



# MACQUARIE LEISURE TRUST GROUP

Goldman Sachs JB Were  
Macquarie Leisure Trust Group - Operational Briefing  
Thursday 17 May 2007





# Presenters

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Greg Shaw	CEO Macquarie Leisure Trust Group
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Neil Hupfauer/Dave Smith	President/CEO Main Event
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Stephen Gregg	CEO Dreamworld
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Lachlan Maclean	CEO d'Albora Marinas
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Roy Menachemson	CEO AMF Bowling
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# Macquarie Leisure overview

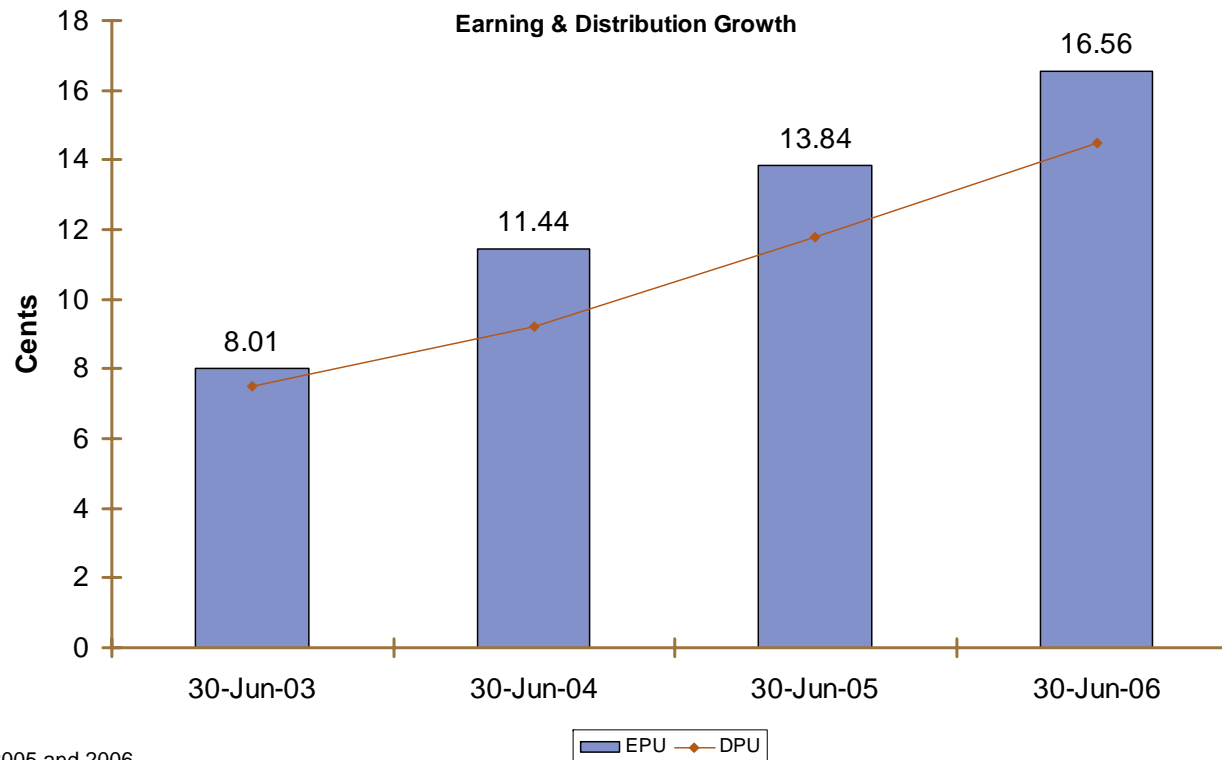
- Macquarie Leisure Trust Group is a specialist owner and operator of leisure assets
- Strategy is to:
  - Occupy dominant positions in fast growing leisure sectors
    - Theme parks – Dreamworld
    - Waterparks – WhiteWater World
    - Bowling – AMF and Kingpin
    - Family entertainment centres – Main Event USA
    - Marinas – d’Albora Marinas
  - Apply aggressive hands on operational management to leverage bottom line performance





# Financial performance

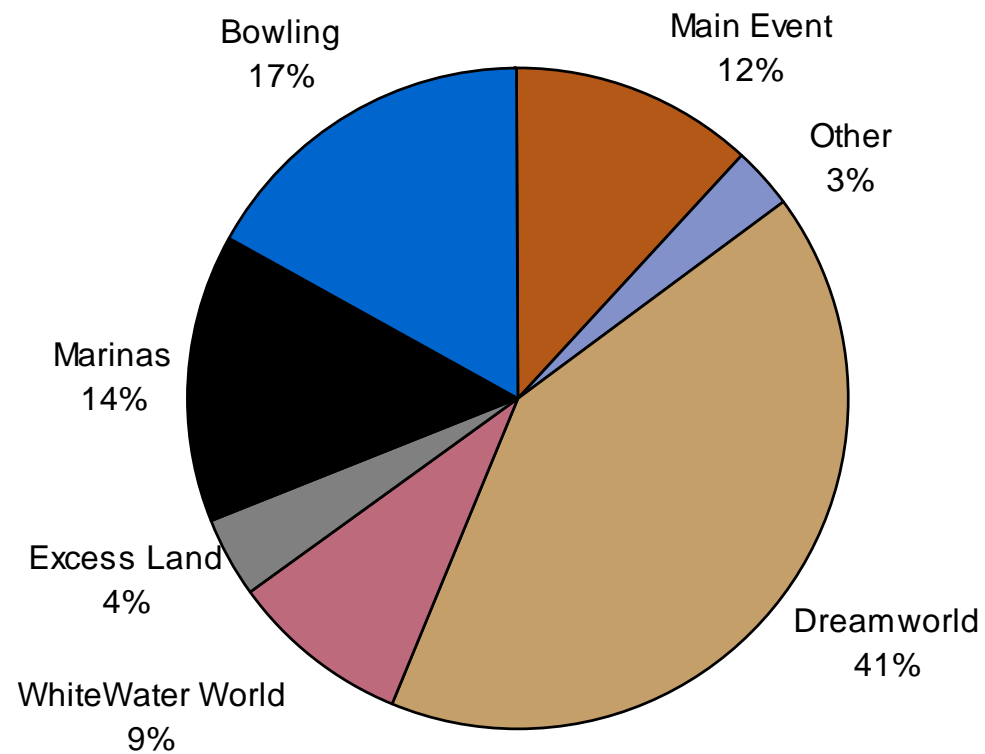
- Best performing property trust in the Australian market for 2005 and 2006\*
- Three year annualised total return of 50.4%\*\*



\* Source: BDO Survey 2005 and 2006

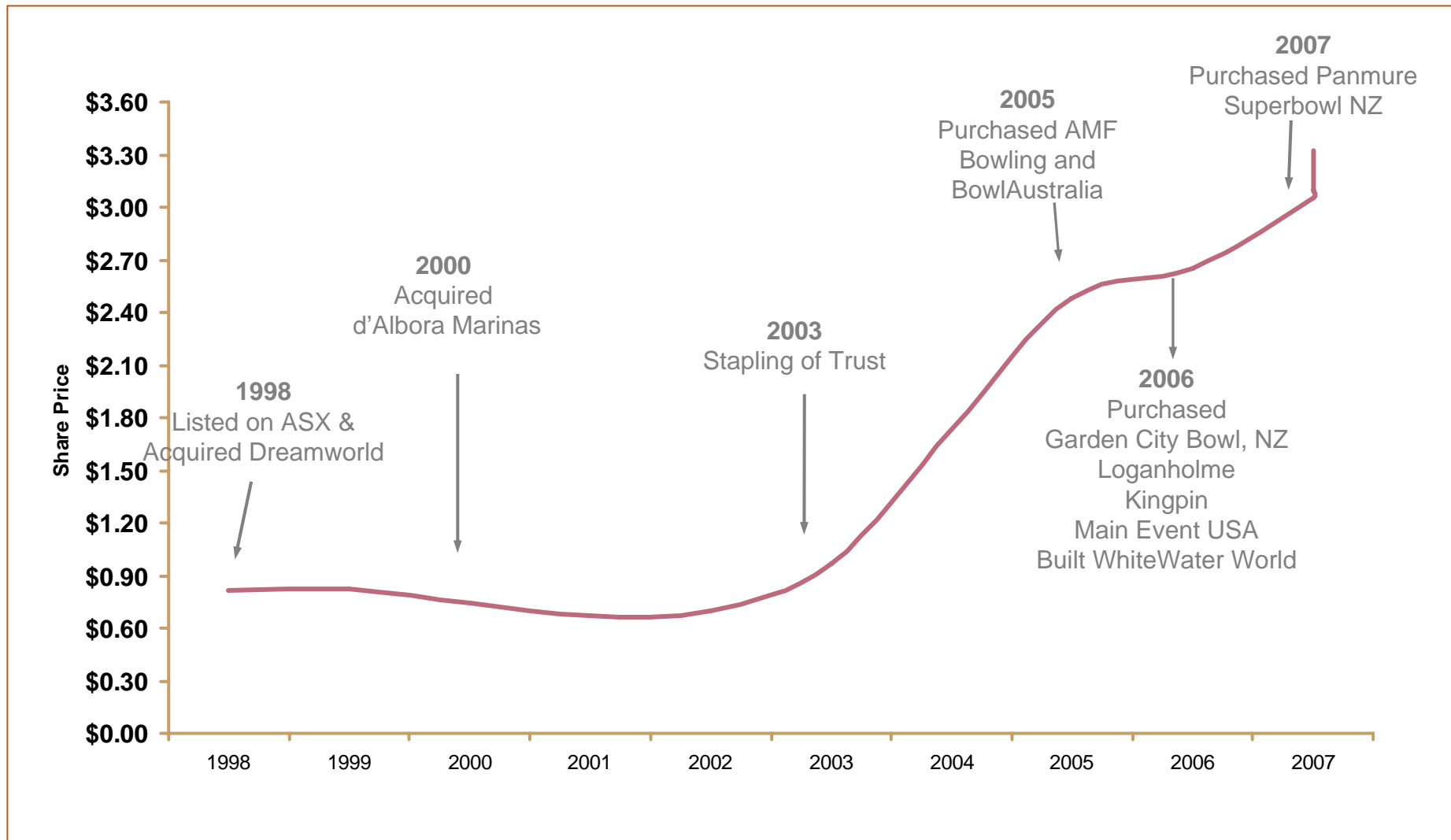
\*\* Source: UBS Real Estate Monthly to 31 March 2007

- Total assets under management at 31 December 2006 - A\$610 million
- Invests in specialist leisure asset class





# MLE timeline





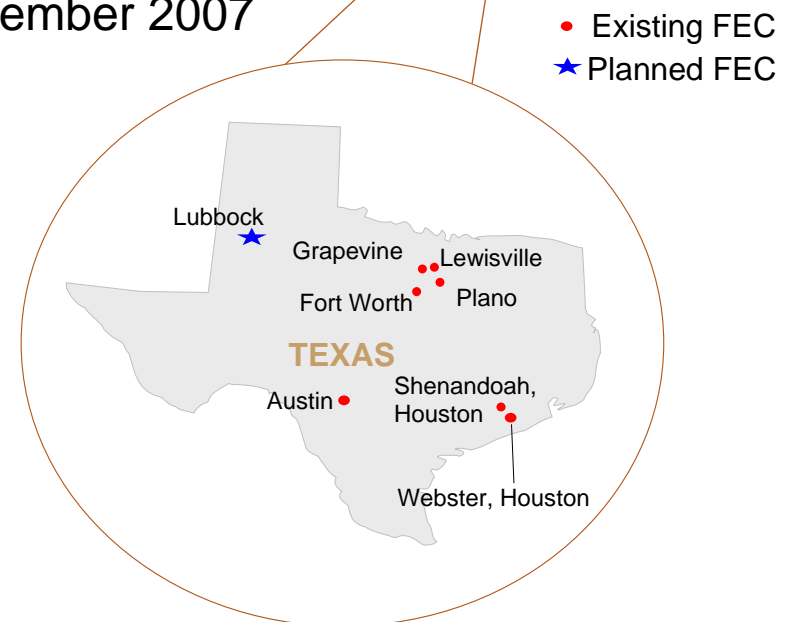


# Main Event



**Neil Hupfauer (President)    Dave Smith (CEO)**

- At acquisition date, Main Event operated six family entertainment centres in Texas (four in Dallas/Fort Worth, one in Austin and one in Houston)
- Webster, Houston opened in May 2007
- Lubbock under construction – opening September 2007
- Further opportunities under consideration
- Impact of competition



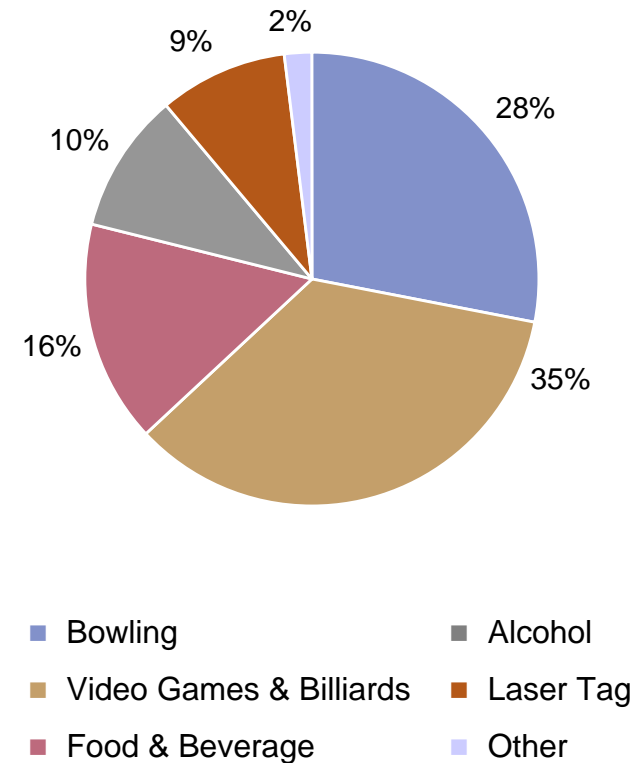




# Main Event represents a unique concept

- Large 'big box' centres of 6,000 to 8,000sqm (AMF centres 2,500sqm)
- Unique concept with broad appeal:
  - Multiple venues under one roof
  - 28 lanes of tenpin bowling
  - 10-15 billiard tables
  - Over 100 amusement machines
  - Laser tag
  - Glow in the dark mini golf (two locations)
  - Indoor rock climbing (one location)
  - Main street café
  - Eight party/conference rooms
  - Two full service bars

### Typical FEC Revenue Streams



Source: Company information



## Competitive advantages of Main Event

- Broader customer base
- Higher staffing levels to improve customer service
- Training
- Cleanliness
- Maintenance
- Security
- Systems
- Culture – total guest satisfaction



# Main Event - site location and buildings

- Location
  - On freeways and major state highways
  - Broadens customer base
  - Visibility and easy access
  - Continuous growth and improving demographics
- Buildings
  - High ceilings, very open, “wow” effect
  - No themes
  - Substantial open space
  - Space devoted to meeting rooms - leverage of group sales
- Pre-opening
  - Staffing and training
  - Extensive pre-opening campaign



# Dreamworld



**Stephen Gregg - CEO**





# Dreamworld



So many  
Worlds One  
dreamworld.com.au in





# Dreamworld





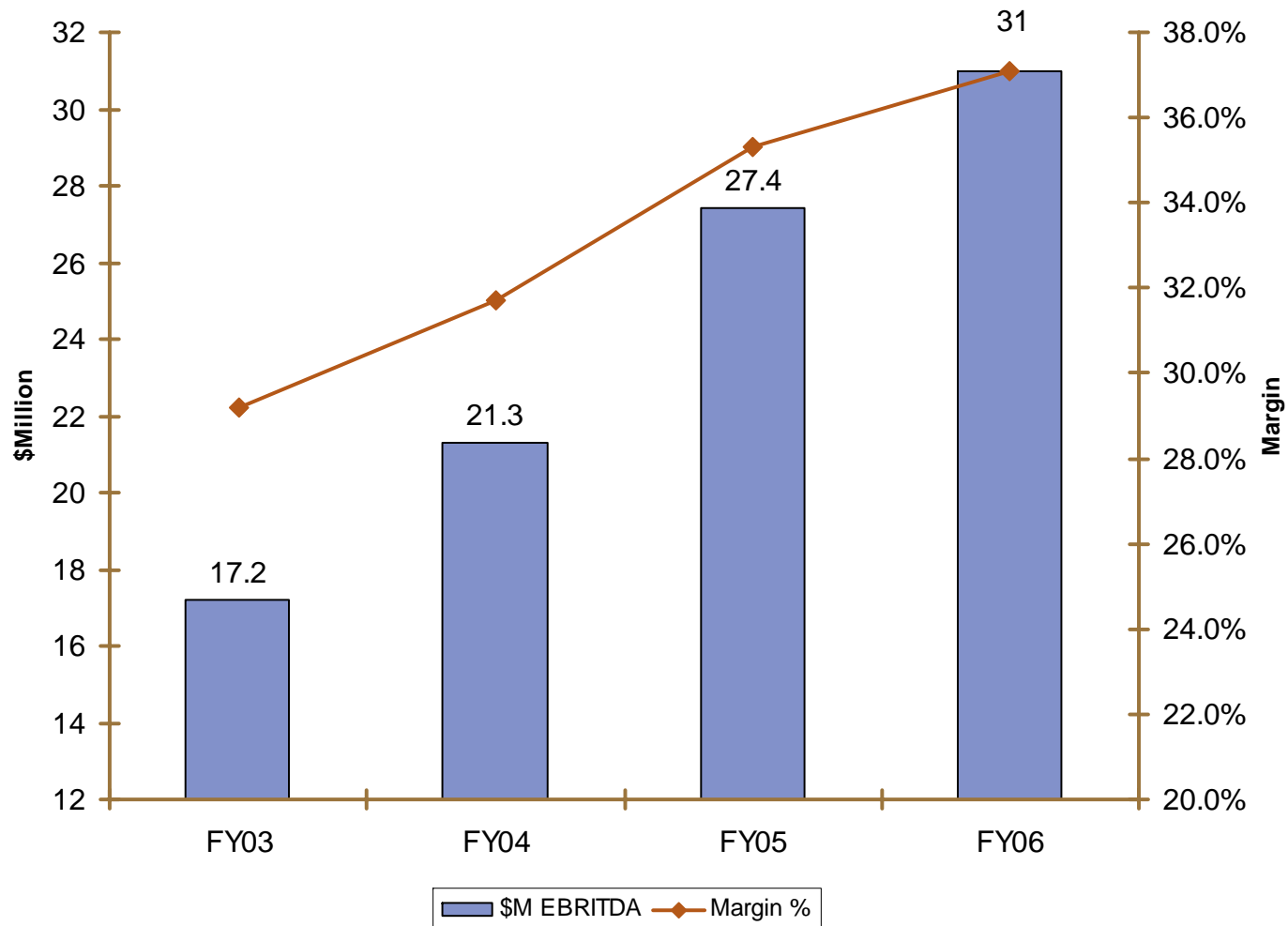


# Dreamworld

- Purchased Dreamworld in 1998
- One of Australia's premier theme parks
- Queensland's 'Best Tourist Attraction' 2004, 2005, 2006\*
- Significant barriers to entry – high land and development costs
- Achieved 180% profit growth over past four years
- Successfully established licensing agreements with leading brands to drive attendance in key demographic markets – Big Brother, Nickelodeon and The Wiggles
- New rides and attractions added:
  - Big Brother (2001), Cyclone roller coaster (2001), Nickelodeon Central (2002), The Claw (2004), Wiggles World (2005), Flowrider (2006)
  - Dreamworld valuation at 31 December 2006 - A\$229 million



# Dreamworld profit history



EBRITDA – Earnings Before Rent, Interest, Tax, Depreciation & Amortisation



## Dreamworld entry growth

- Australia's largest, most exciting entertainment precinct – a core competitive advantage.
- Business is driven by:
  - Innovation
    - New ticket types such as 2 Day World Pass, Resident's Pass, Student Pass, Annual World Pass, Play Pass
  - Brand Partnerships
  - Greater asset utilisation
  - New ride planned
  - Leverage widespread interest in tiger cubs



# Dreamworld key revenue streams

- Food & Beverage

Manager: Andrew Charlton

- Focus on cost of goods.
- Improved product offering e.g. coffee, healthy alternatives
- Increased training
- Table service (selected locations)
- Better use of bundling



## Dreamworld key revenue streams

- Retail (Merchandise/Photographics/Games)      Manager: Craig Jarman
  - Focus on cost of goods
  - Maximise strategic partnership with Billabong
  - New concept store for alternate teen brands of surfwear
  - Increase in-park cross promotional program with F&B



## Key revenue streams

- **Special Events** **Manager: Jennifer Neville**
  - Awarded 2006 National Speciality Venue (MIAA\*)
  - New venues – private dinners, meetings, WWW Group Area
  - Forge close market relationships
  - Gold Coast Tourism and Gold Coast City council
  - Create new night-time events (ScreamWorld/Nightrider)





## Fuelling Dreamworld growth

The Gold Coast is still Australia's No. 1 holiday destination

- The Gold Coast is the 6<sup>th</sup> largest city in Australia and is located in the fastest growing region of Queensland (SEQld) metropolis. It is estimated the Coomera corridor population will increase by 65,000 within the next 20-years (Source: Gold Coast Economic Development Strategy 2010).
- Gold Coast Airport report a 7.7% rise in domestic passengers compared to previous year (3.4million pax). International traffic for the same period recorded a total of 202,113 pax. (Source: Gold Coast Airport Corp)
- Gold Coast Tourism has allocated \$10million budget per year for the next 4-years
- The core strategy of Gold Coast Tourism is to develop new emerging markets such as China, India and the Middle East and further developing Business Tourism



# WhiteWater World





# WhiteWater World

- Completed ahead of schedule and on budget at A\$56 million
- Anticipated internal rate of return of 16-20%





# WhiteWater World

- First new theme park on Gold Coast since 1991
- State of the art waterpark with new generation rides and attractions and most water efficient technology available\*
- Opportunity to capitalise on tourism growth to Gold Coast, expansion of air transport, accommodation capacity and the population growth in south east Queensland
- Unique opportunity to:
  - tap demand for world class water based leisure attraction
  - maximise returns from existing land holdings
  - leverage Dreamworld's profile, customer base and marketing spend
  - utilise existing operational management expertise of Dreamworld team
  - broaden ticketing options through introduction of 2 Day World Pass to maximise up-sell opportunities

\* As at the date of completion of WhiteWater World

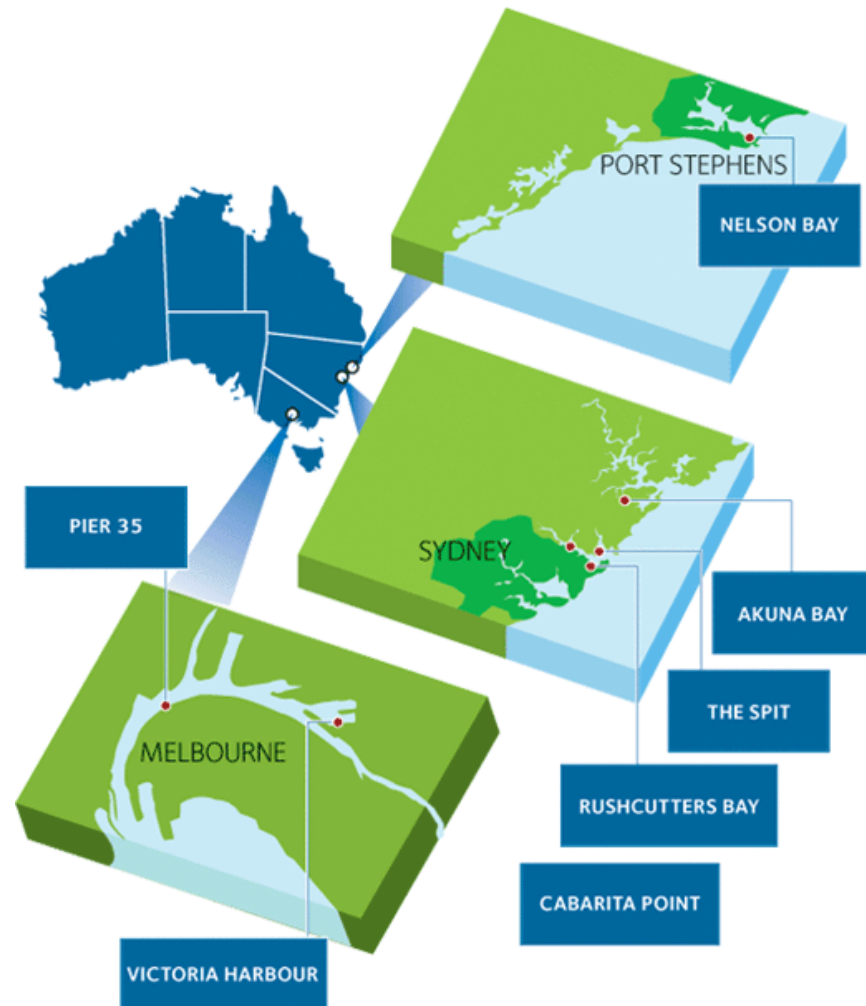




# WhiteWater World - strategy for growth

- Key strategies for growth
  - Front Gate
  - New ticket types “Freedom to choose your adventure”
  - Capitalise on co-location
  - Group and Corporate business
  - Stage 2 development

- Australia's largest marina portfolio



**Lachlan MacLean - CEO**





## d'Albora Marinas

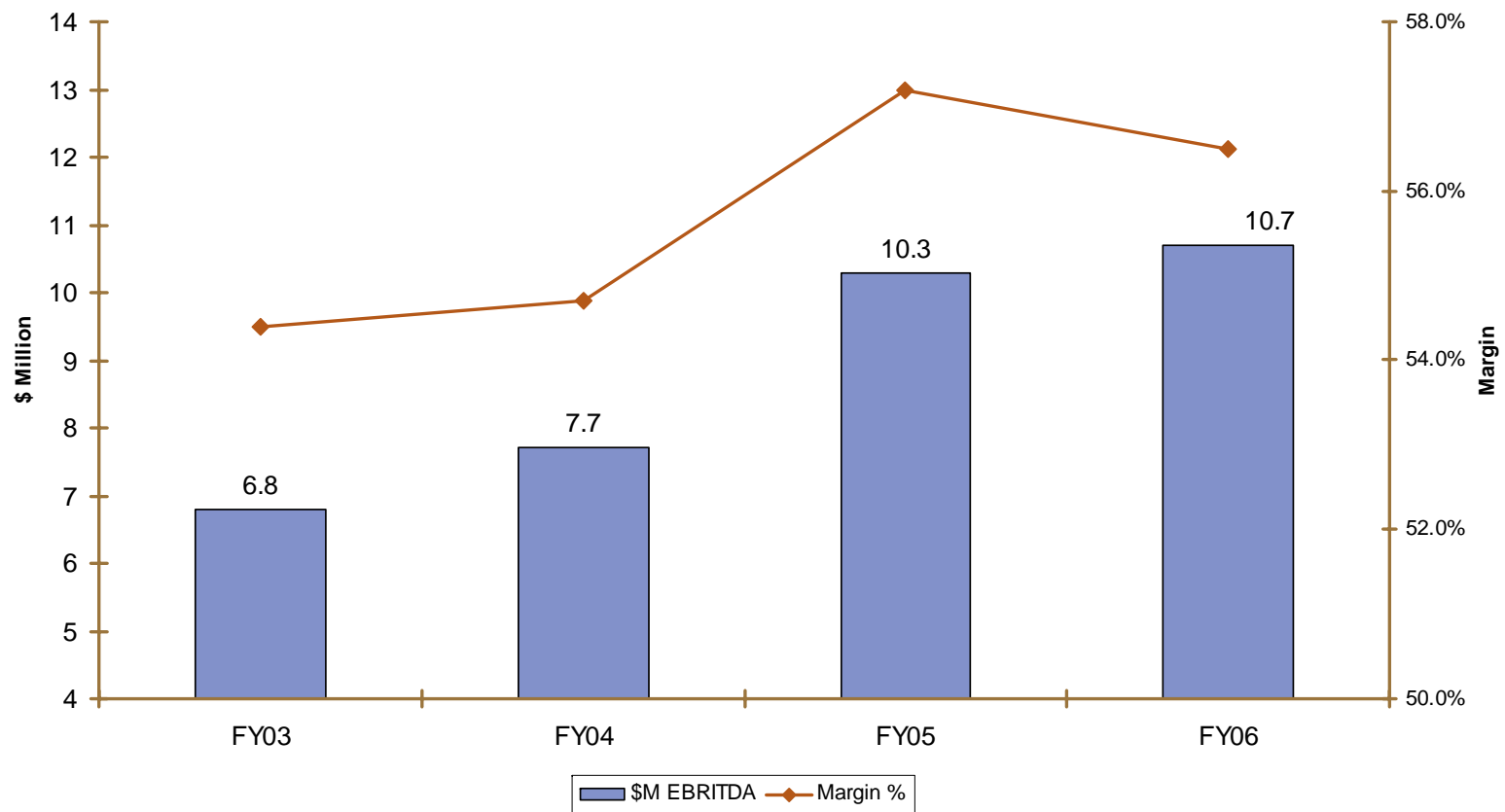
- First institutional owner of marinas in Australia
- Opportunity to capitalise on significant increase in recreational boating in Australia's prime waterways
- Positive berthing supply/demand fundamentals with significant barriers to entry - extensive Government regulations
- Current portfolio:  
NSW – Rushcutters Bay, The Spit, Cabarita Point, Akuna Bay, Nelson Bay  
VIC – Pier 35, Victoria Harbour
- Portfolio value at 31 December 2006 - A\$82.3 million



Akuna Bay



# d'Albora Marinas profit history



EBRITDA – Earnings Before Rent, Interest, Tax, Depreciation & Amortisation



## d'Albora Marinas – competitive landscape

- Fragmented market dominated by owner/operators
- Estimated 250 marinas, boat sheds & yacht clubs in Australia
- d'Albora Marinas has more marinas (7) than any other operator in Australia
- Last 24 months has seen other corporate entities, particularly property developers, enter the marina market, driving down yields



Nelson Bay



The Spit, Mosman



# d'Albora Marinas - strategy for growth

## Growth of complementary businesses

### Sydney Boatshare

- Sydney Boatshare is the largest syndicated boat ownership business in Australia
- Market dominated by small payers who lack capital, therefore they focus on smaller boats
- Operating at The Spit, Rushcutters Bay and RMYC Pittwater, Cabarita Point scheduled for September 2007
- SBS makes margin on share sale, management fee & brokerage fee
- Strong synergies with d'Albora business for berthing demand and fuel sales





# d'Albora Marinas – strategy for growth

## **Focus on marina development opportunities**

### **Cabarita Point**

- Conversion of existing maintenance berth area into 4 x 18m berths completed May 2007
- Proposed conversion of underutilised 150ft super yacht berth to 6 x 18m berths – subject to DA

### **Pier 35**

- Masterplan approval exists for additional commercial space and expanded dry storage and wet berths



# d'Albora Marinas – strategy for growth

## **Rushcutters Bay**

- Proposal to extend lease boundary to permit berthing of vessels on T-heads – subject to DA
- Construction of additional 24m<sup>2</sup> office space

## **Nelson Bay**

- Last remaining 576m<sup>2</sup> of retail space to be leased

## **Akuna Bay**

- Currently seeking lease renewal with NPWS for substantial tenure
- Upon renewal, marina and dry storage to be redeveloped over 3-5 year period
- New facilities will cater to larger average boat size to meet market demand





# d'Albora Marinas - strategy for growth

## New development sites

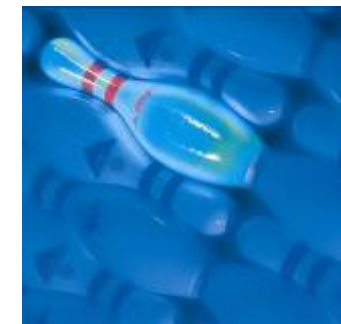
- Researching opportunities in market to secure development sites with existing approvals
- Dry storage has greatest potential, with relatively low construction costs and limited requirement for on-water space





# Bowling

**Roy Menachemson - CEO**



AMF - Blacktown



## Bowling division

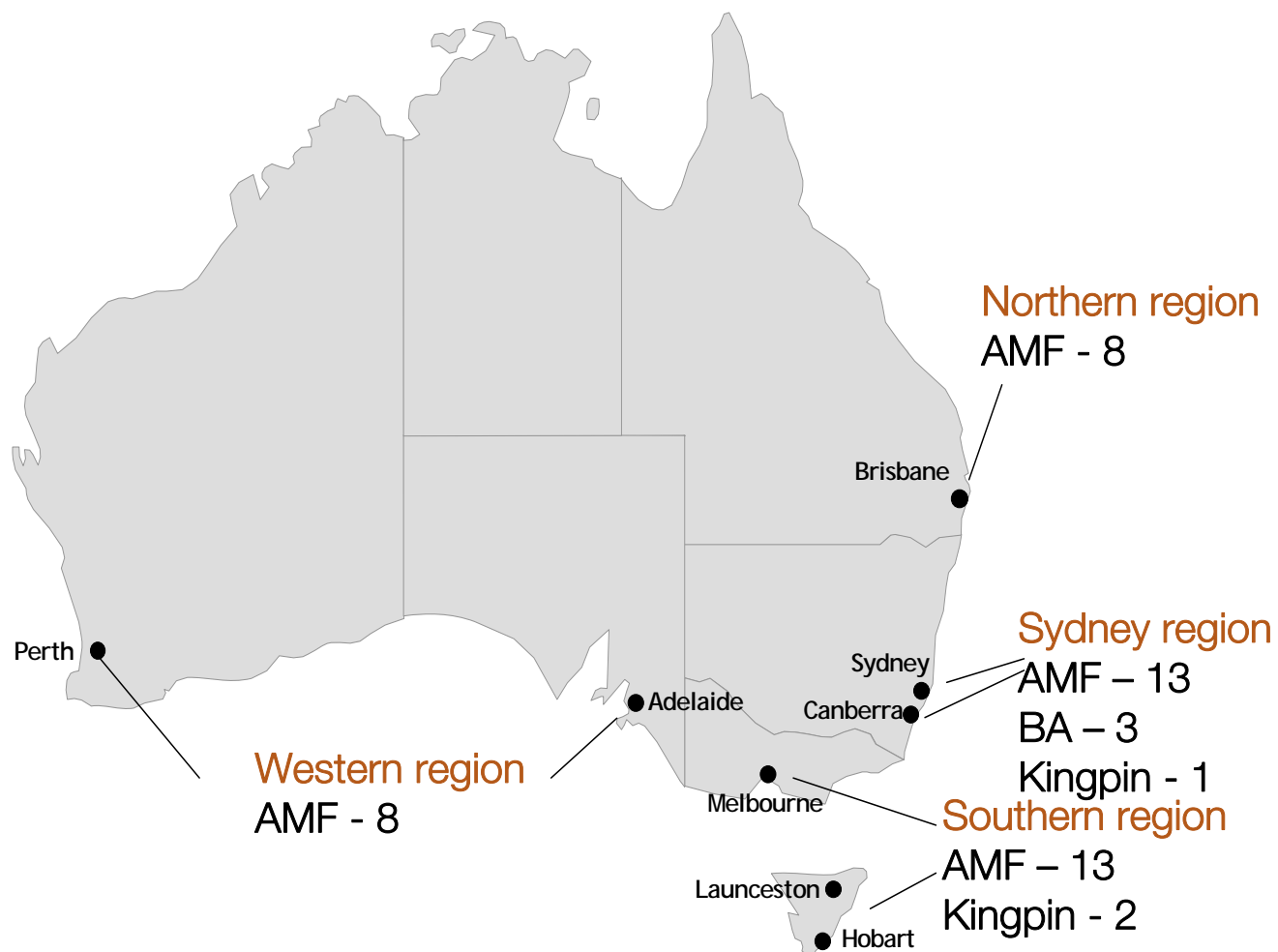
- AMF and BowlAustralia acquired in February/March 2005, Kingpin in August 2006
- AMF Australia is a market leader in the Australian tenpin bowling industry
- Strategically located freehold and leasehold properties in capital cities
- Business based on affordable leisure activity that appeals to broad age and demographic markets







# Bowling division – geographic diversity





## Bowling division – acquisition and development

- COO appointed to assume day to day responsibility for operations allowing CEO to focus on development and acquisitions
- Opportunity to acquire 'bolt-on' businesses at private company EBITDA multiples of 5-7 times
- Refurbishment program underway with six sites due for completion by September 2007
- New high profile development sites secured at Strathfield and Darling Harbour, Sydney





## Bowling division – operations

- Focus on primary area sales and marketing to drive corporate, community and event based business
- Drive 18-35's social play
- Disciplined approach to league recruitment and retention
- Improvement of quality and responsibility of regional management
- Emphasis on structured training at all levels of organisation



## Group outlook

- Aim to mature waterpark earnings with stronger contributions from interstate and corporate markets
- Aim to enhance Dreamworld by aggressive promotion of 2 Day World Pass
- Potential for Bowling division to benefit from refurbishment of existing sites and establishment of new high volume flagship sites at Strathfield and Darling Harbour, Sydney
- Main Event to pursue further expansion opportunities within the fast growing Texas market
- Focus on new opportunities within the US in current asset class portfolio



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