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ASX RELEASE

20 November 2018

CHAIRMAN AND GROUP CFO'S ADDRESSES FOR ANNUAL GENERAL MEETING

Please find attached a copy of the Chairman and Group CFO's addresses to be delivered at today's Annual General Meeting for Ardent Leisure Group.

A live webcast of the event will be available on the Group's website at www.ardentleisure.com

For further information, please contact:

Bronwyn Weir
Company Secretary
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Ardent Leisure Group
Annual General Meeting
Tuesday, 20 November 2018
10:00am
The Mint, 10 Macquarie Street, Sydney, NSW 2000

Chairman's address

Good morning everyone and welcome to the Annual General Meeting of Ardent Leisure Group.

My name is Gary Weiss. I am the Chairman of Ardent.

As securityholders would be aware, immediately following today's Annual General Meeting we will be holding a Company Scheme Meeting and combined General Meetings of the members of Ardent Leisure Limited and Ardent Leisure Trust for the purposes of seeking approval to the corporatisation of Ardent Leisure Group.

As the time indicated in the Notice of Meeting has passed and a quorum is present, I declare the meeting open.

The notice convening the Annual General Meeting has been sent to all registered securityholders. I will take the Notice of Meeting as read.

It is my pleasure to introduce you to the members of the Board here with me today:

- Mr David Haslingden;
- Ms Toni Korsanos;
- Mr Don Morris; and
- Mr Randy Garfield.

Regrettably Brad Richmond is not able to be here today due to the passing of a family member.

I would also like to welcome members of the executive team:

- Mr Darin Harper, Group Chief Financial Officer;
- Mr Chris Morris, Chief Executive of Main Event Entertainment;
- Mr John Osborne, newly appointed Chief Executive of our Theme Parks division; and
- Ms Nicole Noye, Chief Experience Officer.

The Group's auditor, Ernst & Young, represented by Mr John Robinson is here today and available to answer questions in relation to the auditor's report.

For health and safety reasons, please note the location of your nearest exit in the unlikely event we are required to evacuate the building.

To assist with the conduct of the meeting, can I ask that you please turn off any mobile phones or other electronic devices for the duration of the meetings.

Introduction

This year has been another challenging year for Ardent however I am pleased to say that we are making good progress across many areas of our business. The Board remains committed to restoring value for securityholders and we are excited about the opportunities that lie ahead for our Theme Parks business in Australia and Main Event Entertainment in the United States.

A particularly significant achievement this year has been the successful appointment of two outstanding senior executives, namely Chris Morris and John Osborne, who will be key to improving the performance of our businesses. We also welcomed back Nicole Noye as our Chief Experience Officer. Nicole formally ran our successful Bowling & Entertainment division which was sold last year.

Our goal across all our businesses is to create memorable entertainment experiences for our guests underpinned by best practice safety standards, outstanding customer service and product innovation.

I would like to take this opportunity to thank Craig Davidson who stepped down as Theme Parks CEO in July. His leadership and professionalism during his tenure and particularly the last two years has been commendable. We thank him for his contribution and wish him well for the future.

At Board level, we have a refreshed and strategically aligned Board with the right mix of skills, experience and diversity, assisted by the appointment of two new US based directors and the appointment of Toni Korsanos as a Non-Executive Director in June this year.

Toni is a highly experienced senior executive with extensive experience in general and financial management, strategy and risk management. Until recently, Toni was the Chief Financial Officer and Company Secretary at Aristocrat Leisure. Upon commencement as a Non-Executive Director, Toni became the Chair of the Group's Audit & Risk Committee.

Toni is seeking your approval for her appointment as a Director at today's meeting.

I would also like to highlight the contribution of both Randy and Brad, who have shared meaningful insights about the US restaurant, leisure, tourism and entertainment industries and have provided valuable assistance and support to the teams at Main Event and Dreamworld.

Achievements

I will shortly ask Darin, our Group Chief Financial Officer, to provide further details on the performance of the Group, however would like to highlight some of our achievements:

- This year the Group completed the divestment of d'Albora Marinas and our Bowling & Entertainment division, comprising Zone Bowling, Kingpin and Playtime brands. The sale of these businesses has allowed the Group to reduce its net debt to approximately $11 million at 26 June 2018 and this has freed up capital to support the growth of Main Event and invest in new attractions and innovation at Dreamworld.

- During the year, the Group adopted a retail calendar for its financial reporting to enable improved comparability of reporting periods. As much of our business occurs on weekends, moving to a retail calendar would ensure reporting periods comprise the same number of days and weekends. FY18 was a transitionary year and securityholders can expect to see simplified financial statements going forward.

- Also during the year, the Group discontinued its use of the measure of core earnings in the presentation of its financial statements. Financial information is now focussed on statutory results with significant non-recurring specific items being called out separately. This change provides greater transparency of the Group's financial performance and enables investors to better understand the business in order to make sound investment decisions.

As previously advised to securityholders, the Group is in the advanced stages of establishing new credit facilities in the United States to support the growth of Main Event and capital requirements of the Theme Parks division. Once these arrangements have been finalised, we will update securityholders accordingly.

Improvements in safety operations

In June this year the Coronial Inquest into the tragic incident at Dreamworld in October 2016 commenced. On behalf of my Board colleagues and our team members, we again say how sincerely sorry we are to the families and all those so deeply impacted by this tragedy.

Like everyone else, I am deeply concerned by what has emerged from the Coronial Inquiry. The inquiry is still ongoing and we continue to cooperate with the Coroner and Counsel Assisting during this process.

There is no greater priority for Ardent than striving to achieve global best practice safety standards. We are continuing to focus on safety improvements and enhancements across all aspects of the park and reconfirm our commitment to implementing all Coronial Inquest recommendations in consultation with Workplace Health & Safety Queensland and the theme park industry.

In July, the Board announced the restructure of the Dreamworld management team and the appointment of new executives and then, in August, the appointment of an external safety advisor to the Board, Geoff Sartori.

Geoff is a highly experienced executive who has extensive expertise in all aspects of infrastructure, safety and operations having formerly been the Group General Manager – Group Safety and Principal Safety Advisor to the Qantas Group. Geoff is currently the Safety Advisor to the Board of Virgin Australia Group.

As I am sure we can all acknowledge, the aviation industry in Australia has an impeccable safety record and reputation. With the appointment of Geoff and other senior executives with this specific industry knowledge and experience we are working towards aviation type safety standards throughout our entire operations.

In additional to Geoff, Phil Tanner has been appointed Director of Safety at Theme Parks and brings extensive experience in risk management and safety having spent more than 20 years being responsible for design, implementation and maintenance of safety and welfare systems at the Westfield Group.

Mike McKay, a former Queensland Police Inspector, who has worked with the Board since October 2016 has also been appointed on a full time basis as Director for Culture, Community and External Relations and has been assisting the team with the ongoing recovery of Dreamworld and re-establishing the trust of the local community and general public.

We recently announced the appointment of John Osborne as the new Chief Executive for Theme Parks. John commenced in the business on 5 November and brings a wealth of experience to the role having held senior executive positions in the leisure, tourism and hospitality sectors over the last 25 years. John has a proven track record of business transformation and strategy execution and we are looking forward to working with him as we continue to reinvigorate Dreamworld.

John is here today and will speak shortly to his vision for Dreamworld.

Theme Parks

The Theme Park business continues to be impacted by the tragic accident in October 2016 and the Coronial Inquiry.

The Board firmly believes in the long term future of Dreamworld as a true family entertainment destination. The theme park industry plays an important role in the Gold Coast and Queensland economy. In addition to the increasing number of overseas visitors to the region, the development of the Coomera Town Centre is well underway with Westfield Coomera having opened in October and further retail and residential development still to come; all providing the park with opportunities for increased visitation.

The Board and management's focus this year has been to review the park's operations and identify areas for investment. We have already made significant investment in new safety systems, processes and people and remain committed to restoring value through new rides and attractions, improved guest services, retail offerings and increased food and beverage outlets.

The first of our new attractions is the world-class flying theatre, Sky Voyager to open later this year - our largest investment in a new attraction at Dreamworld for many years. This family attraction will take guests on an immersive journey over some of Australia's greatest and most iconic landmarks with special effects such as wind, sound and light in a 4D simulated experience.

We are also investing in a $15 million major extension to WhiteWater World which will consist of pools, waterfalls, beached areas, function and events space, cafes and pop up retail outlets. This new precinct will add significant capacity to the water park and provide a great space for families to enjoy.

In addition to these new attractions, the Dreamworld Wildlife Foundation is continuing to deliver on critical actions that facilitate the conservation of wild tigers and, increasingly, threatened Australian species such as bilbies, tree kangaroos, and koalas. The Dreamworld Wildlife Foundation supports vital koala conservation research in partnership with the University of Queensland and the Queensland University of Technology.

There has been significant interest from the global zoological community in collaborating with the Foundation to ensure the long term viability of its conservation research work. A recent agreement with Wilhelma Zoo in Germany will see four koalas transferred there as part of Australia's official Ambassador Agreement to help raise awareness of the plight of koalas in Australia.

Furthermore, our strong connection with the indigenous community is reflected in our expansion of the Dreamworld Corroboree attraction which educates and showcases the history and culture of Aboriginal and Torres Strait Islander people.

This much needed investment will herald a new era for Dreamworld and we look forward to sharing our progress with you over the coming year.

Main Event

Turning to Main Event, the Board remains committed to executing the roll out of new Main Event Entertainment centres in the US.

The recruitment and selection of Chris Morris as Chief Executive for this business is crucial to achieving our strategic objectives of improved performance and growth.

I am pleased to say that Chris's appointment has already seen improved results. Chris joined the business in March with extensive experience in multi-site businesses, brand revitalisation strategies, operational execution and new unit development.

Chris's key priorities have been to build a strong management team to support the future growth of Main Event; to develop a comprehensive real estate strategy for the roll out of new centres; and drive innovation across many areas of the business including games, food and beverage and customer service.

While I will let Darin speak to the results for Main Event, I am pleased to say that in FY18 we saw a return to positive like for like constant centre sales growth after nearly two years of negative performance.

The initiatives introduced to improve performance included new technology, refreshed menu offerings and improved promotional packages. During the year we also remodelled a number of our legacy centres.

This year will be a year of reset and consolidation for Main Event as the business prepares for growth in FY20 and beyond. Chris Morris is here today and will speak further to his vision and plans for Main Event shortly.

Conclusion

In closing, I would like to take this opportunity to thank our guests, partners and securityholders for their continued support of Ardent and its businesses.

I thank all the employees and management for their dedication and hard work over what has been another challenging year. An enormous amount of work has been undertaken across our businesses to ensure they are safe and provide an enjoyable experience for all our guests and team members.

Your commitment and hard work is greatly appreciated.

I will now invite Darin Harper to present the Group's FY18 operating performance.

Thank you.

Ardent Leisure Group
Annual General Meeting
Tuesday, 20 November 2018
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Group CFO's address

Thank you, Gary, and good morning everyone.

As Gary mentioned, the 2018 fiscal year was a challenging one for the Group, led by significant non-cash impairment charges, a slow recovery for our Theme Parks business and several specific items that negatively impacted our results. However, we also made progress in several areas that we believe position us well as we head into the 2019 calendar year.

During the year the Group adopted a retail calendar with statutory results reported to 26 June 2018. In order to provide comparability to FY17 (which has 365 days vs 361 days for FY18), we have presented pro forma results for the year to 30 June 2018. The balance of this presentation focuses on the pro forma results unless otherwise noted.

Some of the financial highlights for the fiscal year ended 26 June, 2018 include:

- The sale of the Marinas business in August 2017 and the sale of the Bowling & Entertainment business in April 2018
- Main Event returned to positive comparable store sales growth while opening four new centres during the year, leading to total revenue growth of over 23%
- The sales performance of the most recent new centre openings for Main Event reaffirms profitable scalability when a disciplined real estate process is maintained
- Theme Parks revenue down (1.4%), however, visitation for the second half of FY18 was up 12.5%;
- We have made and continue to make a number of critical investments in our Theme Park business in terms of leadership, operations and innovation
- There was a significant reduction in our Group Office cost structure in FY18, from $19.2 million to $15.6 million
- We incurred a number of specific charges during the year associated with the coronial inquest, management restructuring, non-cash impairment charges, and other items, and
- Reduction of our net debt position during fiscal year 2018 by over $210 million, ending the year at $11 million net debt

Consolidated Results

The pro forma financial results for FY18 reflect a net loss of $88.6 million, compared to a net loss of $62.6 million in the prior year. The FY18 loss was led by:

- a valuation loss of $75 million attributable to the ongoing performance of Dreamworld,
- a $38 million non-cash impairment charge related to five under-performing Main Event locations,
- Dreamworld incident costs and other restructuring and non-recurring items, and

- Underlying performance of Dreamworld being subdued as it continues its recovery post-tragedy

While overall consolidated revenue was down 5% year-over-year to $555 million, this is primarily a result of the sale of the Health Clubs, Marinas and Bowling & Entertainment businesses. The sale of these businesses accounted for over $89 million of revenue decline year-over-year, and accounted for $31.7 million of EBITDA decline year-over-year, including the gains arising from the sale transactions.

Also, during the current year, we benefited from a favorable adjustment of Main Event's deferred tax balances in connection with US tax reforms which have lowered the maximum US corporate income rate from 35% to 21%.

Continuing Operations

Revenue from continuing operations (which include our Theme park business and US-based Main Event Entertainment) was up 16%, driven by a revenue increase of over 20% for Main Event, while our Theme Parks revenue declined by 1.4%. I will discuss the performance of the individual business units shortly.

EBITDA and NPAT losses from continuing operations largely reflect the impact of the specific items noted previously, including impairment losses, restructuring related charges, Dreamworld incident costs and other non-recurring expenses.

Corporate costs at the EBITDA level decreased from $19.2 million in FY17 to $15.6 million in FY18, reflecting partial year savings associated with right-sizing our Group office cost structure to align with our current business strategy. The FY18 amount includes $3.4 million of separately identified restructuring, impairment and other non-recurring costs.

Main Event

Turning to Main Event's results: Revenue grew 23.5% versus the prior year, primarily reflecting new centre growth. In fiscal year 2017, we opened 10 new centres and in fiscal year 2018 we opened 4 new centres. Factoring in the number of operating weeks each new centre contributed, the average centre equivalent growth for the full 2018 fiscal year vs 2017 was over 7 centres. Constant centre sales on a like-for-like basis grew 1.6%, largely reflecting pricing optimization strategies taken in the second quarter.

Several items impacted our results during the year, including a US$28.4 million non-cash impairment charge related to five under-performing locations, US$6.1 million of restructuring charges, non-cash losses on disposal of assets, and other one-time costs. Aside from these specific items, our underlying business performance was unfavorably impacted by continued challenging trading conditions at certain FY17 cohort centres, as well as increases in regional and central office costs, reflecting investments in infrastructure to support our growth strategies. Increases in depreciation and amortization primarily reflect investments made in our new centre openings as well as remodels and other system investments.

We are pleased with Main Event's constant centre revenue performance being up 1.6% during FY18. Additionally, we are pleased overall with the sales performance of the four new centres opened in FY18, all of which were in new trade areas. Three of the four locations are exceeding our system average sales performance by 19%, and the fourth is a slower build that is strengthening each period.

Theme Parks

Turning our attention to Theme Parks, revenue for FY18 was down 1.4%. This was led by the continued slow recovery at Dreamworld after the October 2016 tragedy, partially offset by an increase in SkyPoint revenue.

Our per capita spend at Dreamworld was impacted during a significant portion of FY18 by discounted ticket prices following the tragedy. A subsequent price increase was taken in May 2018 for one-day and season passes.

The recovery effort at Dreamworld was evident in the second half results with visitation increasing 12.5% compared to prior year, supported by growth from both the local and international markets. When the Coronial Inquest began in June 2018 and media coverage re-intensified, we began to be impacted by significantly lower attendance levels year-over-year.

Additionally, in FY18, we recognized $79.6 million in charges reflecting valuation and impairment losses for Dreamworld and SkyPoint assets, versus a $89.5 million adjustment in the prior year. Furthermore, Dreamworld incurred incident-related costs net of insurance recoveries of $6.2 million, vs $5.4 million in the prior year. Excluding these costs in both the current and prior year, our Theme park business recorded a $4.8 million EBITDA loss in FY18 as compared to a $3.4 million EBITDA loss in FY17.

Trading Update and Outlook

In terms of Main Event current trading performance, at the time of our year-end results, we communicated that FY19 YTD constant center sales performance through week six was up 0.4%. However, this was impacted by unfavourable timing of US Independence Day. Excluding the first week of FY19, constant centre growth would have been up 2.2%. We closed out the first quarter of FY19 with constant centre revenues on a like-for-like basis up 1.9%.

Our sales performance softened in October 2018 as we cycled a very strong October from the prior year. On a 2-year basis, our constant centre sales performance is up 1.2% for the first quarter and 5.9% for the month of October.

For our Theme Parks business, Q1 FY19 revenue was up 19%, however, all of this growth has come from a per cap increase of 26% (associated with our May 2018 pricing increase) while attendance is down 6%. We believe that our attendance decline is directly correlated with the Coronial Inquest (and attendant media coverage) which commenced in June 2018, continued for two weeks in October 2018 and two more weeks in November 2018. We expect the Inquest will conclude in December 2018, and we anticipate continued challenging sales performance until this time.

The increase in revenue has been offset by increases in costs as the business has invested significantly in new safety systems, processes and people. This has resulted in an EBITDA loss of $3.8m for the four months to October 2018, of which $1.8m relates to restructuring and one-off items. The park has also seen increased capital investment, with approximately $16m of development capital invested in the first half of FY19.

As we look towards the 2019 calendar year, we are encouraged by a number of factors which will be explained by John shortly.

We continue to prudently manage our corporate costs and, lastly, we are in advanced stages of establishing new credit facilities in the US to support the growth of Main Event and the capital requirements of the Theme Park business. We anticipate this will close and fund in early Q3 of fiscal year 2019

Thank you.