EVENT

HOSPITALITY & ENTERTAINMENT

EST 1910

RESULTS PRESENTATION

22 FEBRUARY 2019

HALF YEAR ENDED 31 DECEMBER 2018

EVENT YEAR END RESULTS
WEBCAST AND DIAL IN DETAILS

FRIDAY 22 FEBRUARY 2019 9:00 AM (AEDT)

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RESULTS OVERVIEW

HALF YEAR ENDED 31 DECEMBER 2018	2017 $'000	2018 $'000	VAR %
Entertainment			
Australia	24,117	26,409	9.5%
New Zealand	3,367	4,028	19.6%
Hospitality			
Hotels and Resorts	36,449	35,394	(2.9%)
Leisure			
Thredbo Alpine Resort	24,196	25,813	6.7%
Property			
Property and Other Investments	6,856	7,071	3.1%
Unallocated expenses	(8,683)	(10,780)	24.2%
Normalised profit (before interest and tax)	**86,302**	**87,935**	**1.9%**
Net interest costs	(2,821)	(4,533)	
Income tax expense	(26,081)	(23,627)	
Profit from continuing operations	**57,400**	**59,775**	**4.1%**
Individually significant items – net of tax	872	5,256	
Discontinued operations – Entertainment Germany	8,662	2,493	
Total reported profit	**66,934**	**67,524**	**0.9%**

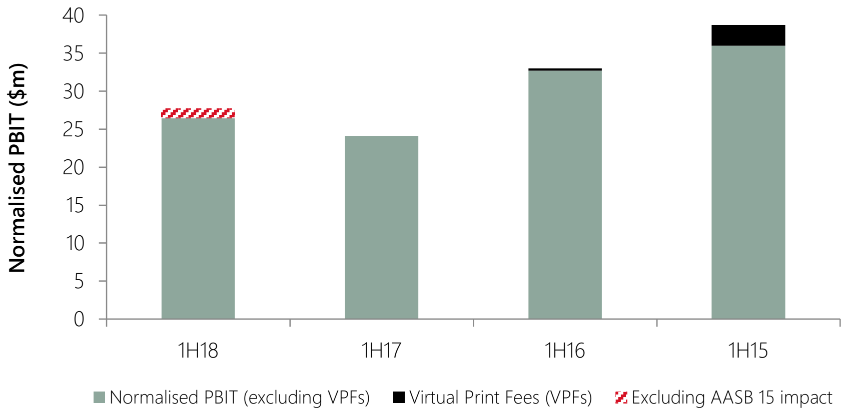
*Normalised result is profit for the year before individually significant items. Group EBITDA is normalised earnings before interest, tax, depreciation and amortisation. The normalised result and Group EBITDA are unaudited non-International Financial Reporting Standards ("IFRS") measures.

GROUP REVENUE	GROUP EBITDA*	NORMALISED* PBIT
$525m + 6%	$124m + 2%	$87.9m + 2%

- Strong Entertainment Australia (PBIT +9.5%) and NZ (+19.6%) growth supported by strong box office.
- Hotels like-for-like PBIT +1.5% in a comparatively softer market. QT Perth opening period whilst outperformed expectations, impacted normalised result -2.9%.
- Record Thredbo PBIT +6.7%, with growth in visitation and yield.
- Underlying unallocated expenses flat with prior year but impacted by incremental bonus payments associated with record FY18 year.
- Agreement for the sale of the German cinema division entered into on 22 October 2018. Result presented as discontinued operations.
- Normalised profit before interest, tax and discontinued operations +1.9%.
- Strong progress and momentum in strategic goals including revenue strategies, asset maximisation and business transformation.
- Fully franked interim dividend of 21 cents per share.

ENTERTAINMENT
AUSTRALIA

HALF YEAR ENDED 31 DEC	2017	2018	VARIANCE
Admissions (000)	14,740	15,366	**4.2%**
Revenue ($000)	210,119	216,871	**3.2%**
EBITDA ($000)	37,580	40,697	**8.3%**
Normalised PBIT ($000)	24,117	26,409	**9.5%**



Good result for the Australian box office generated by a different genre mix of films. Improved share for blockbuster and family titles.

Strategy to grow returns from 'core range' delivering good results, including growth in spend from the family market.

Average admission price (AAP) and key site profit growth supported by successful variable pricing strategy.

Digital revenue up 18.5%, very strong direct customer relationships with Cinebuzz members representing more than 65% of movie visits and more than 85% of online transactions.

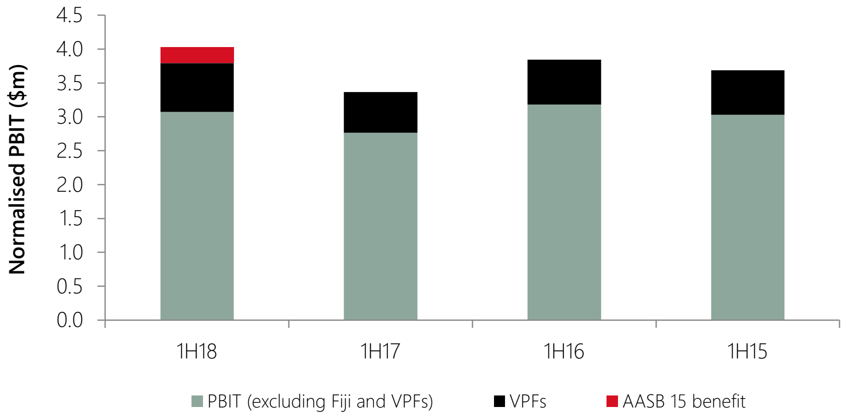
Normalised PBIT growth of 9.5%, or +15% before AASB 15 adjustment.

STRONG RESULTS FROM NEW CONCEPTS

- 'Future of Cinema' concepts achieving incremental growth in Occupancy, Return on Space, AAP and SPH.
- New concepts targeted to be commenced in 5 sites by June 2019.
- New cinemas in the pipeline include Village Clayton (2020), Innaloo (2020), Castle Hill (2022) and Green Square (2022).

ENTERTAINMENT
NEW ZEALAND

HALF YEAR ENDED 31 DEC	2017	2018	VARIANCE
Admissions (000)	2,572	2,636	**2.5%**
Revenue ($000)	40,614	42,418	**4.4%**
EBITDA ($000)	6,355	6,732	**5.9%**
Normalised PBIT ($000)	3,367	4,028	**19.6%**



A record PBIT half result.

Similar to Australia, a good result for the NZ market box office with a different genre mix of films. Growth in share of family genre.

Average admission price growth driven by variable pricing strategy.

Parlour Lane launched in NZ with immediate incremental growth.

Online booking revenue up 22%, and 70% of all online bookings are Cinebuzz members.

NEW CINEMA CONCEPTS UNDERWAY

/ Future of Cinema concepts underway commencing with new site in Tauranga Crossing (May 2019), Queen Street (#1, June), Westgate (June) and the new 'all premium' site in Newmarket (November).

ENTERTAINMENT
GERMANY (DISCONTINUED OPERATION)

HALF YEAR ENDED 31 DEC	2017	2018	VARIANCE
Admissions (000)	7,300	6,217	**(14.8%)**
Revenue ($000)	162,381	145,518	**(10.4%)**
EBITDA ($000)	21,850	7,625	**(65.1%)**
Normalised PBIT ($000)	16,356	4,222	**(74.2%)**

TOP FILM TITLES IN THE GERMAN MARKET

2017	€M	2018	€M	
Star Wars: The Last Jedi	52.1	Fantastic Beasts 2	34.7	**(33%)**
Fack ju Göhte 3	52.0	Bohemian Rhapsody	22.1	**(58%)**
Despicable Me 3	37.5	Hotel Transylvania 3	18.1	**(52%)**
It	29.2	Incredibles 2	17.7	**(39%)**
Thor: Ragnarok	16.0	Mamma Mia 2	17.0	**6%**
	186.8		**109.6**	**(41%)**

UPDATE ON SALE

Reclassified as a discontinued operation following the announcement of the sale to Vue International on 22 October 2018.

PBIT result reflects market conditions with an extended period of record hot weather, less contribution from German films, delayed film releases due to the FIFA World Cup and a Hollywood film slate that lacked appeal to German audiences.

$1.7m negative PBIT impact from adoption of AASB 15, adjusted PBIT would be $5.9m.

Upfront payment of €130m and variable consideration of up to €91.8m.

Earn-out based on total German market admissions in the 2019 calendar year between 105m and 115m.

German Federal Cartel Office review is in progress.

HOTELS AND RESORTS

HOTELS & RESORTS

UNDERLYING GROWTH CONTINUES, DESPITE SOFTER MARKET

HALF YEAR ENDED 31 DEC	2017	2018	VARIANCE
Revenue ($000)	172,211	179,529	**4.2%**
EBITDA ($000)	49,892	49,651	**(0.5%)**
Normalised PBIT ($000)	36,449	35,394	**(2.9%)**
Like for like owned hotel PBIT ($000)	33,167	33,671	**1.5%**

OWNED HOTELS	2017	2018	VAR %	LIKE FOR LIKE
Occupancy	80.6%	79.5%	**(1.1%)**	**(0.3%)**
Average room rate	$182	$182	**-**	**0.7%**
Revpar	$147	$145	**(1.2%)**	**0.4%**

Hotels market softer with revpar declines in Sydney, Perth, Cairns and Wellington, but still a strong market.

Like-for-like owned hotel PBIT up +1.5% and revpar up +0.4%.

QT Perth (opened August 2018) and Atura Adelaide Airport (Sept 2018) performing above expectations.

Good growth in C&E revenues for owned and managed hotels +9% overall and F&B +3%.

Reduction in room inventory in east and west wings of Rydges Queenstown following seismic assessment report. Plans underway to maximise return from this premium location.

Good growth in new management and service agreements. Expansion of QT footprint secured (Auckland late 2019, Adelaide 2021).

Upgrade planning well advanced: Rydges Melbourne (2019), QT Gold Coast (2019/20), Rydges Queenstown expansion (2020/21) and major upgrade of Rydges North Sydney (2020).

OVERVIEW OF KEY METRICS

RYDGES HOTELS • RESORTS

	2017	2018	VARIANCE
Occupancy	80.4%	81.0%	0.6%
Average room rate	$159	$156	(1.9%)
Revpar	$128	$127	(0.8%)

QT HOTELS • RESORTS

	2017	2018	VARIANCE	LIKE FOR LIKE
Occupancy	83.6%	79.5%	(4.1%)	(1.9%)
Average room rate	$227	$231	1.8%	3.6%
Revpar	$190	$184	(3.2%)	1.3%

ATURA Hotels

	2017	2018	VARIANCE	LIKE FOR LIKE
Occupancy	71.7%	73.6%	1.9%	0.8%
Average room rate	$142	$141	(0.7%)	(2.4%)
Revpar	$102	$103	1.0%	(1.3%)

THREDBO

THREDBO
ANOTHER RECORD RESULT

HALF YEAR ENDED 31 DEC	2017	2018	VARIANCE
Revenue ($000)	57,539	63,253	**9.9%**
EBITDA ($000)	27,595	29,277	**6.1%**
Normalised PBIT ($000)	24,196	25,813	**6.7%**

Thredbo delivered growth in revenue, EBITDA and another record PBIT result, +6.7%.

3% growth in skier visits and 6.6% growth in yield.

Good performance across all areas including:

/ 18% increase in snow sports revenue.

/ 14% increase in food and beverage revenue.

DA approved for gondola to replace Merritts chairlift. Development plan underway to unlock value from Thredbo over next 2-3 years.

Summer revenues continue to grow.

SEASON PERFORMANCE

WINTER MONTHS	2017	2018	VARIANCE
Revenue ($000)	51,511	56,858	**10.4%**
EBITDA ($000)	28,316	29,830	**5.3%**
Normalised PBIT ($000)	25,078	26,450	**5.5%**

SUMMER MONTHS	2017	2018	VARIANCE
Revenue ($000)	6,028	6,395	**6.1%**
EBITDA ($000)	(721)	(553)	**23.3%**
Normalised PBIT ($000)	(882)	(637)	**27.8%**

PROPERTY

STRONG PROPERTY PORTFOLIO
FAIR VALUE OF $2 BILLION

HALF YEAR ENDED 31 DEC	2017	2018	VARIANCE
Revenue and rental income ($000)	10,622	10,655	**0.3%**
Fair value adjustments ($000)	1,500	1,150	**(23.3%)**
EBITDA ($000)	8,490	8,516	**0.3%**
Normalised PBIT ($000)	6,856	7,071	**3.1%**

Increase in rental income of 4.3% was achieved.

$1.15m was booked to reflect the fair value adjustments on investment properties, down on prior year by $350k.

$MILLIONS	FAIR VALUE	BOOK VALUE
Operating assets	1,909	1,056
Investment properties	75	75
Total	**1,984**	**1,131**

DIVESTING UNDERPERFORMING ASSETS

QT Port Douglas and Rydges Gladstone have been sold whilst Newcastle, Darwin and Cairns City cinemas have been closed and those properties are under review.

UPDATE ON MAJOR DEVELOPMENTS

- **458-472 George Street, Sydney:** Stage one development application to be lodged in July 2019.
- **525 George Street, Sydney:** Development options under review.

FOCUS AREAS GOING FORWARD

1 GROW EXISTING BUSINESS REVENUE

- Smarter pricing
- Better sales practices
- Focus on high margin products

2 MAXIMISE ASSET PERFORMANCE

- Innovate and upgrade priority assets
- Divest underperforming assets
- Invest in priority developments
- Acquire

3 BUSINESS TRANSFORMATION

- Reduce duplication
- Increase automation
- Increase digital capability and performance

NON-IFRS FINANCIAL INFORMATION

The EVENT 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 ended 31 December 2018 is a reconciliation of the Normalised Result to the Statutory Result.