

ASX ANNOUNCEMENT

EVENT ANNOUNCES SALE OF CINESTAR GERMANY

MONDAY 22 OCTOBER 2018

EVENT Hospitality & Entertainment Limited ("EVT") today announced that it has entered into an agreement for the sale of its German cinema exhibition division, CineStar, to Vue International Bidco Plc ("Vue") for an upfront payment of €130 million (A\$210 million) and variable consideration of up to €91.8 million (A\$148 million) depending on Germany market admissions for calendar year 2019. This represents a maximum potential enterprise value for CineStar of €221.8 million (A\$358 million). The transaction is subject to competition authority approval in Germany.

As part of a previously announced group strategic review, it was determined that CineStar does not bring economies of scale to EVT's other cinema businesses and the capital can be better deployed into identified growth projects. Rothschild & Co were engaged to advise on options including an outright sale of the business. A subsequent offer from Vue International Group was received and accepted.

EVT CEO Jane Hastings commented: "The sale of CineStar crystallises value for shareholders at an attractive price and there is the potential for upside to the value realised, should German market admissions grow. We are confident that the divestment is in the best interests of shareholders and will allow us to recycle capital proceeds into other value accretive opportunities. We have a strong pipeline of potential future developments to drive growth in the medium to long-term".

Jane Hastings also commented: "CineStar is a leading cinema circuit in Germany which is a credit to the entire CineStar team. We believe that Vue, as one of the leading cinema operators in Europe and internationally, including CinemaxX in Germany, have strong credentials to build on this success".

EVT Chairman, Mr Alan Rydge, confirmed that the sale of Germany was considered an excellent outcome by the Board and in the best interest of shareholders, and enables reinvestment into currently identified development projects to drive future growth. Mr Rydge further commented that the sale proceeds along with those from previously announced disposals and the eventual proceeds from other currently identified non-core assets, will further strengthen the group's overall financial position and enable continued investment for growth.

Further information

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Vue International is one of the world's leading cinema operators, managing respected brands in major European markets and Taiwan, spanning ten countries, 225 sites and 1,969 screens.

EVT operates cinemas in Australia and New Zealand primarily under the EVENT, BCC and GU Filmhouse brands, and in Germany under the CineStar brand. In Hotels and Resorts, EVT operates under the Rydges, QT and Atura brands. EVT also owns the Thredbo Alpine Resort and has significant property holdings.