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



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**ASX RELEASE**

28 May 2015

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

Dear Sir / Madam

**ARDENT LEISURE GROUP – INVESTOR PRESENTATIONS**

Please find attached for release to the market a suite of presentations to be given to investors at the following Citigroup investor sessions later today and tomorrow:

**Melbourne**

28 May 2015  
2.00pm – 4.00pm  
Live webcast: <http://www.brrmedia.com/event/138486>

**Sydney**

29 May 2015  
1.00pm – 3.00pm  
Live webcast: <http://www.brrmedia.com/event/138485>

Please note that webcast attendees will need to register in advance before entering the website.

Yours faithfully

Alan Shedden  
Company Secretary

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

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**AMF Bowling | d'Albora Marinas | Dreamworld | Goodlife Health Clubs | Hypoxi  
Kingpin Bowling | Main Event Entertainment | SkyPoint | SkyPoint Climb | WhiteWater World**



# Ardent Leisure Investor Day

## May 2015





## Program

Topic	Presenter	Title
<b>Overview and Opportunities</b>	Deborah Thomas	Group CEO
<b>Business Unit Strategies</b>		
Main Event	Charlie Keegan	CEO/ President Main Event
Theme Parks	Craig Davidson	CEO, Theme Parks
Health Clubs	Greg Oliver	CEO, Goodlife
Marinas	Brett Bolton	CEO, d'Albora Marinas
Bowling	Nicole Noye	CEO, Bowling
<b>Capital Management</b>	Richard Johnson	Group CFO
<b>Q&amp;A</b>		



## Objectives of the Day

- To articulate the strategy of the Group and each of its businesses
- To demonstrate the depth of talent and experience within the Group's senior management team
- To talk about the opportunities for improvement and growth within the Group





Main Event	Health Clubs	Bowling	Theme Parks	Marinas
  20 venues	   Goodlife: 77 venues Hypoxi: 78 venues	     AMF bowling: 44 venues Kingpin bowling: 5 venues Galactic Circus / Playtime: 4 venues	    Dreamworld WhiteWater World SkyPoint	  Venues: 7
~10 million visitors p.a. <sup>1</sup>	>200k members	~5 million visitors p.a.	~2.0 million visitors p.a.	~1,350 berthing customers

(1) Estimated run rate based on 20 sites.



## Third Quarter Update

- Continuation of outstanding trading trends at Main Event
- Theme Parks, Bowling and Marinas broadly consistent trends with half year
- Health Clubs continued to face competitive pressure on membership sales and retentions in the third quarter but has seen encouraging early signs from its strategy to convert clubs to 24.7

Division	3 <sup>rd</sup> QTR YTD EBITDA % Movement on PCP <sup>1</sup>
Main Event <sup>2</sup>	Up 63.7%
Bowling <sup>3</sup>	Up 3.3%
Marinas	Down (0.1%)
Theme Parks	Down (1.5%)
Health Clubs	Down (16.9%)

(1) Prior Corresponding Period

(2) US\$ performance

(3) Excludes one-off make good costs associated with closure of the AMF Randwick site in the current period and the Kingpin Richmond site in the prior period



## Strategic Vision

Main Event	<ul style="list-style-type: none"> <li>Continued store roll out and remodelling</li> <li>Continued focus on product enhancement opportunities</li> </ul>
Health Clubs	<ul style="list-style-type: none"> <li>Ongoing transition to full service 24/7 model</li> <li>Digital customer engagement</li> </ul>
Bowling	<ul style="list-style-type: none"> <li>Ongoing transition from “bowling” to “entertainment”</li> </ul>
Theme Parks	<ul style="list-style-type: none"> <li>Continued development of unique attractions, food and beverage and retail offerings</li> <li>Create a Dreamworld master-plan to harness growth from surrounding developments</li> </ul>
Marinas	<ul style="list-style-type: none"> <li>Organic upgrade growth</li> <li>Web / mobile improvements</li> </ul>

- Synergy across portfolio
- Optimal capital allocation



*“Global portfolio of affordable, market-leading leisure and entertainment products, creating value for shareholders”*



# Main Event Entertainment





# 2015 Half Year Result

US\$'000	HY15	HY14	% Change
Total revenue	61,589	40,334	52.7
EBRITDA (ex pre-opening cost) <sup>1</sup>	20,641	13,942	48.0
Operating margin	33.5%	34.6%	
Property costs (ex straight line rent)	(7,296)	(5,380)	35.6
EBITDA <sup>1</sup>	13,345	8,562	55.9





# 3<sup>rd</sup> Quarter Trading Update

## Outstanding YTD Results

- Revenue up +58.3% to US\$103.91M
- EBITDA up 63.7% to US\$27.05M

## Strong Constant Centres Performance

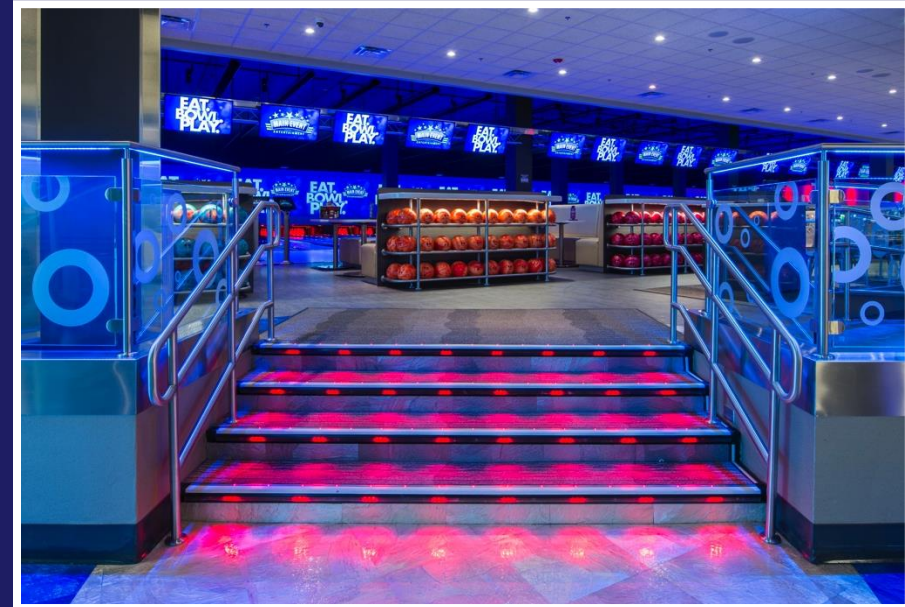
- Earnings before property costs up 10.1%

## Impressive New Centre Results

- At 21 April, 6 New Centres Opened in FY 15
- New Prototype Outperforming

## Strong Trading in April 2015

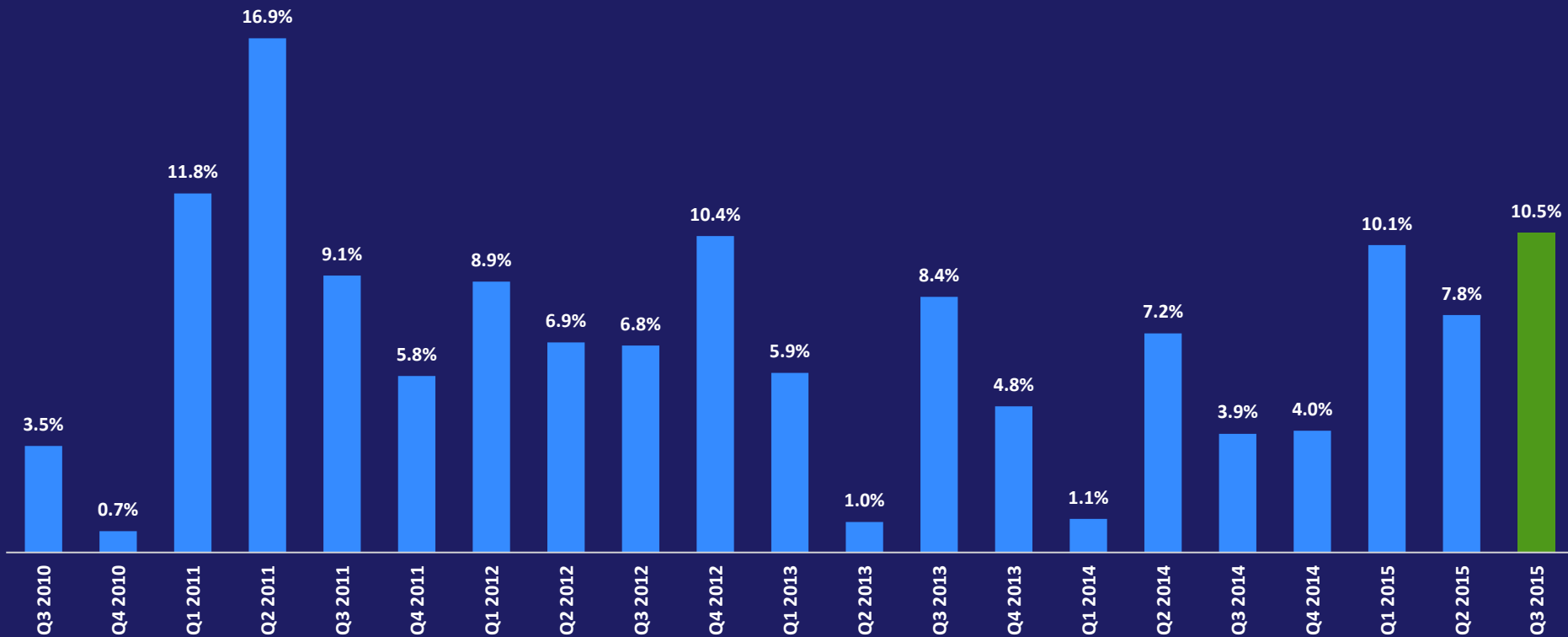
- Total revenues of US\$10.52 million up 69.7% on April 2014 and constant centre revenues up 3.9%





# Strong Business Momentum

21 consecutive quarters of constant centre sales growth

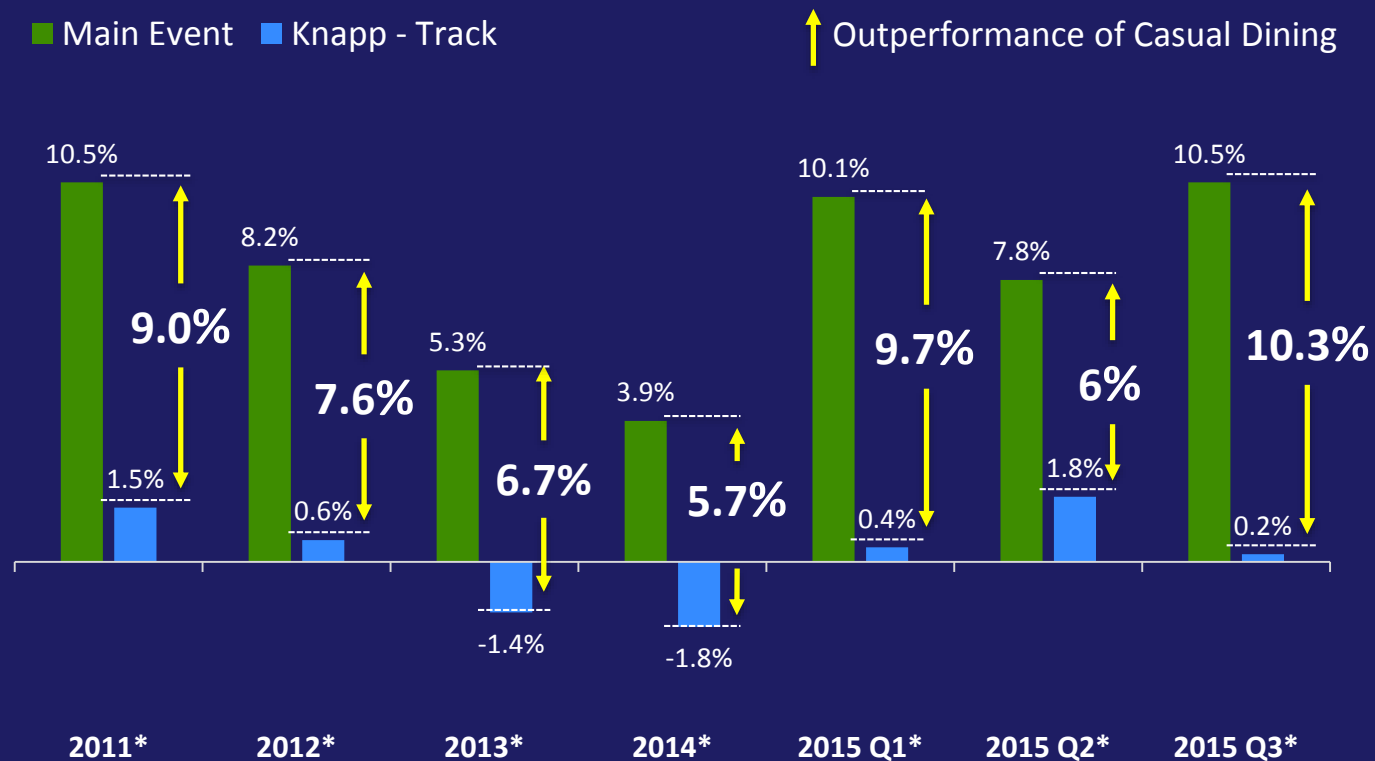


Source: Main Event Management Accounts (quarter reported on a 4-4-5 week basis vs. calendar quarter used for statutory reporting).



# Impressive Constant Centre Performance

substantially outperforming casual dining over last 4 years

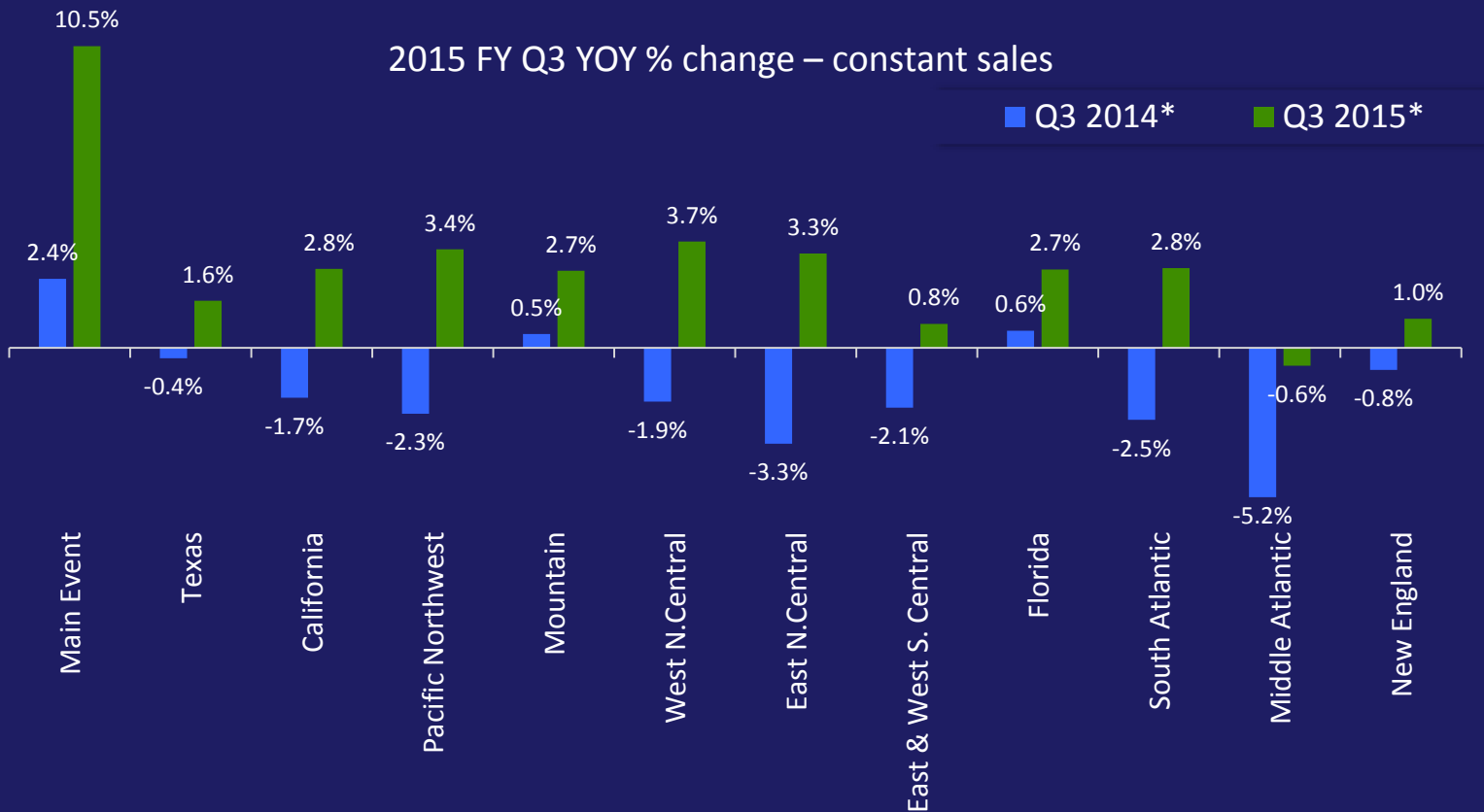


Note: KNAPP-TRACK is a monthly sales and guest count tracking service for the restaurant industry in the United States  
Source: KNAPP – TRACK and Company data, \* ME Fiscal timeframes  
Source: Main Event Management Accounts



# Outperforming Texas and Other Regions

## Regional Casual Dining Results



Note: KNAPP-TRACK is a monthly sales and guest count tracking service for the restaurant industry in the United States  
Source: KNAPP – TRACK and Company data, \* ME Fiscal timeframes  
Source: Main Event Management Accounts



# Growing Average Centre Revenue

constant centre growth and new units are together driving average centre revenue



Average Annual Revenue Per Centre (US\$ Million)



Source: Main Event Management Accounts





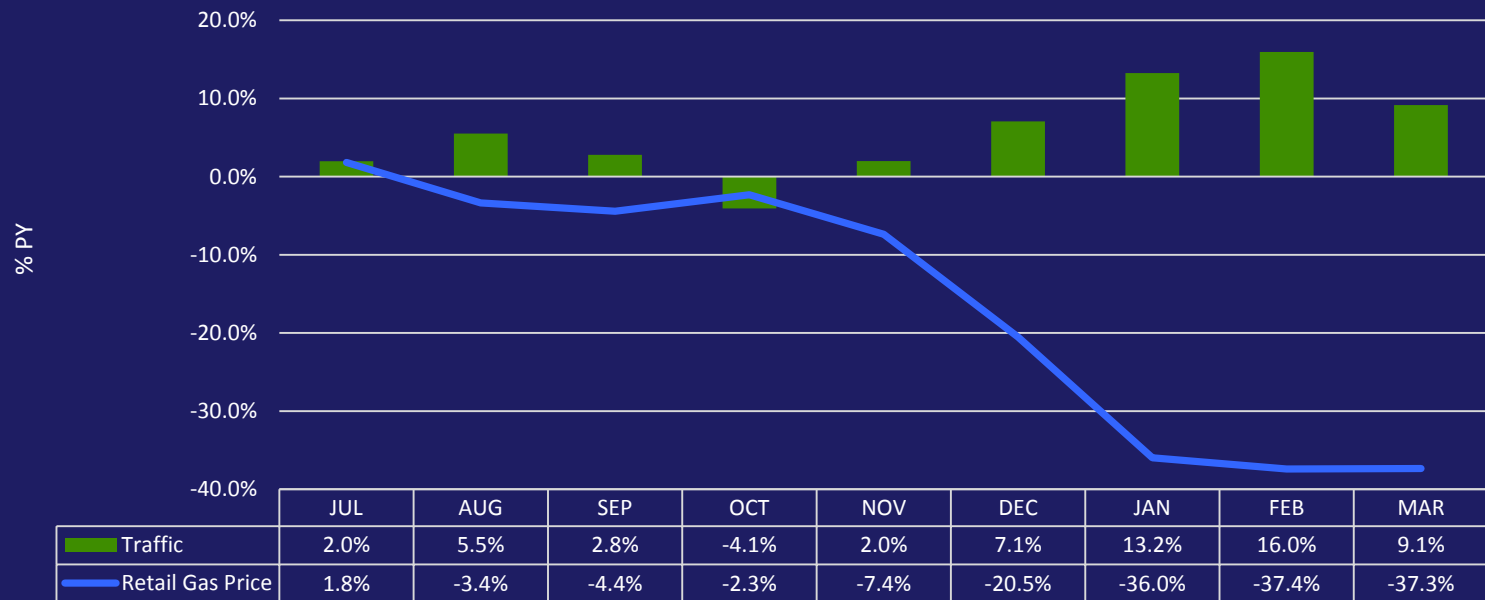
# Delivering on the FY15 Plan

- Accelerated Development
- Improved Core Business Fundamentals
- New Core Menu Platform Launched
- Strong Margins
- Highly Experienced Management Team in Place
- Proof of Concept beyond Texas



# Lower Gas Prices have been a Net Positive

traffic compared to TX retail gas \$/gallon



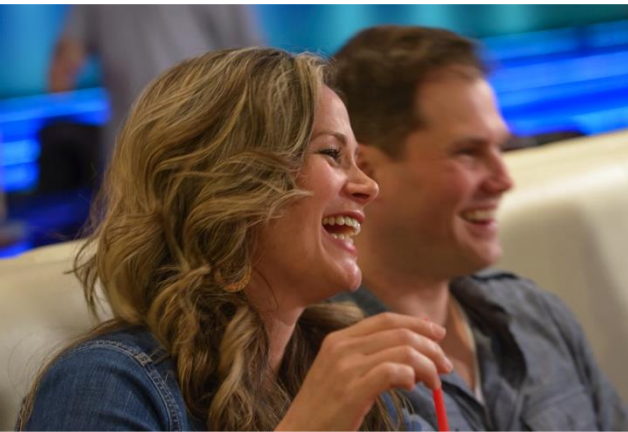
- Traffic count is up +6.4% YTD across all constant centre markets.
- October traffic was driven down by warm weather and Halloween falling on a Friday.
- New Unlimited Games LTO in February overlapped PY full revenue



# Who We Are

## Brand Positioning Statement

For people ready to play. Main Event is the place to go together where everyone can let their fun out. Main Event is energetic, clever, all-American fun.



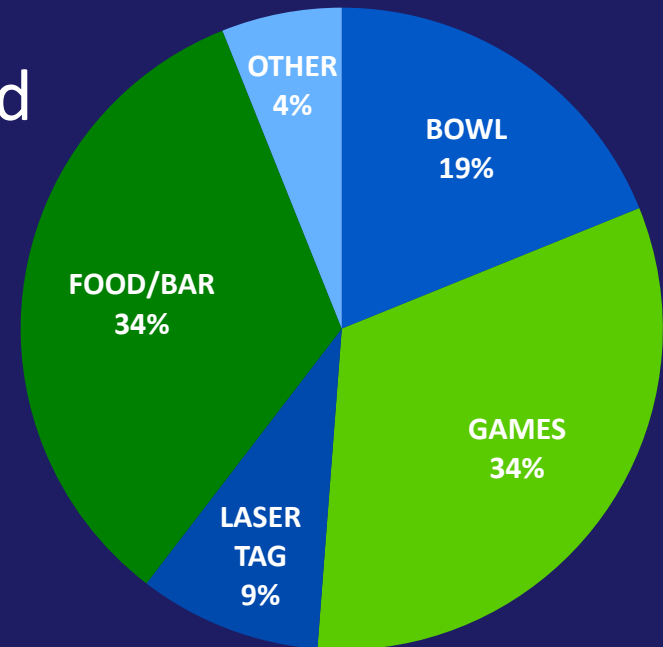


# What We Do

Unique “Eat.Bowl.Play” Model

## Differentiated Concept is on Trend

- Attractive Entertainment Value
- Aspirational Atmosphere with Broad Appeal
- Multi-cultural and Cross-Generational
- Designed For Group “Socialization”
- Differentiated along Food and Fun
- Noticeably Distinctive Culture



Q3 FY15 total revenue venue mix



Source: Main Event Management Accounts





# Eat.

handcrafted flavorful fare







# Bowl.

innovator in bowling-anchored entertainment







# Play.

multilevel laser tag, gravity ropes over the games gallery and more







# Defined Company Culture

driving great results

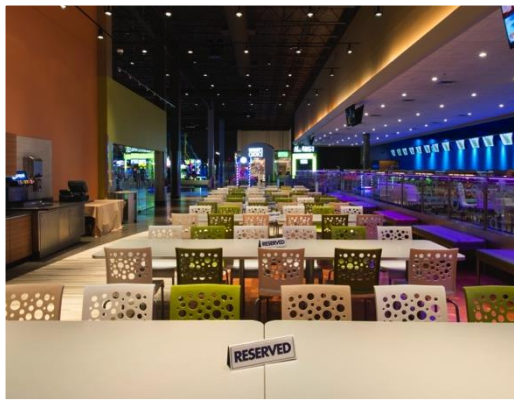






# Specialists in Group Events

corporate events, birthday parties, team building, schools and church functions





# New Core Menu Platform

Food Drives Occasions



NOW - MAY 20

NOT AVAILABLE  
ON FRIDAYS AFTER 5 PM.  
ALL DAY SATURDAY  
OR IN OUR TULSA LOCATION

**eat &**  
**play free**



FREE \$10 FUNcard VALID ON GAME PLAY WITH ENTRÉE PURCHASE FROM SELECT MENU



# The Current Landscape





# Out-Of-Home Competition

Limited Direct Competition

Bowlmor  
(Brunswick/AMF)

Traditional  
Bowling

Amusement  
And FECs

Chuck E Cheese  
Legoland Discovery  
Incredible Pizza  
Round One

Pinstripes  
Cine Bowl Grille  
Punchbowl Social

Restaurants  
Retail  
Theatres

Adult/Bar

Dave & Buster's  
Lucky Strike Lanes  
Latitudes







# Industry Leading Average Unit Revenues

average centre revenues significantly ahead of bowling  
and on par with best in class leisure brands in the US



Source: Most recent 10K filings, Main Event Average Unit Per Management Accounts

# How We Continue to Win







# Multiple Levers to Drive Growth

## Constant Centre Opportunities

- Remodels are providing significant lift
- Elevated Culinary Platforms are driving average spend per customer and traffic

## Ample New Centre Opportunity

- Robust pipeline in place with attractive investment returns

Typical Cash Investment Per New Centre <sup>1</sup>	US\$7.0m to US\$7.5m
Targeted Centre EBITDA Return on Investment (ROI)	>30%



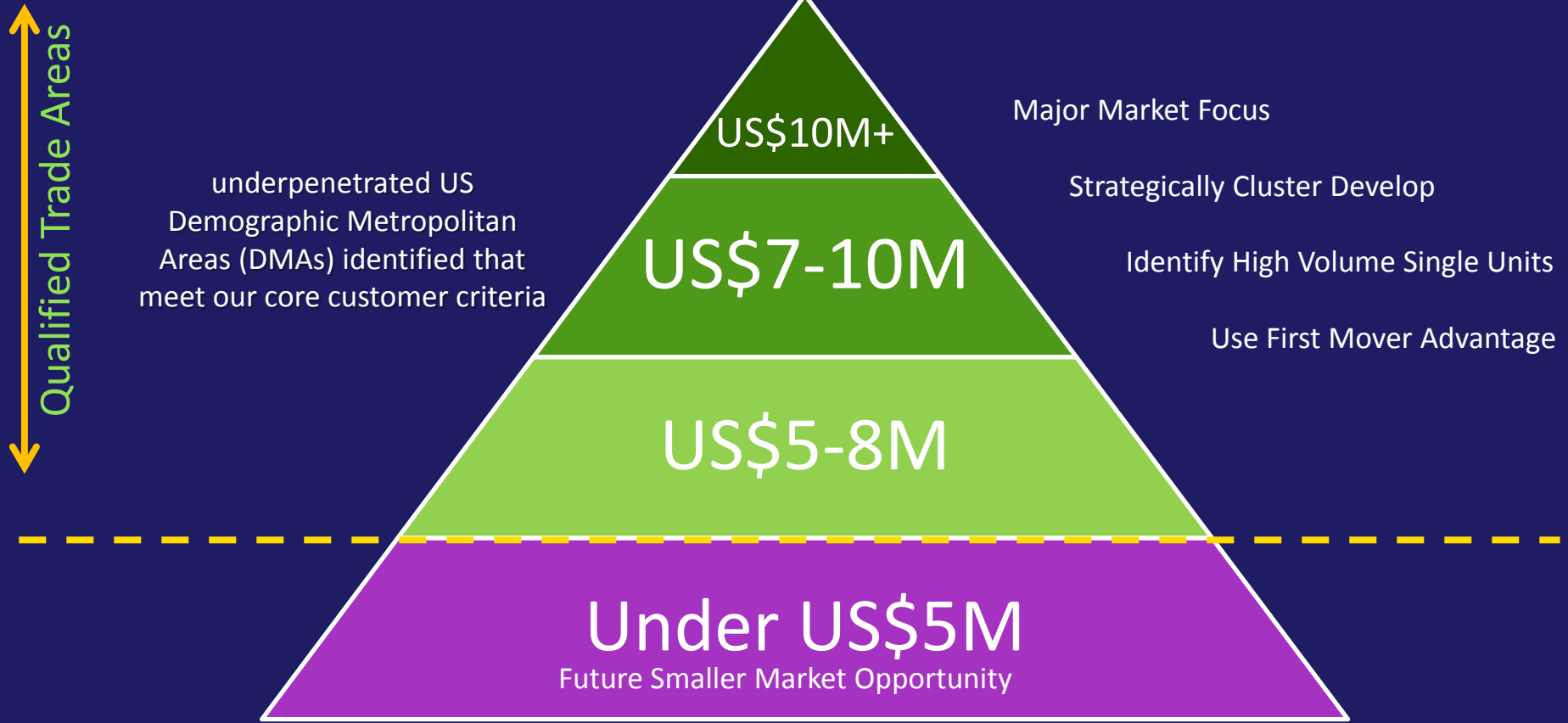
# New Centre Development Plan

- Proven Ability to Open Successful New Centres
  - 6 Centres Opened in FY15
  - 7 Centres Planned for FY16
  - 8 Centres Planned for FY17
  - Robust Pipeline for new sites
- Two Prototype Sizes for Flexibility
- Capitalise on low rate environment to fund growth
  - Terms agreed with an institutional real estate investor for the sale and leaseback of San Antonio, Oklahoma City and Tulsa, for proceeds of US\$32M
  - Same institutional investor has indicated a willingness to provide an agreement to fund up to US\$100M of new store development



# Path to Full Growth Potential

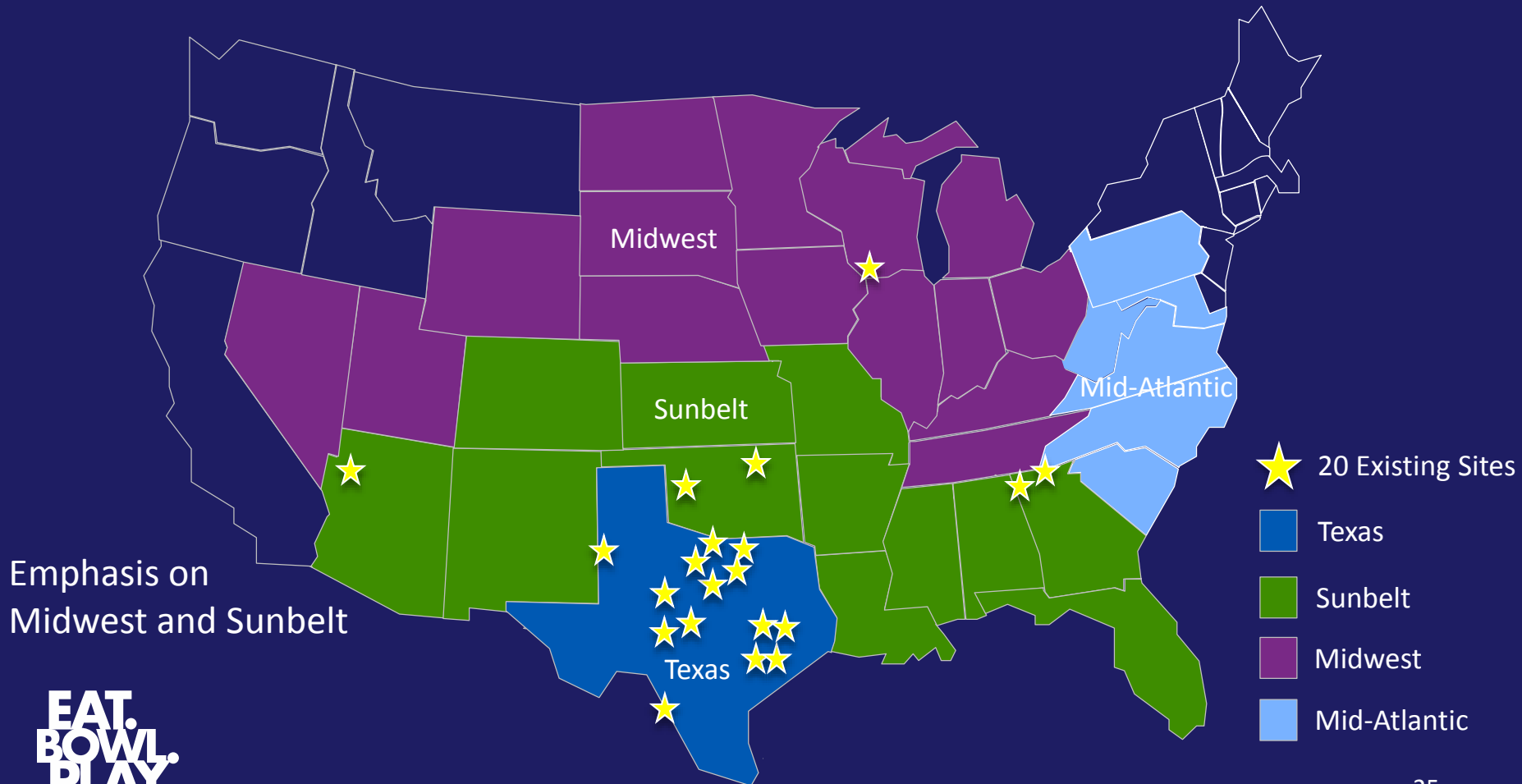
Pursue Highest Net Revenue Targets





# Poised for Continued Expansion

Prioritised Regional Trade Areas







# Building a Strong Foundation

Weaving the Brand Story - Nationally

Positioning Food as the Differentiator

Driving Scale Optimization

Implementing Agile Systems for Growth

Growing Through the Efficient Use of Capital

**EAT.  
BOWL.  
PLAY.**



# Theme Parks



# 2015 Half Year Result

\$'ooo	HY15	HY14	% Change
Total revenue	54,781	55,761	(1.8)
EBRITDA	21,034	21,175	(0.7)
Operating margin	38.4%	38.0%	
Property costs	(638)	(524)	21.8
EBITDA	20,396	20,651	(1.2)
Attendance	1,178,270	1,064,777	10.7
Per capita spend (\$)	46.49	52.37	(11.2)



# 3rd Quarter Trading Update

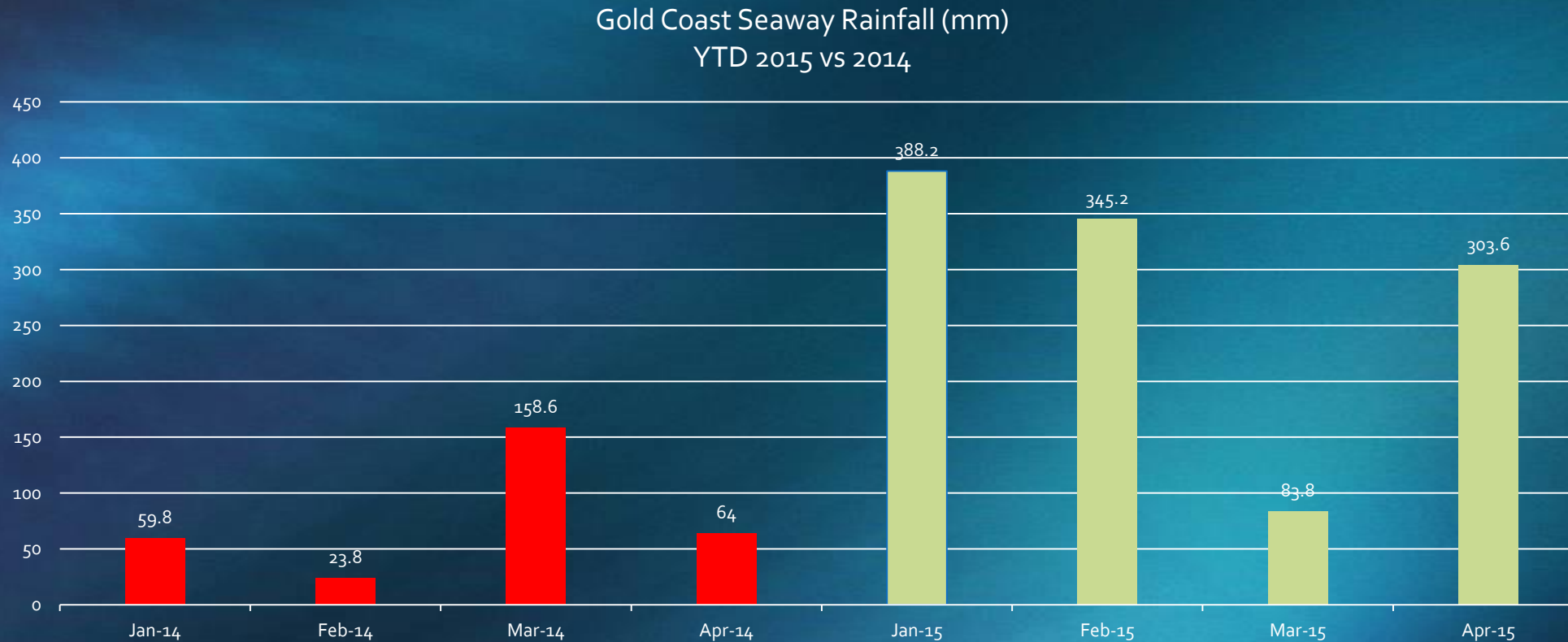
- Total revenues of \$80.16m for the nine month period against prior corresponding period revenues of \$81.50m
- EBITDA OF \$28.74m for the nine month period against \$29.18m in the prior corresponding period
- Operating margin improved from 36.8% to 37.0%
- SkyPoint business continues to perform well across all revenue streams
- Dreamworld voted Queensland's best, and Australia's third most popular tourist attraction at recent Australian Tourism Awards
- April 2015 revenues of \$7.85m compared to revenues of \$7.96m in April 2014





# 3rd Quarter Trading Update (continued)

- Solid result despite unprecedented rainfall during the reporting period



Source: Bureau of Meteorology Climate Data



# Operating Environment

- In the year to December 2014, domestic overnight trips were up 7% on prior period <sup>1</sup>
  - This growth was lead by Australians travelling for the purpose of visiting friends and relatives (VFR), which increased 11% over the prior period <sup>1</sup>
  - Domestic overnight holiday trips fell 1% over same period <sup>1</sup>
- In the year to September 2014, growth of Australian's travelling overseas for holidays slowed to 5.2%, well off their double digit highs of five years earlier <sup>2</sup>
- In the year to September 2014, international visitor arrivals to Australia grew 8.2%, including 10.5% growth in China arrivals <sup>3</sup>

Sources: <sup>1</sup> Tourism Research Australia National Visitor Survey, <sup>2</sup> Deloitte Access Economics Tourism and Hotel Market Outlook 2015, <sup>3</sup> Tourism Research Australia International Visitor Survey  
<sup>4</sup> Tourism and Events Queensland Gold Coast Regional Snapshot



# Operating Environment (continued)

- In the year to September 2014, domestic overnight visitation to the Gold Coast declined 6.1% and international overnight visitation increased 2.1% <sup>4</sup>
- Continued growth in Australian domestic visitor trips predicted due to expected decline in Australian dollar <sup>2</sup>
- Competition continues discount strategy to drive volume

Sources: <sup>1</sup> Tourism Research Australia National Visitor Survey, <sup>2</sup> Deloitte Access Economics Tourism and Hotel Market Outlook 2015, <sup>3</sup> Tourism Research Australia International Visitor Survey  
<sup>4</sup> Tourism and Events Queensland Gold Coast Regional Snapshot





# Strategic Priorities

*Create unique customer experiences to differentiate ourselves from our competitors to drive visitation and in-park spend*

- Continue to develop unique attractions in-park
- Identify new, and build on existing partnerships
- Execute Food and Beverage and Retail strategies
- Create a personalised customer journey
- Leverage unique appeal of SkyPoint



# Strategic Priorities – Unique Attractions

- First Indigenous cultural experience in a Theme Park environment
- 45% of guests to park visit the attraction
- Corroboree/SkyPoint combination providing cut through in International markets
- Aligns with group and education markets



# Strategic Priorities – Partnerships

- Dreamworks
- ABC Kids
- Wiggles
- V8 Supercars
- Big Brother
- Mick Doohan
- Yugambeh Museum



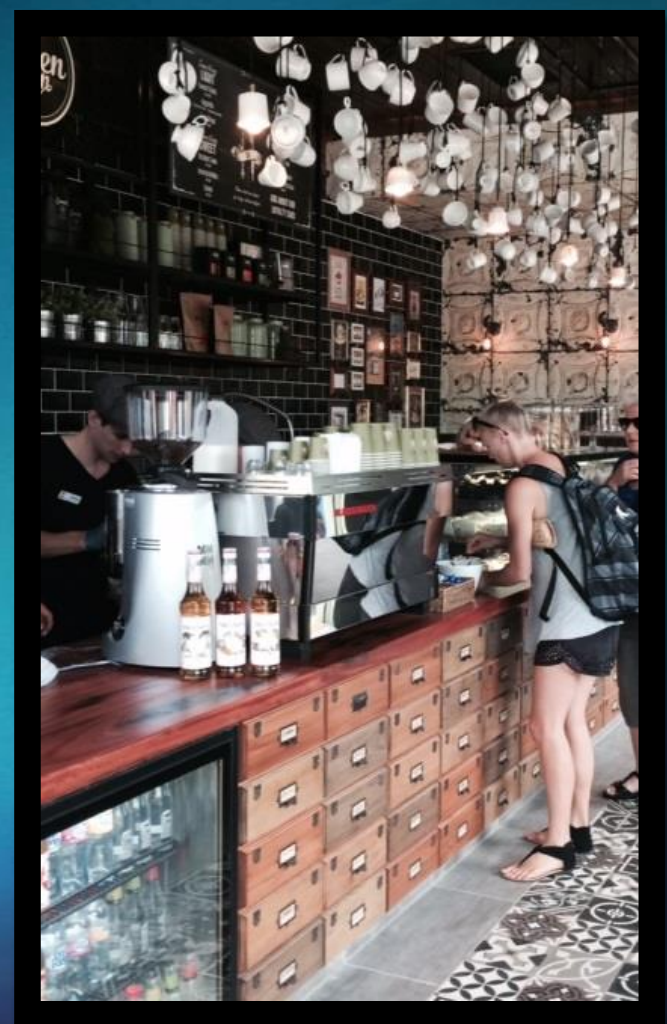
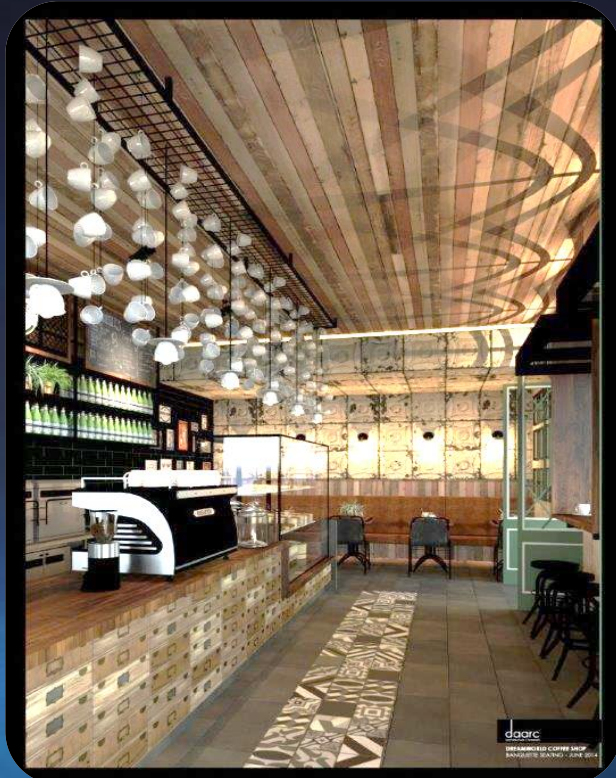


# Strategic Priorities – Food and Beverage, Retail

- Successful launch of four new food outlets in FY15 – Green Bean Coffee Co., Dough Bros. Pizzeria, Food Central, The Sandwich Shop
- Add new, on trend food experiences throughout 2015/16
- Upgrade and re theme existing food outlets
- Add signature and unique retail brands to park offer
- Launch online retail by end 2015









# Strategic Priorities – Customer Journey

- Experience - Utilising technology and people to make the experience as seamless and engaging as possible
- Differentiation - Unique products and services to drive deeper engagement for our customers
- Digital Platforms - Invest in and utilise platforms to provide a single view of the Customer pre, during and post visit
- Customer Knowledge – Utilise digital platforms to understand our customers needs, wants and purchasing behaviours
- Personalisation - Allowing the customer to interact with the offering in their own way
- Loyalty - Rewarded at each contact point in the customer journey to make customers feel valued





# Strategic Priorities – Skypoint

- Continued growth in international visitor market
- Drive local and domestic visitation
- Develop a new guest experience for observation deck
- Increase retail footprint at entry and refurbish observation deck
- Identify adjacent business opportunities
- Introduce new climb experiences and photo opportunities



# Opportunity to Harness Growth from Surrounding Developments

- Billion dollar Coomera Town Centre development (Dreamworld's Northern boundary) opening ~2017
- \$75 million upgrade to nearby road infrastructure to be completed at end of 2016
- \$52 million Commonwealth Games facility (Dreamworld's Eastern boundary) to be completed at end of 2016
- Master Plan of Dreamworld to identify park development opportunities to capitalise on these surrounding developments



# *Goodlife.*

## HEALTH CLUBS





# 2015 HALF YEAR RESULT

\$'000	HY15	HY14	% Change
Total revenue	88,547	80,013	10.7
EBRITDA (ex pre-opening cost)	36,115	33,747	7.0
Operating margin	40.8%	42.2%	
Property costs (ex straight line rent)	(21,641)	(17,473)	23.9
EBITDA	14,474	16,274	(11.1)

# 3<sup>RD</sup> Quarter Trading Update

- Revenues of \$133.91 million for the past nine months were up 10.2% on the prior corresponding period, underpinned by the acquisition of the Fitness First WA portfolio in September 2014
- EBITDA of \$20.97 million was recorded against EBITDA of \$25.23 million for the prior corresponding period
- The third quarter EBITDA of \$6.49 million increased from \$5.66 million in the previous quarter
- On a constant club basis, revenues of \$113.31 million fell by 4.9% against revenues of \$119.20 million in the prior corresponding period with sales and leavers in South East Queensland and South Australia particularly impacted by a significant increase in competition
- Constant club earnings before property costs of \$55.90 million were 6.4% lower than earnings of \$59.72 million in the prior corresponding period
- Western Australia continued to be Goodlife's strongest performing state with like for like membership growth. Membership for the Fitness First WA acquisition remained stable in the third quarter, with cost saving initiatives to date exceeding forecast

# Australian Fitness Industry Snapshot

*Increasing community awareness linking chronic illness and poor lifestyle choices is likely to raise the profile and penetration of the Fitness Industry*

- More than 4 million Australians participate in Fitness Industry activities. Looking forward, participation will continue to increase exponentially with total demand increasing to 7.15m users by 2020<sup>1</sup>
- Total Industry Revenue (2014) AUD\$1.3 Billion<sup>2</sup>, with Membership dues making up 67% of revenue and Personal Training almost 10%<sup>2</sup>
- Interest in exercise and fitness as a means to better health is expected to increase over the next five years. The industry benefits from lifestyle TV shows (TBL), magazines, health education within schools and the workplace, childhood obesity concerns and the growing accessibility and affordability of gyms<sup>2</sup>
- Demographic factors such as urbanisation, increasing time pressures and an ageing population are likely to continue to reinforce gym participation<sup>1</sup>

1. The Australian Fitness Industry Report 2012, Fitness Australia  
2. Ibis World industry Report R9111, Feb 2015



# Goodlife Strategic Plan

*To provide the most compelling offering in the market by converting Goodlife Health Clubs to a full service 24.7 model*

- Providing value pricing options neutralises the 24.7 value proposition of the small box operators whilst still providing full service differentiation of:
  - A large variety of Group Fitness Classes, including Spin, Yoga, Pilates and Booty Barre
  - More Personal Trainers providing both individual and small group training programs
  - More variety and total numbers of strength, functional and cardio equipment
  - Childminding
  - Larger and more comfortable change rooms



## 24.7 Conversion Roll Out Schedule

### Completed

- ✓ Chermside QLD (2/3)
- ✓ Success WA (15/4)
- ✓ Robina QLD (23/4)
- ✓ Cleveland QLD(27/4)
- ✓ Mooroolbark VIC (30/4)
- ✓ Prahran VIC (6/5)

### Upcoming Conversions

Jindalee QLD  
Caloundra QLD  
Taylors Lakes VIC  
Cross Roads SA  
Myaree WA  
Fortitude Valley QLD  
Point Cook VIC  
Innaloo WA  
Mitcham SA



# Conversion Program

- Dedicated multi-function team allocated to conversions
- Localised communications and marketing plan
  - T-45 days
  - Opening
  - +30 days open
- Regulatory approvals filed for 66 clubs
- Progressive update of telecoms and IT infrastructure, security camera installation and building management systems across portfolio
- Brand refresh incorporating 24.7 clubs
- Capital spend in line with expectations at average \$100k per site

# Encouraging Early Signs for 24.7

Change to Prior Corresponding Period (PCP)	Clubs Announced or Open as 24.7
Sales %	Up 32.1%
Leavers %	Down 7.6%

Reporting 1<sup>st</sup> February 2015 through to 30<sup>th</sup> April 2015

- Whilst a small sample size and limited trial period (5 clubs converted to 24.7 at 30 April 2015), these clubs are outperforming both PCP and the majority of the portfolio in terms of sales and leavers and support our 24.7 conversion strategy
- Chermside club had member growth of 87 for March and April v member loss of 117 in PCP
- Early pay off in reduced leavers and additional sales post conversion
- Staffing changes occur 30 days after conversion reducing operating costs by \$30k per site

# Digital Evolution and Diversification

- On Boarding application now live
- New Web and ecommerce platform due for release 1st quarter 2016
- Designed for mobile and tablet first, the new Customer Management System provides seamless operational customisation and a customer-centric experience
- 7 clicks to transact – down from 14 on current platform
- Data Led – Organisation
- New head of customer analytics providing deeper insights into key influences
- Operational support to deal directly with customer feedback in real time
- Detailed segmentation of users to provide a more personalised member journey



MORNINGSIDE

NEW FARM

CANNON HILL

[MORE CLUBS](#)



HOME

CLASSES

PERSONAL TRAINERS

12 WEEK CHALLENGE

SPECIAL FACILITIES

MOTIVATION

FOOD

WORKOUTS

# Goodlife.

## MORNINGSIDE

JOIN NOW

WIN A \$100 GOODLIFE GIFT  
GET 30 DAYS FREE TRIAL

TRY THIS CLUB

5 DAY FREE PASS  
FULL ACCESS TO CLASSES & FACILITIES

ALREADY A MEMBER?

CREATE YOUR PROFILE  
FOR A CUSTOMISED EXPERIENCE

## CLASSES TODAY

TIMETABLE

TOMORROW >

WEIGHT LOSS  
4.15PM

YOGA  
6.45PM

BODY PUMP  
8.15PM

3 MORE CLASSES



OPEN TODAY  
**6AM TO 11PM**  
STAFFED 6AM TO 8PM

OPENING HOURS

MON-WED	5AM - 10PM	SAT	5AM - 10PM
THU	5AM - 9PM	SUN	5AM - 10PM
FRI	5AM - 8PM		

[View childminding hours](#)

SEARCH



Goodlife.  
HEALTH CLUBS

FOLLOW US



UPCOMING EVENTS

## GOODLIFE GAMES - WINNER TAKES IT ALL

Are you a fan of Functional Training? Or consider yourself the Toughest of the Mudders? Then Goodlife has just the thing for you!

## SELECT A MEMBERSHIP OPTION

### FEBRUARY PROMO

Kick start the new year with a **\$100 Goodlife gift** when selecting all clubs

From **\$14.95**/WEEK

ONLY 5 DAYS TO GO

#### 12 MONTH MEMBERSHIP

National/one club option available

##### INCLUDES

Group fitness classes  
Unlimited club access  
Qualified trainers  
Free health and fitness program

##### ADDITIONALS

Admin fee: \$89  
Quarterly club enhancement fee: \$4.95

- 1 +

SELECT



### ACTIVE PLUS

Get more of the Goodlife

From **\$17.95**/WEEK

#### 12 MONTH MEMBERSHIP

National/one club option available

##### INCLUDES

Free guest membership from Fri to Sun  
Free Active Pack: water bottle & backpack  
20% off the 12 Week Challenge entry  
Quarterly session with a personal trainer  
Free suspension and transfer

##### ADDITIONALS

Admin fee: \$89  
Quarterly club enhancement fee: \$4.95

- 1 +

SELECT



### ACTIVE FLEXI

Month to month membership

**\$22.95**/WEEK

#### 1 MONTH MEMBERSHIP

National club option only

##### INCLUDES

14 days free gym pass for a friend

##### ADDITIONALS

Admin fee: \$89  
Quarterly club enhancement fee: \$4.95

- 1 +

SELECT



## HOW CAN WE HELP YOU REACH YOUR GOALS?

### KICKSTART

Get 3 sessions with a Personal Trainer to start off right

**\$49.00**

Are you new to exercise? Perhaps you've been working out on your own without getting the results you want?

Whatever the reason we have the trainer to suit you.

- 1 +

YES, LET'S DO IT!

NO THANKS

### NUTRITION

Personalised meal plan with support to help you hit your goal.

**\$1**/WEEK

With the right plan and the right discipline you can achieve your goals.

We will be with you all the way!

- 1 +

YES, SIGN ME UP!

NO THANKS

### 12 WEEK CHALLENGE

Life is full of challenges. Let go of the things you can't change, focus on the things you can!

**\$179.00**

Whether you want to lose weight, tone up, improve your fitness or change your eating habits, you have the power to transform your body and change your life!

- 1 +

YES, SIGN ME UP!

NO THANKS

SUMMARY

CONTINUE



# Digital Evolution and Diversification

- Digital Programing – exercise 24.7 in club or at home
- Always-on range of programs and challenges to provide ongoing support and results
- Partnerships with virtual providers and social media providers – leveraging our physical facilities to provide in club solution and trainer support
- Streaming of content and programs - Opportunity to partner with organisations to extend our reach beyond the four walls, direct to devices, on a user pays basis



# HYPOXI UPDATE



design your body

## Australia and New Zealand

- Acquired Australia and New Zealand rights in March 2014
- 65 licenced studios across Australia
- 11 company studios now opened in Goodlife clubs
- 2 company owned stand alone studios in operation
- 6 store in store Goodlife studios planned for FY16, including 2 in WA
- New subscription product introduced in March. Early uptake positive - provides ongoing revenue certainty at a significant premium to the previous per session programs

# HYPOXI UPDATE



## USA and Canada

- Distribution and master franchise rights acquired in September 2014
- Appointment of a locally based Vice President US Operations and Business Development – Jeff Stokes
- Planned opening of 2 studios in Scottsdale Arizona in August 2015
- Some early interest of potential distribution opportunities and franchise territory sales



# **d'Albora Marinas**

**Akuna Bay – Cabarita Point – The Spit – Rushcutters Bay  
Nelson Bay – Pier35 – Victoria Harbour**



# 2015 Half Year Results



\$'000	HY15	HY14	% Change
Total revenue	11,220	11,220	-
EBRITDA	6,337	6,247	1.4
Operating margin	56.5%	55.7%	
Property costs	(1,273)	(1,282)	(0.7)
EBITDA	5,064	4,965	2.0



# 3<sup>rd</sup> Quarter Trading Update

- Total revenues of \$17.65 million for the nine month period, down 1.7% for the prior corresponding period
- EBITDA of \$7.82 million was in line with \$7.83 million recorded in the prior corresponding period
- Commenced \$5 million redevelopment of The Spit Marina, which is expected to complete in Q1 FY 2016



# The Spit Redevelopment



- **Project cost \$5 million**
- **24 Additional berths with increase of size and yield**
- **New fuel infrastructure**

- **Anticipated ROI of 15-20%, assuming 70% occupancy**
- **Commenced April – On schedule completion 14 August**





# Market Snapshot



- Boat Brokers reporting first year on year increases since 2007 for new boat sales
- Sydney Harbour stable
  - Additional capacity (approx. 54 berths, incl. 24 d'Albora) to hit Middle Harbour by the end of the year
  - Additional capacity (approx. 15 berths) just came on line at Birkenhead Point. New discount fuel to commence 01 July 2015
  - Proposed Homebush Bay facility due 2017 – approx. 60 marina berths, 200 drystore berths
- Melbourne soft with additional capacity (approx. 150 berths) at Werribee Vic. to come on line by the end of the year
- Marketplace has become more price sensitive since GFC



# Opportunities to Create Value

- Akuna Bay Marina Refurbishment
- Nelson Bay Function Centre
- Pier35 Hardstand
- Rushcutters Bay Marina Refurbishment



# People Initiatives

- Organisation restructure – Focus on core permanent staff to reduce reliance on casuals
- Improve induction & training processes through the implementation of web based training
- Continual improvement in business operational processes & systems





# Operations Software Initiative



**salesforce** 15 Search... Search

Elsa Ribeiro Setup Help & Training d'Albora Marinas

Home Leads Accounts Opportunities Reports Boats

Create New... Elsa Ribeiro Tuesday 13 January 2015 Discover Winter '15

**Shortcut**  
Unresolved Items

**Recent Items**  
Peter Moucham  
Cabana Point - Christian Almeida  
Cabana Point-Christian Almeida  
Christian Almeida  
Pier - 35 Zoran Mitrovski  
Zoran Mitrovski  
Leanne Panopoulos

**Messages and Alerts**  
Edit Message and Alerts

Recycle Bin

**Your Marina: Akuna Bay**

**Dashboard**  
As of 13/12/2013 11:09 AM. Displaying data as Ardent Leisure.

**Lead Generation**  
Number of Leads Created

Created Date	Record Count
Q4 CY2012	250
Q1 CY2013	450
Q2 CY2013	350
Q3 CY2013	600

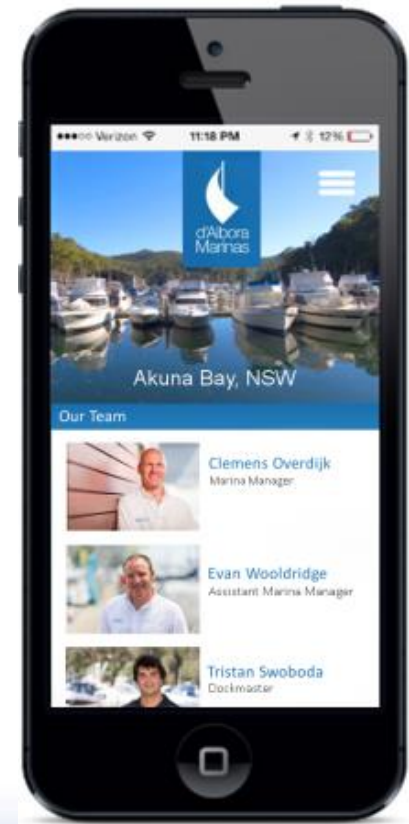
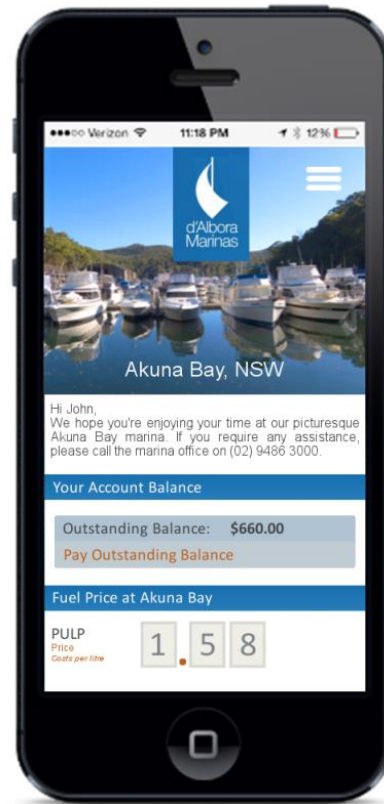
**Opportunities Created**  
Number of Created Oppities

Created Date	Sum of Converted
Q4 CY2012	150
Q1 CY2013	300
Q2 CY2013	200
Q3 CY2013	350

**Won Opportunities**  
Number of Won Oppities

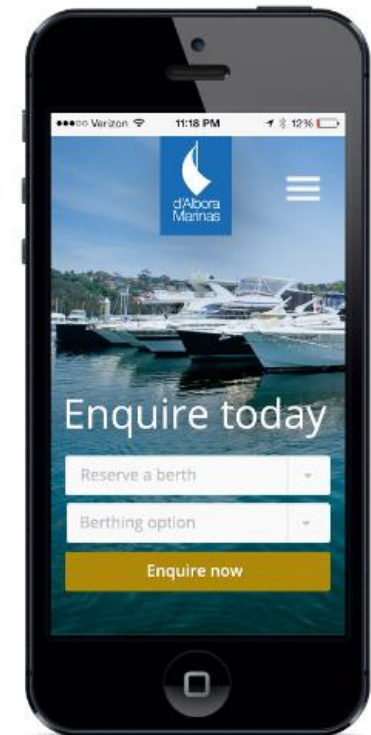
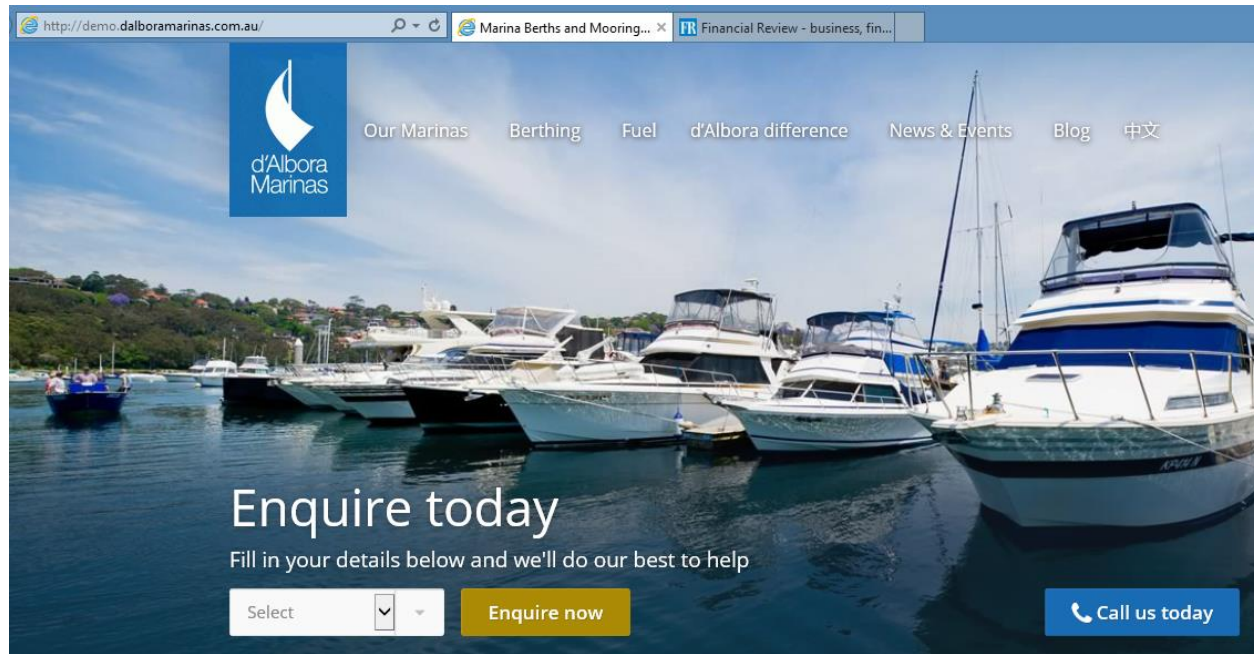
Settlement (End) Date	Record Count
November 2012	50
January 2013	40
March 2013	50
May 2013	30
July 2013	40
September 2013	100
November 2013	110
January 2014	40

# Marina Mobile App Initiative





# Website Upgrade – Mobile Optimised







# Bowling



# 2015 Half Year Result

\$'000	HY15	HY14	% Change
Total revenue	60,426	59,169	2.1
EBRITDA (ex pre-opening costs)	21,961	20,984	4.7
Operating margin	36.3%	35.5%	
Property costs (ex straight line rent)	(12,816)	(12,238)	4.7
EBITDA	9,145	8,746	4.6

# 3<sup>rd</sup> quarter trading update

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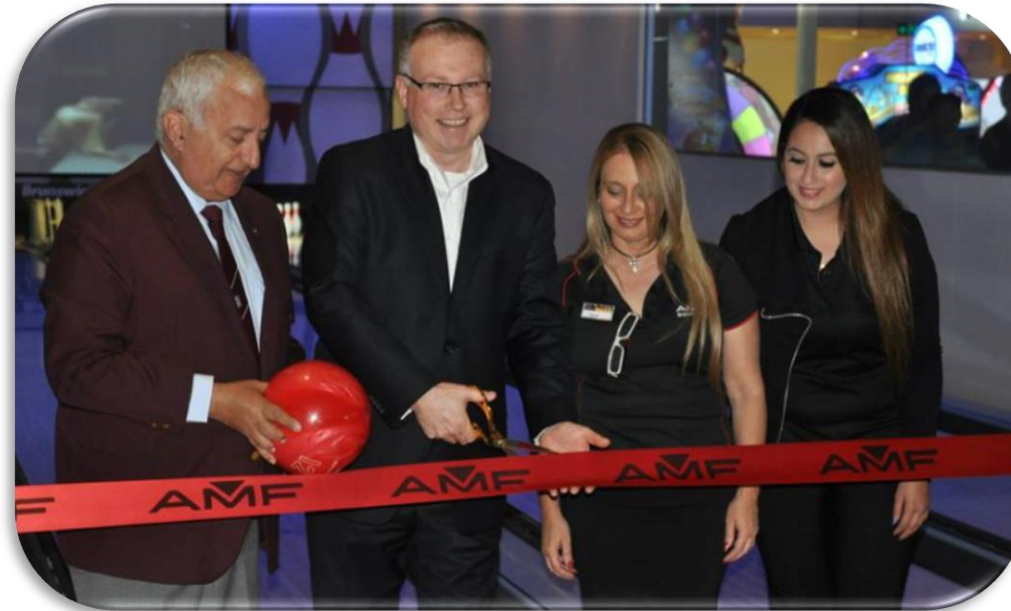
- Total revenue of \$87.36 million for the nine month period, up 1.9% on the prior corresponding period
- EBITDA of \$11.47 million for the nine month period representing a 3.3% increase on the prior corresponding period, excluding one-off make good costs in relation to the exit from AMF Randwick in the current period and Kingpin Richmond in the prior period
- Constant centre earnings before property costs grew by 3.3% against prior period
- Significant work to drive operational efficiencies continued, with operating margins growing from 34.4% to 35.2% in the nine month period
- April 2015 revenues of \$10.46 million were up 4.6% on April 2014 revenues of \$10 million and constant centre revenues increased by 1.0%



# 3<sup>rd</sup> quarter trading update cont...

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- A new centre opened on 8 April 2015 at the Revesby Workers Club site in south west Sydney, with strong holiday trading
- Base building construction of the new site in Darwin has now been completed and the fit-out commenced, with an opening planned for Q1 FY2016



# Market Snapshot

## Bowling no longer enough

- Bowling does not drive occasion, the combination of F&B, AMD and other activities drive occasion
- Particularly evident in AMF's older suburban locations which were developed to be league focused centres

## Consumers demanding diversity and continual innovation

- You can no longer build and then sit on the same offer - Innovation is required in every aspect
- AMD games are one of the proven sources of innovation

## Competition has expanded and intensified

- There are now many options in leisure and entertainment



# Transition from Bowling to Entertainment

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## Reinvent Kingpin

- Update Kingpin flagships as an entertainment destination
- New Kingpin FEC in shopping / entertainment destinations

## Leverage Amusement Game Arcades

- Rollout amusement arcades in prime locations
- Deliver circa 25% returns on less capital intensive product

## Divest Non-Core AMF Centres

- Currently a number of non-core centres identified in the portfolio to divest over the next 3 years

## Execute Digital Initiatives

- Drive sales, improve the in-centre experience and remain socially connected with customers



# Reinvent Kingpin as an entertainment destination

- Opportunity to modernise Kingpin in current flagship destinations with a premium offering
- Create Family Entertainment Centres in key suburban locations
- Test the conversion of an AMF centre to a Kingpin where demographics and site location are appropriate







# Leverage Amusement Game Arcades

- We are one of Australia's largest amusement machine operators through our bowling centres and the success of the stand alone Galactic Circus, City Amusements and Playtime centres
- Reinvent amusement arcades into entertainment venues
- Opportunity to roll out new sites or acquire existing businesses
- Less capital intensive to set up and maintain
- Continually innovate with new games and technology





# Highpoint - Playtime



# Divest Non-Core AMF Centres

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- There are a number of non-core centres identified for divestment based on performance and location
- Each planned divestment is being reviewed based on an approach to minimise exit costs which may involve operating to the end of the lease or in some cases it may be possible to exit earlier
- The closure of two underperforming centres (Randwick and Richmond) has been completed. Launceston is in the process of being sold in June to the landlord as part of the divestment strategy



# Execute Digital Initiatives

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- Drive sales, improve the in-centre experience and remain socially connected with customers
- Online booking engine for social play – *December '14*
- Customer call centre supported through booking engine – *December '14*
- Home of birthday parties – *March '15*
- CRM lifecycle for welcome, booking birthday parties and re-engagement - *May '15*
- New website platform – *June '15*
- App including gamification – *September '15*





# Learnings from Main Event - Update Food Strategy

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- Using food for driving occasion
- An holistic approach to entertainment, socialising and dining
- A social hub...shareability
- Use F&B to maximise frequency of repeat visitation
- 21 centres by July '15



AMF

### BREAKY BRIOCHE

\$6.90

Smokey bacon, fried egg, cheddar cheese, avocado and mixed lettuce on a lightly toasted brioche bun.

### RANCH BURGER

\$14.90

Grilled chicken breast topped with mixed lettuce, freshly sliced tomato, Spanish onion, avocado & ranch dressing. Served with golden fries.



Ranch Burger

\*Sauce served in burger.

Vegetarian Healthy Choice

BURGERS & WRAPS

AMF

### Fisherman's Catch

\$35.00

A selection of lightly crumbed prawn cutlets, tempura calamari, beer battered flathead served with golden fries & aioli. Serves 3-4.

### MIGOS TASTING PLATE

\$25.00

Mild Mexican beef 'n' beans, guacamole, tomato salsa & Mexican cheese sauce served with crispy tortillas & corn chips. Serves 3-4.

### OUTBACK SLIDERS

\$14.90

Three brioche buns filled with premium beef topped with streaky bacon, cheddar cheese, lettuce, freshly sliced tomato, caramelised onion & BBQ sauce.



Outback Sliders

Vegetarian Healthy Choice

SOMETHING TO SHARE

AMF

### CHICKEN GRILLER WRAP

\$10.90

Chargrilled chicken breast served with mixed lettuce, avocado, freshly sliced tomato, Spanish onion & ranch dressing.

### CRISPY CHICKEN BLT

\$10.90

Crispy tempura chicken breast served with crispy bacon, mixed lettuce, cheddar cheese, freshly sliced tomato & aioli.

### EL LOCO WRAP

\$8.90

Burrito wrap filled with mild chilli con carne, mixed lettuce, chunky tomato salsa, shredded cheese with sour cream, served lightly toasted.

### SIMPLY SALAD WRAP

\$7.90

Served with mixed salad leaves, freshly sliced tomato, avocado, sliced beetroot, Spanish onion & ranch dressing.

ADD golden fries & small soft drink..... \$4.00



Chicken Griller Wrap

\*Sauce served in wrap.

Vegetarian Healthy Choice

BURGERS & WRAPS

AMF kingpin



# Ardent Leisure Group Capital Management







## Ardent Leisure Group Capital Management

- The Group can be viewed in two distinct geographical parts – Australia and the United States.
- The Australian group is more mature, lower growth and has lower capital expenditure requirements.
- The US group is a high growth, higher return business and therefore has higher capital expenditure requirements.
- Maintenance capital expenditure will continue to be covered by depreciation.
- In Australia, for development capital expenditure we target EBITDA returns of 15-20% for d'Albora and 25% for bowling and health clubs. In the US, we target an EBITDA return of 30%+ for Main Event.
- Given the size of the Main Event roll out opportunity and the higher returns, the majority of our capital will be deployed in the US.



## Ardent Leisure Group Capital Management (cont.)

- Historically, the Group's targeted gearing range (gross debt/ debt plus equity) has been 30-35%, but funding Main Event, which is a strong EBITDA and cashflow business with lower property assets, has elevated this.
- The debt serviceability covenant (gross debt/ last 12 months EBITDA) is a better measure of group leverage and the strong EBITDA generation of Main Event. The debt serviceability improves as the new centres reach a full 12 month trading.
- Recognising the above, there is no longer a gearing covenant for the bank facility.



## Ardent Leisure Group Capital Management (cont.)

- Ardent will continue to use the following sources of funding to finance Group investment, which is focused towards the higher returning Main Event business.

Source	Comment
<b>Bank Debt Facility</b>	<ul style="list-style-type: none"> <li>➤ We benefit from a 4 bank syndicate facility, which includes ANZ, NAB, CBA and Westpac, currently A\$200m and US\$160m.</li> <li>➤ The 4 banks provide capacity to increase facility.</li> <li>➤ Currently working with syndicate to secure bank funding requirements for next 3-5 years.</li> </ul>
<b>Retained Earnings</b>	<ul style="list-style-type: none"> <li>➤ We have historically distributed 90% of core earnings, but can retain more if more efficient from a capital management perspective.</li> </ul>
<b>Equity</b>	<ul style="list-style-type: none"> <li>➤ Continue with Distribution Reinvestment Plan (DRP), which typically amounts to 30-40% of distribution.</li> </ul>
<b>Asset recycling, to include Sale &amp; Leaseback</b>	<ul style="list-style-type: none"> <li>➤ Main Event freehold competitively sought after as demonstrated in recent sale and leaseback tender process.</li> <li>➤ Intention to partner with major Real Estate Investment Trust to provide pipeline funding of up to US\$100m.</li> </ul>





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