

CONTACT DETAILS

Level 16, 61 Lavender Street
Milsons Point NSW 2061
AUSTRALIA
Telephone +61 2 9409 3670
Investor Services 1800 ARDENT
Fax +61 2 9409 3670
www.ardentleisure.com.au

REGISTRY

c/- Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Telephone 1300 720 560
registrars@linkmarketservices.com.au

Ardent Leisure Trust
ARSN 093 193 438
Ardent Leisure Limited
ABN 22 104 529 106
Ardent Leisure Management Limited
ABN 36 079 630 676
(AFS Licence No. 247010)

**ASX RELEASE**

06 August 2014

The Manager
Company Notices Section
ASX Limited
20 Bridge Street
SYDNEY
NSW 2000

Dear Sir / Madam

ARDENT LEISURE GROUP TO ACQUIRE FITNESS FIRST WESTERN AUSTRALIAN PORTFOLIO TO CONSOLIDATE GOODLIFE HEALTH CLUBS AS THE NO.1 WHOLLY-OWNED HEALTH CLUB CHAIN IN AUSTRALIA.

- Ardent Leisure Group ("Group") to acquire eight Fitness First health clubs in Perth. Combined with the existing six Goodlife health clubs in WA the total portfolio of fourteen clubs will create the state's largest full service health club chain.
- Total consideration of A\$32.5 million¹ (5.27x pro forma EBITDA²).
- Acquisition to be funded through an underwritten A\$50 million institutional placement.
- Additional funds will primarily be utilised to accelerate the expansion of Main Event, one of the fastest growing family entertainment businesses in the United States.
- Prior to any synergies with the Group's existing clubs, the acquisition is expected to deliver pro forma FY15 EPS and DPS accretion³ of:
 - 3-5% based on the ~A\$35m raised to fund the acquisition and associated costs.
 - 2-4% based on the full A\$50m placement amount (prior to deployment of additional capital for growth opportunities).
- Unaudited FY2014 core earnings of A\$58.2 million (up 15.7%) and statutory earnings of A\$49.0 million (up 37.6%).

Acquisition Overview

Ardent Leisure Group (ASX: AAD) has signed a binding agreement to acquire Fitness First's Western Australian health clubs ("Fitness First WA") for total consideration of A\$32.5 million¹.

Fitness First WA consists of eight strategically located, quality health clubs located in Perth, with approximately 21,243 members⁴. Offering strong potential for membership growth, the clubs have an average size of 2,161 square metres (c.13% larger than Goodlife's average) and operate in key locations with long term leases, including two in the Perth CBD.

CONTACT DETAILS

Level 16, 61 Lavender Street
Milsons Point NSW 2061
AUSTRALIA
Telephone +61 2 9409 3670
Investor Services 1800 ARDENT
Fax +61 2 9409 3670
www.ardentleisure.com.au

REGISTRY

c/- Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Telephone 1300 720 560
registrars@linkmarketservices.com.au

Ardent Leisure Trust
ARSN 093 193 438
Ardent Leisure Limited
ABN 22 104 529 106
Ardent Leisure Management Limited
ABN 36 079 630 676
(AFS Licence No. 247010)



Goodlife has a track record of growing membership and earnings from Fitness First clubs post acquisition. Following the South Australian portfolio acquisition, Goodlife increased average club membership by more than 20% in the first 18 months.

The acquisition consolidates Goodlife as the No.1 wholly-owned health club chain in Australia and will be funded from the proceeds of a fully underwritten equity placement to raise approximately A\$50 million. The Group will also undertake a non-underwritten Security Purchase Plan ("SPP") to facilitate retail participation. The SPP will be capped at A\$15.0 million.

The funds raised beyond the acquisition consideration will primarily be utilised to expand and accelerate the Main Event roll out as well as for value accretive growth opportunities in other divisions. Main Event is the fastest growing family entertainment business in the United States offering a unique "Eat.Bowl.Play." experience featuring state-of-the-art bowling, multi-level laser tag, high ropes adventure courses, game rooms, billiards, bars and high-quality restaurants.

The transaction is expected to deliver pro forma FY15 EPS and DPS accretion³ of:

- 3-5% based on the ~A\$35m raised to fund the acquisition and associated costs.
- 2-4% based on the full A\$50m placement amount (prior to deploying the additional capital for growth opportunities).

This level of accretion excludes any synergies in Goodlife's existing Western Australian facilities as a result of the acquisition and is based on 0-19% increase in Fitness First WA members over the first 12 months under Goodlife management.

Strategic rationale for the acquisition

Ardent Leisure Group Chairman, Mr Neil Balnaves AO, said, "The acquisition represents a strategic opportunity to strengthen Goodlife's penetration of the Australian health club market. In addition to the opportunity to grow these clubs under Goodlife management, the combination is expected to positively impact the performance of the existing club portfolio through enhanced passport benefits for existing Goodlife members including access to two Perth CBD locations."

Group CEO, Mr Greg Shaw noted "Goodlife has consistently delivered above market membership and profit growth and will now enjoy No.1 ranking in Western Australia, Australia's most attractive fitness market, with 14 clubs and total membership of approximately 40,000."

Expansion and acceleration of Main Event roll out

The proceeds of the equity raising will also be used to accelerate the roll out of Main Event's large format family entertainment centres, with the portfolio set to more than double to 35 sites by the end of FY2017. The expanded roll out will provide an opportunity to build our presence across the Texas, Sunbelt and Mid-Western states of the USA.

CONTACT DETAILS

Level 16, 61 Lavender Street
 Milsons Point NSW 2061
 AUSTRALIA
 Telephone +61 2 9409 3670
 Investor Services 1800 ARDENT
 Fax +61 2 9409 3670
www.ardentleisure.com.au

REGISTRY

c/- Link Market Services Limited
 Level 12, 680 George Street
 Sydney NSW 2000
 Locked Bag A14
 Sydney South NSW 1235
 Telephone 1300 720 560
registrars@linkmarketservices.com.au

Ardent Leisure Trust
 ARSN 093 193 438
 Ardent Leisure Limited
 ABN 22 104 529 106
 Ardent Leisure Management Limited
 ABN 36 079 630 676
 (AFS Licence No. 247010)



Group CEO Mr Greg Shaw said “Main Event is a unique business model offering a wide-range of affordable leisure and entertainment experiences targeting a broad demographic. Trading trends have continued to strengthen with revenue growth of 21.4% and earnings growth of 26.6% recorded for the year to June 2014. The success of our constant centres (delivering EBITDA growth of 12.9%) will be further enhanced by higher than average revenue and EBITDA contributions from new sites. The pipeline of new developments will provide material earnings increases with new sites delivering ~30% EBITDA return on invested capital.”

Unaudited FY2014 financial results

The Group is also pleased to provide investors with an update on its FY2014 financial performance.

y/e 30 June	FY14 (unaudited)	FY13A	Change vs. pcg
Revenue ⁵	A\$499.7m	A\$448.9m	up 11.3%
Core earnings ⁶	A\$58.2m	A\$50.3m	up 15.7%
Statutory profit	A\$49.0m	A\$35.6m	up 37.6%
Core EPS ⁶	14.40 cents	13.14 cents	up 9.6%
DPS	13.00 cents	12.00 cents	up 8.3%

The full year result reflects strong trading performances across the divisions with Main Event EBITDA up 26.6%, Health Clubs EBITDA up 12.1%, Theme Parks EBITDA up 7.7% and Bowling EBITDA up 7.8%. Following the completion of the placement, Group gearing is expected to be approximately 31%. Investors are directed to the presentation lodged with the ASX today for further detail on the FY2014 unaudited financial performance and position.

Placement and SPP

Underwritten Placement

The Group will undertake a fully underwritten placement of new stapled securities to raise A\$50 million ("Placement") at a fixed price of A\$2.41 per stapled security ("Placement Price"). The Placement Price represents a discount of 4.0% to the last closing price on 05 August 2014.

New securities issued under the Placement will rank equally with existing stapled securities. The Placement will be made within the Group's placement capacity and accordingly investor approval will not be required.

Security Purchase Plan

Investors on the Group's security register at 7:00 pm (Sydney time) on the Record Date of 05 August 2014 and whose registered address is in Australia or New Zealand will be entitled to subscribe for up to A\$15,000 worth of the Group's stapled securities, subject to scale back. Stapled securities issued under the SPP will rank equally with existing Group stapled securities.

CONTACT DETAILS

Level 16, 61 Lavender Street
 Milsons Point NSW 2061
 AUSTRALIA
 Telephone +61 2 9409 3670
 Investor Services 1800 ARDENT
 Fax +61 2 9409 3670
www.ardentleisure.com.au

REGISTRY

c/- Link Market Services Limited
 Level 12, 680 George Street
 Sydney NSW 2000
 Locked Bag A14
 Sydney South NSW 1235
 Telephone 1300 720 560
registrars@linkmarketservices.com.au

Ardent Leisure Trust
 ARSN 093 193 438
 Ardent Leisure Limited
 ABN 22 104 529 106
 Ardent Leisure Management Limited
 ABN 36 079 630 676
 (AFS Licence No. 247010)



The issue price of stapled securities issued under the SPP will be the lower of (i) the Placement Price and (ii) a 2.0% discount to the volume weighted average price ("VWAP") of the Group's stapled securities during the five trading days before the closing date for applications under the SPP. The SPP is capped at a total amount of A\$15.0 million and is not underwritten. Further details on the SPP timetable will be released after completion of the Placement.

Indicative Placement timetable

Placement	Date
Trading halt	Wednesday, 6th August 2014
Placement opens	10:00am (Sydney time), Wednesday 6th August 2014
Placement closes	4:00pm (Sydney time), Wednesday 6th August 2014
Trading halt lifted	Thursday 7th August 2014
Settlement of Placement	Tuesday 12th August 2014
Allotment of New Securities	Wednesday 13th August 2014
New Securities commence trading on ASX	Wednesday 13th August 2014

Additional Information

UBS AG, Australia is sole lead manager and underwriter of the Placement.

Yours faithfully

Alan Shedden

Company Secretary

For further information, please contact:

Greg Shaw
 Chief Executive Officer
 Phone: +61 (0)2 9409 3671
 Mobile: +61 (0)419 727 152

Richard Johnson
 Chief Financial Officer
 Phone: +61 (0)2 9409 3672
 Mobile: +61 (0)407 880 181

Ardent Leisure Group is a specialist operator of leisure and entertainment assets across Australia, New Zealand and the United States. The Group owns and operates Dreamworld, WhiteWater World, SkyPoint, SkyPoint Climb, d'Albora Marinas, Hypoxi Body Contouring, Goodlife health clubs, AMF and Kingpin bowling centres across Australia and New Zealand. The Group also operates Main Event Entertainment, the fastest growing family entertainment chain in the United States. For further information on the Group's activities please visit our website at www.ardentleisure.com.au

CONTACT DETAILS

Level 16, 61 Lavender Street
Milsons Point NSW 2061
AUSTRALIA
Telephone +61 2 9409 3670
Investor Services 1800 ARDENT
Fax +61 2 9409 3670
www.ardentleisure.com.au

REGISTRY

c/- Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Telephone 1300 720 560
registrars@linkmarketservices.com.au

Ardent Leisure Trust
ARSN 093 193 438
Ardent Leisure Limited
ABN 22 104 529 106
Ardent Leisure Management Limited
ABN 36 079 630 676
(AFS Licence No. 247010)

**Notes:**

- 1 Purchase price includes A\$2.5 million deferred payment payable 12 months after Completion. Excludes upfront capital expenditure and transaction costs associated with the acquisition and capital raising.
- 2 Forecast EBITDA during first full 12 months under Goodlife management.
- 3 Relative to analyst consensus FY15 EPS of 16.3 cents and FY15 DPS of 14.8 cents; prior to any funds raised via the SPP; assumes the transaction and placement had occurred on 1 July 2014. Range based on 0-19% increase in Fitness First WA's members in the first 12 months of Goodlife ownership.
- 4 At 30 June 2014.
- 5 From operational activities excluding property revaluations, gains on derivative financial instruments, interest income, gain on acquisition and gains on asset disposals.
- 6 Adjusted for unrealised gains on derivative financial instruments, property revaluations, straight-lining of fixed rent increases, pre-opening expenses, IFRS depreciation, amortisation of Health Clubs intangible assets, loss on closure of bowling centre, business acquisition costs, gain on acquisition, gain on sale and leaseback of family entertainment centre and the tax associated with these transactions.

Disclaimer

This document has been prepared for publication in Australia and may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Ardent Leisure Group is offering the New Securities to only professional and sophisticated investors as defined under the Corporations Act 2001 (Cth) (Corporations Act). This document has been prepared by Ardent Leisure Group to provide information to a limited number of sophisticated or experienced investors familiar with the inherent risks of investing in unlisted securities.

This document is not intended to represent investment advice or an investment recommendation and no reliance should be placed on the document for making an investment decision relative to the New Securities. Ardent Leisure Group, its Directors, officers, employees, agents, shareholders, advisors and consultants do not represent, warrant or guarantee, expressly or implied, that the information contained in this document is complete or accurate. Nor does Ardent Leisure Group accept any responsibility to inform recipients of this document of any matter that subsequently comes to notice, which may affect any of the information contained in this document.

Ardent Leisure Group, its Directors, officers, employees, agents, shareholders, advisors and consultants make no recommendations as to whether you should apply for the New Securities in Ardent Leisure Group. You should make your decision whether to participate, based upon your own inquiries. By applying for the New Securities in Ardent Leisure Group, you acknowledge and accept the risks associated with an investment in Ardent Leisure Group and you do not rely on Ardent Leisure Group, its Directors, officers, employees, agents, shareholders, advisors and consultants in any way regarding the risk assessment relating to an investment in Ardent Leisure Group.

Future Performance

This document contains certain "forward looking statements". Forward looking statements should or can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this document involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Ardent Leisure Group and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward looking statements may also be based on estimates and assumptions which are subject to change. Likewise statements about market and industry trends are based on interpretations of current market conditions which are also subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of Ardent Leisure Group's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Ardent Leisure Group's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and Ardent Leisure Group, its Directors, officers, employees, agents, shareholders, advisors and consultants assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. No representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.