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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)



ASX RELEASE

05 May 2015

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

Dear Sir/Madam

MAIN EVENT THE OUTSTANDING PERFORMER FOR ARDENT LEISURE IN THIRD QUARTER**Key Highlights**

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|---|
| <ul style="list-style-type: none">▪ Group Revenue of \$444.9 million, up 17.2%;▪ Total Divisional EBITDA of \$101.6 million, up 10.9%;▪ Outstanding performance from Main Event, both for new and constant centres; and▪ Positive early signs from Health Club 24/7 conversions. |
|---|

Ardent Leisure Group (ASX: AAD) today announced unaudited revenue and earnings for the nine month period ended 31 March 2015.

Total Group revenue was \$444.9 million, up 17.2% on prior corresponding period (pcp) and total Divisional EBITDA was \$101.6 million, up 10.9% on pcp. Ardent Leisure Group Chairman, Neil Balnaves AO advised, "Main Event was again the standout division, with continued strong constant centre performance and exceptional performance from new centres. Theme Parks, Bowling and Marinas have reported broadly consistent trends to the half year. The Goodlife Health Clubs business continued to face competitive pressure on membership sales and retentions, but early signs from executed 24/7 clubs - and pre-marketing of the gyms planned for 24/7 conversions - are positive."

Mr Balnaves added, "Deborah Thomas has transitioned as the new Group CEO, commencing in early April. Since then she has focused on identifying opportunities to innovate and improve product, customer service and sales. A review of the Group's marketing, digital and data capabilities is underway to improve our consumer insights, increase customer numbers and drive revenue."

As part of the Group's capital management strategy, Main Event have now agreed upon terms with an institutional real estate investor for the sale and leaseback of centres at San Antonio West, Oklahoma City and Tulsa, for proceeds of US\$32 million. In addition, the institutional investor has indicated a willingness to

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provide an agreement to fund up to US\$100 million of new store development. Completion is expected in June 2015.

Main Event Entertainment

Main Event Entertainment recorded total revenues of US\$103.91 million, up 58.3% for the nine month period, while EBITDA rose 63.7% to US\$27.05 million.

On a constant centre basis, earnings before property costs increased 10.1% for the nine month period, continuing the strong half year trends.

Mr Balnaves noted, "Our US business has continued to deliver exceptional revenue and earnings results, reflecting strong constant centre performance and the success of new centres opened over the past 9 months."

Ms Thomas added, "Main Event opened its 20th centre on 21 April 2015 at Tulsa in Oklahoma. Main Event is targeting to open seven new centres in FY2016, of which six are under contract and two of these are under construction. These centres will open in the second half of FY2016. Negotiations are underway for a further eight sites in FY2017, with one site already under contract."

Main Event has now agreed terms with an institutional real estate investor for the sale and leaseback of three centres. Strong interest was shown from a number of parties and the transaction is expected to complete in June 2015, providing proceeds of US\$32 million.

Strong trading continued in April 2015 with total revenues of US\$10.52 million up 69.7% on April 2014 and constant centre revenues up 3.9%.

Health Club Division

Goodlife Health Clubs recorded total revenues of \$133.91 million for the nine months, representing an increase of 10.2% on prior corresponding period revenues, underpinned by the acquisition of the Fitness First WA portfolio in September 2014.

An 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 the South East Queensland and South Australia portfolios continuing to be 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.

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Goodlife Chermide converted to 24/7 operations on 2 March 2015. The club is showing positive trading trends, underpinned by a significant improvement in sales and attrition performance on the prior corresponding period.

Clubs where conversion dates have been announced are also showing positive trends in member growth compared to the prior corresponding period. The conversion program remains on track, with another six clubs to be 24/7 enabled by early May and a total of 15 clubs operational by 30 June 2015.

Goodlife's latest club at Success, WA opened in April 2015 with 2,600 members, one of the highest pre-sales in Goodlife's history. The facility opened 24/7 enabled.

Western Australia continues to be the strongest performing state for Goodlife with like for like membership growth. Whilst the Fitness First WA acquisition has not achieved the level of member increases originally anticipated, Quarter 3 membership has been stable and the cost saving initiatives to date exceed forecast.

In April 2015 Goodlife launched a digital member on-boarding application. This technology enables Goodlife to collect customer data and facilitate a more interactive relationship with members to drive membership renewals and reduce attrition.

Hypoxi USA remains on track to open two showpiece studios in Arizona in Q1 FY2016. These studios will be used as the foundations for a future USA and Canadian franchise rollout.

Bowling Division

The Bowling division recorded total revenues of \$87.36 million, up 1.9% for the nine month period. An EBITDA of \$11.47 million has been recorded, excluding one-off make-good costs in relation to the exit from the AMF Randwick site in the current period and the Kingpin Richmond site in the prior period, representing a 3.3% increase on EBITDA for the prior corresponding period.

After the impact of the Randwick make-good costs, EBITDA was \$10.91 million, in line with the prior period. The exit from the Randwick centre will have a positive annualised earnings benefit of \$0.40 million.

On a constant centre basis, earnings before property costs grew by 3.3%, against the prior period.

Significant work to drive operational efficiencies in the business have continued, with operating margins growing from 34.4% to 35.2% during the nine month period.

The closure of the two underperforming centres (Randwick and Richmond) is in line with the strategy to rationalise, rejuvenate and upgrade the portfolio in key locations.

A new centre opened on 8 April 2015 at the Revesby Workers Club site in south west Sydney, with strong holiday trading.

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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.

Following the acquisition of Playtime Highpoint in November 2014, a \$375,000 refurbishment of the centre was completed in April 2015.

April 2015 revenues of \$10.46 million were up 4.6% on April 2014 revenues of \$10.00 million and constant centre revenues increased by 1%.

Theme Park Division

The Group's Theme Park division recorded total revenues of \$80.16 million for the nine month period, against prior corresponding period revenues of \$81.50 million.

An EBITDA of \$28.74 million was recorded for the nine month period against \$29.18 million in the prior corresponding period.

Theme Parks have delivered a solid result despite unprecedented rainfall in the key January trading period (388mm, more than 5 times the amount recorded in January 2014) and the impact of Cyclone Marcia through the February trading period.

Operating margins improved from 36.8% to 37.0% for the nine month period.

The new Food and Beverage outlets - Green Bean Coffee Co, Dough Bros Pizzeria, Food Central Burger Bar and The Sandwich Shop – continue to trade well, with excellent customer feedback.

The SkyPoint business continues to perform well, with increased attendances boosted by annual passholders and the international market. The period has seen continued growth in Event and Climb revenues.

During the period, Dreamworld was voted Queensland's Best Major Tourist Attraction and Australia's third most popular major tourist attraction at the annual Australian Tourism Awards.

April 2015 revenues of \$7.85 million compared to revenues of \$7.96 million in April 2014.

Marina Division

D'Albora Marinas recorded total revenues of \$17.65 million for the nine month period, against the prior corresponding period revenues of \$17.96 million. An EBITDA of \$7.82 million was recorded for the nine month period, in line with \$7.83 million recorded in the prior corresponding period.

D'Albora has commenced a \$5 million redevelopment of The Spit Marina. The redevelopment will enhance existing facilities, increase capacity by 24 berths and allow for berthing of vessels up to 36m in length. Works are anticipated to be completed in Q1 FY2016.

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Corporate and Capital Management

Following the change in Group CEO in March 2015 and the associated costs, it is expected that for the full year corporate costs will increase over the prior financial year, in the range of 20-25%.

As at 31 March 2015 Group gearing equated to 35.3% and following the sale and leaseback of the three Main Event properties, will revert to within the Group's target gearing range of 30-35%. Completion of the sale and leaseback is expected to be in June 2015.

Yours faithfully

Alan Shedden
Company Secretary

For further information please contact:

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