



Ardent Leisure Group

2016 Half Year Results



HY16 Financial Summary

	HY16	HY15		
Revenue ¹	\$333.8m	\$285.9m	16.8%	↑
Core EBITDA ²	\$63.8m	\$57.7m	10.6%	↑
Core earnings ^{2,3}	\$30.5m	\$32.2m	(5.1%)	↓
Statutory profit	\$22.7m	\$18.8m	20.4%	↑
Core EPS ^{2,3}	6.84c	7.50c	(8.8%)	↓
DPS	7.00c	7.00c	-	—

Movement based on prior corresponding period (pcp)

- (1) From operational activities excluding property revaluations, gains on derivative financial instruments, interest income, gain on acquisition and gains on asset disposals.
- (2) EBITDA excluding pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation, amortisation of Health Clubs intangible assets, increase/decrease in onerous leases provisions, property revaluations, unrealised gains on derivative financial instruments, gain on sale and leaseback of family entertainment centres, business acquisition costs and the tax associated with these transactions.
- (3) HY16 Core Earnings and Core EPS includes a \$1 million one-off expense relating to the refinancing of the Group's bank debt facilities in August 2015.



Ardent Leisure – HY16 Key Highlights

- Group Revenue of \$333.8 million up 16.8%.
- Group Core EBITDA of \$63.8 million up 10.6%.
- Core earnings of \$30.5 million down 5.1% impacted by higher depreciation, tax and interest, which includes a \$1 million one-off expense relating to the refinancing of the Group's bank debt facilities.
- Statutory profit of \$22.7 million up 20.4%.
- Main Event US dollar revenue up 22.6% and EBITDA up 12.9%, driven by robust performances across the portfolio and expansion.
- Health Clubs generated exceptional membership growth positioning the business to deliver over 10% EBITDA growth in the second half.
- Bowling delivered an outstanding performance with EBITDA up 20.5%, driven by the transition to multi-faceted entertainment centres.



Ardent Leisure – HY16 Key Highlights (cont'd)

- Theme Parks revenue of \$58.4 million up 6.6% and EBITDA up 4.0% benefiting from unique new attractions, improved food and beverage and extended trading hours.
- Marinas impacted by redevelopment at The Spit marina interrupting occupancy and fuel sales in the first half year.
- The Group's full year performance is weighted towards the second half with growth to be driven by:
 - Two new Main Event centres that opened at the end of the first half and five new centres scheduled to open in the second half; and
 - Strong second half growth in Health Clubs.
- Current indications are that the Group expects to see continued improvement in results as the turnaround of the Australian businesses and expansion of Main Event continues.



Ardent Leisure – It's All About The Customer

More People, to Visit More Often and Spend More Per Visit

Strategy

Group

- Disciplined deployment of capital focused on maximising return on investment.
- Aggregate Group wide customer data to facilitate cross promotion, targeted digital marketing and loyalty.

Main Event

- Consolidate brand leadership in Texas and simultaneously expand US footprint to grow into adjacent geographies.
- Broaden real estate strategy to include high profile mall locations and lifestyle precincts.
- New Chief Marketing Officer to drive the creation of an iconic national brand.
- Investment in amusement games, new attractions and ongoing core menu evolution to drive dwell time, guest spend and guest satisfaction.



Ardent Leisure – It's All About The Customer

More People, to Visit More Often and Spend More Per Visit

Strategy

Health Clubs

- Focus on driving longer duration, premium memberships.
- Complete conversion to 24.7 and enhanced customer service and facilities.
- Digital transformation – web, e-commerce, integration with wearable technology.

Bowling

- Improve customer offerings with better food and beverage, more amusement games and diversified entertainment attractions.
- Expand through acquiring stand-alone games arcades, exit underperforming centres.
- Drive marketing initiatives (themed birthdays, corporate events), enhance customer experience and increase underutilised capacity.



Ardent Leisure – It's All About The Customer

More People, to Visit More Often and Spend More Per Visit

Strategy

Theme Parks

- Capture traffic from tourism growth and adjacent domestic developments.
- Develop and invest in unique attractions.
- React positively to changing customer expectations across retail, food and beverage.

Marinas

- Secure long term asset tenure.
- Review growth potential and development opportunities, improve land content and update underdeveloped facilities.



Ardent Leisure Group Business Unit Results





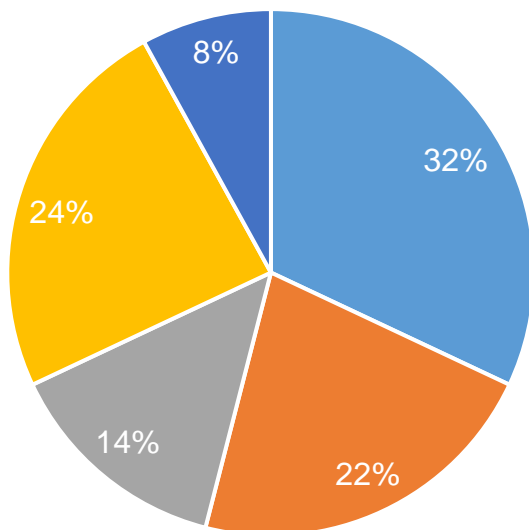
HY16 Divisional Financial Summary

\$ million	HY16 Revenue	% change to HY15	HY16 EBITDA	% change to HY15
Main Event	105.0	48.2%	20.9	36.1%
Health Clubs	92.0	3.9%	13.3	(8.1%)
Bowling	67.4	11.6%	11.0	20.5%
Theme Parks	58.4	6.6%	21.2	4.0%
Marinas	11.0	(2.3%)	4.6	(8.6%)
Total	333.8	16.8%	71.0	10.2%
Main Event (US\$ million)	75.5	22.6%	15.1	12.9%

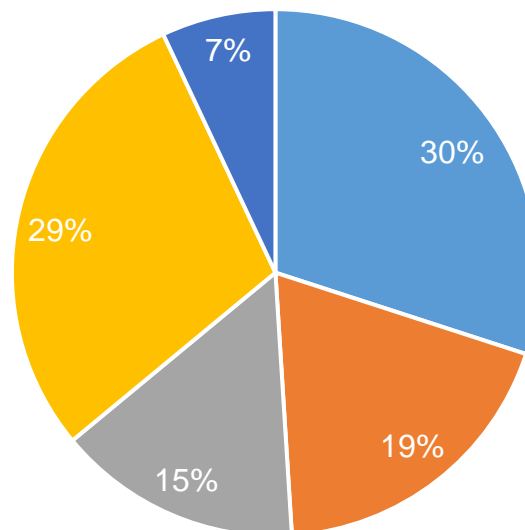


Main Event continues to represent a larger percentage of the Group's earnings mix, with the Group benefiting from its growing US earnings base, driven by an expansion of centres and increasing customer numbers.

HY15 EBITDA*



HY16 EBITDA*



■ Themepark ■ Health Clubs ■ Bowling ■ Main Event ■ Marinas

* EBITDA is earnings before interest, tax, depreciation and amortisation.



Main Event Entertainment

US\$'000	HY16	HY15	% Change
Total revenue	75,503	61,589	22.6
EBRITDA (ex pre-opening cost)	24,703	20,641	19.7
Operating margin	32.7%	33.5%	
Property costs (ex straight line rent)	(9,643)	(7,296)	32.2
EBITDA	15,060	13,345	12.9
EBITDA margin	19.9%	21.7%	



Main Event Entertainment

US\$'000	HY16 Revenue	HY15 Revenue	% Change	HY16 EBRITDA	HY15 EBRITDA	% Change
Constant Centres	47,038	46,528	1.1	19,861	19,905	(0.2)
New Centres ¹	28,465	15,061	89.0	11,574	5,985	93.4
Corporate office expenses	-	-	-	(6,732)	(5,249)	28.3
Total	75,503	61,589	22.6	24,703	20,641	19.7

(1) New centres include Alpharetta, GA (opened June 2014), San Antonio West, TX (opened August 2014), Pharr, TX (opened August 2014), Warrenville, IL (opened September 2014), Parkway Point, GA (opened November 2014) Oklahoma City, OK (opened November 2014), Tulsa, OK (opened April 2015), Independence, MO (opened November 2015) and Memphis, TN (opened December 2015).



Main Event Half Year Commentary

- Total revenue grew 22.6% to US\$75.5 million compared to US\$61.6 million for the first half of FY15.
- EBITDA increased 12.9% to US\$15.1 million compared to US\$13.3 million for the first half of FY15.
- EBITDA margin was impacted by property costs for two centres which were sold and leased back in FY15 and by the investment in corporate costs to support second half new centre openings.
- Footprint expansion on track with two centres opened ahead of schedule at the end of the first half - Independence, MO and Memphis, TN. Both trading ahead of expectations.
- All centres¹ opened since September 2007 are on track to deliver an average annual EBITDA return on investment of over 35%.
- Five new centres are scheduled to open during the second half of FY16 with a total of 27 centres by end of FY16, a 35% increase in centre numbers on the prior year.

(1) Excludes Independence, MO (opened November 2015) and Memphis, TN (opened December 2015) due to their limited trading history in HY16.



Main Event Half Year Commentary (cont'd)

- Constant centre revenue increased 1.1% for the first half year, with growth of 0.5% in Q1 and 1.8% in Q2, representing the 23rd and 24th consecutive quarters of growth.
- Overall constant centre performance was impacted by materially lower revenue at one centre in San Antonio (North) (SAN) due to a combination of:
 - The opening of a second Main Event in San Antonio (West) as part of a strategic move to secure the market; and
 - A number of indirect competitors entering the local market.
- Excluding SAN, constant centre revenue grew 3.1% for the half year, in line with expectations.
- The combined EBITDA return on investment for the two San Antonio centres is expected to exceed 40% in FY16.
- Constant centre revenue was also impacted by milder Texan summer weather and the less favourable timing of three major holidays which fell on weekends.
- Main Event completed two sale and leaseback transactions and two progressive financing arrangements in HY16, with total proceeds of US\$33 million.



Main Event Outlook

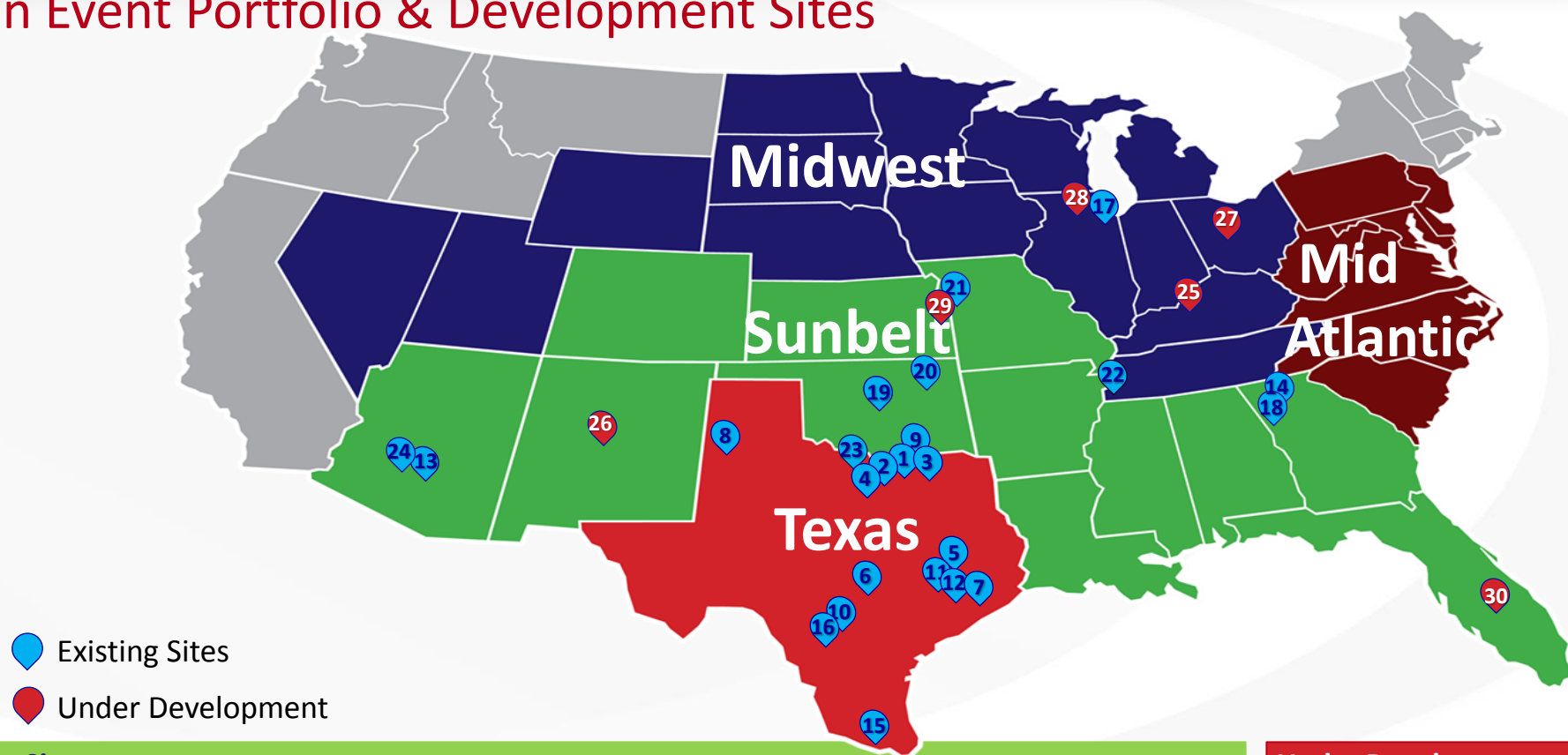
- Main Event is now the category leader for bowling-anchored entertainment in the US with average unit volumes and sales growth well ahead of competitors.
- Proven success of eight centres outside of Texas (at December 2015) underscores the concept for a successful national roll-out and geographic diversification of the portfolio.
- Two centres (Avondale, AZ and Fort Worth (North), TX) opened in February 2016. An additional three locations (representing three new markets) are scheduled to open in Q4 (Louisville, KY, Albuquerque, NM and West Chester, OH).
- A minimum of eight sites planned for FY17, including three under construction at Olathe (KS), Hoffman Estates (IL) and Orlando (FL). This represents a 30% increase in centre numbers on prior year.
- Main Event is exploring sites in shopping malls and lifestyle precincts to increase the number of potential locations in existing high traffic areas to provide a further avenue for roll-out opportunities.
- To assist in the creation of an iconic national brand, US restaurant industry marketing specialist, Rebeca Johnson, has been added to the leadership team in the newly created role of Chief Marketing Officer.



Memphis, Tennessee



Main Event Portfolio & Development Sites



Existing Sites

- Lewisville, TX
- Grapevine, TX
- Plano, TX
- Ft. Worth (South), TX
- Shenandoah, TX
- Austin (North), TX
- Webster, TX
- Lubbock, TX
- Frisco, TX
- San Antonio (North), TX
- Katy, TX
- Stafford, TX
- Tempe, AZ
- Alpharetta, GA

- Pharr, TX
- San Antonio (West), TX
- Warrenville, IL
- Atlanta, GA
- Oklahoma City, OK
- Tulsa, OK
- Independence, MO

- Memphis, TN
- Ft. Worth (North), TX (Feb-16)
- Avondale, AZ (Feb-16)

Under Development

- Louisville, KY
- Albuquerque, NM
- West Chester, OH
- Hoffman Estates, IL
- Olathe, KS
- Orlando, FL



Health Clubs

\$'000	HY16	HY15	% Change
Total revenue	91,993	88,547	3.9
EBRITDA (ex pre-opening cost)	36,566	36,115	1.2
Operating margin	39.7%	40.8%	
Property costs (ex straight line rent) ¹	(23,271)	(21,641)	7.5
EBITDA	13,295	14,474	(8.1)
EBITDA margin	14.5%	16.3%	

(1) Property costs were impacted by full half year of Fitness First WA (acquired September 2014) in HY16.



Health Clubs

	HY16	HY15	%	HY16	HY15	%
\$'000	Revenue	Revenue	Change	EBRITDA	EBRITDA	Change
Constant clubs	78,835	79,776	(1.2)	38,865	39,304	(1.1)
New clubs incl. acquisitions ¹	11,929	6,996	70.5	6,183	3,806	62.5
Closed clubs ²	30	255	(88.2)	10	28	(64.3)
Corporate and regional office expenses/sales and marketing	1,199	1,520	(21.1)	(8,492)	(7,023)	20.9
Total	91,993	88,547	3.9	36,566	36,115	1.2

(1) New centres include Fitness First Western Australia acquisition (acquired September 2014), Success, WA (opened April 2015), Randwick Hypoxi, NSW (acquired November 2014), Sydney Central Hypoxi, NSW (opened September 2015), Biltmore Hypoxi, US (opened December 2015) and Seville Hypoxi, US (opened October 2015).

(2) Closed clubs include Booval, QLD (December 2014), Surry Hills Hypoxi, NSW (September 2015) and Ballantyne Hypoxi, US (June 2015).



Health Clubs Half Year Commentary

- Q2 EBITDA of \$6.8 million up 20.9% on prior corresponding period, representing a significant trend reversal on Q1 driven by exceptional membership growth of over 8,300 members during the first half.
- Membership yield has been maintained through management of product and price mix, with premium memberships representing 45% of all sales.
- December closing membership is now higher than the previous peak in September 2014 positioning the business to deliver EBITDA growth of over 10% in the second half.
- Strong momentum in the business underpinned by the following initiatives, which have combined to significantly increase sales volumes and lower average monthly attrition levels to 3.7% for the first half (down from 4.2% in the prior corresponding period):
 - Conversion of clubs to 24.7 operations, with 37 clubs converted at the end of the first half, which have delivered a 25.8% uplift in sales and 15.7% reduction in attrition on prior corresponding periods since conversion. We expect to exceed 45 converted clubs by June 2016;
 - Sales of higher value, longer term, 12 and 18 month memberships;



Health Clubs Half Year Commentary (cont'd)

- Digital transformation including web, e-commerce and a new app providing the ability to personalise the customer experience and membership interaction; and
- Investment in tactical marketing and media partnerships, including partnerships with Network Ten and Emily Skye, one of Australia's leading online fitness personalities.
- Hypoxi USA established with two operating studios in Phoenix, AZ. Trading is in line with expectations.
- Hypoxi Australia continues to roll-out Goodlife in-club studio concepts, with 12 at the end of the half year.
- Hypoxi membership subscription pricing model providing consistent revenue and EBITDA contributions.
- Higher corporate costs reflect the full half year impact of Fitness First WA acquisition support costs and tactical investments in marketing and technology to drive increased membership growth.



Health Clubs Outlook

- Record membership growth of over 3,200 members in January 2016.
- Second half EBITDA earnings expected to be in the range of \$15m to \$16m, an increase of over 10% on the prior corresponding period.
- Sustained membership growth and improved margins are expected to provide a strong earnings base for FY17.
- Goodlife remains in a market leading position for further growth as:
 - The Australian fitness industry continues to increase market penetration from 11.7% in 2011 to 14.8%¹ in 2015;
 - The “wearables” phenomenon drives interest in activity and health club usage; and
 - Social media sharing provides increase in market reach and sales leads.



Health Clubs Outlook (cont'd)

- Goodlife's digital transformation and marketing strategies are capitalising on these trends through new release of apps across connected wearables, member check-in, enhanced timetable and booking functionality, together with web and e-commerce enhancements.
- Commencement of Goodlife/Coles Flybuys partnership reaching over seven million households is expected to provide improved retention through loyalty and rewards programs. The partnership will provide Goodlife with leading analytics to strategically target members through location and demographic profiling.
- Further extension of Emily Skye partnership to exclusive in-class programs will increase member engagement.



Bowling

\$'000	HY16	HY15	% Change
Total revenue	67,433	60,426	11.6
EBRITDA (ex pre-opening costs)	24,428	21,961	11.2
Operating margin	36.2%	36.3%	
Property costs (ex straight line rent)	(13,409)	(12,816)	4.6
EBITDA	11,019	9,145	20.5
EBITDA margin	16.3%	15.1%	



Bowling

	HY16	HY15	%		HY16	HY15	%
\$'000	Revenue	Revenue	Change		EBRITDA	EBRITDA	Change
Constant centres	59,278	57,484	3.1		29,167	28,407	2.7
New centres ¹	8,151	1,917	325.2		4,303	1,034	316.2
Closed centres ²	-	1,002	(100.0)		(10)	444	(102.3)
Corporate and regional office expenses/sales and marketing ^{3,4}	4	23	(82.6)		(9,032)	(7,924)	14.0
Total	67,433	60,426	11.6		24,428	21,961	11.2

- (1) New sites include City Amusements, NSW (acquired May 2014), Playtime Highpoint, VIC (acquired November 2014), AMF Revesby, NSW (opened April 2015), Kingpin Darwin, NT (opened August 2015) and Playtime Penrith, NSW (acquired October 2015).
- (2) Closed centres in prior year include AMF Randwick, NSW (closed July 2014), AMF Chadstone, VIC (closed September 2014) and Launceston, TAS (closed June 2015).
- (3) Corporate cost increase driven by an increase in resources to support transformation program, including marketing, information technology and operations management.
- (4) Prior year Corporate EBRITDA has been restated to consolidate \$339k of marketing expense from Kingpin centres into Corporate costs for consistency with current year treatment.



Bowling Half Year Commentary

- Total revenue up 11.6%, delivering EBITDA growth of 20.5%.
- Revenue growth of 3.1% for constant centres was underpinned by investment in amusement games, together with continuing innovation in food and beverage, creating a genuine multi-faceted entertainment offering.
- Two new venues were added to the portfolio during the first half; Kingpin Darwin, NT (opened August 2015) and Playtime Penrith, NSW (acquired October 2015) with both exceeding expectations.
- During December and January, AMF participated in a successful national television campaign with the Sydney Thunder cricket team and Ten Connect which has contributed to double digit revenue growth for the summer school holidays.
- The business continues to invest in the customer booking experience, including enhancements to the call centre and websites, and the introduction of live chat sessions.



Bowling Outlook

- New Playtime venue at Miranda NSW opened in February 2016, along with the launch of a website to support the Playtime brand.
- AMF and Kingpin venues will continue to drive revenue through enhanced Food and Beverage menus, improved amusement games and expanded entertainment offerings.
- An exclusive new partnership between AMF and DreamWorks Animation, the well known Hollywood studio, will be launched in February to offer character themed birthday parties at selected centres.
- Extensive refurbishment of the division's flagship Kingpin centre, at Crown Casino, Melbourne's pre-eminent entertainment complex, will commence in Q4 FY16.
- The Bowling division will continue to execute on its strategy of developing and acquiring stand-alone amusement game facilities, exiting underperforming legacy centres and refurbishing selected key locations as multi-faceted entertainment destinations.



Theme Parks

\$'000	HY16	HY15	% Change
Total revenue	58,388	54,781	6.6
EBRITDA	21,832	21,034	3.8
Operating margin	37.4%	38.4%	
Property costs	(626)	(638)	(1.9)
EBITDA	21,206	20,396	4.0
EBITDA margin	36.3%	37.2%	
Attendance	1,243,832	1,099,486	13.1
Per capita spend (\$)	46.94	49.82	(5.8)



Theme Parks Half Year Commentary

- Strong result with revenue up 6.6% and EBITDA up 4.0%.
- High attendance growth was driven by domestic and international markets (Chinese attendance up over 80% on prior corresponding period).
- Investment in the guest experience, including park presentation, entertainment and extended hours of trade over summer drove record January revenue (unaudited), up over 9% on prior corresponding period.
- Roll-out of food and an expanded focus on exclusive merchandise and retail brands are increasing in-park spend.
- Three tiger cubs were born in the first half as part of a successful breeding program at Tiger Island further strengthening one of Dreamworlds unique points of difference.



Theme Parks Half Year Commentary (cont'd)

- A new motorsport precinct launched on Boxing Day including 'Brock's Garage' V8 Supercars, new 'Grid Burger' food outlet, 'Trackside' retail and 'Hot Wheels' themed rollercoaster.
- New virtual queuing system 'Ride Express' was launched at Dreamworld in December featuring a tiered pricing model with significant guest take-up and revenue increase.



Theme Parks Outlook

- The SkyPoint business continues to perform well, with attendances boosted by the international market and continued growth in Events and Climb revenue.
- Membership payment plans will be launched in March 2016 including tiered pricing model and benefits to drive per capita yield.
- Growth in domestic and international visitors is expected to continue, driven by improving domestic travel trends, increased international air capacity to the Gold Coast and a more favourable exchange rate.
- Continued roll-out of the food and retail strategy is expected to increase in-park spend and improve the guest experience.
- One of the most popular areas of Dreamworld, Tiger Island, is set to undergo a major refurbishment commencing in March 2016. Guests will enjoy a world class animal exhibit focused on conservation and breeding programs for endangered species.



Marinas

\$'000	HY16	HY15	% Change
Total revenue	10,959	11,220	(2.3)
EBRITDA	5,973	6,337	(5.7)
Operating margin	54.5%	56.5%	
Property costs	(1,343)	(1,273)	5.5
EBITDA	4,630	5,064	(8.6)
EBITDA margin	42.2%	45.1%	



Marinas Revenue Breakdown

\$'000	HY16	HY15	% Change
Berthing	6,249	6,307	(0.9)
Land	2,575	2,593	(0.7)
Fuel and other	2,135	2,320	(8.0)
Total	10,959	11,220	(2.3)



Marinas Half Year Commentary

- Revenue and EBITDA were down for the first half year, affected by a number of abnormal factors which are now being resolved:
 - Berth and fuel revenue were adversely impacted during the major redevelopment of The Spit (NSW) marina;
 - Adjacent building construction negatively impacted Victoria Harbour (VIC) berthing occupancies; and
 - The start up costs of a new function centre at Nelsons Bay (NSW).
- Overall berthing occupancy remains solid at 82% for the first half year.



Marinas Half Year Outlook

- Overall marina business fundamentals are robust and it is expected that there will be an overall improvement in the next financial year as the effect of the abnormal factors that impacted the first half lessen.



Group Financial Results for the Half Year Ended 31 December 2015





\$ million	HY16							HY15	
	Theme Parks	Marinas	Bowling	Main Event	Health Clubs	Other	Group Total	Group Total	% Change
Operating revenue	58.4	11.0	67.4	105.0	92.0	-	333.8	285.9	16.8%
Division EBITDA¹	21.8	6.0	24.4	34.3	36.6	-	123.1	109.1	12.8%
Property costs ²	(0.6)	(1.4)	(13.4)	(13.4)	(23.3)	-	(52.1)	(44.7)	16.4%
Division EBITDA^{1,2}	21.2	4.6	11.0	20.9	13.3	-	71.0	64.4	10.2%
Depreciation and amortisation ³	(2.7)	(0.5)	(4.5)	(8.1)	(6.0)	(0.5)	(22.3)	(17.2)	29.9%
Division EBIT^{1,2,3}	18.5	4.1	6.5	12.8	7.3	(0.5)	48.7	47.2	3.1%
Corporate costs ⁴							(6.9)	(6.5)	7.8%
Loss on disposal of assets ⁴							(0.2)	(0.2)	-
Other expenses (including derivative gains and losses) ⁴							(0.1)	-	100.0%
Interest income							-	0.1	(100.0%)
Interest expense							(7.5) ⁵	(5.6)	34.3%
Tax ⁴							(3.5)	(2.8)	23.4%
Core earnings							30.5	32.2	(5.1%)

(1) Excludes pre-opening costs.

(2) Excludes straight line rent and increase/decrease in onerous lease provision.

(3) Excludes IFRS depreciation, amortisation of Health Clubs intangibles.

(4) Normalised to exclude adjustments to core earnings – see Appendix 1.

(5) HY16 includes a \$1 million one-off expense relating to the refinancing of the Group's bank debt facilities in August 2015.



Capital Expenditure

	HY16 routine capex \$m	HY16 development capex \$m
Theme Parks	5.8	-
Marinas	1.1	3.4
Bowling	3.8	3.4
Main Event	10.5 ¹	56.9 ²
Health Clubs	4.8	6.3 ³
Corporate	0.4	-
Total	26.4	70.0
Depreciation (excl IFRS)	22.3	

(1) Includes US\$1.8 million (A\$2.5 million equivalent) of additional investment in amusement games refresh.

(2) Includes capex spent on developments completed in HY16 and developments scheduled to open in the remainder of FY16. This includes land and building capex spent on the Independence, MO and Memphis, TN sites, which were subsequently sold and leased back for proceeds of US\$17.4 million (A\$23.8 million equivalent) in December 2015 but excludes the two centres that were progressively funded by the US REIT (US\$15.7 million, which is equivalent to A\$21.4 million).

(3) Includes \$3.9 million relating to 24.7 conversion.



Consolidated group (\$ million)	31 December 2015	30 June 2015
Assets		
Theme Parks	276.0	262.7
Excess land	1.5	1.9
Marinas	113.1	109.9
Bowling	142.7	140.9
Main Event	289.2	217.9
Health Clubs	252.4	250.4
Other	12.8	12.8
Total Assets	1,087.7	996.5
Liabilities		
Bank debt	328.5	278.6
Other	166.6	138.4
Total Liabilities	495.1	417.0
Net Assets	592.6	579.5



Capital Management

- The Group should be viewed in two distinct geographical parts – Australia and the United States:
 - The Australian Group is more mature, lower growth and less capex intensive.
 - The US Group (Main Event) has a national roll-out opportunity, which will require significant capital investment to realise.
- Documentation has been executed on the Main Event development funding facility provided by an institutional real estate investor. In the first half, Main Event utilised this facility to progressively fund two centres for a total of US\$15.7 million and to sell and lease back a further two centres for proceeds of US\$17.4 million.
- In August 2015, the Group increased and extended its syndicated Australian and US dollar banking facilities which included an additional US\$120 million debt capacity to fund the US growth.



Capital Management (cont'd)

- As part of the Group's capital management plan, the Group will continue to use the Distribution Reinvestment Plan. At the half year, the Group also underwrote the balance of the half year distribution.
- Going forward, the Group will look to retain a higher percentage of US earnings to contribute to funding the growth of Main Event.
- This will result in a lower Group distribution payout ratio, however, the Group's intention is not to lower the absolute cents payable per security from the prior year.



Capital Management – Bank Facility

- At 31 December 2015 the Group has the following bank facilities:

	Facility \$m	Drawn \$m
A\$ maturing August 2018	66.7	66.7
A\$ maturing August 2019	66.7	66.7
A\$ maturing August 2020	66.7	29.4
US\$ maturing August 2018 (US\$93.3m)	127.7	125.2
US\$ maturing August 2019 (US\$93.3m)	127.7	43.1
US\$ maturing August 2020 (US\$93.3m)	127.7	-
	583.2	331.1



Capital Management – Bank Covenants

- There are two covenants for the Group facility:

	Covenant	Group 31 December 2015
FCCR	>1.75	2.08
Debt serviceability	<3.50	2.72



Capital Management – Interest & Foreign Exchange

- At 31 December 2015, the Group had 63.4% of interest on debt facilities fixed through interest rate swaps.
- At 31 December 2015, the weighted average rate, including margin, was 4.39% for AUD debt and 2.36% for USD debt.
- US earnings are 100% unhedged and will benefit from any further strengthening of USD.



Group Outlook





Ardent Leisure – It's All About The Customer

More People, to Visit More Often and Spend More Per Visit

The Group will:

- Continue to execute and benefit from the national roll-out opportunity for Main Event in the US (35 centres by 30 June 2017) and target low single digit long term revenue growth for constant centres.
- Complete conversion of all potential 24.7 Goodlife health clubs and take advantage of digital transformation and social media to drive ongoing membership growth and EBITDA growth of over 10% in the second half.
- Continue to execute on the Bowling division's strategy of developing and acquiring stand-alone amusement facilities, exiting underperforming legacy centres and refurbishing selected key locations as multi-faceted entertainment destinations.
- Invest strategically in unique attractions and an improved customer experience at Dreamworld to capitalise on increased domestic and international tourism to the Gold Coast.
- Increase occupancy at d'Albora marinas and extend leases to maximise full asset value.



Appendices





Appendix 1

Core earnings reconciliation to statutory profit \$ million	HY16	HY15	% Change
Core earnings	30.5	32.2	(5.1%)
Pre-opening expenses	(2.4)	(4.7)	(49.4%)
Straight lining of fixed rent increases	(0.9)	(1.1)	(18.2%)
IFRS depreciation	(5.8)	(5.0)	15.1%
Amortisation of Health Clubs intangibles	(2.4)	(3.5)	(30.2%)
Decrease in onerous lease provisions	1.1	-	100.0%
Valuation gain/(loss) - investment properties	0.1	(0.5)	(101.6%)
Unrealised gain on derivatives	0.1	0.5	(96.5%)
Gain on sale and leaseback of family entertainment centres	1.2	-	100.0%
Business acquisition costs	0.1	(1.9)	(107.0%)
Tax impact of adjustments	1.1	2.8	(61.1%)
Statutory profit	22.7	18.8	20.4%



Appendix 2

Property Valuations

Property	No. of Assets	Book value ¹ Pre reval \$m	Book value Post reval \$m	Change \$m	% change	Valuation methodology
Dreamworld	1	230.3	230.3	-	-	Cap rate/ DCF
SkyPoint	1	26.4	26.4	-	-	Cap rate/ DCF
Excess land	1	1.5	1.5	-	-	Direct comparison
Marinas	7	108.2	108.2	-	-	Cap rate/ DCF
Bowling Freehold	1	1.9	1.9	-	-	Vacant possession, highest and best use
Total	11	368.3	368.3	-	-	

(1) Property values at 30 June 2015 plus 6 month's capex less 6 month's depreciation.



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