

LIVING AND LEISURE AUSTRALIA GROUP

COMPRISING:

Living and Leisure Australia Trust

ARSN 092 701 589

(Responsible Entity: Living and Leisure Australia Management Limited
ABN 60 101 634 315, AFSL 280985) and

Living and Leisure Australia Limited

ABN 92 107 863 445



LIVING AND LEISURE AUSTRALIA ACHIEVES \$10.4 MILLION INTERIM NET PROFIT

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2008

ASX ANNOUNCEMENT

Highlights:

- \$10.4 million interim net profit after tax, compared to \$11.9 million loss in corresponding FY08 period
- Profit represents a \$22.3 million financial turnaround
- An increase in operating EBITDA to \$24.7 million (excluding property) (H1 FY08 \$21.6 million)
- Maintains solid operational performance following recapitalisation in August 2008.

Living and Leisure Australia Group (ASX:LLA) today announced a net profit after tax (NPAT) of \$10.4 million highlighting a strong performance for the Group following its recapitalisation. For the corresponding period last year, LLA reported a loss of \$11.9 million.

This result for the period ending 31 December 2008 represents a \$22.3 million financial turnaround for the Group which also achieved a total Group EBITDA of \$24.7 million (excluding property).

LLA's NPAT is in line with the Group's guidance and includes abnormal items totalling \$8.2 million. The abnormal items included creditor settlements and debt forgiveness following LLA's refinancing and recapitalisation, and the mark-to-market of non-interest bearing debt products.

LLA's Chief Executive Officer John Schryver said the half year results were attributable to the solid operational performance of LLA's businesses, a commitment to increasing visitation at key attractions and the Group's strong cost control focus following its recapitalisation in August 2008.

"Throughout the first half of FY09 the Group's focus has been on addressing residual pre and post recapitalisation issues, while at the same time optimising the operational performance of each of its core businesses and leveraging the Group's existing assets and resources to maintain a strong cash flow focus," Mr Schryver said.

Key features of the result include:

EBITDA and Revenue

LLA achieved total Group revenue of \$78.0 million, in line with the corresponding period (FY08: \$79.9 million). Year-on-year, excluding property, revenues were \$74.4 million in H1 FY08 and \$78.0 million in H1 FY09 – an increase of 5%.

For further information please contact

Investor Relations: **1300 309 676**
E-mail: mail@livingandleisure.com.au
Website: www.livingandleisure.com.au

REGISTRY
Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067

The Group EBITDA of \$24.7 million (excluding property) increased 14.4% from the previous corresponding period (H1 FY08: \$21.6 million), primarily due to the strong operating performance of its businesses.

Aquariums

LLA's aquarium business, Oceanis, has delivered a strong result for the Group, exhibiting great resilience, while operating in diverse cycles and challenging times. For the half year ending 31 December 2008, Oceanis delivered EBITDA of \$8.2 million, in line with the \$8.2 million reported in the corresponding FY08 period.

The \$28 million expansion of the Melbourne Aquarium opened to visitors on 28 November 2008, doubling the footprint of the attraction. The expansion incorporates the new world-class Antarctica exhibit, featuring the only display of King and Gentoo Penguins in Australia. In the early months of the half year, construction of the new exhibit negatively impacted visitor numbers. The exhibit is expected to drive visitation and yields throughout FY09 and this has already been evidenced through record January 2009 trading figures.

LLA's Shanghai Chang Feng Ocean World in China reported exceptional performance over the period, which continues to be reflected year-on-year. The operating performance of Siam Ocean World in Bangkok also remained in line with the comparative period in FY08, despite the political uncertainty which continues to exist throughout Thailand.

Visitation to Busan Aquarium on Haeundae Beach in South Korea and UnderWater World at Mooloolaba on Queensland's Sunshine Coast, were negatively impacted by the decline in international and domestic tourism numbers to the businesses' beach-side locations. The decline in tourist numbers to both areas is attributed to the current economic situation, while South Korea was also affected by adverse weather conditions in the peak summer trading period.

Ski Fields

Despite low natural snow falls early in the 2008 snow season, Australian Alpine Enterprises (AAE) reported EBITDA of \$18.1 million (excluding property) for the first half of FY09, up from \$17.1 million in the corresponding FY08 period. Total visitation for the ski resorts increased throughout the season, leading to an improved number of skier days through to the end of the 2008 snow season. Installation of snow making infrastructure in key ski terrain at both resorts added to the skier experience and helped to sustain visitation throughout the period.

AAE's property development Freehold 1775 at Mount Hotham has been pre-sold with most settlements anticipated to take place throughout March and April 2009. AAE is taking appropriate action to ensure settlements occur in a timely manner.

Treetop Walks

Following the March 2008 opening of the Illawarra Fly in the Southern Highlands of New South Wales, LLA's newest treetop walk attraction's first contribution along with solid visitor numbers to the Otway Fly, led to an increase in EBITDA for the business to \$0.7 million up from \$0.6 million in the first half FY08. The Otway Fly, located in the Otway Ranges near the Great Ocean Road in Victoria, has met the expectations of the Group. However, despite significant efforts by LLA, the Illawarra Fly has performed well below expectations since opening. LLA is currently conducting a review of the Illawarra Fly's operations in order to increase visitation and yields to this attraction throughout FY09.

Corporate and Finance

In August 2008, LLA announced the successful completion of its 12.5 for 1 Renounceable Entitlement Offer, to raise \$100 million to recapitalise the Group and significantly reduce debt levels.

The recapitalisation allowed the Group to refinance more than \$200 million of current debt and enter into a new senior secured term working capital facilities arrangement with Australia and New Zealand

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Banking Group. It also allowed LLA to restructure current unsecured debt with long-term mezzanine facilities and incoming major security holders – Arctic LES (Ireland) Limited, Morgan Stanley Australia Securities Limited and the Goldman Sachs Group Inc. – reducing the Group's gearing to 30%.

Mr Schryver said the Group is now in a sound cash position with access to unused working capital facilities and year-on-year is in a stronger position operationally and financially to drive and sustain the future growth and development of the Group.

"Following the recapitalisation, LLA is operating comfortably within its financial covenants with long-term financing in place and high levels of cash control," Mr Schryver said.

Change of Registered Office

LLA will change its registered and principal administrative office to Level 13, 474 Flinders Street in Melbourne's CBD, opposite the Melbourne Aquarium, effective 1 March 2009. The postal address will be PO Box 479 Collins Street West VIC 8007, telephone 03 8630 5500 and facsimile 03 8630 5599.

Compliance Committee

As part of the Group's ongoing review, the majority independent directors of the LLA Board now fulfil the functions of the Compliance Committee and a separate Compliance Committee will not be engaged.

Dividend Reinvestment Policy

In line with LLA's intentions not to issue a dividend in FY09, the existing Dividend Reinvestment Policy (DRP) has been suspended until further notice.



Julanne Shearer
Independent Chair

27 February 2009

Media enquiries:

Carrie Mietzel, Rowland.
Ph: 07 3229 4499 or 0407 790 419

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