

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



ASX ANNOUNCEMENT

LIVING AND LEISURE AUSTRALIA GROUP ACHIEVES \$27.6 MILLION OPERATIONAL EBITDA FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Reflects underlying strength and resilience of LLA's operations and cash flow

Highlights:

- LLA achieved total segment revenue of \$124.3 million in FY09, representing a 7.8% or \$8.9 million increase when compared to the corresponding FY08 period
- The Group reported total operational segment EBITDA of \$27.6 million (pre abnormals) for FY09 (FY08: \$26.0 million)
- The Group recorded a FY09 net loss of \$15.4 million (FY08 net loss: \$74.8 million)
- LLA's core operating businesses showed resilience to the Global Financial Crisis (GFC) to produce strong results
- Melbourne Aquarium's new Antarctica World exhibit proved to be a major driver of growth for the Group's aquarium business, Oceanis, in the second half of FY09.

Living and Leisure Australia Group (ASX: LLA) today reported a total segment EBITDA of \$27.6 million for the year ended 30 June 2009, an increase on the corresponding FY08 period (FY08: \$26.0 million).

The result reflects the underlying strength and resilience of LLA's core operating businesses and is reinforced by the Group's FY09 achievement of segment revenue of \$124.3 million which is a 7.8% or \$8.9 million increase on the corresponding FY08 period.

Chief Executive Officer John Schryver said LLA has made firm progress throughout FY09, particularly in the light of the GFC and following the Group's recapitalisation in the first quarter of the financial year.

"LLA's core operating businesses have proven to be remarkably resilient, performing solidly and returning positive results despite the sentiment in the operating environment throughout FY09," Mr Schryver said.

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“All three core operating divisions – aquariums, ski fields and treetop walks – recorded an increase in EBITDA when compared to the prior year.

“The strength of all LLA businesses is supported by the seasonal and economic diversification of each of our attractions, positioning the Group well to capitalise on opportunities in many differing markets.”

Mr Schryver said the recapitalisation of the Group in August 2008 signalled the start of a period of refocus and consolidation for LLA.

“In the first half of FY09 the Group undertook a strategic operational review which resulted in the appointment of a new senior management team and a clear direction and focus for each of LLA’s businesses,” Mr Schryver said.

“LLA has come a long way in the past year, which I believe is testament to the dedication and expertise of the management team, the support of all staff, the strength and guidance provided by the new Board and LLA’s commitment to growing and developing each of its assets to maximise their market potential.”

Primarily a result of abnormals and one-offs following the Group’s recapitalisation, LLA reported a FY09 net loss of \$15.4 million (FY08: net loss \$74.8 million). The result includes a \$10.7 million impairment charge to goodwill primarily driven by tax rate assumptions, a \$3.2 million write-down of the Treetop Walk assets following a fixed asset revaluation, and abnormal items including a \$5 million gain from debt forgiveness provided by Arctic Capital at the time of refinancing.

At 30 June 2009 LLA’s cash position was \$17.6 million which has further increased post year end, taking into account the contribution from the 2009 ski season. The resolution of a substantial number of legacy issues including creditor settlements post recapitalisation should see the cash position improve further throughout the course of the new year, given LLA’s mix of strong cash generating businesses.

The Group’s gearing has remained stable at around 30% with long-term financing in place for a further four years, and LLA is continuing to operate comfortably within its financial covenants.

Aquariums

LLA’s aquarium business, Oceanis, continued to demonstrate growth and resilience reporting a FY09 EBITDA of \$19.3 million, exceeding FY08’s \$17.1 million EBITDA by 12.7%. Aquarium visitations throughout FY09 increased 3.9% from FY08 to 3.56 million visitors, resulting in total revenue for the period of \$69.7 million (FY08: \$63.2 million).

The opening of the \$28 million Melbourne Aquarium expansion in November 2008 helped to drive visitation and increase yield following record trading at the attraction throughout summer.

The world-class Antarctica World exhibit features the only display of King and Gentoo Penguins in Australia and continues to drive new and repeat visitation to the Melbourne Aquarium through effective marketing campaigns such as the ‘snow storm campaign’ in the 2009 Easter holiday period.

The Dubai Aquarium and Underwater Zoo, which was built and is managed by Oceanis (but not owned), also opened in November 2008. The Dubai Aquarium features the world’s largest acrylic viewing panel.

UnderWater World’s performance, while profitable, did not meet expectations during the period. Management has implemented a new marketing strategy to help maximise

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opportunities presented by the Brisbane drive market, to increase visitation to the attraction. Management expects this approach will produce a positive result in regard to UnderWater World's performance in FY10.

The Group's ability to harness the opportunities presented by China's robust economic conditions and the country's resurgent domestic tourism and group markets, contributed to positive results for Shanghai Chang Feng Ocean World throughout FY09.

A significant downward trend in consumer confidence and political instability throughout Thailand, and a sharp decline in Korea's consumer confidence as a result of the GFC, impacted the performance of Siam Ocean World and Busan Aquarium respectively throughout FY09. LLA is taking action to ensure both aquariums are well positioned to capitalise on growth opportunities presented when the operating environment of each attraction improves. Both attractions remain cash generative and profitable.

In December 2008, Kevin Lehmann was appointed General Manager of Oceanis. Kevin has worked with Oceanis for 10 years and his expertise will be integral in continuing to support the growth and development of the business.

Ski Fields

LLA's ski fields business Australian Alpine Enterprises (AAE) reported a full year EBITDA of \$10.6 million (excluding property), a 6.1% increase on the corresponding FY08 period. Total revenue increased by \$3.3 million from FY08 to \$45.9 million in FY09.

AAE achieved a 5% growth in skier days for FY09 and a corresponding increase in yield of 3.8%.

The Group's investment in snow making infrastructure helped sustain visitation at both Hotham and Falls Creek throughout the 2008 snow season after the impact of low natural snow fall at the beginning of the season.

Visitation was strong throughout July and August early in the 2009 season, which was a result of early season snowfalls supported by man-made snow making. Additional natural falls created a quality snow base for the remainder of the 2009 season despite adverse weather conditions including fog, wind and rain, which have had an impact on the current season.

Property

LLA continues to pursue settlements of its Freehold 1775 property at Mount Hotham. At 30 June 2009, the Group had achieved four settlements and is continuing to pursue all avenues to affect settlement of the remaining lots.

Treetop Walks

LLA's treetop walk attractions – the Otway Fly and Illawarra Fly – contributed a combined EBITDA of \$2.3 million, a \$0.4 million increase on the corresponding FY08 period, and an increase in total revenue to \$4.4 million, up from \$3.2 million in FY08 (based on statutory accounts; presentation materials gross up Illawarra revenues and expenses to present full year operations).

The Treetop Walks' increase in revenue and EBITDA is attributed to the first full year inclusion of the Illawarra Fly's financial performance, following its official opening to visitors in the third quarter of FY08.

LLA is continuing to investigate ways in which the Group can further improve the attractions overall and has appointed AAE's Group Property Division General Manager Helen Moran as General Manager for the Treetop Walks business.

The Otway Fly, located on the Great Ocean Road touring route, achieved solid visitor numbers throughout the FY09 period. Trading at the Illawarra Fly increased in the second half of FY09,

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and is the subject of an ongoing review of operations to help increase visitation and yields to the attraction.

Outlook

Mr Schryver said LLA has a number of operational initiatives underway to continue to improve the financial performance of its businesses, with a particular focus on organic growth in visitation and yield.

"LLA has made substantial progress over the past year, however we still have a long way to go to build value for our security holders and investors," Mr Schryver said.

"In FY10 we are committed to continuing to review and improve our core operating systems including pricing models, marketing strategies and organisational structures.

"The Group's corporate team is now well established, we have consolidated our headquarters in Melbourne near to the majority of our Australian businesses and we have engaged a number of highly-skilled executive staff to help us implement our strategy moving forward.

"It is with cautious optimism, backed by the strength and resilience of our operating businesses, that LLA approaches the coming year, and the growth opportunities across our business segments."

Corporate and finance

Executive Management and Board appointments

In November 2008 John Schryver was appointed permanently to the position of Group Chief Executive Officer and Donovan Newton was appointed Chief Financial Officer in October 2008.

Non-executive Director Craig Carracher was appointed to the LLA Board in August 2008 while Martin Green was appointed as Craig Carracher's alternative Director.

Brett Chenoweth and Andrew Kerr were appointed independent non-executive Directors of the LLA Board in December 2008 and May 2009 respectively.

Change of registered address

In March 2009, LLA changed its registered office and principal administration to Level 13, 474 Flinders Street Melbourne, opposite the Melbourne Aquarium, and subsequently relocated to Northbank Place, Level 3, 525 Flinders St Melbourne in July 2009.

Dividend Reinvestment Policy (DRP)

Supporting the Group's decision not to issue a dividend in FY09, LLA's DRP will remain suspended until further notice.

ENDS.



Julanne Shearer
Independent Chair
10 July 2009

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