.5
Marinas	(0.3)		
	4.8	**12.5**	**0.5**
Total	**16.8**	**47.5**	**2.5**

Defined Terms


Defined Terms

Defined Terms	Description
Bowling & Entertainment	Comprised of AMF, Kingpin and Playtime
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EBRITDA	Earnings before Property Costs, Interest, Tax, Depreciation and Amortisation
EBIT	Earnings before Interest and Tax
Free Cash Flow or FCF	Free cash flow calculated as EBITDA less capital expenditure
Main Event constant centres	Centres that have been open for at least 18 months at the beginning of the current financial year Constant centres comprised of Lewisville (TX), Grapevine (TX), Plano (TX), Ft Worth South (TX), Shenandoah (TX), Austin (TX), Lubbock (TX), Frisco (TX), San Antonio North (TX), Katy (TX), Stafford (TX), Tempe (AZ), Alpharetta (GA), Pharr (TX), San Antonio West (TX), Warrenville (IL), Atlanta (GA), Oklahoma City (OK), Tulsa (OK), Independence (MO) and Memphis (TN)
Main Event non-constant centres	Non-constant centres comprised of Webster (TX), Avondale (AZ), Ft Worth North (TX), Louisville (KY), West Chester (OH), Albuquerque (NM), Hoffman Estate (IL), Olathe (KS), Orlando (FL), Suwanee (GA), Jacksonville (FL), Indianapolis (IN), Pittsburgh (PA), Humble (TX), KC North (MO), Gilbert (AZ), Knoxville (TN)
PCP	Prior corresponding period
Pre-opening costs	Costs that are expensed as incurred prior to a centre opening for business
Theme Parks	Comprised of Dreamworld, WhiteWaterWorld and SkyPoint