

EVENT

HOSPITALITY & ENTERTAINMENT



EVENT HOSPITALITY & ENTERTAINMENT LIMITED

(previously Amalgamated Holdings Limited)

Half Year (31 December 2015) Results Presentation

Date: 19 February 2016

Further information

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EVENT
HOSPITALITY & ENTERTAINMENT
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Results summary

Total revenue and other income

31 December 2015

\$661.064 million

31 December 2014

\$570.534 million

Profit for the half year

\$76.752 million

\$51.190 million

Earnings per share (basic)

\$0.485

\$0.324

Net tangible asset backing per ordinary share

\$5.51

\$5.23

Interim dividend (fully franked)

\$0.20

\$0.16

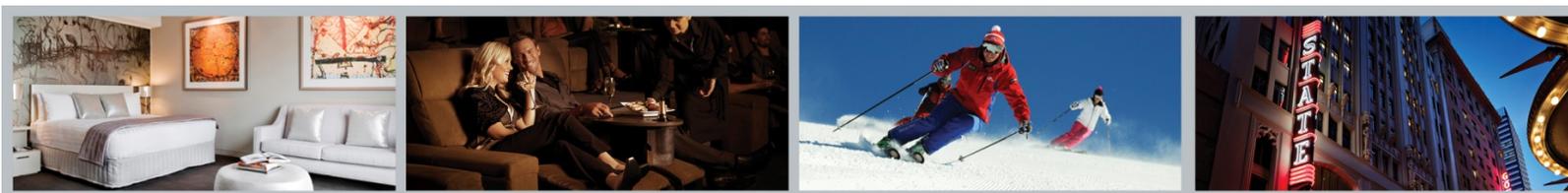
Key highlights

Net profit after tax was \$76,752,000 an increase of \$25,562,000 or 49.9%

The normalised result before interest and income tax expense was \$109,729,000 an increase of \$33,633,000 or 44.2%

Net tangible asset backing per share was \$5.51 an increase of \$0.28 or 5.4%

Interim dividend increased by 25% to 20 cents per share (fully franked)



Results	31 Dec 15 \$'000	31 Dec 14 \$'000	Movement \$'000	Movement
Cinema Entertainment – Australia	38,701	26,128	12,573	48.1%
Cinema Entertainment – New Zealand	4,300	3,030	1,270	41.9%
Cinema Entertainment – Germany	26,443	10,574	15,869	150.1%
Hotels and Resorts	29,044	23,214	5,830	25.1%
Thredbo Alpine Resort	18,439	16,917	1,522	9.0%
Property and Other Investments	3,008	3,878	(870)	(22.4)%
Unallocated revenues and expenses	(10,206)	(7,645)	(2,561)	(33.5)%
Total <u>normalised result</u> (before interest and tax)	109,729	76,096	33,633	44.2%
Net finance costs	(3,640)	(3,716)		
Income tax expense	(29,337)	(21,190)		
Total reported profit	76,752	51,190	25,562	49.9%



Business operations update

Cinema Entertainment – Australia

70 sites (including joint operation sites)

654 screens (including 517 traditional, 82 Gold Class, 53 Vmax and 2 Drive In screens)

The normalised profit before interest and income tax expense was \$38,701,000, an increase of \$12,573,000 or 48.1% above the prior comparable half year. The result was predominately driven by a 15.6% increase in Box Office and assisted by improved merchandising and screen advertising revenues.

A strong film line up during the half year concluded with a record Box Office result for the December 2015 month. The standout release was *Star Wars: The Force Awakens* which grossed over \$62.7 million during the half year. *Star Wars: The Force Awakens* has subsequently gone on to gross over \$90 million, second only to the very successful *Avatar*, which was released in 2009 and grossed in-excess of \$115 million at the Australian Box Office.

A further three titles grossed in-excess of \$20 million at the Australian Box Office during the half year. These titles included: *Spectre* (\$34.4 million) from the successful Bond franchise; *The Hunger Games: Mockingjay Part 2* (\$29.0 million); and *The Martian* (\$27.4 million). A total of 19 films grossed more than \$10 million at the Australian Box Office, compared to 13 films in the prior comparable half year.



Cinema Entertainment – Australia (continued)

The uplift in premium admissions (both Vmax and Gold Class) and increased ratio of 3D content favourably impacted the average ticket price. Merchandising revenue spend per admission experienced positive growth across both Gold Class and Scoop Alley Candy Bars and the contribution from merchandising strengthened considerably in the November and December months through improvements in traditional candy bar combo offerings and Gold Class packages.

The Group continues to pursue increased market share and visitation loyalty through the Cinebuzz loyalty program and the number of active Cinebuzz members at 31 December 2015 totalled 1,029,000.

During the half year, the Group launched four new cinema complexes. These complexes include a total of 34 screens, including eleven premium screens (Gold Class and Vmax) that feature the latest Dolby Atmos immersive audio. The cinemas include:

- Event Springfield opened in October 2015 (four traditional, two Gold Class and two Vmax screens);
- Event Pacific Fair re-opened in November 2015 (seven traditional, one Vmax and three Gold Class screens);
- Event Hurstville re-opened in November 2015 (one Vmax and six traditional screens); and
- Event Kotara opened in December 2015 (five traditional, one Vmax and two Gold Class screens).



Business operations update

Cinema Entertainment – New Zealand (including Fiji)

19 sites (including joint operation sites)

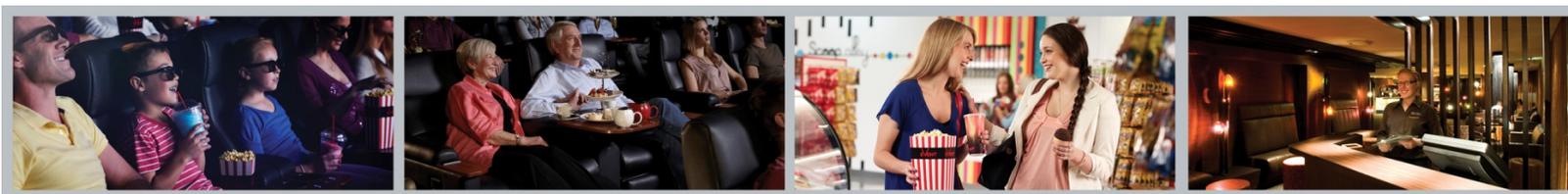
132 screens (including 4 Gold Class, 1 Vmax and 1 IMAX screens)

The normalised profit before interest and income tax expense was \$4,300,000, an increase of \$1,270,000 or 41.9% above the prior comparable half year. The result was achieved through improved Box Office and merchandising revenue and benefited from the acquisition, completed in December 2014, of two cinema complexes located in the Bay of Plenty region.

Box office increased by 4.7% compared to the prior comparable half year with the main titles consisting of: *Star Wars: The Force Awakens* (NZ\$9.4 million); *Spectre* (NZ\$5.7 million); *The Hunger Games: Mockingjay Part 2* (NZ\$4.9 million); and *Minions* (NZ\$4.7 million). These four titles achieved a combined total of NZ\$24.7 million compared to the top four titles in the prior comparable half year which collectively grossed NZ\$20.3 million.

Merchandising revenue spend per admission continued to grow, driven by a continued focussed sales approach along with a number of successful Candy Bar Combo promotions. Similar to the Australian circuit, the New Zealand circuit continues to pursue market share, particularly through the Cinebuzz loyalty program. The number of active members as at 31 December 2015 totalled 153,000.

The Entertainment New Zealand result is inclusive of the Group's Fiji Cinema Joint Venture, which includes a 66.7% share in three cinemas located in Fiji. The cinemas in Fiji contributed \$611,000 to the total result.



Business operations update

Cinema Entertainment – Germany

53 sites (including two 50% joint venture sites)

411 screens (including 2 IMAX screens)

The normalised profit before interest and income tax expense was \$26,443,000, an increase of \$15,869,000 or 150.1% above the prior comparable half year. The main contributors to the result included a 7.8% rise in admissions, increased average admission price and improved merchandising revenues and margins.

There were seven titles which achieved in excess of two million admissions at the German Box Office during the half year. The international titles included the record breaking opening of *Star Wars: The Force Awakens* (5.8 million admissions in 15 days), *Minions* (6.8 million admissions); *Spectre* (6.5 million admissions); *The Hunger Games: Mockingjay Part 2* (3.7 million admissions); and *Inside Out* (3.4 million admissions). German-produced titles performed well with two hits: *Fack ju Göhte 2* (7.6 million admissions); and *Er Ist Wieder Da* (2.4 million admissions). These seven films achieved a combined total of 36.2 million admissions compared to the seven films during the prior comparable half year which collectively achieved 20.2 million admissions.



Cinema Entertainment – Germany (continued)

The continued promotion and uptake of the loyalty program, CineStarCARD, has resulted in the membership base increasing to over 550,000 members.

The Group acquired two freehold properties, located at Stade and Düsseldorf, during the half year. The combined acquisition price totalled €11.2 million (A\$16.7 million) and the sites include cinemas already operated by the Group. The freehold property at Stade also includes a 65 room hotel (leased to an unrelated hotel group) and a number of retail outlets.



Business operations update

Hotels and Resorts (Rydges Hotels and Resorts, QT Hotels and Resorts and Atura Hotels)

24 owned hotels (3,487 rooms) | 32 managed hotels (5,573 rooms)

Total = 56 hotels (9,060 rooms)

The normalised profit before interest and income tax expense was \$29,044,000, an increase of \$5,830,000 or 25.1% above the prior comparable half year. Occupancy in the Group's owned hotels increased by 2.9 percentage points to 78.9% and average room rate increased 4.1% to \$167, resulting in an uplift in revenue per room (revpar) of 8.1% over the prior comparable half year. Good domestic demand combined with a resurgence within the inbound market resulted in pleasing profit growth in the Group's key hotel properties, including those in Sydney, Melbourne, Rotorua and Queenstown.

Profit from the Group's QT Hotels and Resorts was strong with improved performances from each QT property delivering a combined occupancy increase of 6.7 points to 79.3%. QT Sydney continued its recent profit growth as the hotel and brand continues to mature and gain market traction and share and build customer loyalty. The Group's other QT properties each delivered revenue and profit growth largely driven by improved accommodation revenues. The Museum Art Hotel in Wellington (to be rebranded QT Wellington) was acquired in August 2015 and has contributed \$1,350,000 to the Group's profit increase.



Hotels and Resorts (continued)

The good result from Rydges Hotels was marginally impacted by the short-term disruption caused by the refurbishment of Rydges Parramatta, which commenced in October 2015. The owned Rydges Hotels delivered a combined occupancy increase of 1.3 points to 81.0%. Whilst most locations performed well, there continues to be a difficult trading environment for Rydges Gladstone and Rydges Townsville, both located in central Queensland, where business has been subdued by the downturn in the resource and mining sectors, and this impact has been compounded by the increased room supply within those locations. Costs were generally well controlled and margins remain at acceptable levels.

The Atura Hotel brand also delivered a strong result with a combined occupancy increase of 4.7 points to 68.2%. Atura Blacktown continued to consolidate its market share within its Western Sydney catchment area with an increase in profit of \$468,000 over the prior comparable half year. Atura Dandenong and Atura Albury both contributed to the profit uplift and continue to improve business levels from the corporate and leisure markets.

In relation to managed hotels, performance was largely positive with the exception of the Darwin properties which were impacted by the significant slowdown in the resource and mining sectors.

The new 69 room QT Bondi opened on 21 December 2015. Rydges Palmerston Darwin opened in September 2015 and Rydges Fortitude Valley recently opened in February 2016. The management agreement for Rydges Darwin Airport Hotel and Rydges Darwin Airport Resort have been terminated and these properties will leave the Group's managed portfolio at the end of February 2016.



Thredbo Alpine Resort

The normalised profit before interest and income tax expense was \$18,439,000, an increase of \$1,522,000 or 9.0% above the comparable prior half year.

The result from the 2015 snow season, despite lower than average snowfall, was one of the most successful on record. Snow depth peaked at 148.8cm in September 2015 compared with 168.5cm on 24 July 2014 in the prior season, however some excellent snow making conditions prevailed and consistent cold night time temperatures assisted with cost efficient snow production. Skiers were able to enjoy top-to-bottom skiing from the opening weekend in June until the close of the season in October.

Material growth in season pass sales boosted skier day growth of 7.3% to 436,000 skier days and the recent acquisition of the on-mountain food outlet, Merritts Mountain House, contributed to a 24% growth in food and beverage revenue.

The All Mountain Descent mountain bike trail opened in November 2015 and has already contributed to a 42% growth in mountain biking revenue.



Property and available-for-sale assets

The normalised profit before interest and income tax expense was \$3,008,000, a decrease of \$870,000 or 22.4% below the prior comparable half year. The result was impacted by additional pre-opening and depreciation costs on two property developments recently completed by the Group. The result benefited from a fair value increment relating to the investment properties of \$1,080,000, compared to an increment of \$578,000 in the prior comparable half year.

The two recently completed property developments include:

- the redevelopment of the Group's former cinema site at Double Bay which was completed in August 2015 and incorporates ground floor retail and four levels of serviced office facilities; and
- the 16 level redevelopment at 478 George Street in Sydney was completed in October 2015 and accommodates the Group's corporate office. The development also incorporates four levels of serviced office facilities and three levels of retail to be occupied by Flight Centre.

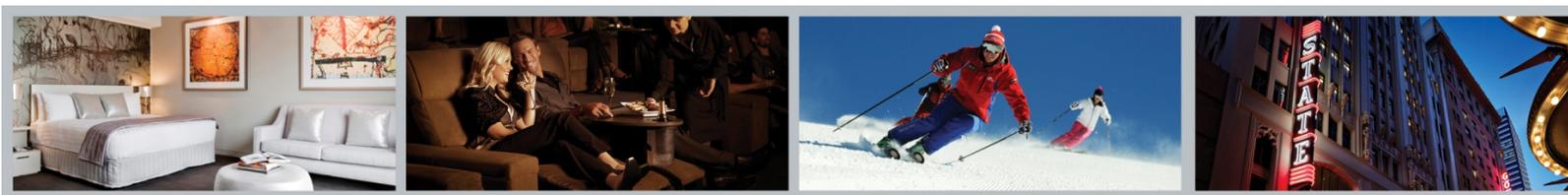
The serviced offices at both locations are operated by the Group under the Edge Serviced Offices brand.



Current cinema development pipeline

Location	Opening	Type of operation	Lease term	Total	Screens		
					Gold Class	Vmax	Traditional
Glenelg SA	2016	50% joint operation	10 years	6	-	-	6
Hindley Street, Adelaide SA	2016	100%	Not applicable	6	-	-	6
North Lakes (Brisbane) QLD	2016	50% joint operation	20 years	8	2	2	4
Palmerston Darwin NT	2017	50% joint operation	15 years	6	-	2	4
Smithfield Cairns QLD	2017	100%	20 years	6	-	1	5
Plenty Valley VIC	2017	50% joint operation	20 years	9	2	1	6
Newmarket NZ	2018	100%	20 years	6	-	2	4
Coomera QLD	2018	50% joint operation	20 years	8	2	2	4
Total				55	6	10	39

Note: Lease terms may also include additional lease extension options (not included in the above).



Current development pipeline (continued)

Hotels

- **QT Melbourne** (former cinema site on Russell Street)
 - 188 room QT hotel
 - Selling 24 apartments on the top two levels (contracts for 22 apartments have been exchanged to date)
 - Expected to open mid-2016

- **QT Queenstown**
 - Demolition of the back wing of Rydges Queenstown and the construction of a 69 room QT hotel
 - Rydges Queenstown will continue to trade
 - QT Queenstown is expected to open in late 2016



Above: Russell Street Melbourne (Artist's impression of the development)



Above: QT Queenstown (Artist's impression of the development)



Recently completed developments

- **478 George Street**

- Completed October 2015
- \$38 million capex (plus fit-out costs of \$14 million)
- 16 levels (2 retail and 14 commercial levels)
- 950m² retail space to be occupied by Flight Centre
- 9 of the commercial levels are occupied by EVT (corporate office)



- **Double Bay (former cinema site)**

- Opened August 2015
- \$10 million capex
- 5 levels (1 retail and 4 commercial levels)



Recent acquisitions

- **Museum Art Hotel, Wellington New Zealand**

- Finalised the acquisition of the 163 room hotel in August 2015 – the hotel will be rebranded to QT Wellington
- The total purchase price relating to the acquisition was NZ\$28.5 million (approximately A\$26.7 million)



- **100 Cable Street, Wellington New Zealand**

- Finalised the acquisition of the freehold site (a tenanted carpark adjacent to the Museum Art Hotel expiring January 2017) in February 2016
- The total purchase price relating to the acquisition is NZ\$10.6 million (approximately A\$9.97 million)



- **Stade Family Entertainment Centre, Germany**

- Finalised the acquisition of the freehold site in August 2015
 - the property incorporates a cinema (operated by the Group) as well as other leased premises (including a hotel and various entertainment outlets)
- The total purchase price relating to the acquisition is €7.1 million (approximately A\$10.6 million)



- **CineStar Düsseldorf, Germany**

- Finalised the acquisition of the freehold site in October 2015 – the property incorporates a cinema (operated by the Group)
- The total purchase price relating to the acquisition is €4.1 million (approximately A\$6.1 million)



Potential future developments

General

- Perth WA (former cinema site on corner of Barrack and Murray Streets)
 - QT hotel and apartments
- Darwin NT (currently an operating cinema site on Mitchell Street)



Capital Expenditure

The annual routine capital expenditure for the AHL Group is expected to total approximately \$35 million.

Routine capital expenditure excludes any capital expenditure relating to significant developments or acquisitions.

Dividend History

A summary of the dividend history is provided below:

Cents per share	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interim	5.0	5.0	5.0	6.0	7.0	8.0	10.0	11.0	11.0	14.0	14.0	14.0	15.0	15.0	16.0	20.0
Final	5.0	6.0	6.5	7.0	11.5	16.0	18.0	19.0	21.0	23.0	23.0	25.0	27.0	27.0	29.0	—
Special	—	—	—	—	—	—	—	—	—	—	4.0	—	—	—	8.0	—
Total dividend	10.0	11.0	11.5	13.0	18.5	24.0	28.0	30.0	32.0	37.0	41.0	39.0	42.0	42.0	53.0	—



Upcoming film line-up

DEADPOOL (FEBRUARY 2016)



DISTRIBUTOR: FOX

SYNOPSIS: A former Special Forces operative turned mercenary is subjected to a rogue experiment that leaves him with accelerated healing powers, adopting the alter ego Deadpool.

STARS: Ryan Reynolds, Morena Baccarin, T.J. Miller **DIRECTOR:** Tim Miller

KUNG FU PANDA 3 (MARCH 2016)



DISTRIBUTOR: FOX

SYNOPSIS: Continuing his "legendary adventures of awesomeness", Po must face two hugely epic, but different threats: one supernatural and the other a little closer to his home.

STARS: Jack Black, Bryan Cranston, Dustin Hoffman **DIRECTOR:** Alessandro Carloni, Jennifer Yuh

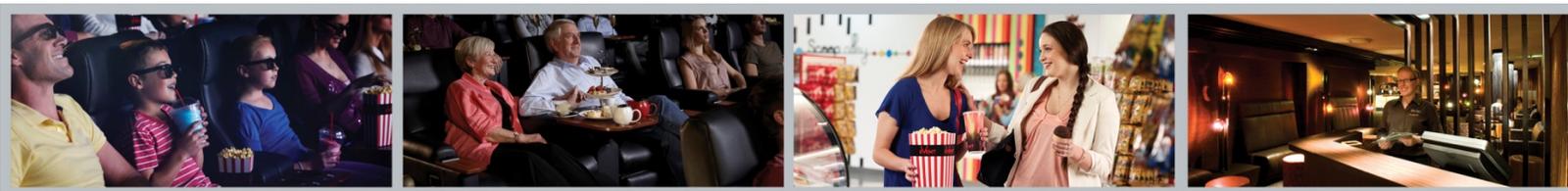
BATMAN V SUPERMAN: DAWN OF JUSTICE (MARCH 2016)



DISTRIBUTOR: ROADSHOW

SYNOPSIS: Fearing the actions of Superman are left unchecked, Batman takes on Superman, while the world wrestles with what kind of a hero it really needs. With Batman and Superman fighting each other, a new threat, Doomsday, is created by Lex Luthor. It's up to Superman and Batman to set aside their differences along with Wonder Woman to stop Lex Luthor and Doomsday from destroying Metropolis.

STARS: Ben Affleck, Henry Cavill, Amy Adams **DIRECTOR:** Zack Snyder



Upcoming film line-up (continued)

THE JUNGLE BOOK (APRIL 2016)



DISTRIBUTOR: DISNEY

SYNOPSIS: An orphan boy is raised in the jungle with the help of a pack of wolves, a bear, and a black panther.

STARS: Scarlett Johansson, Idris Elba, Christopher Walken **DIRECTOR:** Jon Favreau

CAPTAIN AMERICA: CIVIL WAR (APRIL 2016)



DISTRIBUTOR: DISNEY

SYNOPSIS: Political interference in the Avengers' activities causes a rift between former allies Captain America and Iron Man.

STARS: Chris Evans, Robert Downey Jr, Scarlett Johansson, Elizabeth Olsen **DIRECTOR:** Anthony Russo, Joe Russo

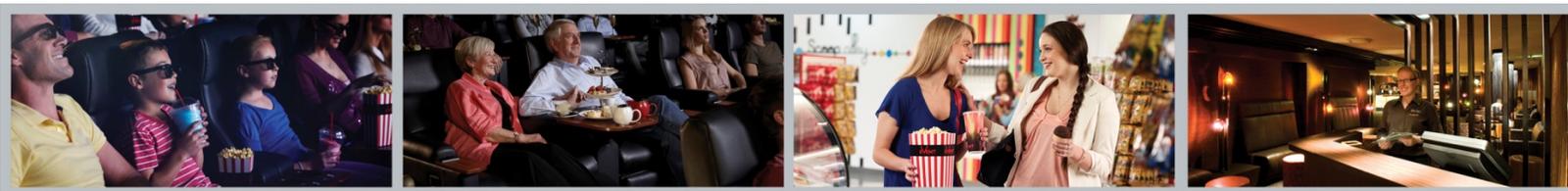
ANGRY BIRDS (MAY 2016)



DISTRIBUTOR: SONY

SYNOPSIS: Find out why the birds are so angry. When an island populated by happy, flightless birds is visited by mysterious green piggies, it's up to three unlikely outcasts - Red, Chuck and Bomb - to figure out what the pigs are up to.

STARS: Jason Sudeikis, Peter Dinklage, Jillian Bell **DIRECTOR:** Clay Kaytis, Fergal Reilly



Upcoming film line-up (continued)

ALICE IN WONDERLAND: THROUGH THE LOOKING GLASS (MAY 2016)



DISTRIBUTOR: DISNEY

SYNOPSIS: Alice returns to the whimsical world of Wonderland and travels back in time to save the Mad Hatter.

STARS: Johnny Depp, Anne Hathaway, Helena Bonham Carter **DIRECTOR:** James Bobin

TEENAGE MUTANT NINJA TURTLES: OUT OF THE SHADOWS (JUNE 2016)



DISTRIBUTOR: PARAMOUNT

SYNOPSIS: The Turtles return to save the city from a dangerous threat.

STARS: Megan Fox, Stephen Amell, Alan Ritchson **DIRECTOR:** Dave Green

FINDING DORY (JUNE 2016)



DISTRIBUTOR: DISNEY

SYNOPSIS: The friendly-but-forgetful blue tang fish reunites with her loved ones, and everyone learns a few things about the real meaning of family along the way.

STARS: Idris Elba, Michael Sheen, Dominic West **DIRECTOR:** Andrew Stanton, Angus MacLane



Upcoming film line-up (continued)

ICE AGE: COLLISION COURSE (JUNE 2016)



DISTRIBUTOR: FOX

SYNOPSIS: Scrat's epic pursuit of his elusive acorn catapults him outside of Earth, where he accidentally sets off a series of cosmic events that transform and threaten the planet.

STARS: Melissa Rauch, Adam DeVine, Stephanie Beatriz **DIRECTOR:** Mike Thurmeier

THE LEGEND OF TARZAN (JUNE 2016)

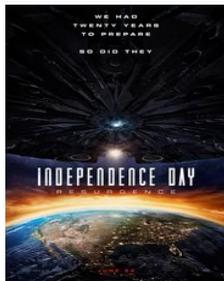


DISTRIBUTOR: ROADSHOW

SYNOPSIS: Tarzan, having acclimated to life in London, is called back to his former home in the jungle to investigate the activities at a mining encampment.

STARS: Margot Robbie, Alexander Skarsgård, Christoph Waltz **DIRECTOR:** David Yates

INDEPENDENCE DAY: RESURGENCE (JUNE 2016)



DISTRIBUTOR: FOX

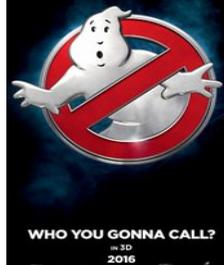
SYNOPSIS: Two decades after the first Independence Day invasion, Earth is faced with a new extra-Solar threat. But will mankind's new space defences be enough?

STARS: Liam Hemsworth, Joey King, Maika Monroe **DIRECTOR:** Roland Emmerich



Upcoming film line-up (continued)

GHOSTBUSTERS (JULY 2016)



DISTRIBUTOR: SONY

SYNOPSIS: With paranormal activity on the rise, a Columbia University academic, her ghost-chasing friend, the friend's business partner, and an MTA employee join forces to bust ghosts and save New York.

STARS: Kristen Wiig, Chris Hemsworth, Melissa McCarthy **DIRECTOR:** Paul Feig

SUICIDE SQUAD (AUGUST 2016)



DISTRIBUTOR: ROADSHOW

SYNOPSIS: A secret government agency recruits imprisoned supervillains to execute dangerous black ops missions in exchange for clemency.

STARS: Margot Robbie, Will Smith, Scott Eastwood **DIRECTOR:** David Ayer

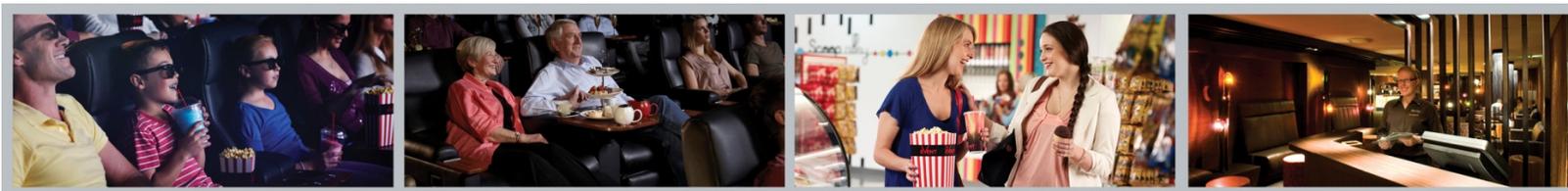
THE SECRET LIFE OF PETS (SEPT 2016)



DISTRIBUTOR: UNIVERSAL

SYNOPSIS: Taking place in a Manhattan apartment building, Max's life as a favorite pet is turned upside down, when his owner brings home a sloppy mongrel named Duke.

STARS: Lake Bell, Kevin Hart, Ellie Kemper **DIRECTOR:** Chris Renaud



Upcoming film line-up (continued)

DOCTOR STRANGE (OCTOBER 2016)



DISTRIBUTOR: DISNEY

SYNOPSIS: After his career is destroyed, a brilliant but arrogant and conceited surgeon gets a new lease on life when a sorcerer takes him under his wing and trains him to defend the world against evil.

STARS: Rachel McAdams, Benedict Cumberbatch, Tilda Swinton **DIRECTOR:** Scott Derrickson

FANTASTIC BEASTS AND WHERE TO FIND THEM (NOVEMBER 2016)



DISTRIBUTOR: ROADSHOW

SYNOPSIS: The adventures of writer Newt Scamander in New York's secret community of witches and wizards seventy years before Harry Potter reads his book in school.

STARS: Eddie Redmayne, Ezra Miller, Colin Farrell **DIRECTOR:** David Yates

BILLY LYNN'S LONG HALFTIME WALK (NOVEMBER 2016)



DISTRIBUTOR: SONY

SYNOPSIS: An infantryman recounts the final hours before he and his fellow soldiers return to Iraq.

STARS: Vin Diesel, Kristen Stewart, Garrett Hedlund **DIRECTOR:** Ang Lee



Upcoming film line-up (continued)

TROLLS (NOVEMBER 2016)



DISTRIBUTOR: FOX

SYNOPSIS: Lovable and friendly, the trolls love to play around. But one day, a mysterious giant shows up to end the party.

STARS: Anna Kendrick, James Corden, Justin Timberlake **DIRECTOR:** Mike Mitchell, Walk Dohrn

ROGUE ONE: A STAR WARS STORY (DECEMBER 2016)

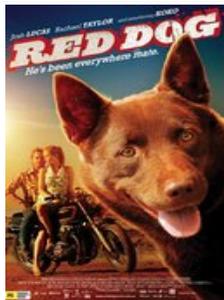


DISTRIBUTOR: DISNEY

SYNOPSIS: Rebels set out on a mission to steal the plans for the Death Star.

STARS: Felicity Jones, Mads Mikkelsen, Ben Mendelsohn **DIRECTOR:** Gareth Edwards

RED DOG: TRUE BLUE (DECEMBER 2016)



DISTRIBUTOR: ROADSHOW

SYNOPSIS: Explores the early events leading up to Red Dog's discovery on the road to Dampier, and his ultimate rise from ordinary dog to Australian legend.

STARS: Jason Isaacs, Levi Miller, Bryan Brown **DIRECTOR:** Kriv Stenders



Non – IFRS Financial Information

The EVT Group results are prepared under Australian Accounting Standards, and also comply with International Financial Reporting Standards (“IFRS”). This presentation includes certain non-IFRS measures, including the normalised profit concept. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational performance. Non-IFRS measures have not been subject to audit or review, however all items used to calculate these non-IFRS measures have been derived from information used in the preparation of the reviewed financial statements.

Included in the Appendix 4D for the half year reporting period ended 31 December 2015 is a reconciliation of the Normalised Result to the Statutory Result.

