

SEALINK TRAVEL GROUP ANNOUNCES STRONG INTERIM RESULT

Highlights

- NPAT of \$4.7m for 1HFY15 was 37% ahead of 1HFY14 of \$3.4m.
- Removing ASX Listing costs in 2014, NPAT was an increase of 15% on underlying NPAT of \$4.1m for 1HFY14.
- EBITDA of \$9.3m, up 13% on EBITDA of \$8.2m for 1HFY14.
- Solid revenue growth to \$57.2m, a 9.1% increase on 1HFY14, driven by growth in our major businesses.
- Declared fully franked interim dividend of 3.8 cents per share, representing a payout ratio of 62%. Captain Cook Cruises continues to expand - one new vessel added to the fleet with commitment to purchase a further two ferries.
- Tiwi Island contract extended for a further four years. Reduction in Interest Bearing Debt of \$2.5m.
- For the second half of FY2015, SeaLink is well-positioned to improve upon its first half results.

SeaLink Travel Group (ASX: SLK) (“SeaLink” or “the Company”) today announced Net Profit After Tax (NPAT) of \$4.7m for the 6 month period ending 31 December 2014 (1HFY15), representing an increase of 15% on normalised NPAT of \$4.1m for the 6 month period ending 31 December 2013 (1HFY14).

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) were \$9.3m, representing a 13% increase on EBITDA of \$8.2m for 1HFY14.

The Board has declared a fully franked interim dividend of 3.8 cents per share, payable on 15 April 2015, which represents a payout ratio of 62%, in line with SeaLink’s stated policy of returning 50-70% of its after tax profit.

Revenue growth of 9.1% to \$57.4m was achieved in a competitive market environment; with key drivers being the full year effect of both the Darwin operation and Captain Cook Cruise’s contract with Harbour City Ferries (HCF), as well as growth in SeaLink’s core Kangaroo Island businesses.

Operating expenses for the half increased by \$2.9m to \$50.5m, which reflected Darwin and Harbour City Ferries full half year trading and variable costs associated to service higher revenues.

The Company continued to invest in growing its operations, with capital expenditure of \$3.7m for the purchase of one new vessel and continued upgrade of Kangaroo Island coach fleet.

Managing Director Jeff Ellison said the first half of 2015 was one of consolidation where the Company focussed on bedding down its major investments after spending \$20.7m in the 2014 financial year to pursue new contractual ferry commitments.

“The business continued to build on the solid momentum established in FY14 and we saw major improvement in the profit performance of Kangaroo Island and Captain Cook Cruises,” Mr Ellison said.

“We are well placed to continue growing the Captain Cook Cruises business, given our ongoing investment in the fleet, with one new vessel added to the fleet on Sydney Harbour and a commitment to purchase a further two ferries,” Mr Ellison said.

The Company continues to implement its successful diversification strategy with stronger revenue growth from businesses in new geographic regions.

Divisional Results

Kangaroo Island SeaLink

Kangaroo Island SeaLink achieved revenue growth of 6% to \$26.5m for the half, on the back of increased tourism traffic flow to Kangaroo Island.

Revenue from SeaLink’s packaging area, which sells accommodation and other travel products such as SeaLink coach tours, accommodation sales and air travel, improved by 19%, the result of website and the social media strategy.

The bottom line contribution improved substantially due to revenue growth and a lower level of vessel refurbishment costs. In the previous half, the MV SeaLion 2000 underwent a \$2.8 million upgrade and refurbishment, of which \$1.4m was expensed. Vessel repairs were \$0.9m lower in the first half of 2015.

Investment was also made in SeaLink’s coach fleet with one new 53 seat Scania coach purchased for the Kangaroo Island operation.

The new Penneshaw terminal, the gateway to Kangaroo Island, is performing well and has been a valuable investment in customer service for the Company.

Captain Cook Cruises

There were a number of continued improvements in the business as well as growth in profitability.

Captain Cook Cruises increased revenue by \$2.0m to \$22.2m for the half, driven mainly by increased contracted services and tourist numbers.

In December 2014, the Company expanded the Hop-On Hop-Off service to Manly as an extra stop, which is proving to be a popular addition to the leading tourism service on Sydney Harbour.

To enhance the lunch and dinner cruise offering, the Company's flagship MV Sydney 2000 underwent a refurbishment of its upper deck. The enhancements ensure Captain Cook's product remains best of breed on Sydney Harbour.

Fleet expansion continued with SeaLink taking delivery of its fourth new ferry, MV Violet McKenzie in December 2014. Costing \$2.6m the vessel was funded from debt facilities.

This week SeaLink announced the acquisition of a further two 300 passenger high speed vessels for Sydney at a cost of \$6m. From the 1st of April 2015, these vessels will be used to supply new routes and to create a flexible response to meet growing market demand for services on Sydney Harbour.

Captain Cook Cruises has committed to building a new floating pontoon to service the cruise ship market in Sydney Harbour.

SeaLink Queensland

The focus for the Townsville operation was improving passenger numbers to Magnetic Island, as well as the upgrade of the main Palm Island vessel, the MV Reef Cat.

MV Reef Cat underwent a major upgrade with \$0.9m invested to enable this vessel to continue to service the Palm Island route for the next five years.

SeaLink Northern Territory

Ferry passenger services to Mandorah and the Tiwi Islands continued at encouraging levels during 1H2015. Both services are operating well and a new four year agreement for the Tiwi Island service was secured in December, 2014.

Tourism product is being developed to focus on the Tiwi Islands with a new two night/three day premium 4WD tour on Bathurst Island being sold for the 2015 season.

Revenue in Queensland and Northern Territory increased by 14% to \$8.1m for the half.

Outlook

Given average seasonal and business conditions exist for the remainder of the 2015 financial year, SeaLink is well-positioned to improve upon its first half results.

The lower Australian dollar is making Australia a more competitive tourist destination and is expected to provide upside to New South Wales and the South Australian businesses.

Lower fuel prices will enhance the profitability in the second half as recent lower prices filter into the business and fuel hedging contracts expire.

“We are well placed for future expansion with the Balance Sheet further strengthened by proceeds from the exercise of options in the last four months as well as the recent announcement to acquire two further passenger vessels for Sydney Harbour,” Mr Ellison said.

For more information please call:

Carla Schaefer, Investor Relations, SeaLink Travel Group 08 8202 8619 or 0409 101 188

Helen McCombie, Public Relations, Citadel 02 9290 3073 or 0411 756 248

About SeaLink Travel Group

SeaLink Travel Group is one of Australia's most dynamic tourism and transport companies bringing the nation's best tourism experiences to the world. With more than 650 staff across the country servicing more than three million customers annually with a vessel fleet of 28 and coach fleet of 30, the Adelaide-based company has undergone a remarkable period of growth, emerging as a significant player on the national tourism and transport scene.

SeaLink's operations extend across New South Wales, Queensland, Northern Territory and South Australia, which includes:

- Cruises, ferry and charter services on Sydney Harbour and on the Murray River
- Passenger ferry service in Townsville, Queensland and Darwin, Northern Territory
- Passenger, vehicle and freight service between Kangaroo Island and the South Australian mainland
- Day tours, extended touring and charter operations on Kangaroo Island and on the South Australia mainland
- Tour wholesaler to the travel trade
- Exclusive 4WD foreign language tour adventure based tours
- Retail travel agencies in Adelaide, Sydney and Townsville
- Adventure, accommodation and restaurant at Vivonne Bay, Kangaroo Island

SeaLink listed on the Australian Securities Exchange in October 2013 raising an additional \$16.5m.