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ARDENT LEISURE GROUP

Half-Year 2017

Results Presentation



GAMES

THEME PARKS

ENTERTAINMENT

MARINAS

BOWLING

HEALTH CLUBS





Update on Key Transactions

Sale of Health Clubs

- Completed sale of Health Clubs to Quadrant Private Equity on 25 October 2016, yielding a \$45 million profit on sale
- \$260 million cash received, including early repayment of \$30 million vendor loan note
- Proceeds used to repay debt
- Price represented attractive transaction multiple: 8.6x FY16 EBITDA¹ and 14.9x FY16 EBIT¹, a significant premium to book value and average analyst valuation

Sale of Marinas

- On 12 December 2016, Ardent entered into binding agreement to sell its portfolio of seven d'Albora Marinas to a vehicle jointly owned by Balmain Corporation and Goldman Sachs for a price of \$126 million
- Price represented an 11.0% premium over book value
- Completion is expected to occur before 30 June 2017, subject to:
 - securing landlord consents for the transfer of the head leases
 - a commitment by Ardent to complete approximately \$5.6 million of pre-planned capital expenditure projects prior to completion
- Proceeds will be used to repay debt

Sale of Health Clubs and Marinas significantly strengthens the Group balance sheet, substantially increasing capacity to fund Main Event's high returning US rollout opportunity

1. Based on segmental audited EBITDA and EBIT for FY16



Group Strategy



“A focused portfolio of market-leading entertainment experiences”

Synergy across portfolio
Optimal / disciplined capital investment

Main Event	Bowling and Games	Theme Parks
<i>Execute on full potential of US family entertainment centre concept</i>	<i>Create a multi-attraction entertainment experience</i>	<i>Drive customer attendance and spend by creating unique attractions and experiences</i>
- Accelerate growth towards long term opportunity of approximately 200 US centres - Continued focus on product and facility enhancement to underpin constant centre revenue growth, including an update / refurbishment of nine original centres	- Disciplined investment in select new multi-attraction centres and refurbishments - Continued roll-out of Playtime amusement centres in prime shopping mall locations - Progressive divestment of underperforming, low-potential AMF locations	- Disciplined investment in new precincts, experiences and products - Utilise technology to improve customer experience - Capitalise on positive domestic and international Gold Coast tourist trends

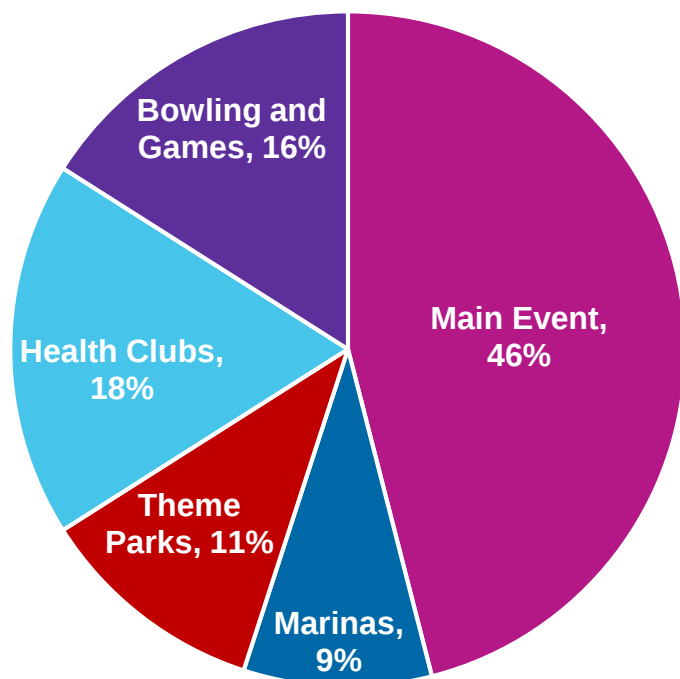


SKYPOINT
OBSERVATION DECK | GOLD COAST
AUSTRALIA

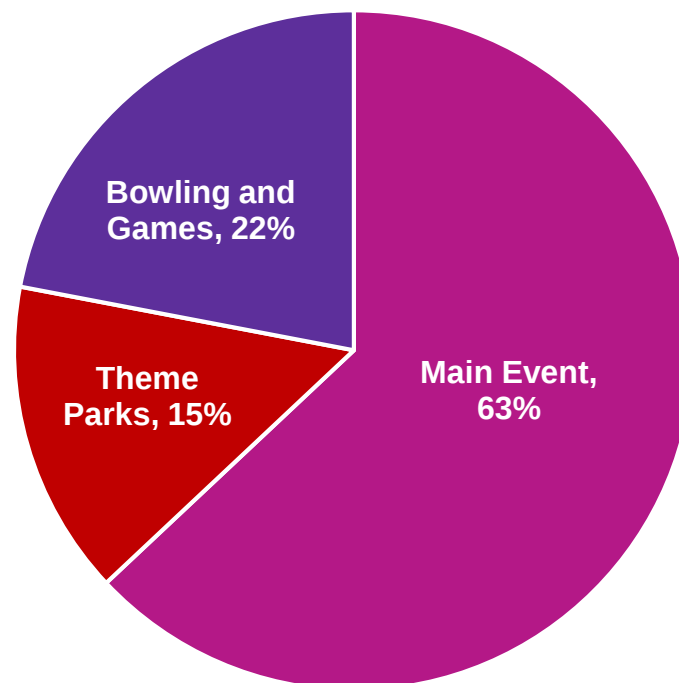


Health Club and Marina Sales Reposition Ardent as a Pure Entertainment Company Anchored by High Growth US Business

EBITDA Contribution
HY17



EBITDA Contribution
HY17PF¹



1. Pro-forma adjustments to reflect the divestment of Health Clubs and Marinas, as if completed prior to HY17



HY17 Result Impacted by Number of Significant One-off Events

- Closure of Dreamworld/ WhiteWater World for 45 days following Thunder River Rapids Ride incident and significantly reduced attendance upon re-opening
- Completion of Health Clubs sale on 25 October 2016, resulting in the loss of more than two months' earnings from that business in HY17 compared to HY16
- Closure of Kingpin Crown, the most profitable venue in the Bowling and Games division, for five months due to refurbishment
- The EBITDA impact of these events on the HY17 core earnings result is estimated to be between \$21 million and \$22 million¹
- In addition, Statutory Profit was impacted by \$95.2 million² of property, plant and equipment write down, goodwill impairment and incident costs relating to Dreamworld/ WhiteWater World, partially offset by a \$45 million gain on the sale of Health Clubs

1. Represents the difference between an estimate of actual EBITDA achieved in the affected period in HY17 and actual EBITDA in the corresponding period of HY16

2. Refer Appendix 2 for further details



HY17 Financial Summary

	HY17	HY16
Revenue ¹	\$317.2m	\$333.8m
Core EBITDA ²	\$45.2m	\$63.8m
Core earnings ²	\$12.8m	\$30.5m
Statutory (loss)/profit	(\$49.4)m	\$22.7m
Impact of Dreamworld incident ³	(\$95.2)m	-
Statutory profit excluding impact of Dreamworld incident ³	\$45.8m	\$22.7m
Core EPS ²	2.74c	6.84c
DPS	2.00c	7.00c

Movement based on prior corresponding period (pcp)

1. From operational activities excluding property revaluations, gains on derivative financial instruments, interest income, business acquisition costs and gains on sale and leaseback of family entertainment centres.

2. EBITDA excluding pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation, amortisation of health clubs intangible assets, impairment of property plant and equipment and intangible assets, increase/ decrease in onerous leases provisions, property revaluations, unrealised gains/ losses on derivative financial instruments, loss on closure of bowling centres, gain on sale and leaseback of family entertainment centres, business acquisition costs refunded/ paid, selling costs associated with sale discontinued operation classified as held for sale, profit on sale of discontinued operation (net of selling costs), Dreamworld incident costs and the tax associated with these transactions.

3. Refer to Appendix 2 for further details.



HY17 Key Messages

- Delivered shareholder value by selling Health Clubs and Marinas for substantial premiums to book value and prices that exceeded market expectations
- New centre openings continue to drive Main Event growth, with US\$ EBITDA up 20.6% on the prior half year
- Main Event's national US rollout opportunity supported by new centres continuing to deliver average first year EBITDA ROI's exceeding 30%
- Theme Parks recovering with gradual return in visitation to Dreamworld driven by thrill ride re-openings and successful launch of Australia's largest LEGO® Retail Store
- Bowling & Games delivered its sixth consecutive quarter of constant centre revenue growth, validating the strategy to transition that business to multi-attraction entertainment
- Stronger berthing occupancy and yield per berth delivered 10.2% EBITDA growth in the Marinas division over the prior half year
- Balance sheet significantly strengthened as a result of the Health Club and Marina sales, providing substantially increased capacity to fund Main Event's growth

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Main Event Entertainment



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Main Event Entertainment

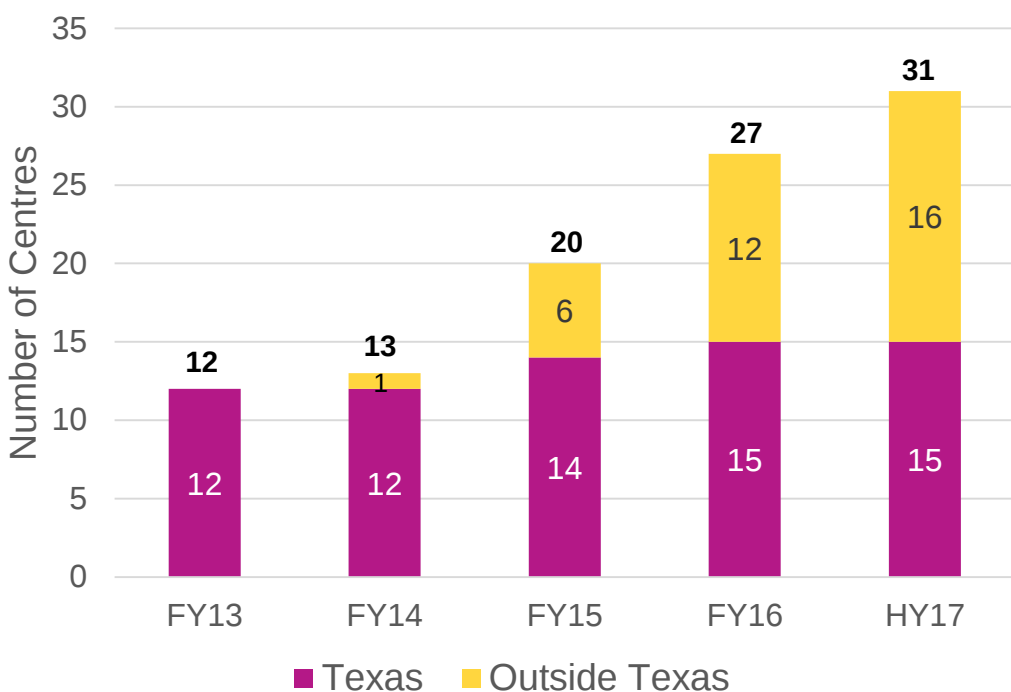
US\$'000	HY17	HY16	% Change
Total revenue	102,061	75,503	35.2%
EBRITDA (ex pre-opening)	31,284	24,703	26.6%
Operating margin	30.7%	32.7%	
Property costs (ex straight line rent)	(13,122)	(9,643)	36.1%
EBITDA	18,162	15,060	20.6%
EBITDA margin	17.8%	19.9%	
Constant centre revenue	67,978	70,014	(2.9%)



Significant Revenue and Earnings Growth

- Revenue up 35.2%, EBITDA up 20.6% driven by 11 new openings since November 2015
- Rollout of 11 centres in FY17 remains on track with four openings in the first half ¹, and seven scheduled for the second half, including Jacksonville, FL which opened on 7 February 2017
- Continued geographic diversification outside of Texas, with Main Event now operating 32 centres across 12 states
- HY17 margins impacted by:
 - Decline in constant centre revenue
 - Revenue decreases in new centres that experienced strong honeymoon periods in HY16
 - Higher initial operating costs in new centres
 - Slower revenue ramp up in new markets
 - Expanded marketing budget to support national rollout
- Margin compression was partly offset by efficiencies in food cost of sales through the implementation of a back office system

Significant Expansion of Portfolio Size and US Footprint Outside of Texas



1. Hoffman Estates, IL, Olathe, KS, Orlando, FL, Suwanee, GA opened during H1



New Centres Continue to Exceed Target Returns, Supporting National Rollout¹

- New centres opened between FY12 and FY16 have exceeded average first year EBITDA ROI target of 30%



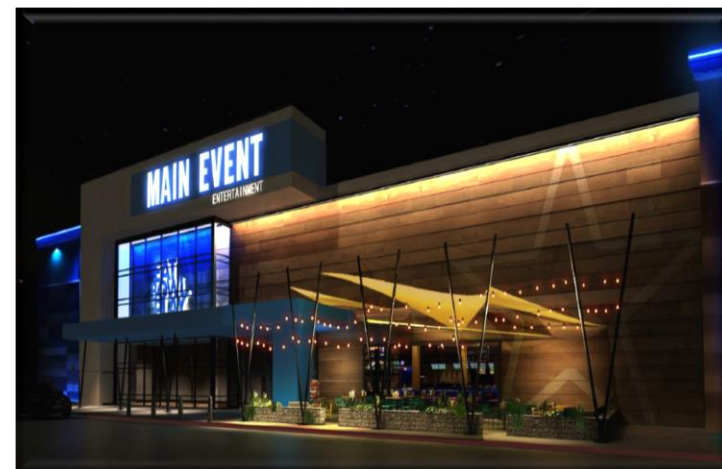
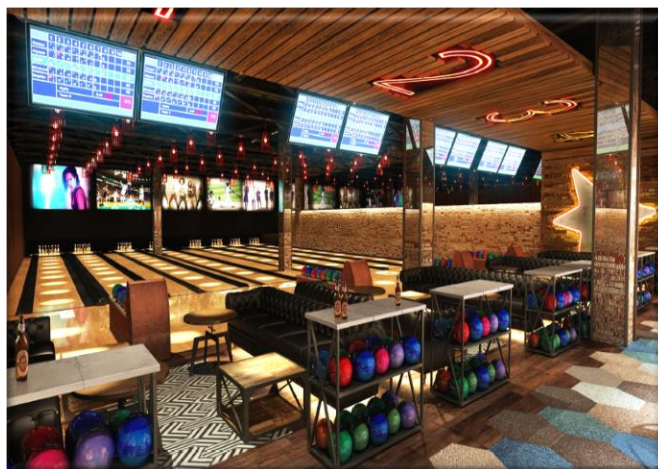
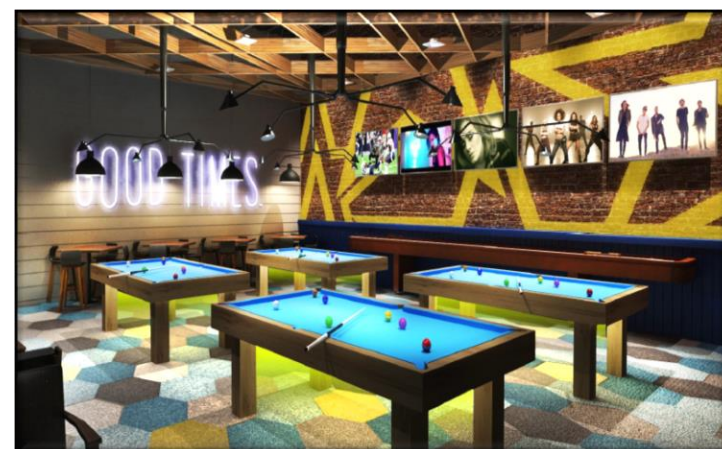
1. Calculated as aggregate first Full Year EBITDA/ net investment of new centres opened by financial year, on a leasehold development basis

2. The average first year EBITDA ROI for FY16 is an estimate because five of the seven new centres during that year were opened between February and June 2016 and therefore have not been open for 12 months at the HY17 result



Debut of New-Look Design

The first half included the debut of a prototype design package





Main Event Entertainment

US\$'000	HY17 Revenue	HY16 Revenue	% Change	HY17 EBRITDA	HY16 EBRITDA	% Change
Constant centres	67,978	70,014	(2.9%)	27,560	29,144	(5.4%)
New centres ¹	34,083	5,489	520.9%	12,675	2,291	453.3%
Corporate & Regional Expenses ²				(8,951)	(6,732)	33.0%
Total	102,061	75,503	35.2%	31,284	24,703	26.6%

1. New centres Tulsa, OK (opened April 2015), Independence, MO (opened November 2015), Memphis, TN (opened December 2015), Avondale, AZ (opened February 2016), Fort Worth North, TX (opened February 2016), Louisville, KY (opened March 2016), West Chester, OH (opened May 2016), Albuquerque, NM (opened June 2016), Hoffman Estates, IL (opened August 2016), Olathe, KS (opened October 2016), Orlando, FL (opened November 2016), Suwanee, GA (opened December 2016)

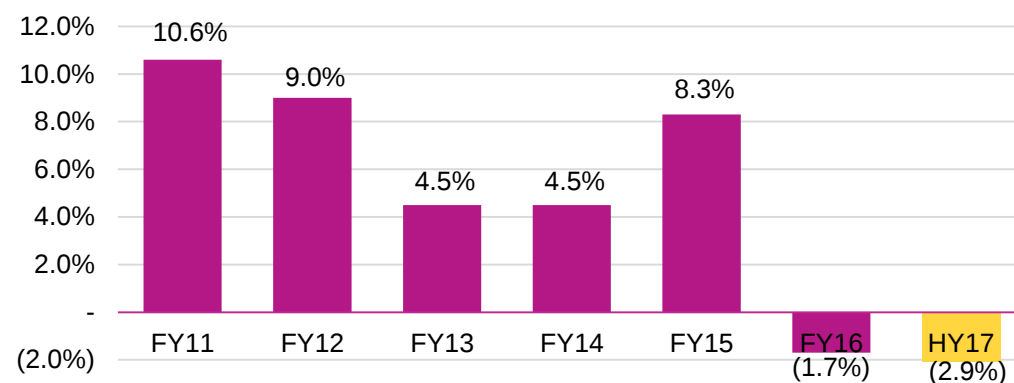
2. Cost uplift due to increase in support centre and regional headcount to support Main Event's growth



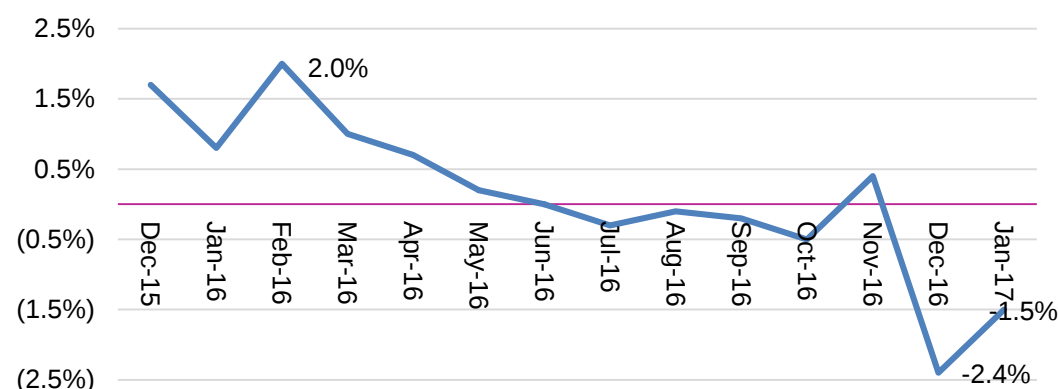
Constant Centre Revenue Performance

- Constant centre revenue was down 2.9% for the half year, affected by:
 - Weak consumer discretionary environment, reflected by slowing restaurant sales trends¹
 - Competitive intrusion in mature Main Event markets
 - The opening of new centres in existing core markets to dominate the territory – cluster markets²
 - Cautious corporate spend, particularly in oil industry Oklahoma and Houston markets
- Post election trading saw constant centres comparing positively in December 2016, assisted by a shift in the timing of school holidays³
- December 2016 and January 2017 combined were down 4.1% on the prior corresponding period

Constant Centre Revenue Trends



US Restaurant Same Store Sales¹



1. Data from Miller Pulse shows that same store restaurant sales trends in the US have slowed during the course of calendar 2016, impacted by a combination of uncertainty around the US presidential election, lower grocery prices and increased supply of units in the restaurant industry

2. Four new Main Event centres opened in constant centre trade areas over the past 11 months: Avondale, AZ and Forth Worth North, TX (February 2016), Hoffman Estates, IL (August 2016) and Suwanee, GA (December 2016)

3. Christmas school holidays were from 19 December 2016 to 1 January 2017 compared to 23 December 2015 to 6 January 2016 in the last financial year



Revenue Growth to be Driven by a Range of Initiatives Designed to....

- Respond more aggressively with new and authentic food and beverage innovation
- Elevate table service so that it over delivers
- Deploy technology enablers to improve throughput during peak periods
- Move forward with strategic initiatives to expand gaming revenue
- Upgrade gaming content with five new releases
- Elevate brand marketing capabilities:
 - Target key Main Event audiences;
 - Re-engineer Limited Time Offer campaigns with upsell options;
 - Increase media weight; and
 - Migrate from radio to television



Remodelling Program of 9 Original Centres Initiated in Q2

- Original fleet of nine centres to be completed
- Remodelled centres include:
 - New exteriors and new branding
 - Expanded dining areas with contemporary décor and improved lighting
 - Redesigned sports watching bar
 - Refurbished meeting and birthday party rooms to drive events revenue
- VIP private bowling area for premium events
- Remodelling of Plano, TX completed in January 2017. At least two more scheduled for the second half of FY17
- Three to four remodels scheduled for FY18

Exteriors Before Remodel and After Remodel



Remodeled Sports Bars



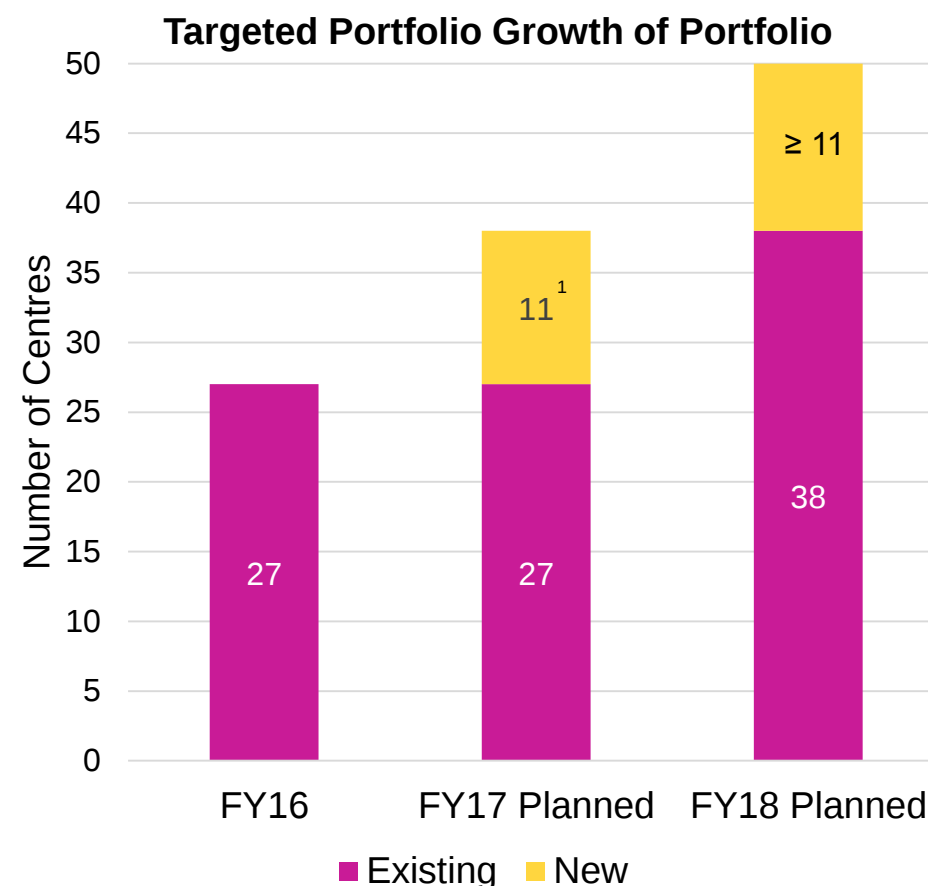


MAIN EVENT
ENTERTAINMENT

EAT.
BOWL.
PLAY.

Outlook: Ongoing Development to Drive Meaningful Growth

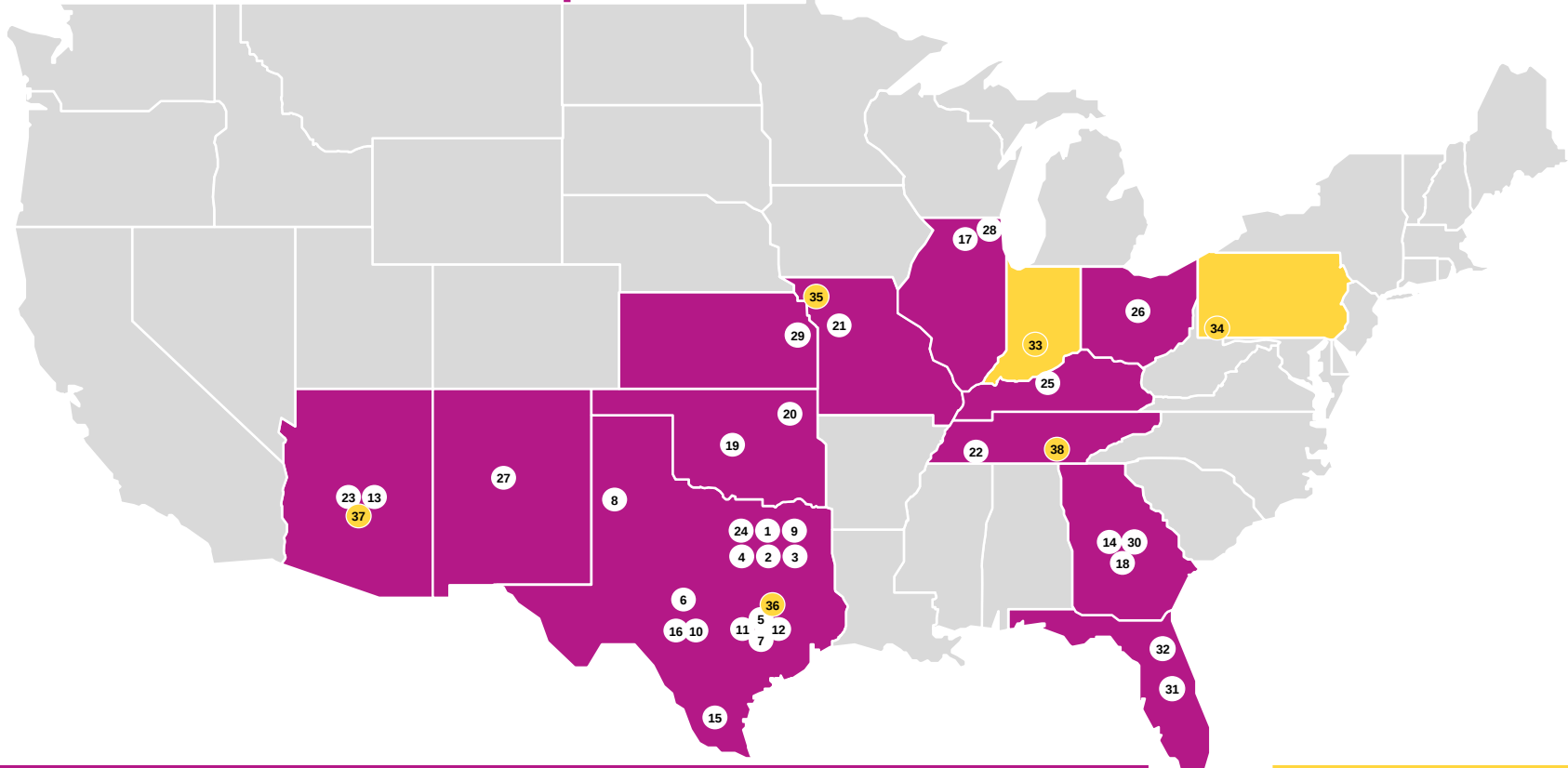
- Momentum to continue in second half, with Jacksonville, FL opened in February and a further six new openings scheduled for Q4
- Six of the second half new centres will be outside Texas, creating further geographic diversification. Includes entry into two new states - Indiana and Pennsylvania
- Targeting at least 11 new centres for FY18, including first US mall location
- Disciplined growth plan targeting major US markets with cluster development
- Several key senior appointments made to support the business moving forward
- Macro environment for restaurants likely to remain challenging
- Headwinds include increased labour costs with the increased minimum wage and insurance costs
- Offsetting these are a potential reduction in the corporate and personal tax rates under Trump tax reform proposals



1. 11 centres were planned to open throughout FY17. As of February 2017, five centres have been opened.



Main Event Portfolio and Development Sites



Existing Sites

- | | | | | |
|-------------------------|-------------------------|-------------------------|--------------------------|----------------------|
| 1. Lewisville, TX | 8. Lubbock, TX | 15. Pharr, TX | 22. Memphis, TN | 29. Olathe, KS |
| 2. Grapevine, TX | 9. Frisco, TX | 16. San Antonio (W), TX | 23. Avondale, AZ | 30. Suwanee, GA |
| 3. Plano, TX | 10. San Antonio (N), TX | 17. Warrenville, IL | 24. Ft Worth (North), TX | 31. Orlando, FL |
| 4. Ft Worth (South), TX | 11. Katy, TX | 18. Atlanta, GA | 25. Louisville, KY | 32. Jacksonville, FL |
| 5. Shenandoah, TX | 12. Stafford, TX | 19. Oklahoma City, OK | 26. West Chester, OH | (opened Feb 17) |
| 6. Austin (North), TX | 13. Tempe, AZ | 20. Tulsa, OK | 27. Albuquerque, NM | |
| 7. Webster, TX | 14. Alpharetta, GA | 21. Independence, MO | 28. Hoffman Estates, IL | |

New Centres Under Construction

- | | |
|----------------------|-------------------|
| 33. Indianapolis, IN | 36. Humble, TX |
| 34. Pittsburgh, PA | 37. Gilbert, AZ |
| 35. Kansas City, MO | 38. Knoxville, TN |



Theme Parks



Theme Parks

\$'000	HY17	HY16	% Change
Total revenue	41,775	58,388	(28.5%)
EBRITDA	6,380	21,832	(70.8%)
Operating margin	15.3%	37.4%	
Property costs	(506)	(626)	(19.2%)
EBITDA	5,874	21,206	(72.3%)
EBITDA margin	14.1%	36.3%	
Attendance	906,378	1,243,832	(27.1%)

- Result impacted by tragic incident on Thunder River Rapids Ride at Dreamworld on 25 October 2016 resulting in the loss of four lives
- Theme Park and Water Park closed on the day of incident and re-opened on 10 December 2016
- Maintained staff payments and contractual business commitments during closure



Pre-Tragedy and Park Closure

- Dreamworld tracking 4.4% positive to prior year in revenue
- Re-opening of \$7 million refurbished Tiger Island facility in September 2016
- First Australian theme park to launch Virtual Reality (VR) experience on Mick Doohan Motocoaster ride
- First indigenous VR experience launched at Dreamworld Corroboree





Safety Review, Customer and Partner Support

- Dreamworld has permanently de-commissioned the Thunder River Rapids Ride
- Dreamworld commissioned a multi-tiered operational and safety review on all rides and slides, using national and international accredited engineering experts
- All Big Nine Thrill rides have been reviewed and are operational
- Refunds offered to passholders post incident, taken up by less than 10% of passholder base
- Season passes extended by six months to compensate passholders for park and ride closures and protect customer loyalty base
- Continued support from business partners, including DreamWorks, ABC Kids, Mattel and LEGO, throughout closure and re-opening



Re-opening, Recovery and Consumer Confidence

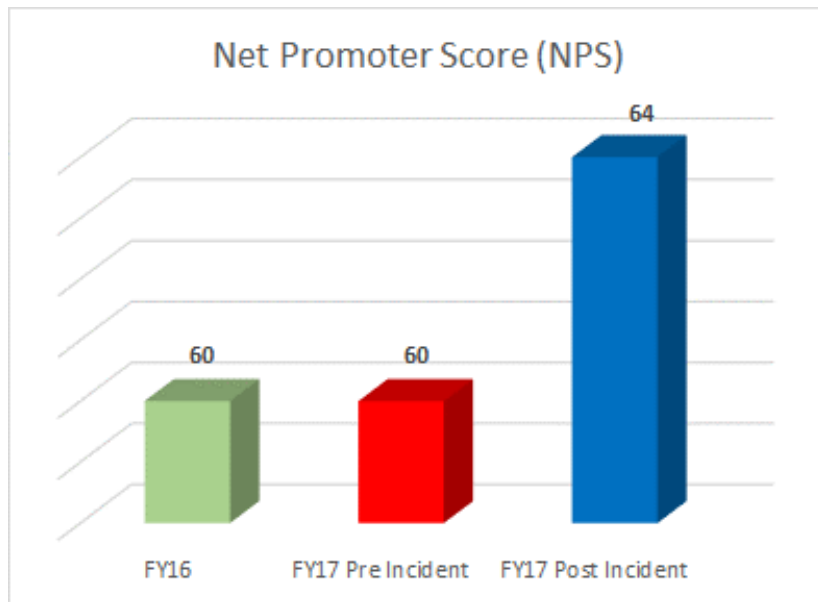
- Park opened with a Charity Weekend on 10 December - all monies raised donated to Red Cross and Givit appeal
- Thrill rides progressively re-introduced on completion of multi-tiered operational and safety review
- Focus on guest experience and entertainment with additional shows added to the park schedule
- New Tiger Island including refreshed retail and food precinct proved hugely popular with guests and events and increased patron dwell times
- Extended summer holiday trading hours from 9am to 9pm were received favourably by park guests and supported by a full entertainment programme including:
 - The Fire Machine - a sound, laser and pyrotechnics show (created by the 'Vivid' Sydney team)
 - Kevil Hill - a zombie themed walk through maze, very popular with our teen and family market





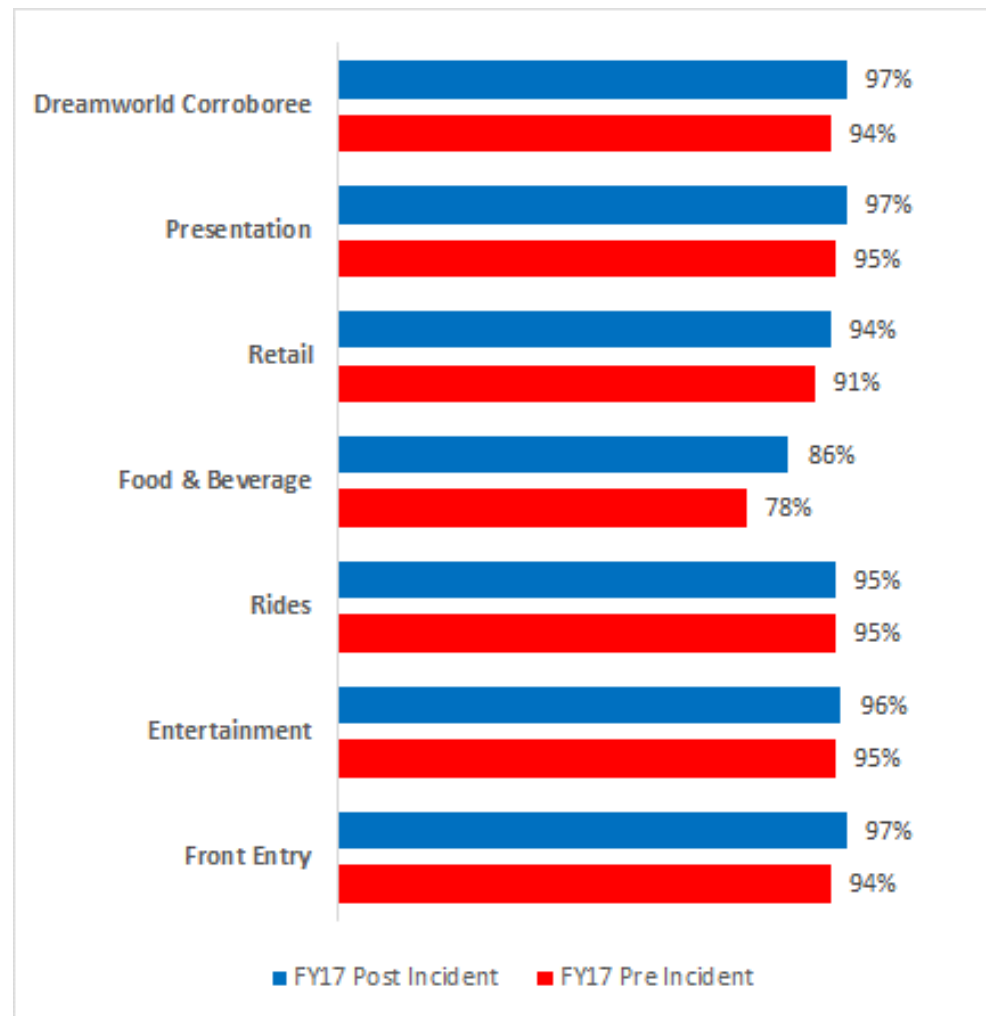
Customer Satisfaction Remains Positive

- Guest Feedback received across most product and service categories has improved since re-opening
- Net Promoter Score (NPS) of 64 has risen since re-opening



Pre incident = 1 July 2016 to 24 October 2016

Post Incident = 10 December 2016 (Open Date) to 13 February 2017

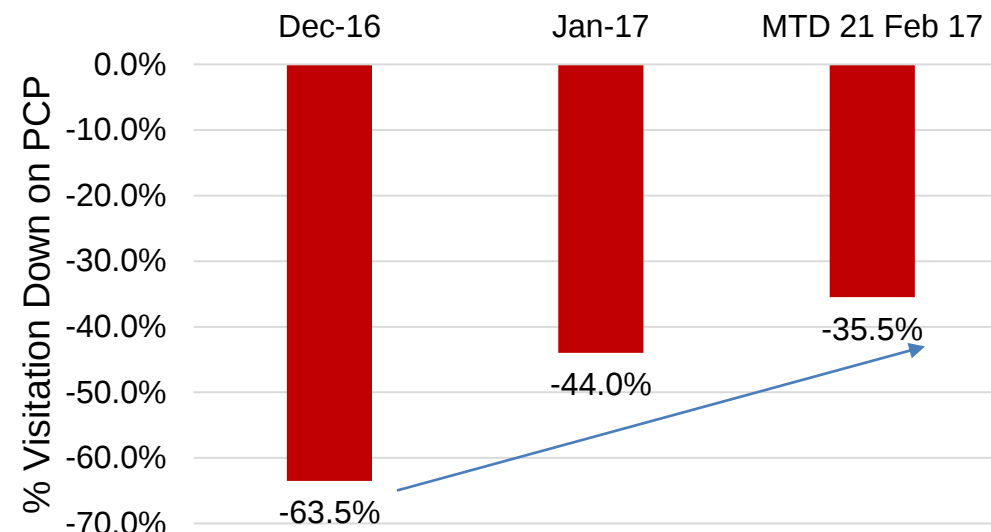




Outlook Positive on Visitor Growth, New Experiences

- Continuing visitation recovery since re-opening in December
- Australia's largest LEGO® Retail Store launched on 28 January 2017 with record weekend sales. It features life-size LEGO models, exclusive product and interactive features such as a "Pick a Brick wall"
- Australia's first Jelly Belly retail store to open Q3 FY17
- A new up-close and interactive wild Sumatran habitat enclosure at Tiger Island to be completed by Easter, supporting our commitment to conservation of Tigers in the wild
- New entrance and exit plaza including The Park Patisserie and Grill adjoining new LEGO store to open in Q3
- Development of Corroboree Stage II to commence, including new interactive Koala research facility to be built in partnership with Griffith University and the Queensland government
- A new brand creative featuring the theme "*Let Your Imagination Play*" will be in the market across TV and outdoor to drive visitation and revenue across Easter school holidays

Continuing Theme Park Visitation Recovery Since Reopening on 10 December 2016









Bowling & Games





AMF

KINGPIN

PLAYTIME

Bowling & Games

\$'000	HY17	HY16	% Change
Total revenue	64,341	67,433	(4.6%)
EBRITDA (ex pre-opening)	21,974	24,428	(10.0%)
Operating margin	34.2%	36.2%	
Property costs (ex straight line rent)	(13,573)	(13,409)	1.2%
EBITDA	8,401	11,019	(23.8%)
EBITDA margin	13.1%	16.3%	
Constant centre revenue	55,446	53,247	4.1%

- Bowling and Games HY17 revenue and EBITDA impacted by closure of Kingpin Crown, the division's most profitable venue, for five months due to refurbishment



AMF

KINGPIN

PLAYTIME

Bowling & Games

\$'000	HY17 Revenue	HY16 Revenue	% Change	HY17 EBRITDA	HY16 EBRITDA	% Change
Constant centres	55,446	53,247	4.1%	27,307	26,223	4.1%
Centres closed	855	1,921	(55.5%)	216	674	(68.0%)
New & renovation centres ¹	8,040	12,261	(34.4%)	3,939	6,563	(40.0%)
Corporate and regional office expenses/sales and marketing ²	-	4	(100.0%)	(9,488)	(9,032)	5.0%
Total	64,341	67,433	(4.6%)	21,974	24,428	(10.0%)

1. New centres include Playtime Highpoint acquired November 2014, AMF Revesby opened April 2015, Kingpin Darwin opened August 2015, Playtime Penrith acquired October 2015 and Playtime Miranda opened February 2016. Renovation Centre Kingpin Crown closed mid-July and re-opened December 2016.

2. Corporate costs increased due to expansion of national call centre, increases in marketing and IT spend.



AMF

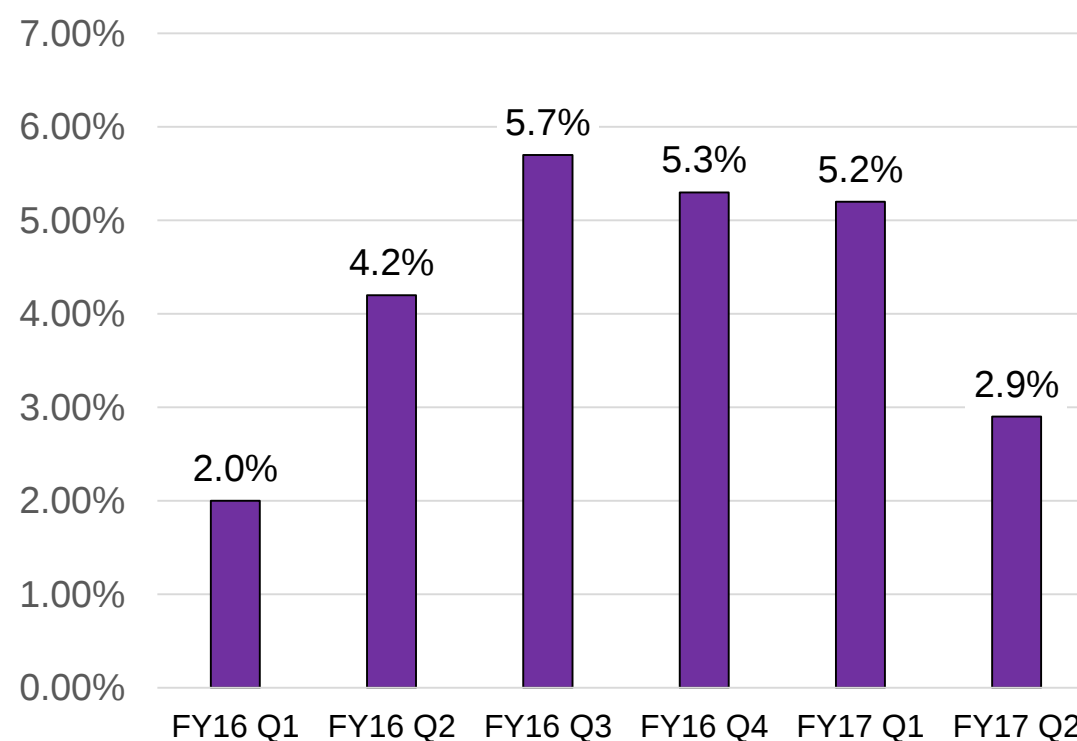
KINGPIN

PLAYTIME

Strong Earnings Growth in Constant Centres

- Constant centre revenue was up 4.1%¹
- Six consecutive quarters of constant centre revenue growth have now been achieved
- Strong constant centre trends have been achieved through volume growth and are the result of an increased focus on the customer and ongoing improvement of the entertainment offer
- Overall revenue was down 4.6% and EBITDA down 23.8%, heavily impacted by the closure of Kingpin Crown for five months during HY17 due to refurbishment

Quarterly Constant Centre Revenue Growth



1. Excludes Kingpin Crown, which was closed for renovation in mid-July and reopened in December.



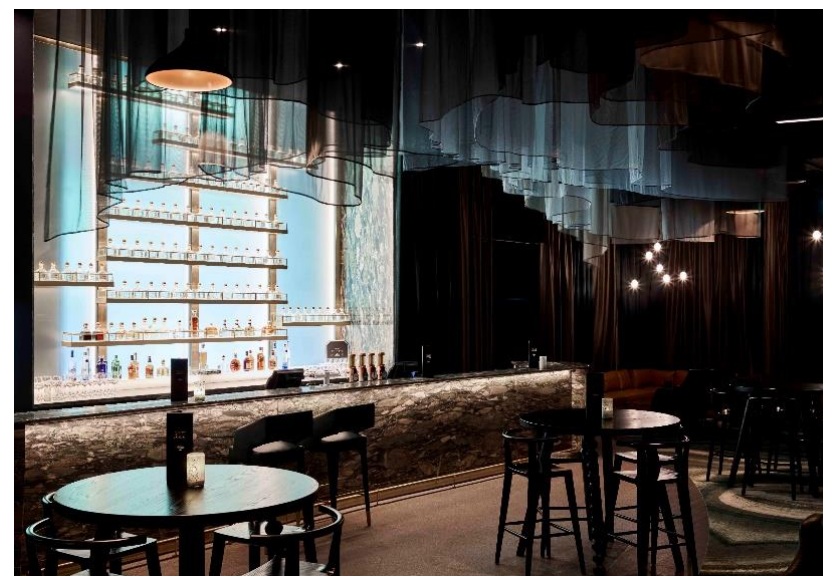
AMF

KINGPIN

PLAYTIME

Kingpin Crown Refurbishment

- Extensive refurbishment of flagship Kingpin Crown (VIC) venue completed in December consisting of:
 - The Hub, a 75 seater bistro and dramatic bar with ceiling lightshow feature and pool tables
 - Room 300, a sophisticated Tequila & Cocktail Bar as an exclusive function space
 - Playtime, packed with the latest arcade games, next level prizes and snack-food refuel counter
 - New Laser arena with a shorter game format and membership system
 - Pins Royale, a spectacular VIP event space with private bowling lanes, unique designer bowling shoes and butler service
- Venue is a showcase of premium multi-attraction entertainment in Melbourne's premier entertainment destination, Crown Casino
- Cost of refurbishment was over \$12 million. Since re-opening has traded in line with expectation





AMF

KINGPIN

PLAYTIME

Transitioning of Portfolio to Multi-Attraction Offering Continued

- Improved and expanded amusement game offering continued:
 - Invested in additional new games, improved presentation of redemption stores and more aspirational prizes
 - Rebranded Amusement Arcades in top centres to Playtime @ AMF/ Kingpin to strengthen the brand and deliver a more cohesive offering
- Improved quality and variety of food - new menus rolled out in all centres with updated Group and Corporate Packages
- Updated branding for Kingpin, AMF and Playtime across all customer touchpoints to be further aligned with each of the target markets
- Growth supported by integrated marketing and digital transformation including a new CRM package and Kingpin website





AMF

KINGPIN

PLAYTIME

Outlook: Transition from Bowling to Multi-Attraction Offer to Continue

- Key initiatives to continue the transition of the portfolio to multi-attraction entertainment include:
 - Progressive divestment of underperforming, non-core AMF centres. Expect to divest four centres in FY17, with one in Dandenong, VIC completed in the first half
 - A new Playtime amusement centre in Westfield Chatswood planned for opening in Q4 FY17
 - Refurbish and convert AMF North Strathfield, which is in a high quality catchment area, into a Kingpin-branded multi-attraction bowling and entertainment centre opening in Q4 FY17
 - Identified and finalised negotiations on a multi-attraction Kingpin bowling and entertainment centre in Westfield Chermside QLD, with a planned opening in Q1 FY18
 - Further improve entertainment product by introducing new attractions (e.g. virtual reality, karaoke, escape rooms and VIP rooms and bowling lanes for events and premium spend)
 - Disciplined investment in established, well-placed centres, to refresh offering and drive revenue growth



Marinas



Marinas

\$'000	HY17	HY16	% Change
Total revenue	11,608	10,959	5.9%
EBRITDA	6,435	5,973	7.7%
Operating margin	55.4%	54.5%	
Property costs	(1,334)	(1,343)	(0.7%)
EBITDA	5,101	4,630	10.2%
EBITDA margin	43.9%	42.2%	

Marinas Revenue Breakdown

\$'000	HY17	HY16	% Change
Berthing	6,771	6,249	8.4%
Land	2,666	2,575	3.5%
Fuel and other	2,171	2,135	1.7%
Total	11,608	10,959	5.9%

Strong Berthing Occupancy and Yield Drive Growth

- EBITDA 10.2% up on HY16 driven mostly by strong berthing occupancy and yield per berth at a number of sites
- The Spit Marina was the strongest influencer, with new berths at capacity through summer achieving higher yields
- Land Revenue up on prior year mostly attributed to newly created and leased space at Pier35
- Margins improved on the back of improved performance of the Nelson Bay Function Centre and fewer one-off expenses compared to the prior half year due to the Spit Redevelopment
- Targeting completion of sale before 30 June 2017

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Health Clubs

Health Clubs

\$'000	HY17 ¹	HY16	% Change
Total revenue	62,677	91,993	(31.9%)
EBRITDA (ex pre-opening cost)	25,612	36,566	(30.0%)
Operating margin	40.9%	39.7%	
Property costs (ex straight line rent)	(15,840)	(23,271)	(31.9%)
EBITDA	9,772	13,295	(26.5%)
EBITDA margin	15.6%	14.5%	

- Sale of Health Club division completed on 25 October 2016

1. HY17 comprised of results up to 25 October 2016.



Group Financial Review

for the Half Year Ended 31 December 2016





\$ million	Marinas	Main Event	Bowling	HY17 Theme Parks	Health Clubs	Other	Group Total	HY16 Group Total	% Change
Operating revenue	11.6	136.8	64.3	41.8	62.7	-	317.2	333.8	(5.0%)
Division EBRITDA¹	6.4	42.1	22.0	6.4	25.6	-	102.5	123.1	(16.7%)
Property costs ²	(1.3)	(17.6)	(13.6)	(0.5)	(15.8)	-	(48.8)	(52.1)	(6.3%)
Division EBITDA^{1,2}	5.1	24.5	8.4	5.9	9.8	-	53.7	71.0	(24.4%)
Depreciation and amortisation ³	-	(11.1)	(4.8)	(2.7)	(3.7)	(0.6)	(22.9)	(22.3)	2.7%
Division EBIT^{1,2,3}	5.1	13.4	3.6	3.2	6.1	(0.6)	30.8	48.7	(36.8%)
Corporate costs ⁴							(7.2)	(6.9)	4.3%
Loss on disposal of assets ⁴							(1.3)	(0.2)	550.0%
Other expenses (including derivative gains and losses) ⁴							-	(0.1)	(100.0%)
Interest income							0.1	-	-
Interest expense							(6.2)	(7.5)	(17.3%)
Tax ⁴							(3.4)	(3.5)	(2.9%)
Core earnings							12.8	30.5	(58.0%)

1. Excludes pre-opening expenses

2. Excludes straight line rent and movement in onerous lease provisions

3. Excludes IFRS depreciation, amortisation of health clubs brands and customer relationships intangibles, impairment of property, plant and equipment and intangible assets

4. Normalised to exclude adjustments to core earnings – see Appendix1.



Capital Expenditure

	HY17 routine capex \$m	HY17 development capex \$m
Theme Parks	8.5	1.9
Marinas	1.6	0.8
Bowling	4.3	13.8
Main Event	5.5	74.7 ¹
Health Clubs	1.6	1.5
Corporate	0.5	-
Total	22.0	92.7
Depreciation (excl IFRS)	22.9	-

1. Includes capex spent on developments completed in HY17, developments scheduled to open in the remainder of FY17 and the remodeling of the Plano centre



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Consolidated group (\$ million)	31 December 2016	30 June 2016
Assets⁽¹⁾		
Theme Parks	195.2	280.2
Excess land	3.6	3.6
Marinas	116.4	113.1
Bowling	151.4	138.0
Main Event	438.7	357.8
Health Clubs	-	251.1
Other	15.6	13.8
Total Assets	920.9	1,157.6
Liabilities		
Bank debt	164.6	312.9
Other	191.7	224.7
Total Liabilities	356.3	537.6
Net Assets	564.6	620.0

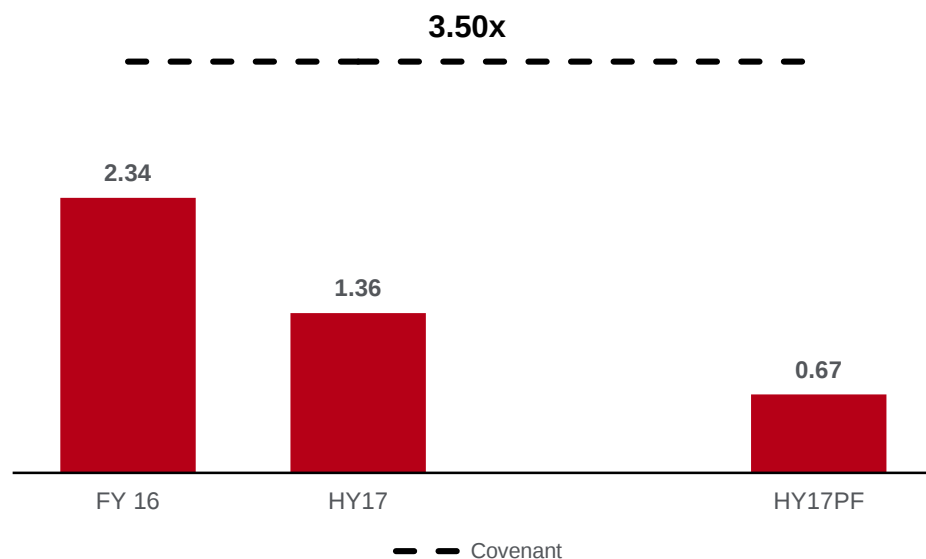
1. Represents gross assets of the business divisions. Excludes business division specific liabilities that are included on a consolidated Group basis.



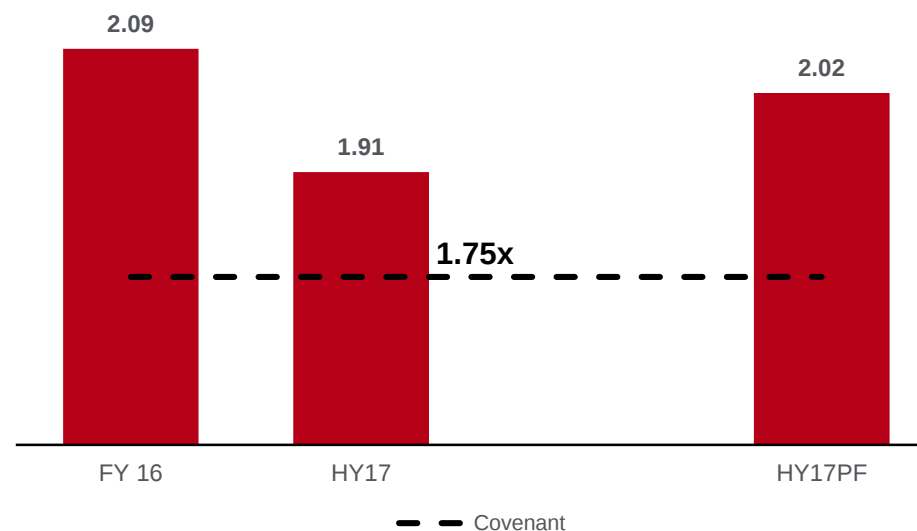
Capital Management

- Sales of the Health Clubs and Marina divisions will significantly strengthen the Group's balance sheet
- Proceeds initially used to repay debt, substantially increasing capacity to fund Main Event's 5 year US rollout target

Net debt / EBITDA¹



FCCR¹



1. Proforma (PF) shows Net debt / EBITDA and FCCR as if Health Clubs and Marinas were not included in HY17



Capital Management

- In addition to the sale of Health Clubs and Marinas, funding will also come from:
 - Debt facilities;
 - Increased earnings retention
 - DRP when required; and
 - Sale and leaseback and/ or “progressive funding” of Main Event new centres by institutional real estate investors
- Review of stapled structure on-going, but significantly simplified by sale of Marinas and Health Clubs businesses



Capital Management – Bank Facilities

- At 31 December 2016, the Group had the following bank facilities:

	Facility \$m	Drawn \$m
A\$ maturing August 2018	66.7	66.7
A\$ maturing August 2019	66.7	23.5
A\$ maturing August 2020	66.7	-
US\$ maturing August 2018 (US\$93.3m)	129.0	67.7
US\$ maturing August 2019 (US\$93.3m)	129.0	8.3
US\$ maturing August 2020 (US\$93.3m)	129.0	-
	587.1	166.2

- Following the completion of the Marinas sale, the Group will pay down and cancel the A\$ August 2018 tranche of debt facility totalling \$66.7 million



Capital Management – Bank Covenants

- There are three covenants in place for the Group facility:

	Covenant	Group 31 December 2016
Fixed Charge Cover Ratio (FCCR)	>1.75	1.91
Debt Serviceability Ratio (DSR)	<3.50 ¹	1.36
Capex Covenant	<110% of agreed annual forecast capex	Met

- As a result of the Dreamworld incident and related loss of EBITDA from the Theme Park division, the Group has agreed with its banking syndicate to temporarily reduce the FCCR covenant to >1.55 for the period commencing 31 March 2017 through to 30 September 2017

1. The refinancing effective 11 August 2015 has the DSR covenant set at <3.50x for the period to 30 June 2017 and <3.25x thereafter



Capital Management – Interest & Foreign Exchange

- At 31 December 2016, the Group had 92.2% of interest on debt facilities fixed through interest rate swaps
- At 31 December 2016, the weighted average rate, including margin, was 4.63% for AUD debt and 2.66% for USD debt
- US earnings are 100% unhedged

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Group Outlook



Group Outlook

- Main Event US rollout opportunity remains on track supported by new centres continuing to exceed 30% average first year EBITDA returns on investment
- Main Event constant centres targeting low single digit revenue growth long term
- Dreamworld expected to recover over the course of time, assisted by investment in unique and exciting attractions, branded retail concepts and a new brand/ marketing strategy
- Theme Park businesses expected to benefit from increased domestic and international tourism to the Gold Coast off the back of the 2018 Commonwealth Games and development of land adjoining the property in Coomera
- Growth in Bowling and Games division expected to continue, driven by constant centre revenue growth, the new Kingpin Crown redevelopment, investment in new entertainment centres and amusement arcades and the exit of underperforming legacy centres

Appendices

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Appendix 1

Core earnings reconciliation to statutory profit

\$ million

HY17 HY16 % Change

Core earnings	12.8	30.5	(58.0%)
Pre-opening expenses	(6.8)	(2.4)	183.3%
Straight lining of fixed rent increases	(0.5)	(0.9)	(44.4%)
IFRS depreciation	(6.1)	(5.8)	5.2%
Amortisation of Health Clubs intangibles	(0.9)	(2.4)	(62.5%)
Impairment of goodwill	(0.8)	-	-
Impairment of property, plant and equipment	(0.1)	-	-
(Increase)/decrease in onerous lease provision	(0.3)	1.1	(127.3%)
Valuation gain - investment properties	-	0.1	(100.0%)
Valuation loss - property, plant and equipment	(90.6)	-	-
Unrealised (loss)/gain on derivatives	(0.1)	0.1	(200.0%)
Loss on closure of bowling centres	(0.1)	-	-
Gain on sale and leaseback of family entertainment centres	-	1.2	(100.0%)
Business acquisition costs refunded/(paid)	-	0.1	(100.0%)
Gain on sale of discontinued operation, net of selling costs	45.0	-	-
Selling costs associated with discontinued operation classified as held for sale	(0.6)	-	-
Dreamworld incident costs	(3.8)	-	-
Tax impact of adjustments	3.5	1.1	218.2%
Statutory (loss)/profit	(49.4)	22.7	(317.6%)



Appendix 2

Impact of Dreamworld incident on statutory profit	HY17	HY16
Statutory (loss)/profit:	(\$49.4)m	\$22.7m
Impact of Dreamworld incident:		
Impairment of goodwill	(\$0.8)m	-
Valuation loss - property, plant and equipment	(\$90.6)m	-
Dreamworld incident costs	(\$3.8)m	-
Total impact	(\$95.2)m	-
Statutory profit excluding impact of Dreamworld incident	\$45.8m	\$22.7m

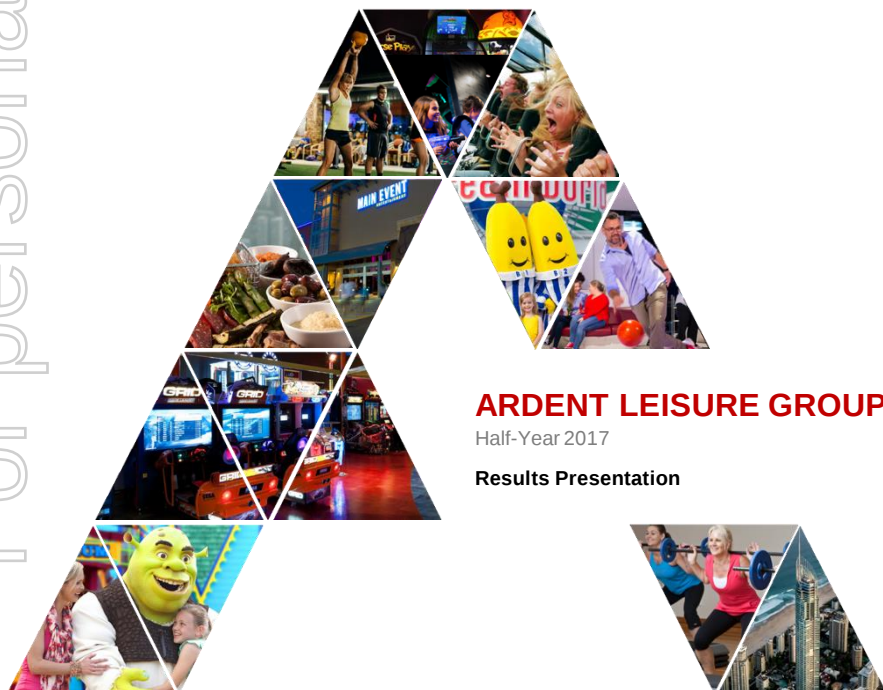


Appendix 3 - Property valuations

Property	No. of Assets	Book value Pre reval ¹ \$m	Book value Post reval \$m	Change \$m	% change	Valuation methodology
DW/WWW	1	241.2	146.8	(94.4) ²	(39.1)	Cap rate/ DCF
SkyPoint	1	34.2	34.2	-	-	Cap rate/ DCF
Excess land	1	3.6	3.6	-	-	Direct comparison
Marinas	7	111.6	111.6	-	-	Cap rate/ DCF
Bowling Freehold	1	1.6	1.6	-	-	Vacant possession, highest and best use
Total	11	392.2	297.8	(94.4)	(24.1)	

1. Property values at 30 June 2016 plus six months capex less six months depreciation.

2. Revaluation occurred at 31 December 2016.



ARDENT LEISURE GROUP

Half-Year 2017

Results Presentation

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