APPENDIX 4D

Half Year Report
for the period ended 31 December 2014

Name of Entity: Ardent Leisure Group (ASX: AAD)
Comprising:
Ardent Leisure Trust (ARSN 093 193 438)
Ardent Leisure Limited (ABN 22 104 529 106)

Results for announcement to the market

	6 months to 31 December 2014	6 months to 31 December 2013	Variance
	$'000	$'000	%
Revenue from ordinary activities	285,862	250,615	14.1
Profit from ordinary activities after tax attributable to members	18,820	22,491	(16.3)
Net Profit for the period attributable to members	18,820	22,491	(16.3)
Core Earnings	32,191	33,450	(3.8)

Distributions	**Amount per stapled security**
Current Period: Interim distribution and dividend	7.0¢
Previous Corresponding Period: Interim distribution	6.8¢
Record date for determining entitlements to the distribution	31 December 2014

Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Revenue from operating activities for the half year increased by $35.2 million, or 14.1%, to $285.9 million, mainly due to the following factors:

- Revenue from the Main Event family entertainment centres division increased by $26.4 million, or 59.5%, to $70.9 million due to new developments, growth in constant centre revenues and favourable foreign exchange movements which increased translated earnings in Australian dollar terms;
- Revenue from the Bowling centres division increased by $1.3 million, or 2.1%, to $60.4 million primarily due to new centres and growth in constant centre revenues;
- Revenue from the Marinas division remained relatively flat at $11.2 million;
- Revenue from the Theme parks division decreased marginally by $1.0 million, or 1.8%, to $54.8 million reflecting higher attendances offset by lower per capita spend; and
- Revenue from the Health clubs division increased by $8.5 million, or 10.7%, to $88.5 million due predominantly to acquisitions and developments during the prior period.

Profit attributable to stapled security holders for the half year decreased by $3.7 million, mainly due to the following factors:

- An increase in divisional EBITDA of $4.3 million to $64.4 million due to the flow-through effect of the above net increase in divisional revenues, partially offset by a $4.2 million increase in depreciation and amortisation due to health club acquisitions and growth in Main Event in the last 12 months.
- A $1.6 million one off loss on the closure of a bowling centre in the previous period; and
- A $1.6 million reduction in the Group’s tax expense; offset by
- Business acquisition costs of $1.9 million relating to the acquisition of the eight health clubs in Western Australia;
- A $3.4 million increase in pre-opening costs mainly due to the opening of six new Main Event centres since 30 June 2014; and
- A $0.9 million increase in corporate costs due to growth in the Group and a $0.5 million unrealised property valuation loss.

Core earnings (as defined in Note 4 to the financial statements) represents the earnings of the Group after adding back unrealised items such as unrealised gains or losses on derivative financial instruments, unrealised property valuation losses, straight lining of fixed rent increases, IFRS depreciation, amortisation of health club brands and customer relationship intangible assets and one off realised items. Core earnings have decreased by $1.3 million, or 3.8%, to $32.2 million.

Refer to the attached Income Statement, Balance sheet and Statement of Cash Flows for further information.

Details of Distribution

Refer attached financial statements (Directors Report and Note 5: Distributions and dividends paid and payable).

Details of Distribution Reinvestment Plan

The distribution reinvestment plan (DRP) was in operation for the final distribution relating to 30 June 2014 which was paid during the half year ended 31 December 2014. $7.4 million of this distribution was reinvested in the Group.

The DRP price per unit included a discount of 2.0% to the volume weighted average market price of units traded on the ASX during the 10 business days from and including the ex-distribution date.

The DRP will be in operation for the interim distribution and dividend for the half year ended 31 December 2014.

Net Tangible Assets

	Current period **31 December 2014**	**Previous corresponding Period** **31 December 2013**
*Net tangible asset backing per stapled security	$0.78	$0.76
Net tangible asset backing per stapled security after distribution	$0.71	$0.69

* Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., all liabilities, preference shares, outside equity interests etc).

Control Gained or Lost over Entities during the Period

Name of entity (or group of entities) over which control was gained:	• Hypoxi US LLC • Hypoxi US (F&D) LLC • Hypoxi North America Pty Limited • Ardent Leisure (USHC) LLC
Date control was gained	• Hypoxi US LLC – 19 September 2014 • Hypoxi US (F&D) LLC – 27 September 2014 • Hypoxi North America Pty Limited – 3 November 2014 • Ardent Leisure (USHC) LLC – 9 December 2014
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	• Hypoxi US LLC - loss of $61,345 • Hypoxi US (F&D) LLC - nil • Hypoxi North America Pty Limited – loss of $30,988 • Ardent Leisure (USHC) LLC - nil
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil

Name of entity (or group of entities) over which control was lost	None
Date control was lost	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	Nil
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	Nil

Details of Associates and Joint Venture entities

N/A

Accounting standards used by foreign entities

N/A

Qualification of audit/review

Not applicable as there is no audit dispute or qualification. Refer attached half year financial report for review report.

Interim Financial Report
for the half year ended 31 December 2014

The interim financial report was authorised for issue by the Directors of Ardent Leisure Management Limited and Ardent Leisure Limited on 17 February 2015. The Directors have the power to amend and reissue the financial report.

Interim Financial Report

Directors' report to stapled security holders

The Directors of Ardent Leisure Management Limited (Manager), (as responsible entity of Ardent Leisure Trust), and the Directors of Ardent Leisure Limited present their report together with the consolidated interim financial report of Ardent Leisure Group (Group or Consolidated Group) and the consolidated interim financial report of Ardent Leisure Limited (ALL Group) for the half year ended 31 December 2014 (period).

The interim financial report of the Group comprises of Ardent Leisure Trust (Trust) and its controlled entities including Ardent Leisure Limited (ALL or Company) and its controlled entities. The interim financial report of the ALL Group comprises of Ardent Leisure Limited and its controlled entities.

Ardent Leisure Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Level 16, 61 Lavender Street, Milsons Point, NSW 2061.

The units of the Trust and the shares of ALL are combined and issued as stapled securities in the Group. The units of the Trust and shares of ALL cannot be traded separately and can only be traded as stapled securities. Although there is no ownership interest between the Trust and ALL, the Trust is deemed to be the parent entity of the Group under Australian Accounting Standards.

1. Directors

The following persons have held office as Directors of the Manager and ALL during the period and up to the date of this report:

Neil Balnaves AO (Chair);
Roger Davis;
Anne Keating (retired 29 October 2014);
Don Morris AO;
Greg Shaw;
Deborah Thomas; and
George Venardos.

2. Principal activities

The Group's principal activity is to invest in and operate leisure and entertainment businesses in Australia, New Zealand and the United States. There were no significant changes in the nature of the activities of the Group during the period.

3. Distributions and dividends

The total distribution of income for the half year ended 31 December 2014 will be 7.00 cents (31 December 2013: 6.80 cents) per stapled security which will be paid by the Group on or before 27 February 2015. This comprises a distribution to be paid by the Trust of 4.00 cents (31 December 2013: 6.80 cents) and a dividend to be paid by the Company of 3.00 cents (31 December 2013: nil) per stapled security. Provisions have not been recognised in the interim financial statements at 31 December 2014 as these payments had not been declared at the reporting date.

Directors' report to stapled security holders

4. Review and results of operations

Group results

The performance of the Consolidated Group, as represented by the aggregated results of its operations for the period, was as follows:

	Segment revenues December 2014 $'000	Segment revenues December 2013 $'000	Segment EBITDA* December 2014 $'000	Segment EBITDA* December 2013 $'000
Family entertainment centres	70,883	44,446	15,342	9,502
Bowling centres	60,426	59,169	9,145	8,746
Marinas	11,220	11,220	5,064	4,965
Theme parks	54,781	55,761	20,396	20,651
Health clubs	88,547	80,013	14,474	16,274
Other	5	6	-	-
Total	**285,862**	**250,615**	**64,421**	**60,138**
Depreciation and amortisation*			(17,198)	(12,975)
Divisional EBIT			**47,223**	**47,163**
Pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation and intangible asset amortisation not included in divisional EBIT			(14,279)	(9,962)
Valuation loss - investment properties			(513)	-
Loss on closure of bowling centre			-	(1,579)
Loss on disposal of assets			(202)	(192)
Net gain/(loss) from derivative financial instruments			485	(465)
Interest income			73	78
Corporate costs			(6,399)	(5,459)
Foreign exchange (losses)/gains			(39)	239
Business acquisition costs			(1,898)	(34)
Borrowing costs			(5,622)	(5,678)
Net tax expense			(9)	(1,620)
Profit for the half year			**18,820**	**22,491**
Core earnings (Note 4 to the financial statements)			**32,191**	**33,450**

* Segment earnings before interest, tax, depreciation and amortisation (EBITDA) excludes pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation and amortisation of health club brands and customer relationship intangible assets. IFRS depreciation represents depreciation recorded under Australian Accounting Standards effective 1 July 2005 on property, plant and equipment which were previously classified as investment properties. Management believes that adjusting the segment result for these items allows the Group to more effectively compare underlying performance against prior periods and between divisions. Segment EBRITDA, which represents segment EBITDA before property costs, is another measure used by management to assess the trading performance of divisions excluding the impact of property costs.

Revenue from operating activities for the half year increased by $35.2 million, or 14.1%, to $285.9 million, mainly due to the following factors:

- Revenue from the Main Event family entertainment centres division increased by $26.4 million, or 59.5%, to $70.9 million due to new developments, growth in constant centre revenues and favourable foreign exchange movements which increased translated earnings in Australian dollar terms;
- Revenue from the Bowling centres division increased by $1.3 million, or 2.1%, to $60.4 million primarily due to new centres and growth in constant centre revenues;
- Revenue from the Marinas division remained relatively flat at $11.2 million;
- Revenue from the Theme parks division decreased marginally by $1.0 million, or 1.8%, to $54.8 million reflecting lower per capita spend partially offset by higher attendances; and
- Revenue from the Health clubs division increased by $8.5 million, or 10.7%, to $88.5 million due predominantly to acquisitions and developments during the prior period.

4. Review and results of operations (continued)

Group results (continued)

Profit attributable to stapled security holders for the half year decreased by $3.7 million, mainly due to the following factors:

- An increase in divisional EBITDA of $4.3 million to $64.4 million due to the flow-through effect of the above net increase in divisional revenues, partially offset by a $4.2 million increase in depreciation and amortisation due to health club acquisitions and growth in Main Event in the last 12 months.
- A $1.6 million one off loss on the closure of a bowling centre in the previous period; and
- A $1.6 million reduction in the Group's tax expense; offset by
- Business acquisition costs of $1.9 million relating to the acquisition of the eight health clubs in Western Australia;
- A $3.4 million increase in pre-opening costs mainly due to the opening of six new Main Event centres since 30 June 2014; and
- A $0.9 million increase in corporate costs due to growth in the Group and a $0.5 million unrealised property valuation loss.

Core earnings (as defined in Note 4 to the financial statements) represents the earnings of the Group after adding back unrealised items such as unrealised gains or losses on derivative financial instruments, unrealised property valuation losses, straight lining of fixed rent increases, IFRS depreciation, amortisation of health club brands and customer relationship intangible assets and one off realised items. Core earnings have decreased by $1.3 million, or 3.8%, to $32.2 million.

The Group's strategy is to focus primarily on domestic leisure segments with mass market appeal. Over the past nine years, the Group has diversified through the creation of five core operating divisions, being family entertainment centres in the US, bowling centres, marinas, theme parks, and health clubs.

The Group's theme parks and marinas divisions occupy strategic positions within their respective markets while the other three divisions provide well established operating platforms with organic growth opportunities to roll out new centres or make "bolt-on" acquisitions as conditions permit.

During the period, the Group acquired eight health clubs in Western Australia for $32.0 million. The Group also acquired a Playtime amusement arcade at Highpoint, Victoria for $2.5 million and the US and Canadian distribution and franchise rights for Hypoxi for $0.8 million. In addition, the Group acquired two Hypoxi studios in Randwick, NSW and Ballantyne, North Carolina for a total of $0.4 million. Refer to Note 14 to the financial statements.

5. Value of assets

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Value of total assets	988,117	853,007	491,969	366,403
Value of net assets	**581,036**	**505,502**	**150,370**	**84,476**

Directors' report to stapled security holders

6. Interests in the Group

The movement in stapled securities of the Group during the period is set out below:

	Consolidated Group December 2014	Consolidated Group June 2014
Stapled securities on issue at the beginning of the period	405,055,708	397,803,987
Stapled securities issued under Distribution Reinvestment Plan	2,813,197	5,295,345
Stapled securities issued as part of ALL's employee security-based payments plans	1,751,698	1,956,376
Stapled securities issued for Fitness First WA placement	20,746,888	-
Stapled securities issued for Security Purchase Plan	8,298,754	-
Stapled securities on issue at the end of the period	**438,666,245**	**405,055,708**

7. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

8. Rounding of amounts to the nearest thousand dollars

The Group is a registered scheme of a kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

This report is made in accordance with a resolution of the Boards of Directors of Ardent Leisure Management Limited and Ardent Leisure Limited.

Neil Balnaves AO
Chairman

Gregory Shaw
Managing Director

Sydney
17 February 2015

Auditor's Independence Declaration

As lead auditor for the review of Ardent Leisure Group for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ardent Leisure Group, which includes Ardent Leisure Trust and Ardent Leisure Limited and the entities it controlled during the period.

Timothy Allman
Partner
PricewaterhouseCoopers

Brisbane
17 February 2015

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Income Statements
for the half year ended 31 December 2014

	Note	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000	ALL Group December 2014 $'000	ALL Group December 2013 $'000
Income					
Revenue from operating activities	2	285,862	250,615	285,862	250,615
Management fee income		-	-	600	600
Net gain from derivative financial instruments		485	-	-	-
Interest income		73	78	44	60
Other income		-	239	-	541
Total income		**286,420**	**250,932**	**286,506**	**251,816**
Expenses					
Purchases of finished goods		27,602	23,450	27,602	23,450
Salary and employee benefits		106,844	91,241	108,247	92,416
Borrowing costs		5,622	5,678	5,760	4,156
Property expenses		46,285	38,639	78,810	70,268
Depreciation and amortisation		25,694	20,831	14,521	10,398
Loss on closure of bowling centre		-	1,579	-	-
Loss on disposal of assets		202	192	195	112
Advertising and promotions		9,521	9,821	9,521	9,821
Repairs and maintenance		12,246	10,883	12,246	10,883
Pre-opening expenses		4,677	1,256	4,677	1,256
Business acquisition costs		1,898	34	1,898	34
Valuation loss - investment properties		513	-	-	-
Net loss from derivative financial instruments		-	465	-	-
Other expenses		26,487	22,752	26,021	22,610
Total expenses		**267,591**	**226,821**	**289,498**	**245,404**
Profit/(loss) before tax expense		**18,829**	**24,111**	**(2,992)**	**6,412**
Withholding tax expense		137	-	-	-
US State tax expense		(96)	296	(96)	296
Income tax (benefit)/expense	3	(32)	1,324	(75)	1,259
Profit/(loss) for the half year		**18,820**	**22,491**	**(2,821)**	**4,857**
Attributable to:					
Stapled security holders		18,820	22,491	(2,821)	4,857
Profit/(loss) for the half year		**18,820**	**22,491**	**(2,821)**	**4,857**

The above Income Statements should be read in conjunction with the accompanying notes.

	Note	Consolidated Group December 2014	Consolidated Group December 2013	ALL Group December 2014	ALL Group December 2013
Basic earnings per security/share (cents)	4	4.38	5.59	(0.66)	1.21
Diluted earnings per security/share (cents)	4	4.35	5.55	(0.65)	1.20
Dividend/distribution in respect of the half year ended 31 December	5	30,707	27,544	13,160	-
Dividend/distribution per security in respect of the half year ended 31 December (cents)	5	7.00	6.80	3.00	-

Statements of Comprehensive Income
for the half year ended 31 December 2014

	Note	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000	ALL Group December 2014 $'000	ALL Group December 2013 $'000
Profit/(loss) for the half year		18,820	22,491	(2,821)	4,857
Other comprehensive income					
Items that may be reclassified to profit and loss					
Cash flow hedges	12	(588)	572	96	68
Foreign exchange translation difference	12	2,538	875	4,635	729
Items that will not be reclassified to profit and loss					
Gain on revaluation of property, plant and equipment	12	1,630	1,631	-	-
Other comprehensive income for the half year, net of tax		**3,580**	**3,078**	**4,731**	**797**
Total comprehensive income for the half year, net of tax		**22,400**	**25,569**	**1,910**	**5,654**
Attributable to:					
Stapled security holders		22,400	25,569	1,910	5,654
Total comprehensive income for the half year, net of tax		**22,400**	**25,569**	**1,910**	**5,654**

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheets
as at 31 December 2014

	Note	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Current assets					
Cash and cash equivalents		10,646	7,079	9,068	6,197
Receivables		11,260	7,416	11,260	7,762
Derivative financial instruments	6	220	-	-	-
Inventories		11,672	9,378	11,672	9,378
Current tax receivables		5,966	-	5,966	-
Property held for sale		25,662	10,650	25,662	10,650
Other		14,893	8,937	11,067	5,438
Total current assets		**80,319**	**43,460**	**74,695**	**39,425**
Non-current assets					
Investment properties	7	96,077	95,870	-	-
Property, plant and equipment	8	571,400	510,162	177,125	123,463
Derivative financial instruments	6	210	-	38	-
Livestock		285	300	285	300
Intangible assets	9	237,816	201,237	237,816	201,237
Deferred tax assets		928	1,978	928	1,978
Total non-current assets		**906,716**	**809,547**	**416,192**	**326,978**
Total assets		**987,035**	**853,007**	**490,887**	**366,403**
Current liabilities					
Payables		84,989	69,065	76,183	60,287
Derivative financial instruments	6	176	459	-	-
Interest bearing liabilities	10	-	61	-	61
Current tax liabilities		65	376	65	376
Provisions		3,259	3,272	3,259	3,272
Other		1,394	2,155	1,394	2,155
Total current liabilities		**89,883**	**75,388**	**80,901**	**66,151**
Non-current liabilities					
Derivative financial instruments	6	1,783	1,004	-	48
Interest bearing liabilities	10	292,109	260,211	242,994	204,826
Provisions		8,777	1,625	2,585	1,625
Deferred tax liabilities		14,529	9,277	14,529	9,277
Total non-current liabilities		**317,198**	**272,117**	**260,108**	**215,776**
Total liabilities		**407,081**	**347,505**	**341,009**	**281,927**
Net assets		**579,954**	**505,502**	**149,878**	**84,476**
Equity					
Contributed equity	11	595,616	513,912	152,790	16,309
Reserves	12	(36,352)	(45,918)	5,504	(1,537)
Retained profits/(accumulated losses)	13	20,690	37,508	(8,416)	(1,655)
Total equity attributable to stapled security holders		**579,954**	**505,502**	**149,878**	**13,117**
Non-controlling interests		**-**	**-**	**-**	**71,359**
Total equity		**579,954**	**505,502**	**149,878**	**84,476**

The above Balance Sheets should be read in conjunction with the accompanying notes.

Statements of Changes in Equity
for the half year ended 31 December 2014

	Note	Contributed equity $'000	Reserves $'000	Retained profits/ (accumulated losses) $'000	Non-controlling interests $'000	Total $'000
Consolidated Group						
Total equity at 1 July 2013		501,416	(45,817)	31,691	-	487,290
Profit for the half year		-	-	22,491	-	22,491
Other comprehensive income		-	3,078	-	-	3,078
Total comprehensive income for the half year		**-**	**3,078**	**22,491**	**-**	**25,569**
Transactions with owners in their capacity as owners:						
Security-based payments		-	(2,801)	-	-	(2,801)
Contributions of equity, net of issue costs	11	8,915	-	-	-	8,915
Security-based payments - securities/shares issued	11	3,581	-	-	-	3,581
Distributions paid and payable	5	-	-	(21,481)	-	(21,481)
Reserve transfers		-	(2,887)	2,887	-	-
Total equity at 31 December 2013		**513,912**	**(48,427)**	**35,588**	**-**	**501,073**
Total equity at 1 July 2014		513,912	(45,918)	37,508	-	505,502
Profit for the half year		-	-	18,820	-	18,820
Other comprehensive income		-	3,580	-	-	3,580
Total comprehensive income for the half year		**-**	**3,580**	**18,820**	**-**	**22,400**
Transactions with owners in their capacity as owners:						
Security-based payments		-	(4,539)	-	-	(4,539)
Contributions of equity, net of issue costs	11	76,449	-	-	-	76,449
Security-based payments - securities/shares issued	11	5,255	-	-	-	5,255
Distributions and dividends paid and payable	5	-	-	(25,113)	-	(25,113)
Reserve transfers	12	-	10,525	(10,525)	-	-
Total equity at 31 December 2014		**595,616**	**(36,352)**	**20,690**	**-**	**579,954**
ALL Group						
Total equity at 1 July 2013		14,202	(576)	(2,837)	71,359	82,148
Profit for the half year		-	-	4,857	-	4,857
Other comprehensive income		-	797	-	-	797
Total comprehensive income for the half year		**-**	**797**	**4,857**	**-**	**5,654**
Transactions with owners in their capacity as owners:						
Contributions of equity, net of issue costs	11	1,503	-	-	-	1,503
Security-based payments - securities/shares issued	11	604	-	-	-	604
Dividends paid and payable	5	-	-	(1,957)	-	(1,957)
Total equity at 31 December 2013		**16,309**	**221**	**63**	**71,359**	**87,952**
Total equity at 1 July 2014		16,309	(1,537)	(1,655)	71,359	84,476
Loss for the half year		-	-	(2,821)	-	(2,821)
Other comprehensive income		-	4,731	-	-	4,731
Total comprehensive income for the half year		**-**	**4,731**	**(2,821)**	**-**	**1,910**
Transactions with owners in their capacity as owners:						
Contributions of equity, net of issue costs	11	12,776	-	-	-	12,776
Security-based payments - securities/shares issued	11	878	-	-	-	878
Capital reallocation	11	122,827	-	-	-	122,827
Reserve transfers	11		2,310	(2,310)	-	-
Repayment of non-controlling interests		-	-	-	(71,359)	(71,359)
Dividends paid and payable	5	-	-	(1,630)	-	(1,630)
Total equity at 31 December 2014		**152,790**	**5,504**	**(8,416)**	**-**	**149,878**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows
for the half year ended 31 December 2014

	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000	ALL Group December 2014 $'000	ALL Group December 2013 $'000
Cash flows from operating activities				
Receipts from customers	311,995	270,419	313,035	272,053
Payments to suppliers and employees	(215,421)	(179,734)	(219,981)	(182,080)
Property expenses paid	(46,358)	(38,725)	(44,273)	(37,020)
Interest received	73	78	44	60
Rent payments to the Trust	-	-	(58,187)	(51,429)
Receipts of funds for property costs from the Trust	-	-	28,584	24,493
US withholding tax paid	(124)	-	-	-
Income tax paid	(3,949)	(3,697)	(3,949)	(3,697)
Net cash flows from operating activities	**46,216**	**48,341**	**15,273**	**22,380**
Cash flows from investing activities				
Payments for property, plant and equipment	(68,636)	(33,942)	(61,329)	(26,545)
Purchase of assets for the Trust	-	-	(8,084)	(8,698)
Receipt of funds for assets purchased on behalf of the Trust	-	-	8,578	10,223
Proceeds from sale of plant and equipment	79	59	16	22
Payments for purchase of businesses net of cash acquired	(33,385)	-	(29,969)	-
Net cash flows from investing activities	**(101,942)**	**(33,883)**	**(90,788)**	**(24,998)**
Cash flows from financing activities				
Proceeds from borrowings	997,189	961,128	454,344	403,708
Repayments of borrowings	(983,848)	(959,403)	(415,343)	(391,465)
Borrowing costs	(5,599)	(5,298)	(5,887)	(1,530)
Proceeds from issue of stapled securities	70,000	-	11,698	-
Costs of issue of stapled securities	(973)	(2)	(162)	-
Dividends paid to the Trust	-	-	(1,630)	(1,957)
Proceeds from loans from the Trust	-	-	79,632	39,872
Repayments of borrowings to the Trust	-	-	(44,456)	(47,966)
Repayments of principal on finance leases	(62)	(125)	(62)	(125)
Distributions paid to stapled security holders	(17,691)	(12,563)	-	-
Net cash flows from financing activities	**59,016**	**(16,263)**	**78,134**	**537**
Net increase/(decrease) in cash and cash equivalents	3,290	(1,805)	2,619	(2,081)
Cash and cash equivalents at the beginning of the half year	7,079	12,953	6,197	12,481
Effect of exchange rate changes on cash and cash equivalents	277	(329)	252	(310)
Cash and cash equivalents at the end of the half year	**10,646**	**10,819**	**9,068**	**10,090**

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
for the half year ended 31 December 2014

1. Summary of significant accounting policies

Ardent Leisure Group (Group or Consolidated Group) is a 'stapled' entity comprising of Ardent Leisure Trust (Trust) and its controlled entities, and Ardent Leisure Limited (ALL or Company) and its controlled entities. The units in the Trust are stapled to shares in the Company. The stapled securities cannot be traded or dealt with separately. The stapled securities of the Group are listed on the Australian Securities Exchange (ASX).

The significant policies which have been adopted in the preparation of these consolidated interim financial statements for the half year ended 31 December 2014 are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

(a) Basis of preparation

As permitted by Class Order 05/642, issued by the Australian Securities and Investments Commission (ASIC), this interim financial report is a combined report that presents the consolidated financial statements and accompanying notes of both the Ardent Leisure Group and the Ardent Leisure Limited Group.

The interim financial report of Ardent Leisure Group comprises the consolidated financial report of Ardent Leisure Trust and its controlled entities, including the ALL Group and its controlled entities.

The interim financial report of ALL Group comprises the consolidated financial report of Ardent Leisure Limited and its controlled entities.

These consolidated interim financial statements for the reporting period ended 31 December 2014 have been prepared in accordance with the requirements of the Trust Constitution, Australian Accounting Standards (including AASB 134 *Interim Financial Reporting*) and the *Corporations Act 2001*. They do not include all the notes of the type normally included in the annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual financial report of Ardent Leisure Group for the year ended 30 June 2014 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These consolidated interim financial statements have been presented in accordance with ASIC Class Order 13/1050 as amended by ASIC Class Order 13/1644. These Class Orders allow the presentation of consolidated financial statements covering all the entities in a stapled group. There are no non-controlling interests that are attributable to the stapled security holders.

Compliance with IFRS as issued by the IASB

Compliance with Australian Accounting Standards ensures that the interim financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, these interim financial statements have also been prepared in accordance with and comply with IFRS as issued by the IASB.

New and amended standards adopted by the Group

The new or amended accounting standards which became effective for the reporting period commencing on 1 July 2014 are set out below:

- AASB 2014-1 Part A – Amendments to Australian Accounting Standards – Annual Improvements 2010-2012 and 2011-2013 Cycles (containing amendments to AASB 2, AASB 3, AASB 8, AASB 13, AASB 116, AASB 124, AASB 138, and AASB 140);
- AASB 2014-1 Part B – Amendments to Australian Accounting Standards – Defined Benefit Plans: Employee Contributions; and
- AASB 2014-2 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements.

There has been no impact to the interim financial statements as a result of the new or amended accounting standards.

Historical cost convention

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, property, plant and equipment and derivative financial instruments held at fair value.

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies. Other than the estimation of the fair value of the Group's assets, which are derived on a consistent basis with that disclosed in the annual financial report of the Group for the year ended 30 June 2014, and assumptions related to deferred tax assets and liabilities, impairment testing of goodwill, operating lease make good obligations and Director valuations for some property, plant and equipment and investment properties, no key assumptions concerning the future, or other estimation of uncertainty at the reporting date, have a significant risk of causing material adjustments to the financial statements in the next reporting period.

Deficiency of current assets

As at 31 December 2014, the Group and ALL Group had deficiencies of current assets of $9.6 million (30 June 2014: $31.9 million) and $6.2 million (30 June 2014: $26.7 million) respectively. Due to the nature of the business, the majority of sales are for cash whereas purchases are on credit resulting in a negative working capital position. Surplus cash is used to repay non-current external loans, resulting in a deficiency of current assets at 31 December 2014. The Group has $101.6 million (30 June 2014: $65.7 million) of unused loan capacity at 31 December 2014 which can be drawn on as required. The ALL Group has $151.5 million (30 June 2014: $256.8 million) of unused capacity in its bank loans and its loans with the Trust which can be utilised to fund any deficiency in its net current assets.

(b) New accounting standards, amendments and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group for accounting periods beginning on or after 1 January 2015 but which the Group has not yet adopted. Based on a review of these standards, amendments and interpretations, the majority of the standards yet to be adopted are not expected to have a significant impact on the financial statements of the Group or the ALL Group. The Group's and the ALL Group's assessment of the impact of those new standards, amendments and interpretations which may have an impact is set out below:

AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and may affect the Group's and the ALL Group's accounting for its financial assets. The standard is not applicable until 1 January 2018 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that there should be no material impact on the Group's or the ALL Group's financial statements. The Group and the ALL Group do not intend to adopt AASB 9 before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2019.

AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2017)

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The group has not yet considered the impact of the new rules on its revenue recognition policies. It will undertake a detailed assessment in the near future. The group will assess whether to adopt AASB 15 before its operative date; if not it would be first applied in the annual reporting period ending 30 June 2018.

Early adoption of standards

The Group and the ALL Group have not elected to apply any pronouncements before their operative date.

2. Revenue from operating activities

	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000	ALL Group December 2014 $'000	ALL Group December 2013 $'000
Revenue from services	204,552	182,995	204,552	182,995
Revenue from sale of goods	62,890	51,634	62,890	51,634
Revenue from rentals	18,078	15,584	18,078	15,584
Other revenue	342	402	342	402
Revenue from operating activities	**285,862**	**250,615**	**285,862**	**250,615**

3. Income tax (benefit)/expense

(a) Income tax (benefit)/expense

	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000	ALL Group December 2014 $'000	ALL Group December 2013 $'000
Current tax	(4,208)	1,236	(4,252)	1,171
Deferred tax	4,267	892	4,268	892
Over provided in prior year	(91)	(804)	(91)	(804)
	(32)	**1,324**	**(75)**	**1,259**
Income tax (benefit)/expense is attributable to:				
Profit from continuing operations	(32)	1,324	(75)	1,259
Deferred income tax expense included in income tax expense comprises:				
Increase in deferred tax assets	(7,784)	(365)	(7,784)	(365)
Increase in deferred tax liabilities	12,051	1,257	12,052	1,257
	4,267	**892**	**4,268**	**892**

(b) Numerical reconciliation of income tax expense to prima facie tax expense

Profit/(loss) from continuing operations before income tax expense	18,829	24,111	(2,992)	6,412
Less: Profit from the trusts	(25,306)	(20,546)	-	-
Prima facie (loss)/profit	**(6,477)**	**3,565**	**(2,992)**	**6,412**
Tax at the Australian tax rate of 30% (2013: 30%)	(1,943)	1,070	(897)	1,924
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:				
Entertainment	37	20	37	20
Non-deductible depreciation and amortisation	1,512	1,275	-	-
Sundry items	(363)	(465)	57	(114)
Employee security plans	263	181	263	181
Business acquisition costs	570	9	570	9
Foreign exchange conversion differences	138	-	138	-
US State taxes	(127)	(89)	(127)	(89)
Withholding tax and Research and Development credit	(94)	-	(94)	-
Difference in overseas tax rates	66	127	69	132
Over provided in prior year	(91)	(804)	(91)	(804)
Income tax (benefit)/expense	**(32)**	**1,324**	**(75)**	**1,259**

4. Earnings per security/share

	Consolidated Group December 2014	Consolidated Group December 2013	ALL Group December 2014	ALL Group December 2013
Basic earnings per security/share (cents)	4.38	5.59	(0.66)	1.21
Diluted earnings per security/share (cents)	4.35	5.55	(0.65)	1.20
Core earnings per security (cents)	7.50	8.31	N/A	N/A
Diluted core earnings per security (cents)	7.45	8.26	N/A	N/A
Earnings used in the calculation of basic and diluted earnings per security/share ($'000)	18,820	22,491	(2,821)	4,857
Earnings used in the calculation of core earnings per security (refer to calculation in table below) ($'000)	32,191	33,450	N/A	N/A
Weighted average number of stapled securities on issue used in the calculation of basic and core earnings per security/share ('000)	429,371	402,699	429,371	402,699
Weighted average number of stapled securities held by ALL employees under employee share plans ('000)	2,884	2,353	2,884	2,353
Weighted average number of stapled securities on issue used in the calculation of diluted earnings per security/share ('000)	432,255	405,052	432,255	405,052

Calculation of core earnings

The table below outlines the Manager's adjustments to profit under Australian Accounting Standards to determine the amount the Manager believes should be available for distribution for the current period. The Manager uses this amount as guidance for distribution determination.

Core earnings is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards (statutory profit) adjusted for certain unrealised and non-cash items, reserve transfers and one off realised items. Under the Trust Constitution, the amount distributed to stapled security holders by the Trust is at the discretion of the Manager. Management will use the core earnings calculated for assessing the performance of the Group and as a guide to assessing an appropriate distribution to declare. This measure is considered more relevant than statutory profit as it represents an estimate of the underlying recurring cash earnings of the Group and provides more meaningful comparison between financial periods.

4. Earnings per security/share (continued)

The adjustments between profit under Australian Accounting Standards and core earnings may change from time to time depending on changes to accounting standards and the Manager's assessment as to whether non-recurring or infrequent items (such as realised gains on the sale of properties) will be distributed to stapled security holders.

	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000
Profit used in calculating earnings per stapled security	**18,820**	**22,491**
Unrealised items		
- Unrealised (gain)/loss on derivative financial instruments	(485)	465
- Valuation loss - investment properties	513	-
Non-cash items		
- Straight lining of fixed rent increases	1,106	850
- IFRS depreciation(1)	5,040	4,251
- Amortisation of health club brands and customer relationship intangible assets	3,456	3,605
One off realised items		
- Pre-opening expenses	4,677	1,256
- Business acquisition costs	1,898	34
- Loss on closure of bowling centre	-	1,579
Tax impact of above adjustments	(2,834)	(1,081)
Core earnings	**32,191**	**33,450**

(1) IFRS depreciation represents depreciation recorded under Australian Accounting Standards effective 1 July 2005 on property, plant and equipment which were previously classified as investment properties.

5. Distributions and dividends paid and payable

The following distributions and dividends were paid and payable by the Group to stapled security holders:

	ALL Group dividend cents per stapled security	Trust distribution cents per stapled security	Consolidated Group Total amount $'000
2014 distributions and dividends for the half year ended:			
31 December 2014*	3.00	4.00	30,707
30 June 2014	-	6.20	25,113
	3.00	**10.20**	**55,820**
2013 distributions for the half year ended:			
31 December 2013**	-	6.80	27,544
30 June 2013	-	5.40	21,481
	-	**12.20**	**49,025**

* The distribution and dividend totalling 7.00 cents per stapled security for the period ended 31 December 2014 were not declared prior to 31 December 2014. Refer to Note 20.

** The distribution of - cents per stapled security for the period ended 31 December 2013 was not declared prior to 31 December 2013.

During the period, a subsidiary of ALL paid to the Trust $1.6 million (31 December 2013: $1.9 million) relating to convertible notes which are classified as equity under Australian Accounting Standards.

6. Derivative financial instruments

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Current assets				
Forward foreign exchange contracts	220	-	-	-
	220	**-**	**-**	**-**
Non-current assets				
Interest rate swaps	38	-	38	-
Forward foreign exchange contracts	172	-	-	-
	210	**-**	**38**	**-**
Current liabilities				
Forward foreign exchange contracts	-	11	-	-
Interest rate swaps	176	448	-	-
	176	**459**	**-**	**-**
Non-current liabilities				
Forward foreign exchange contracts	-	9	-	-
Interest rate swaps	1,783	995	-	48
	1,783	**1,004**	**-**	**48**

Forward foreign exchange contracts

The Group has entered into forward foreign exchange contracts to buy US dollars and sell Australian dollars. These contracts total A$3.0 million (30 June 2014: A$4.6 million).

The forward contracts do not qualify for hedge accounting and accordingly, changes in fair value of these contracts are recorded in the Income Statement. Notwithstanding the accounting outcome, the Manager considers that these derivative contracts are appropriate and effective in offsetting the economic foreign exchange exposures of the Group.

Interest rate swaps

The Group has entered into interest rate swap agreements totalling A$70.0 million (30 June 2014: A$100.0 million) and US$47.0 million (30 June 2014: US$30.0 million) that entitle it to receive interest, at quarterly intervals, at a floating rate on a notional principal and obliges it to pay interest at a fixed rate. The interest rate swap agreements allow the Group to raise long term borrowings at a floating rate and effectively swap them into a fixed rate. The Group also has forward starting interest rate swaps totalling $90.0 million (30 June 2014: $40.0 million) with start dates from September 2015 and maturities up to June 2018.

With the exception of one $40.0 million swap, all interest rate swap contracts qualify as cash flow hedges. Accordingly, the change in fair value of these swaps is recorded in the cash flow hedge reserve. Amounts accumulated in equity are recycled in the Income Statement in the period when the hedged item impacts the Income Statement. For the one swap which does not qualify as a cash flow hedge, the changes in fair value are recorded directly in the Income Statement. Notwithstanding the accounting outcome, the Manager considers that these derivative contracts are appropriate and effective in offsetting the economic foreign exchange exposures of the Group and the ALL Group.

7. Investment properties

Consolidated Group

Property	Note	Valuer	Cost December 2014 $'000	Cumulative revaluation (decrements)/ increments December 2014 $'000	Consolidated book value December 2014 $'000	Cost June 2014 $'000	Cumulative revaluation (decrements)/ increments June 2014 $'000	Consolidated book value June 2014 $'000
Excess land at Dreamworld	(a)	(1)	2,875	(975)	1,900	2,874	(462)	2,412
Marinas	(b)	(2)	74,357	19,820	94,177	73,638	19,820	93,458
Total			**77,232**	**18,845**	**96,077**	**76,512**	**19,358**	**95,870**

(a) The excess land has been valued by Directors at $1.9 million (30 June 2014: $2.4 million).
(b) The total carrying value of d'Albora Marinas (including plant and equipment of $7.8 million (30 June 2014: $7.8 million)) is $102.0 million (30 June 2014: $101.3 million). The fair value was assessed to be $101.7 million (30 June 2014: $101.3 million).
(1) Robert Tye, CBRE Valuations Pty Limited, independently valued the excess land on Foxwell Road, Coomera at 31 December 2014 at $1.1 million. The remaining excess land has been valued by the Directors at 31 December 2014 at $0.8 million.
(2) Adam Ellis, LandMark White (Sydney) Pty Limited, independently valued the properties at 30 June 2014.

A reconciliation of the carrying amount of investment properties at the beginning and end of the current period is set out below:

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Carrying amount at the beginning of the period	95,870	95,232	-	-
Additions	720	638	-	-
Revaluation decrement	(513)	-	-	-
Carrying amount at the end of the period	**96,077**	**95,870**	**-**	**-**

Amounts recognised in the Income Statement for investment properties:

	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000	ALL Group December 2014 $'000	ALL Group December 2013 $'000
Revenue from investment properties	8,900	8,856	-	-
Property expenses incurred on investment properties	(1,273)	(1,282)	-	-

Notes to the Financial Statements
for the half year ended 31 December 2014

8. Property, plant and equipment

Consolidated Group

Property	Note	Cost less accumulated depreciation December 2014 $'000	Cumulative revaluation increments/ (decrements) December 2014 $'000	Consolidated book value December 2014 $'000	Cost less accumulated depreciation June 2014 $'000	Cumulative revaluation increments/ (decrements) June 2014 $'000	Consolidated book value June 2014 $'000
Theme parks	(1) (2)	214,109	34,811	248,920	212,603	34,811	247,414
Marinas	(3)	7,841	-	7,841	7,806	-	7,806
Bowling centres	(4)	99,604	1,900	101,504	97,335	1,900	99,235
Family entertainment centres	(5)	123,446	(86)	123,360	78,446	(86)	78,360
Health clubs	(6)	85,114	-	85,114	74,605	-	74,605
Other	(7)	4,661	-	4,661	2,742	-	2,742
Total		**534,775**	**36,625**	**571,400**	**473,537**	**36,625**	**510,162**

(1) The Directors have valued the Dreamworld and WhiteWater World land and buildings and major rides and attractions (including goodwill of $0.8 million (30 June 2014: $0.8 million)) at $228.2 million. In an independent valuation performed at 30 June 2014 by Jones Lang LaSalle, the fair value of these assets was assessed to be $227.0 million. The Directors have valued other property, plant and equipment of Dreamworld and WhiteWater World at 31 December 2014 at $3.7 million (30 June 2014: $2.3 million).
(2) The book value of SkyPoint (including intangible assets of $3.6 million (30 June 2014: $3.6 million)) is $22.4 million (30 June 2014: $22.5 million). In an independent valuation performed at 30 June 2014, the fair value for SkyPoint was assessed to be $22.5 million.
(3) The Directors have valued the property, plant and equipment of d'Albora Marinas at $7.8 million (30 June 2014: $7.8 million).
(4) The one remaining freehold building was independently valued at 30 June 2013 at $1.9 million. At 31 December 2014, the Directors assessed the fair value of the freehold building to be $1.9 million (30 June 2014: $1.9 million) and the remaining property, plant and equipment to be $99.6 million (30 June 2014: $97.3 million).
(5) At 31 December 2014, the Directors assessed the fair value of the property, plant and equipment in its family entertainment centres to be $123.4 million (30 June 2014: $78.4 million).
(6) The Directors have valued the property, plant and equipment of Goodlife at 31 December 2014 at $85.1 million (30 June 2014: $74.6 million).
(7) The fair value of other property, plant and equipment was assessed by the Directors to be $4.7 million at 31 December 2014 (30 June 2014: $2.7 million).

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the current and previous periods is set out below:

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Carrying amount at the beginning of the period	510,162	461,915	123,463	83,450
Additions	61,832	79,237	49,051	65,512
Acquired through business combinations	5,815	3,167	1,462	1,576
Transfer to property held for sale	-	(9,741)	-	(9,741)
Disposals	(281)	(2,212)	(211)	(516)
Depreciation	(22,063)	(35,588)	(10,890)	(14,552)
Foreign exchange movements	14,305	(2,072)	14,250	(2,266)
Revaluation increments	1,630	15,456	-	-
Carrying amount at the end of the period	**571,400**	**510,162**	**177,125**	**123,463**

9. Intangible assets

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Customer relationships at cost	35,920	29,812	35,920	29,812
Accumulated amortisation	(27,623)	(24,697)	(27,623)	(24,697)
	8,297	**5,115**	**8,297**	**5,115**
Brands at cost	12,176	10,850	12,176	10,850
Accumulated amortisation	(4,985)	(4,454)	(4,985)	(4,454)
	7,191	**6,396**	**7,191**	**6,396**
Other intangible assets at cost	3,625	3,448	2,197	2,020
Accumulated amortisation	(2,120)	(1,960)	(692)	(532)
	1,505	**1,488**	**1,505**	**1,488**
Goodwill at cost	232,380	199,795	232,380	199,795
Accumulated impairment charge	(11,557)	(11,557)	(11,557)	(11,557)
	220,823	**188,238**	**220,823**	**188,238**
Total intangible assets	**237,816**	**201,237**	**237,816**	**201,237**

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Customer relationships				
Opening net book amount	5,115	9,594	5,115	9,594
Additions	6,108	1,160	6,108	1,160
Amortisation	(2,926)	(5,639)	(2,926)	(5,639)
Closing net book amount	**8,297**	**5,115**	**8,297**	**5,115**
Brands				
Opening net book amount	6,396	2,779	6,396	2,779
Additions	1,162	4,311	1,162	4,311
Amortisation	(530)	(694)	(530)	(694)
Foreign exchange movements	163	-	163	-
Closing net book amount	**7,191**	**6,396**	**7,191**	**6,396**
Other intangible assets				
Opening net book amount	1,488	202	1,488	202
Additions	177	1,368	177	1,368
Amortisation	(160)	(82)	(160)	(82)
Closing net book amount	**1,505**	**1,488**	**1,505**	**1,488**
Goodwill				
Opening net book amount	188,238	184,213	188,238	184,213
Additions	26,203	5,087	26,203	5,087
Foreign exchange movements	6,382	(1,062)	6,382	(1,062)
Closing net book amount	**220,823**	**188,238**	**220,823**	**188,238**
Total intangible assets	**237,816**	**201,237**	**237,816**	**201,237**

10. Interest bearing liabilities

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Current				
Finance leases	-	61	-	61
Total current	**-**	**61**	**-**	**61**
Non-current				
Bank loan - term debt	293,467	261,551	134,479	79,851
Less: Amortised costs - bank loan	(1,358)	(1,340)	(544)	(390)
Loans from the Trust	-	-	109,059	125,365
Total non-current	**292,109**	**260,211**	**242,994**	**204,826**
Total interest bearing liabilities	**292,109**	**260,272**	**242,994**	**204,887**

The term debt is secured by mortgages over all freehold property, leasehold mortgages over key bowling centre, health club and marina leases, registered security interests over all present and after acquired property of key Group companies, and pledged interests over all US property. On 30 September 2014, the Group increased the loan facilities to include an additional US$40.0 million. The terms of the debt also impose certain covenants on the Group as follows:

- Debt serviceability ratio, being the ratio of debt to EBITDA adjusted for unrealised and one off items (adjusted EBITDA), must not exceed 3.25; and
- Fixed charge cover ratio, being the ratio of adjusted EBITDA to fixed charges, must be no less than 1.75.

With effect from 30 September 2014, the Group is no longer subject to a gearing ratio covenant.

10. Interest bearing liabilities (continued)

Credit facilities

As at 31 December 2014, the Group had unrestricted access to the following credit facilities:

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
A$ syndicated facilities	200,000	200,000	-	-
Amount used	(134,900)	(163,400)	-	-
Amount unused	**65,100**	**36,600**	**-**	**-**
US$ syndicated facilities	195,074	127,253	170,690	106,045
Amount used	(158,567)	(98,151)	(134,479)	(79,851)
Amount unused	**36,507**	**29,102**	**36,211**	**26,194**
Trust facilities	-	-	224,384	355,975
Amount used	-	-	(109,059)	(125,365)
Amount unused	**-**	**-**	**115,325**	**230,610**
Total facilities	395,074	327,253	395,074	462,020
Total amount used	(293,467)	(261,551)	(243,538)	(205,216)
Total amount unused	**101,607**	**65,702**	**151,536**	**256,804**

Consolidated Group

The Group has access to a A$200.0 million (30 June 2014: A$200.0 million) syndicated facilities and US$160.0 million (30 June 2014: US$120.0 million) syndicated facilities. A$100.0 million of the AUD facilities will mature on 1 July 2016 and A$100.0 million will mature on 1 July 2017. US$90.0 million of the USD facilities will mature on 1 July 2016 and US$70.0 million will mature on 1 July 2017.

All of the facilities have a variable interest rate. As detailed in Note 6, the interest rates on the loans are partially fixed using interest rate swaps. The weighted average interest rates payable on the loans at 31 December 2014, including the impact of the interest rate swaps, is 4.60% per annum for AUD denominated debt (30 June 2014: 5.15% per annum) and 1.75% per annum for USD denominated debt (30 June 2014: 1.81% per annum).

ALL Group

Subject to the Trust loan facilities conditions being met, the facilities may be drawn down with two business days' notice.

Australian Trust loan facilities totalling $200.0 million (30 June 2014: $249.9 million) have a maturity date of 1 July 2017. In addition, the ALL Group has US$20.0 million (30 June 2014: $100.0 million) facilities with the Trust maturing on 1 July 2017.

The ALL Group has access to US$140.0 million (30 June 2014: US$100.0 million) syndicated facilities. US$70.0 million of the facilities will mature on 1 July 2016 and US$70.0 million will mature on 1 July 2017.

11. Contributed equity

No. of securities/shares	Details	Date of income entitlement	Note	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
397,803,987	Securities/shares on issue	30 Jun 2013			501,416		14,202
5,295,345	DRP issue	1 Jul 2013	(i)		8,918		1,504
1,895,088	Security-based payments - securities/shares issued	1 Jul 2013	(ii)		3,469		585
61,288	Security-based payments - securities/shares issued	1 Jul 2013	(ii)		112		19
-	Issue costs paid				(3)		(1)
405,055,708	Securities/shares on issue	30 Jun 2014		513,912	513,912	16,309	16,309
2,813,197	DRP issue	1 Jul 2014	(i)	7,422		1,240	
1,751,698	Security-based payments - securities/shares issued	1 Jul 2014	(ii)	5,255		878	
20,746,888	Fitness First WA placement	1 Jul 2014	(iii)	50,000		8,356	
8,298,754	Security Purchase Plan	1 Jul 2014	(iii)	20,000		3,342	
-	Issue costs paid			(973)		(162)	
-	Capital reallocation		(iv)	-		122,827	
438,666,245	**Securities/shares on issue**	**31 Dec 2014**		**595,616**	**513,912**	**152,790**	**16,309**

(i) Distribution Reinvestment Plan (DRP) issues

The Group has established a DRP under which stapled security holders may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than being paid in cash. The discount available on stapled securities issued under the DRP is 2.0% on the market price. The DRP will be in operation for the distribution and dividend for the half year ended 31 December 2014.

(ii) Security-based payments

The Group has Deferred Short Term Incentive Plan (DSTI) and Long Term Incentive Plan (LTIP) remuneration arrangements under which performance rights are issued to certain management and other personnel within the Group as part of their remuneration arrangements. These performance rights are subject to vesting conditions as set out in the 30 June 2014 annual report. Upon vesting, the Group issues stapled securities to these personnel.

(iii) Fitness First WA placement and Security Purchase Plan

On 7 August 2014 and 15 September 2014, the Group issued stapled securities under a placement and a Security Purchase Plan respectively to fund the acquisition of eight Fitness First health clubs in Western Australia, as set out in note 14, and future investment in Main Event.

(iv) Capital reallocation

The Group and ALL Group implemented a capital reallocation during the period of 0.28 cents per stapled security. This resulted in $122.8 million of capital being transferred from the Trust to the Company. There was no impact on the number of units and the number of shares on issue as a result of the capital shift.

12. Reserves

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000	ALL Group December 2014 $'000	ALL Group June 2014 $'000
Asset revaluation reserve				
Opening balance	6,225	2,620	3,416	3,416
Revaluation - Theme parks	1,630	6,866	-	-
Transfer to retained profits - realised items	(1,630)	(3,261)	-	-
Closing balance	**6,225**	**6,225**	**3,416**	**3,416**
Capital reserve				
Opening balance	(11,018)	(8,439)	-	-
Transfer from retained profits - pre-opening expenses	(4,677)	(2,579)	-	-
Transfer to retained profits	15,695	-	-	-
Closing balance	**-**	**(11,018)**	**-**	**-**
Cash flow hedge reserve				
Opening balance	(1,124)	(1,569)	(19)	-
Movement in effective cash flow hedges	(588)	434	96	(30)
Tax on movement on US cash flow hedges	-	11	-	11
Closing balance	**(1,712)**	**(1,124)**	**77**	**(19)**
Foreign currency translation reserve				
Opening balance	(38,768)	(39,159)	(2,624)	(1,682)
Translation of foreign operations	2,538	391	4,635	(942)
Closing balance	**(36,230)**	**(38,768)**	**2,011**	**(2,624)**
Stapled security-based payment reserve				
Opening balance	(96)	1,867	-	-
Option expense	(4,539)	(1,963)	-	-
Closing balance	**(4,635)**	**(96)**	**-**	**-**
Performance fee reserve				
Opening balance	1,132	1,132	-	-
Transfer to retained profits	(1,132)	-	-	-
Closing balance	**-**	**1,132**	**-**	**-**
Goodlife put and call option reserve				
Opening balance	(2,269)	(2,269)	(2,310)	(2,310)
Transfer to retained profits	2,269	-	2,310	-
Closing balance	**-**	**(2,269)**	**-**	**(2,310)**
Total reserves	**(36,352)**	**(45,918)**	**5,504**	**(1,537)**

12. Reserves (continued)

The asset revaluation reserve is used to record increments and decrements on the revaluation of property, plant and equipment.

The capital reserve is used to record one off costs incurred in the identification of new acquisitions or development of new sites which are not able to be capitalised by the Group as well as the difference between the amount paid and the net assets acquired in the acquisition of non-controlling interests.

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in Note 6.

Exchange differences arising on the translation of foreign controlled entities are taken to the foreign currency translation reserve. In addition, on consolidation, exchange differences on loans denominated in foreign currencies are taken directly to the foreign currency translation reserve where the loan is considered part of the net investment in that foreign operation.

The stapled security-based payment reserve is used to recognise the fair value of performance rights issued to employees but not yet exercised under the Group's Deferred Short Term Incentive and Long Term Incentive Plans.

The performance fee reserve was used to recognise the fair value of stapled securities not yet issued to the Manager in settlement for the performance fee earned in the relevant period. The performance fee of $1.1 million was earned in the period to 30 June 2009. On the internalisation of the Manager, the performance fee payment was waived by Macquarie Group Limited but under the accounting standards, the reserve is not reversed.

The Group had the option to acquire the non-controlling interests in Ardent Leisure Health Clubs 1 Pty Limited. In accordance with AASB 132 *Financial Instruments: Presentation*, on first recognition the Group recorded the potential obligation under the put option on the Balance Sheet as a financial liability calculated as the present value of the redemption amount on the first exercise date. Under the Group's economic equity approach, the initial recognition of the redemption amount was recorded in the Goodlife put and call option reserve. Movements in the financial liability due to changes in the expected redemption amount and unwinding of the present value discount were taken to the Income Statement as finance costs in subsequent periods. In a prior period, the Group acquired the remaining interest in Ardent Leisure Health Clubs 1 Pty Limited but under the accounting standards, the reserve remained.

13. Retained profits/(accumulated losses)

	Consolidated Group December 2014 $'000	Consolidated Group December 2013 $'000	ALL Group December 2014 $'000	ALL Group December 2013 $'000
Opening balance	37,508	31,691	(1,655)	(2,837)
Net profit/(loss) for the period	18,820	22,491	(2,821)	4,857
Available for distribution	56,328	54,182	(4,476)	2,020
Transfer from asset revaluation reserve	1,630	1,631	-	-
Transfer (from)/to capital reserve	(11,018)	1,256	-	-
Transfer from performance fee reserve	1,132	-	-	-
Transfer from Goodlife put and call option reserve	(2,269)	-	(2,310)	-
Distributions and dividends paid and payable	(25,113)	(21,481)	(1,630)	(1,957)
Closing balance	**20,690**	**35,588**	**(8,416)**	**63**

The Trust distribution and Company dividend for the period ended 31 December 2014 totalling 7.00 cents per stapled security, or $30.7 million, had not been declared at half year end. These will be paid on or before 27 February 2015 as described in Note 20.

14. Business combinations

Current period

Fitness First Western Australia

On 4 September 2014, the Group acquired eight health clubs, for $32.0 million of which $2.3 million is payable in September 2015. Transaction costs totalling $1,868,676 were incurred on this project, expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The acquired business contributed revenues of $7.1 million and a profit before allocation of Group costs and tax of $1.5 million to the Group for the period from 4 September 2014 to 31 December 2014. If the acquisition had occurred on 1 July 2014, it would have contributed revenues of $11.0 million and a profit before allocation of Group costs and tax of $2.3 million for the half year ended 31 December 2014.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	31,958	28,412
Total purchase consideration	**31,958**	**28,412**
Fair value of net identifiable assets acquired	8,195	4,649
Goodwill	**23,763**	**23,763**

The goodwill is attributable to the health clubs' strong market position and profitable trading history and synergies expected to arise after the Group's acquisition. None of the goodwill is expected to be deductible for tax purposes.

	Consolidated Group Acquiree's carrying amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carrying amount $'000	ALL Group Fair value $'000
Cash and cash equivalents	6	6	6	6
Other current assets	465	465	465	465
Customer relationship intangible assets	-	6,100	-	6,100
Property, plant and equipment	5,426	5,016	1,367	718
Net deferred tax assets/(liabilities)	92	(1,738)	92	(1,738)
Deferred income	(53)	(53)	(53)	(53)
Payables	(541)	(541)	(541)	(541)
Provision for lease make good obligations	-	(752)	-	-
Employee benefits provision	(308)	(308)	(308)	(308)
Net identifiable assets acquired	**5,087**	**8,195**	**1,028**	**4,649**

	Consolidated Group $'000	ALL Group $'000
Outflow of cash to acquire business:		
Cash consideration	31,958	28,412
Less: cash balances acquired	(6)	(6)
Less: deferred settlement	(2,297)	(2,297)
Outflow of cash	**29,655**	**26,109**

14. Business combinations (continued)

Current period (continued)

Hypoxi US and Canada

On 6 August 2014, the Group completed the acquisition of the exclusive US and Canadian distribution and master franchise rights for the Hypoxi targeted weight loss business for $0.8 million. Transaction costs totalling $13,350 were incurred on this project, expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The Group in the process of identifying locations in the US for new studios and this business has not yet started trading. As a result, it has not contributed materially to the Group result for the half year ended 31 December 2014.

Final details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	815	815
Total purchase consideration	**815**	**815**
Fair value of net identifiable assets acquired	815	815
Goodwill	**-**	**-**

	Consolidated Group Acquiree's carrying amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carrying amount $'000	ALL Group Fair value $'000
Distribution agreement intangible assets	-	1,165	-	1,165
Net deferred tax liabilities	-	(350)	-	(350)
Net identifiable assets acquired	**-**	**815**	**-**	**815**

	Consolidated Group $'000	ALL Group $'000
Outflow of cash to acquire business:		
Cash consideration	815	815
Outflow of cash	**815**	**815**

14. Business combinations (continued)

Current period (continued)

Playtime Highpoint Victoria

On 5 November 2014, the Group acquired Playtime Highpoint, an amusement game arcade in Victoria, for $2.5 million. Transaction costs totalling $1,089 were incurred on this project, expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The acquired business contributed revenues of $0.3 million and a profit before allocation of Group costs and tax of $0.1 million to the Group for the period from 5 November 2014 to 31 December 2014. If the acquisition had occurred on 1 July 2014, it would have contributed revenues of $1.2 million and a profit before allocation of Group costs and tax of $0.4 million for the half year ended 31 December 2014.

Final details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	2,463	2,538
Total purchase consideration	**2,463**	**2,538**
Fair value of net identifiable assets acquired	465	540
Goodwill	**1,998**	**1,998**

	Consolidated Group Acquiree's carrying amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carrying amount $'000	ALL Group Fair value $'000
Cash and cash equivalents	42	42	42	42
Other current assets	102	102	102	102
Property, plant and equipment	422	422	399	399
Net deferred tax assets	2	2	2	2
Provision for lease make good obligations	-	(98)	-	-
Employee benefits provision	(5)	(5)	(5)	(5)
Net identifiable assets acquired	**563**	**465**	**540**	**540**

	Consolidated Group $'000	ALL Group $'000
Outflow of cash to acquire business:		
Cash consideration	2,463	2,538
Less: cash balances acquired	(42)	(42)
Outflow of cash	**2,421**	**2,496**

Other business combinations

On 30 September 2014, the Group acquired a Hypoxi studio at Ballantyne, North Carolina for $233,000. Goodwill of $31,000 was recognised on acquisition.

On 31 October 2014, the Group acquired a Hypoxi studio at Randwick, Sydney for $198,000. Goodwill of $43,000 was recognised on acquisition.

14. Business combinations (continued)

Prior period

During the period, the Group finalised its prior year acquisitions of Camberwell and Port Melbourne health clubs, Hypoxi Australia Pty Limited, Hypoxi New Zealand and the City Amusements amusement game arcade. Purchase price and goodwill adjustments on finalisation were immaterial in nature.

15. Net tangible assets

	Consolidated Group December 2014 $'000	Consolidated Group June 2014 $'000
Net tangible assets are calculated as follows:		
Total assets	987,035	853,007
Less: Intangible assets	(237,816)	(201,237)
Less: Total liabilities	(407,081)	(347,505)
Net tangible assets	**342,138**	**304,265**
Total number of stapled securities on issue	438,666,245	405,055,708
Net tangible asset backing per stapled security	$0.78	$0.75

16. Segment information

Business segments

The Group is organised on a global basis into the following divisions by product and service type:

Family entertainment centres

This segment comprises of 19 Main Event sites in Texas, Arizona, Georgia, Illinois and Oklahoma, United States of America.

Bowling centres

This segment comprises 50 bowling centres and four amusement arcades located in Australia and New Zealand.

Marinas

This segment comprises seven d'Albora Marina properties, located in New South Wales and Victoria.

Theme parks

This segment comprises Dreamworld and WhiteWater World in Coomera, Queensland and the SkyPoint observation deck and climb in Surfers Paradise, Queensland.

Health clubs

This comprises 76 centres in Queensland, New South Wales, Victoria, South Australia and Western Australia, two independent Hypoxi studios in New South Wales, and one independent Hypoxi studio in Ballantyne, North Carolina.

The main income statement items used by management to assess each of the divisions are divisional revenue and divisional EBITDA before property costs and after property costs. In addition, depreciation and amortisation are analysed by division. Each of these income statement items is looked at after adjusting for pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation and amortisation of Goodlife brands and customer relationship intangible assets. As shown in Note 4, these items are excluded from management's definition of core earnings.

The Group's principal activity is to invest in and operate leisure and entertainment businesses in Australia, New Zealand and the United States of America.

16. Segment information (continued)

Business segment

Consolidated Group - 31 December 2014

	Family entertainment centres $'000	Bowling centres $'000	Marinas $'000	Theme parks $'000	Health clubs $'000	Other $'000	Total $'000
Revenue from operating activities	**70,883**	**60,426**	**11,220**	**54,781**	**88,547**	**5**	**285,862**
Divisional EBITDA before property costs[1]	23,722	21,961	6,337	21,034	36,115	-	109,169
Divisional EBITDA[2]	15,342	9,145	5,064	20,396	14,474	-	64,421
Depreciation and amortisation[3]	(5,185)	(3,835)	(507)	(2,526)	(4,810)	(335)	(17,198)
Divisional EBIT[4]	**10,157**	**5,310**	**4,557**	**17,870**	**9,664**	**(335)**	**47,223**
Pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation and intangible asset amortisation not included in divisional EBIT							(14,279)
Valuation loss - investment properties							(513)
Loss on disposal of assets							(202)
Net gain from derivative financial instruments							485
Interest income							73
Corporate costs							(6,399)
Foreign exchange loss							(39)
Business acquisition costs							(1,898)
Borrowing costs							(5,622)
Net tax expense							(9)
Profit for the half year							**18,820**
Total assets	215,499	134,895	104,336	270,024	249,736	12,545	987,035
Acquisitions of property, plant and equipment, investment properties and intangible assets	48,387	9,908	1,264	5,152	48,686	1,138	114,535

(1) Excludes pre-opening expenses of $4,677,000.
(2) Excludes straight lining of fixed rent increases of $1,106,000 and pre-opening expenses of $4,677,000.
(3) Excludes IFRS depreciation of $5,040,000 and amortisation of health club brands and customer relationship intangible assets totalling $3,456,000.
(4) Excludes of pre-opening expenses of $4,677,000, straight lining of fixed rent increases of $1,106,000, IFRS depreciation of $5,040,000 and amortisation of health club brands and customer relationship intangible assets of $3,456,000.

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16. Segment information (continued)

Business segment

Consolidated Group - 31 December 2013

	Family entertainment centres $'000	Bowling centres $'000	Marinas $'000	Theme parks $'000	Health clubs $'000	Other $'000	Total $'000
Revenue from operating activities	**44,446**	**59,169**	**11,220**	**55,761**	**80,013**	**6**	**250,615**
Divisional EBITDA before property costs(1)	15,405	20,984	6,247	21,175	33,747	-	97,558
Divisional EBITDA(2)	9,502	8,746	4,965	20,651	16,274	-	60,138
Depreciation and amortisation(3)	(3,085)	(3,497)	(433)	(2,482)	(3,284)	(194)	(12,975)
Divisional EBIT(4)	**6,417**	**5,249**	**4,532**	**18,169**	**12,990**	**(194)**	**47,163**
Pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation and intangible asset amortisation not included in divisional EBIT							(9,962)
Loss on closure of bowling centre							(1,579)
Loss on disposal of assets							(192)
Net loss from derivative financial instruments							(465)
Interest income							78
Corporate costs							(5,459)
Foreign exchange gain							239
Business acquisition costs							(34)
Borrowing costs							(5,678)
Net tax expense							(1,620)
Profit for the half year							**22,491**
Total assets as at 30 June 2014	138,167	131,157	103,734	262,225	211,691	6,033	853,007
Acquisitions of property, plant and equipment, investment properties and intangible assets	56,871	7,598	2,725	8,516	24,174	1,809	101,693

(1) Excludes pre-opening expenses of $1,256,000.
(2) Excludes straight lining of fixed rent increases of $850,000 and pre-opening expenses of $1,256,000.
(3) Excludes IFRS depreciation of $4,251,000 and amortisation of health club brands and customer relationship intangible assets totalling $3,605,000.
(4) Excludes of pre-opening expenses of $1,256,000, straight lining of fixed rent increases of $850,000, IFRS depreciation of $4,251,000 and amortisation of health club brands and customer relationship intangible assets of $3,605,000.

16. Segment information (continued)

Business segment

ALL Group - 31 December 2014

	Family entertainment centres $'000	Bowling centres $'000	Marinas $'000	Theme parks $'000	Health clubs $'000	Other $'000	Total $'000
Revenue from operating activities	**70,883**	**60,426**	**11,220**	**54,781**	**88,547**	**5**	**285,862**
Divisional EBITDA before rent to Trust(1)	15,342	21,961	6,337	21,034	29,995	-	94,669
Divisional EBITDA after rent to Trust(1)	15,342	3,161	478	1,624	10,862	-	31,467
Depreciation and amortisation(2)	(5,185)	(422)	(15)	(333)	(4,774)	(336)	(11,065)
Divisional EBIT(3)	**10,157**	**2,739**	**463**	**1,291**	**6,088**	**(336)**	**20,402**
Pre-opening expenses, straight lining of fixed rent increases and intangible asset amortisation not included in divisional EBIT							(8,809)
Loss on disposal of assets							(195)
Interest income							44
Corporate costs							(7,006)
Foreign exchange gain							230
Business acquisition costs							(1,898)
Borrowing costs							(5,760)
Net tax benefit							171
Loss for the half year							**(2,821)**
Total assets	215,697	35,415	1,887	21,782	205,708	10,398	490,887
Acquisitions of property, plant and equipment, investment properties and intangible assets	48,387	3,461	166	1,860	41,669	1,138	96,681

(1) Excludes pre-opening expenses of $4,677,000 and straight lining of fixed rent increases of $676,000.
(2) Excludes amortisation of health club brands and customer relationship intangible assets of $3,456,000.
(3) Excludes pre-opening expenses of $4,677,000, straight lining of fixed rent increases of $676,000 and amortisation of health club brands and customer relationship intangible assets of $3,456,000.

16. Segment information (continued)

Business segment

ALL Group - 31 December 2013

	Family entertainment centres $'000	Bowling centres $'000	Marinas $'000	Theme parks $'000	Health clubs $'000	Other $'000	Total $'000
Revenue from operating activities	**44,446**	**59,169**	**11,220**	**55,761**	**80,013**	**6**	**250,615**
Divisional EBITDA before rent to Trust[1]	9,502	20,984	6,247	21,175	27,660	-	85,568
Divisional EBITDA after rent to Trust[1]	9,502	2,846	459	2,074	13,207	-	28,088
Depreciation and amortisation[2]	(3,085)	(186)	-	(81)	(3,248)	(194)	(6,794)
Divisional EBIT[3]	**6,417**	**2,660**	**459**	**1,993**	**9,959**	**(194)**	**21,294**
Pre-opening expenses, straight lining of fixed rent increases and intangible asset amortisation not included in divisional EBIT							(5,293)
Loss on disposal of assets							(112)
Interest income							60
Corporate expenses							(5,888)
Foreign exchange gain							541
Business acquisition costs							(34)
Borrowing costs							(4,156)
Net tax expense							(1,555)
Profit for the half year							**4,857**
Total assets as at 30 June 2014	138,365	33,183	1,753	14,834	172,903	5,365	366,403
Acquisitions of property, plant and equipment, investment properties and intangible assets	56,870	3,524	129	2,464	20,943	1,809	85,739

(1) Excludes pre-opening expenses of $1,256,000 and straight lining of fixed rent increases of $432,000.
(2) Excludes amortisation of health club brands and customer relationship intangible assets of $3,605,000.
(3) Excludes pre-opening expenses of $1,256,000, straight lining of fixed rent increases of $432,000 and amortisation of health club brands and customer relationship intangible assets of $3,605,000.

17. Fair value measurement of financial instruments

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Consolidated Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2014 and 30 June 2014 on a recurring basis:

Consolidated Group December 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:				
Derivative financial assets	-	412	-	412
Financial liabilities measured at fair value:				
Derivative financial liabilities	-	1,959	-	1,959

June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:				
Derivative financial assets	-	-	-	-
Financial liabilities measured at fair value:				
Derivative financial liabilities	-	1,463	-	1,463

The following table presents the ALL Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2014 and 30 June 2014 on a recurring basis:

ALL Group December 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:				
Derivative financial assets	-	38	-	38
Financial liabilities measured at fair value:				
Derivative financial liabilities	-	-	-	-

June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:				
Derivative financial assets	-	-	-	-
Financial liabilities measured at fair value:				
Derivative financial liabilities	-	48	-	48

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2014.

17. Fair value measurement of financial instruments (continued)

(b) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (eg, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

All of the resulting fair value estimates are included in level 2. There are no level 3 financial instruments in either the Group or the ALL Group.

(c) Fair values of other financial instruments

The Consolidated Group and the ALL Group also have a number of financial instruments which are not measured at fair value in the Balance Sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to the current market rates or the instruments are short term in nature. Significant differences were identified for the following instruments at 31 December 2014:

	Carrying amount December 2014	Fair value December 2014	Discount rate December 2014	Carrying amount June 2014	Fair value June 2014	Discount rate June 2014
	$'000	$'000	% per annum	$'000	$'000	% per annum
Consolidated Group						
Interest bearing liabilities	293,467	286,763	4.24	261,612	254,831	4.75
ALL Group						
Interest bearing liabilities	243,538	239,212	4.24	205,277	198,610	4.75

In determining the fair value of the interest bearing liabilities, the principal payable of $293,467,000 has been discounted at a rate of 4.24% per annum to best reflect the price that market participants would use when transferring the non-current borrowings, assuming that market participants act in their economic best interest. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

18. Contingent liabilities

Unless otherwise disclosed in the financial statements, there are no material contingent liabilities.

19. Related party disclosures

There have been no new material related party transactions in the half year to 31 December 2014. The annual financial report for the year ended 30 June 2014 provides further details on the nature of previous related party transactions.

20. Events occurring after reporting date

Subsequent to half year end, a Trust distribution of 4.00 cents per stapled security and Company dividend of 3.00 cents per stapled security has been declared by the Board of Directors. The total distribution amount of $30.7 million will be paid on or before 27 February 2015 in respect of the period ended 31 December 2014.

Since the end of the financial period, the Directors of the Manager and ALL are not aware of any other matter or circumstance not otherwise dealt with in the financial report or the Directors' report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial periods subsequent to the half year ended 31 December 2014.

Directors' declaration to stapled security holders

In the opinion of the Directors of Ardent Leisure Management Limited and Ardent Leisure Limited:

(a) The interim financial statements and notes of Ardent Leisure Trust and its controlled entities, including Ardent Leisure Limited and its controlled entities (Ardent Leisure Group) and Ardent Leisure Limited and its controlled entities (ALL Group) set out on pages 7 to 37 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the Ardent Leisure Group's and ALL Group's financial position as at 31 December 2014 and of their performance, as represented by the results of their operations, their changes in equity and their cash flows, for the financial period ended on that date; and

(b) There are reasonable grounds to believe that both the Ardent Leisure Group and ALL Group will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Boards of Directors.

Neil Balnaves AO
Chairman

Gregory Shaw
Managing Director

Sydney
17 February 2015

Independent auditor's review report to the stapled security holders of Ardent Leisure Group and Ardent Leisure Limited Group

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report which comprises:

- The balance sheet as at 31 December 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Ardent Leisure Group (the consolidated stapled entity). The consolidated stapled entity, as described in Note 1, comprises the Ardent Leisure Trust (the Trust) and the entities it controlled during that half-year.

- The balance sheet as at 31 December 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Ardent Leisure Limited Group (the ALL Group). The ALL Group, as described in Note 1, comprises Ardent Leisure Limited (The Company or ALL) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of Ardent Leisure Limited and the directors of Ardent Leisure Management Limited, the responsible entity of the Trust, (collectively referred to as the "directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated stapled entity and of the ALL Group's financial positions as at 31 December 2014 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ardent Leisure Group and Ardent Leisure Limited Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ardent Leisure Group and the ALL Group is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated stapled entity's and of the ALL Group's financial positions as at 31 December 2014 and of their performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Timothy J Allman
Partner

Brisbane
17 February 2015