

# ASX ANNOUNCEMENT

## STRONG, DIVERSE PORTFOLIO DELIVERS 12% NORMALISED PROFIT GROWTH

THURSDAY 23 AUGUST 2018

Major entertainment, hospitality and leisure operator EVENT Hospitality & Entertainment Limited ("EVT") today announced a full year result with normalised profit before interest, individually significant items and income tax ("PBIT") of \$190.3 million, an increase of \$20.3 million or 12.0% above the prior year result. Normalised profit after income tax was \$124.3 million, an increase of \$10.6 million or 9.3% whilst the statutory net profit after tax was \$111.9 million, an increase of \$1.1 million or 1.0%.

In announcing the result, EVT CEO Jane Hastings said: "The full year result with normalised PBIT up 12.0% on prior year demonstrates the benefit of the Group's diverse operating businesses and strong property portfolio. The Hotels and Resorts division delivered 31.4% growth in earnings with new hotels QT Melbourne, QT Queenstown and Rydges Geelong delivering just over half of this increase. A record profit result for Thredbo was underpinned by strong snow conditions in September and growth in mountain biking in the summer. Entertainment New Zealand was particularly pleasing with underlying earnings up 11.0% year-on-year. These divisions offset the comparatively weak performances from Entertainment Australia and Germany, both of which traded relatively in line with the markets they operate in".

Regarding the Group's property portfolio, Ms Hastings highlighted: "The recent independent valuations indicate strong growth in the value of our property assets with a fair value of \$2 billion, compared with the previous valuation of \$1.5 billion, whilst the book value for these assets is \$1.2 billion".

Ms Hastings also commented on the outcome of the strategic review of the Group's assets: "We have formed a solid five year growth direction with a clear capital allocation framework, albeit this plan will evolve as new opportunities arise and market conditions change. One element of this strategic review has been the evaluation of the Group's German cinema exhibition division, CineStar. CineStar has delivered a good return over the last decade and maintains a consistently strong German market share position, however, it brings no economies of scale to our other cinema businesses. We are therefore exploring options for CineStar, in conjunction with our local investment and development opportunities, such as 458-472 George Street in Sydney, to deliver future sustained growth for shareholders".

Further to this, the Group has identified some underperforming assets including a few small cinemas which will close and the decision to divest QT Port Douglas and Rydges Gladstone, which have negatively contributed to earnings for several years.

EVT has also experienced positive results from recent structural changes, Ms Hastings said: "The new operating structure, established 12 months ago, with more empowerment of managers 'closer to the customer' is starting to deliver good benefits. In addition, over the next few years, our business transformation programme will introduce automation and improve digital capabilities to ensure we have a strong platform for growth".

EVT Chairman Mr Alan Rydge also announced today a fully franked final dividend of 31 cents per share, bringing the total dividend for the year to 52 cents per share, an increase of 1 cent or 2.0% on the previous year's total dividend.

EVT operates cinemas in Australia and New Zealand primarily under the EVENT, BCC and GU Filmhouse brands, and in Germany under the CineStar brand. In Hotels and Resorts, EVT operates under the Rydges, QT and Atura brands. EVT also owns the Thredbo Alpine Resort and has significant property holdings.

### Further information

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