



2 August 2018

To: ASX Company Announcements Platform

BRISBANE BRONCOS LIMITED AND CONTROLLED ENTITIES 2018 HALF YEAR FORECAST ANNOUNCEMENT

In accordance with ASX listing rule 3.1, the Board of Brisbane Broncos Limited announce that the net profit before tax for the Group for the half year ended 30 June 2018 is expected to be approximately \$3,015,000 compared to the corresponding 2017 half year net profit before tax of \$3,431,633.

The current period reflects normal trading activities but with one less home game compared to the comparative period. In the first half of 2018, seven home games were played compared to eight games in the first half of 2017. Season membership ticket sales revenue and costs are also recorded on a home game basis. Accordingly, one less game's allocation is booked in the current period compared to the comparative period. Mitigating this difference is the recognition in the current period of net season membership merchandise and voucher related sales revenue and costs on satisfaction of the relevant performance obligations.

Game day profits were impacted by crowd shortfalls. Brisbane Broncos average home game crowd for the reporting period of 30,402 is down on the average 2017 first half crowd of 32,139.

Sponsorship revenue increased on the comparative period due to upgraded and new contracts. Sponsor costs increased in line with the servicing requirements of the increased portfolio.

The National Rugby League (NRL) Club Grant increased \$2.3m on the comparative period, in line with the new club funding agreement and recognition of advanced grant funding whilst NRL player salary costs increased in line with the salary cap. New NRL costs for the Distressed Club Fund and Injury Hardship Fund as well as the Rugby League Players Association contribution are recognised in the current period.

Increased government funding (cost recovery revenue) for Indigenous and community programs as well as increased resourcing and program costs have been recognised in the period due to the expanded programs.

Operating costs for the new Clive Berghofer Centre and increased depreciation costs are included in the current period's result.

The first half result cannot be taken as an indication of a full year trend. The second half will include the remaining five home games and significant expenses including player salaries which are accounted for on a monthly basis.

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A continuation of the current trend is expected to result in a full year net profit before tax decrease of 5-15% compared to the prior corresponding period. This expectation is however contingent on a number of factors which may have a material impact on the reported results for the 2018 year:

- Crowd attendance for the remainder of the 2018 season;
- Completion of the first full year of occupancy in the Clive Berghofer Centre;
- Completion of the inaugural NRL Women's competition; and
- Other factors, such as the medical costs which are unable to be quantified in advance.

Yours sincerely

A handwritten signature in black ink, appearing to read "L. Lanigan". The signature is written in a cursive style with a large, looped initial "L".

Brisbane Broncos Limited
Louise Lanigan
Company Secretary