

Living and Leisure Australia Group

Full Year FY09 Results Presentation

31 August 2009

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Section 1

FY09 Financial and Operational Highlights, and Group Results

FY09 Financial and Operational Highlights, and Group Results

- Successfully completed the recapitalisation and long term debt refinancing of the group in August 2008.
- LLA achieved FY09 segment EBITDA of \$27.6m¹, a 6% increase over FY08 and total segment revenue of \$123.5m² in FY09 representing a 7.7% increase from FY08 (10.5% excluding property).
- Of the two key operating divisions of Aquariums (Oceanis) and Ski fields (AAE)
 - Oceanis grew its admissions by 3.9%, its yield by 11.3% and its EBITDA by 12.7%
 - AAE grew its skier days by 5.4%, its yield by 3.8% and its EBITDA by 6.1%
- The geographically diversified portfolio of assets proved to be extremely resilient to the deteriorating global economic conditions. At the same time the Board and management aggressively addressed the numerous LLA Group legacy issues requiring the recapitalisation and group refinancing in August 2008.
- A strategic operational review undertaken following the recapitalisation led to key management changes including the appointment of John Schryver as the CEO, Donovan Newton as the CFO, and Kevin Lehmann as the GM of Oceanis and provided directional focus for each of the business units and a new financial management culture of focus on cashflow, ROI and expense control.
- During the year new exhibits were opened including The Antarctica World attraction showcasing King and Gentoo penguins at the Melbourne Aquarium, the Dubai Aquarium & Underwater Zoo (managed and built by Oceanis but not owned) which features the world's largest viewing panel .The Illawara Fly experienced its first full year of operation.

1. Excludes impairment and fixed asset write downs.

2. Excluding interest and including full year Illawarra operating revenue

LLA Group Results Compared to Prior Year

- Total Operating Revenue was \$11.3m (10.3%) above FY08 driven by improved operating performances within Oceanis and AAE.
- Non-core property revenues have been adversely affected by delays in relation to the finalisation of settlements for the pre-sold Freehold 1775 development.
- Tree Top Walk numbers have been grossed up to reflect the full year operating expenses and revenues as if the asset had been fully consolidated for the entire year.

1. FY09 Treetop Walk figures include actual operating results of Illawarra Fly. Revenue varies to statutory accounts by \$0.55m and expenses vary by \$0.27m as the statutory accounts only recognise the rent and management fee revenue earned by LLA with no operating expenses.

2. Excluding interest and including full year Illawarra operating revenue

For the Year Ended 30 June 2009 (000's)	FY 09 Actual	FY08 Results	Variance	% Variance
Segment Revenue				
Oceanis	69,737	63,191	6,546	
AAE	45,888	42,525	3,363	
Treetop walks ¹	4,955	3,560	1,395	
Operating Revenue	120,580	109,276	11,304	10.33%
Property	2,728	5,411	(2,683)	
Other ²	236	-	236	
TOTAL SEGMENT REVENUE	123,544	114,687	8,857	8.84%
Segment Expenses				
Oceanis	(50,471)	(46,094)	(4,377)	
AAE	(35,338)	(32,585)	(2,753)	
Treetop Walks ¹	(2,411)	(1,657)	(755)	
Operating Expenses	(88,220)	(80,336)	(7,885)	9.79%
Property	(2,318)	(5,038)	2,720	
Other	(5,437)	(3,315)	(2,122)	
TOTAL SEGMENT EXPENSES	(90,605)	(88,689)	(7,286)	8.22%
Segment EBITDA				
Oceanis	19,266	17,097	2,169	
AAE	10,550	9,940	610	
Treetop Walks ¹	2,544	1,903	641	
Operating EBITDA	32,360	28,940	3,420	11.82%
Property	410	373	37	
Other	(5,201)	(3,315)	(1,886)	
TOTAL SEGMENT EBITDA	27,569	25,998	1,571	6.04%

LLA Group Results Compared to Prior Year

- Following a fixed asset revaluation across the group, the AAE and Oceanis fixed asset increase has been taken to reserves, while the TTW write down has to be taken to the PL, as per the prescribed accounting treatment from AASB 116.
- The impairment charge of \$10.7m to goodwill is related to AAE and is primarily driven by more conservative assumptions on tax rates.
- Abnormal items include a \$5m gain from debt forgiveness, write off of prior year expenses for discontinued greenfield projects, as well as other non-cash gains relating to non-interest bearing debt, offset by a number of one time cash items. All provisions, reserves and accruals have been assessed and where appropriate they have been taken to the PL.
- Depreciation & Amortization was positively impacted by the fixed asset revaluation process driven by the reassessment and extension of the useful life of the assets.

For the Year Ended 30 June 2009 (000's)	FY 09 Actual	FY 08 Actual	Variance	% Variance
Total Segment EBITDA	27,569	25,998	1,571	6.04%
Non-recurring Items				
Management Fees				
Abnormal Items	6,359	(22,676)	29,035	
Write down of fixed assets	(3,204)		(3,204)	
Impairment of goodwill	(10,715)	(44,310)	33,595	
Management fees	(854)	(761)	(93)	
EBITDA	19,155	(41,749)	60,904	145.88%
Depreciation & Amortization	(14,422)	(16,802)	2,380	
EBIT	4,242	(58,551)	63,284	108.08%
Net Interest Expense	(13,297)	(18,945)	5,648	
Borrowing Costs	(2,618)	-	(2,618)	
Interest Rate Swap	(1,671)	-	(1,671)	
Profit/(Loss) Before Tax	(12,853)	(77,496)	66,486	83.41%
Tax (Expense)/Benefit	(2,579)	2,742	(5,321)	
Net Profit/(Loss)	(15,432)	(74,754)	59,322	79.36%

Section 2

Oceanis Results

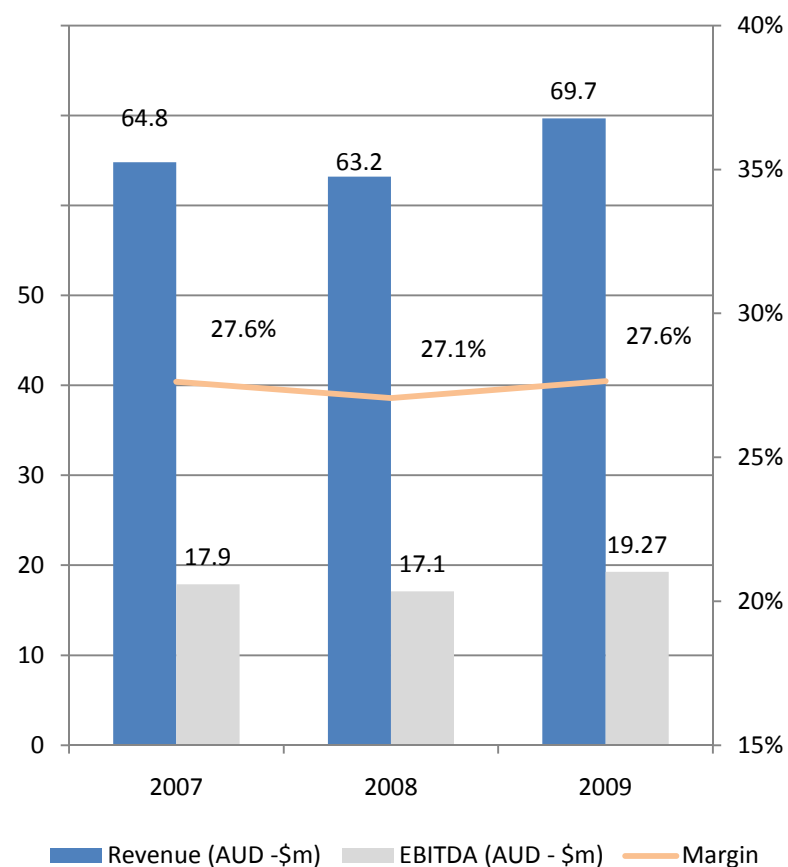
Oceanis Results

- The total aquarium attendances of 3.56m was up 3.9% from FY08.
- Oceanis achieved an FY 09 EBITDA of \$19.3m, a 12.7% growth from FY 08.
- The strong results reflect the benefit that Oceanis has from holding a geographically diversified portfolio of assets, and managements refocus towards the key drivers of visitations for the attractions, namely, amazing animals.
- Melbourne Aquarium performed strongly on the back of the Antarctica Penguin exhibition and effective marketing campaigns.
- Shanghai Aquarium achieved excellent results by capitalizing on the growth opportunities offered by the robust economic conditions.
- Oceanis results were negatively affected by a number of significant items including:
 - Siam Ocean World (Bangkok) was impacted significantly throughout FY09 by political instability but remains profitable and cash generative
 - Busan Aquarium's visitations were adversely impacted in the first half of the year by the sharp decline in Korean consumer confidence as a result of the localised impact of the global economic crisis but still achieved over 1 million visitors during the financial year.

Oceanis Results

For the Year Ended 30 June 2009 (000's)	FY 09 Actual	FY08 Results	Variance	% Variance
Attendance (000's)	3,557	3,425	132	3.85%
Average Yield	\$18.92	\$17.00	1.92	11.29%
<hr/>				
000's				
- Busan	13,671	15,502	(1,831)	
- Shanghai	10,019	6,234	3,785	
- Bangkok	13,489	12,997	492	
- Melbourne	20,047	15,367	4,680	
- Mooloolaba	7,960	7,859	101	
- Revenue – Aquariums	65,187	57,959	7,228	12.47%
- Revenue – Other	4,551	5,232	(681)	
TOTAL REVENUE	69,737	63,191	6,546	10.36%
<hr/>				
- Busan	5,075	6,384	(1,309)	
- Shanghai	3,451	1,768	1,683	
- Bangkok	3,707	4,219	(512)	
- Melbourne	6,230	3,493	2,737	
- Mooloolaba	1,292	1,556	(264)	
- EBITDA– Aquariums	19,793	17,420	2,373	13.62%
- EBITDA – Other	(527)	(323)	(204)	
TOTAL EBITDA	19,266	17,097	2,169	12.69%
EBITDA%	27.6%	27%	0.6%	

Oceanis Financial Performance



Section 3

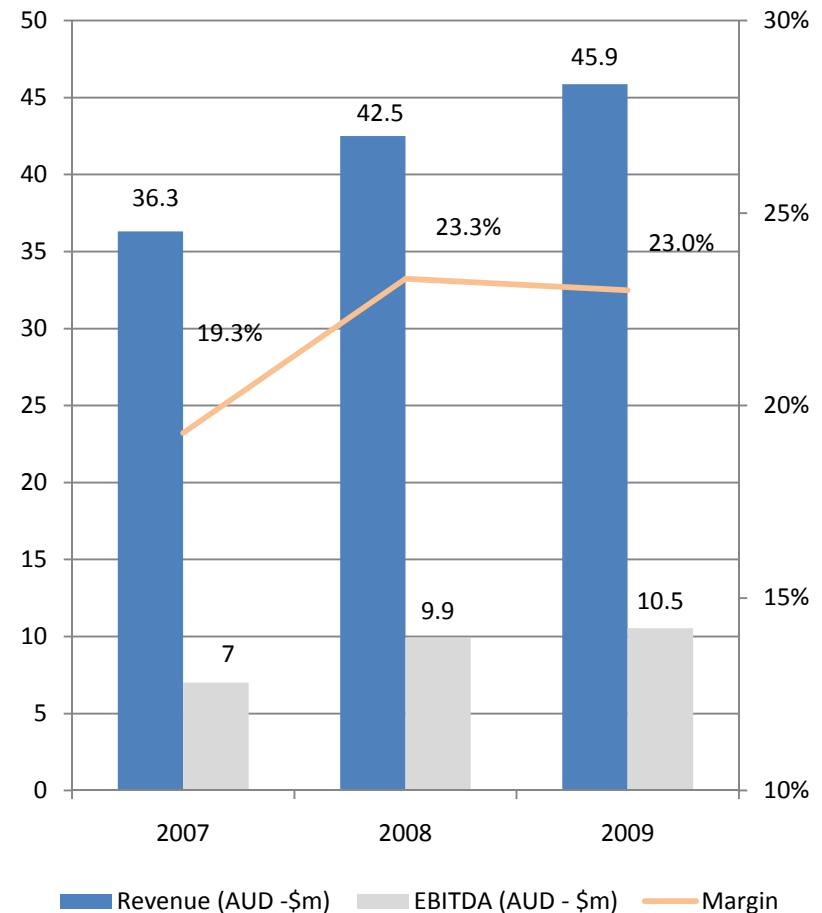
AAE Results

AAE Ski Field Results

For the Year Ended 30 June 2009 (000's)	FY 09 Actual	FY08 Actual	Variance	% Variance
Revenue	45,872	42,525	3,347	7.87%
EBITDA	10,550	9,940	610	6.14%
EBITDA %	22.9%	23.4%	(0.5%)	
Skier Days	511	485	26	5.36%
Average Yield	\$69.61	\$67.05	2.56	3.82%

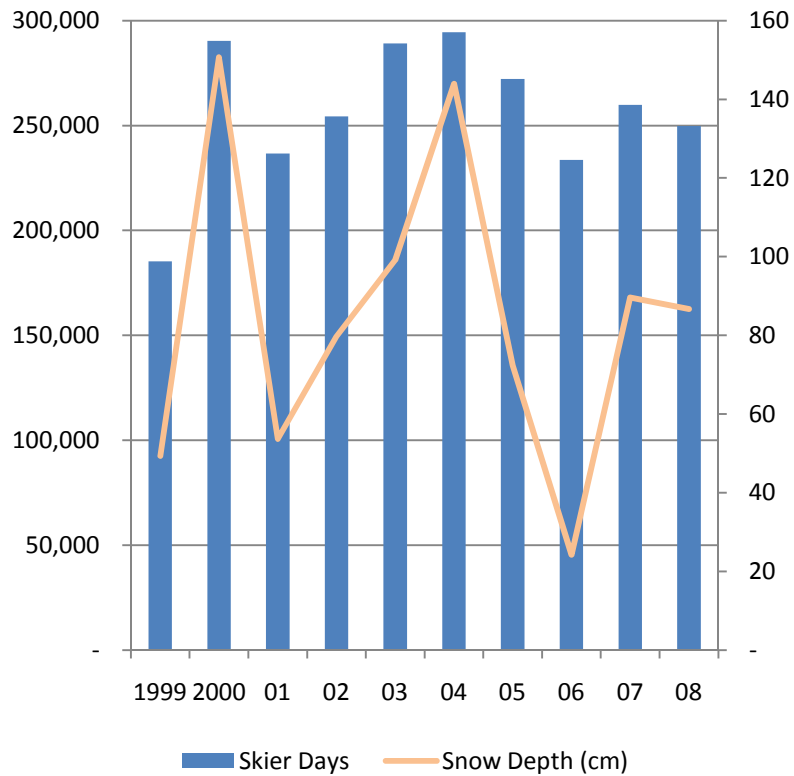
- Ski field EBITDA was 6.1% ahead of last year. Despite a late start to the season improved revenues were driven by the additional snow making infrastructure and cold temperatures which allowed AAE to sustain visitations through to the end of the season.
- Early season snowfalls in conjunction with man made snowmaking and additional natural falls have ensured a quality snow base for the 2009 season resulting in good visitations through July and August

AAE Financial Performance

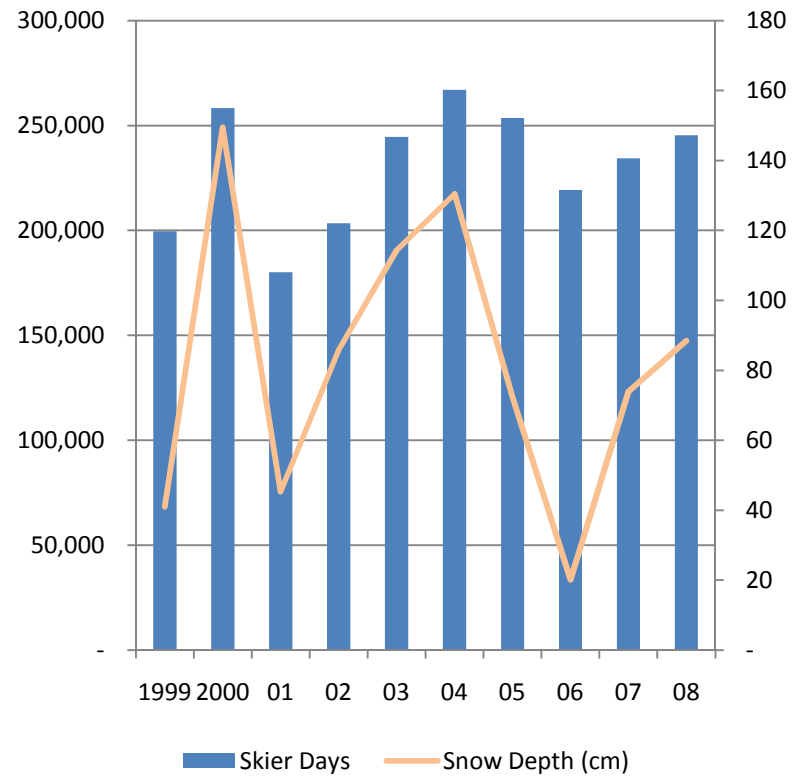


AAE Trends

Snow Depth & Skier Days – Mt Hotham



Snow Depth & Skier Days – Falls Creek



AAE Property Results

For June Year Ended 30 June 2009 (\$ '000)	FY 09 Actual	FY 08 Actual	Variance	% Variance
Revenue	2,728	5,411	(2,683)	(49.58%)
EBITDA	410	373	37	9.92%

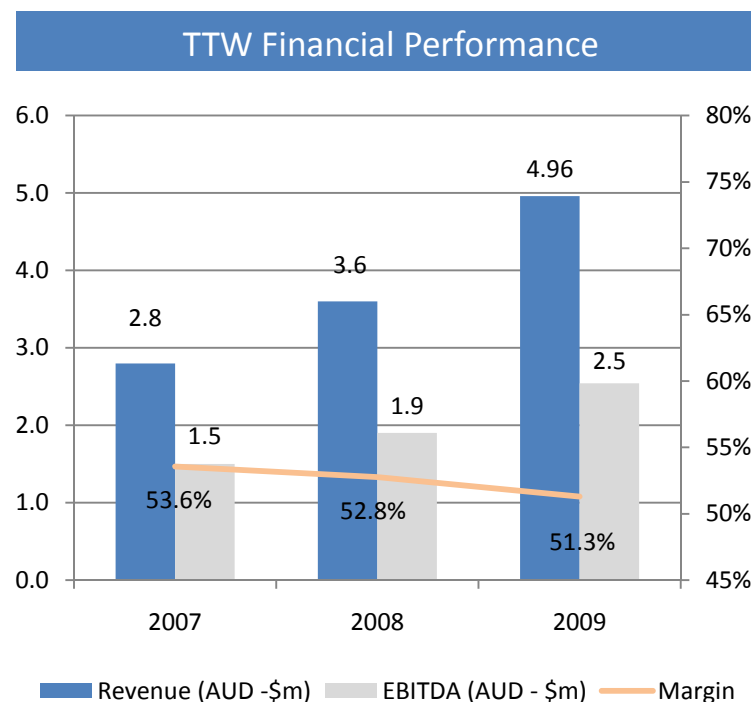
- Property revenue in FY09 includes the settlement of four pre-sold Freehold 1775 assets.
- Resolution of sales of the remaining Freehold assets may involve various forms of litigation.

Section 4

TTW Results

Treetop Walk Results

Attendance (000's) – Year Ended 30 June 2009	FY 09 Actual	FY 08 Actual	Variance	% Variance
(\$'000)				
- Otway Fly	2,842	2,840	2	0.07%
- Illawarra Fly	2,113 ¹	720	1,393	193.47%
TOTAL REVENUE	4,955	3,560	1,395	39.19%
- Otway Fly	1,570	1,567	3	0.19%
--Illawarra Fly	974 ¹	336	638	189.88%
TOTAL EBITDA	2,544	1,903	641	33.68%



- Overall, the TTW business has disappointed this year with neither asset performing to expectations.
- The Illawarra Fly has been performing well below expectations despite increased marketing spend and other efforts to enhance its performance.
- We continue to investigate ways in which we can further improve the overall attractions and believe these assets provide upside to the group.

1. FY09 Treetop Walk figures include actual operating results of Illawarra Fly. Revenue varies to statutory accounts by \$0.55m and expenses vary by \$0.27m as the statutory accounts only recognise the rent and management fee revenue earned by LLA with no operating expenses.

Section 5

LLA Group Outlook

LLA Outlook

- The new Board and management team at LLA remain focused on consolidating the strong financial performance across all its business units and strengthening the Group's cash position.
- In the first 2 months of the current financial year, Oceanis has continued to enjoy strong year on year visitation and revenue growth. AAE is also performing well so far with a little less than a month of the current ski season remaining.
- LLA is now a strongly cash generative business with the resolution of many of the legacy issues identified leading up to and following the recapitalisation of the Group. The improving free cash flow position is expected to continue during FY10.
- The Board and Management will maintain a cautious and conservative approach to the opportunities that may be presented to LLA to expand the diversified platform of assets across Australia, Asia and emerging markets.
- LLA will provide an update on our FY10 progress at our AGM on November 25.

Important Notice

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