

EVENT

HOSPITALITY & ENTERTAINMENT

EVENT Hospitality & Entertainment Limited

Financial Results For the half year ended 31 December 2017

This half year report is presented under listing rule 4.2A and should be read in conjunction with the EVENT Hospitality & Entertainment Limited 2017 Annual Report.

ASX code: EVT

Released: 15 February 2018

Telephone: +61 2 9373 6600

Contact: Jane Hastings (Chief Executive Officer)
David Stone (Company Secretary)



EVENT HOSPITALITY & ENTERTAINMENT LIMITED | ACN 000 005 103
478 GEORGE STREET SYDNEY NSW 2000 | GPO BOX 1609 SYDNEY NSW 2001 | +61 2 9373 6600

CINEMAS | EVENT | BCC | GU FILM HOUSE | CINESTAR | MOONLIGHT
HOTELS & RESORTS | RYDGES | QT | ATURA | THREDBO

APPENDIX 4D

HALF YEARLY REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

for the half year ended 31 December 2017
(previous corresponding period: half year ended 31 December 2016)

Key Information

				2017 A\$'000	2016 A\$'000
Revenue and other income	Up	0.7%	to	660,907	656,074
Total revenues and other income	Up	0.7%	to	660,907	656,074
Profit before individually significant items, net finance costs and income tax expense	Up	15.4%	to	102,658	88,959
Net finance costs				(3,610)	(4,353)
Profit before individually significant items and income tax expense	Up	17.1%	to	99,048	84,606
Individually significant items				(1,219)	(553)
Profit before income tax expense	Up	16.4%	to	97,829	84,053
Income tax expense				(30,895)	(24,671)
Profit for the period attributable to members of the parent entity	Up	12.7%	to	66,934	59,382
Dividends (distributions)	Amount per security		Franked amount per security		
Final dividend - 2017 (paid 21 September 2017)	31 ¢		31 ¢		
Interim dividend - Current year	21 ¢		21 ¢		
- Previous corresponding period	20 ¢		20 ¢		
Record date for determining entitlements to the dividend	1 March 2018				
Date of interim dividend payment	15 March 2018				

Explanation of Revenue

See attached annexure and the Directors' Report.

Explanation of Profit from Ordinary Activities after Tax

See attached annexure and the Directors' Report.

Explanation of Net Profit

See attached interim consolidated financial report.

Explanation of Dividends

See attached interim consolidated financial report.

Net Tangible Asset Backing

	December 2017	December 2016
Net tangible asset backing per share	\$6.00	\$5.68

Controlled Entities Acquired or Disposed of

See attached interim consolidated financial report.

Additional Dividend Information

See attached interim consolidated financial report.

Dividend Re-Investment Plans

The Dividend Re-Investment Plan ("DRP") was suspended in August 2010 and will not operate for the 2018 interim dividend.

Associates and Joint Venture Entities

See attached interim consolidated financial report.

Compliance Statement

The information provided in this report has been prepared in accordance with Australian Accounting Standards, the *Corporations Act 2001* and other standards acceptable to the ASX.

The attached interim consolidated financial report for EVENT Hospitality & Entertainment Limited has been subject to review by its auditors, KPMG. A copy of the independent auditor's review report to the members of EVENT Hospitality & Entertainment Limited is attached.

REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2017

CONSOLIDATED GROUP RESULT	31 December 2017		31 December 2016		31 December 2015	
	Normalised result* \$'000	Reconciliation to reported net profit \$'000	Normalised result* \$'000	Reconciliation to reported net profit \$'000	Normalised result* \$'000	Reconciliation to reported net profit \$'000
Entertainment						
Australia	24,117	24,117	33,008	33,008	38,701	38,701
New Zealand	3,367	3,367	4,361	4,361	4,300	4,300
Germany	16,356	16,356	13,736	13,736	26,443	26,443
Hospitality and Leisure						
Hotels and Resorts	36,449	36,449	24,546	24,546	29,044	29,044
Thredbo Alpine Resort	24,196	24,196	20,469	20,469	18,439	18,439
Property and Other Investments	6,856	6,856	5,475	5,475	3,008	3,008
Unallocated revenues and expenses	(8,683)	(8,683)	(12,636)	(12,636)	(10,206)	(10,206)
	102,658	102,658	88,959	88,959	109,729	109,729
Finance revenue	287	287	564	564	515	515
Finance costs	(3,897)	(3,897)	(4,917)	(4,917)	(4,155)	(4,155)
	99,048	99,048	84,606	84,606	106,089	106,089
Income tax expense	(31,261)	(31,261)	(24,837)	(24,837)	(29,337)	(29,337)
	67,787	67,787	59,769	59,769	76,752	76,752
Individually significant items – net of tax		(853)		(387)		–
Reported net profit		66,934		59,382		76,752

* Normalised result is profit for the period before individually significant items (as outlined in Note 4 to the interim consolidated financial report). As outlined in Note 2 to the interim consolidated financial report, this measure is used by the Group's Chief Executive Officer to allocate resources and in assessing the relative performance of the Group's operations. The normalised result is an unaudited non-IFRS measure.

OVERVIEW

Reported net profit was \$66,934,000 (2016: \$59,382,000) and \$7,552,000 or 12.7% above the prior comparable half year. The normalised result before interest and income tax expense was \$102,658,000 (2016: \$88,959,000) and \$13,699,000 or 15.4% above the prior comparable half year, and the normalised result after tax was \$67,787,000 (2016: \$59,769,000) and \$8,018,000 or 13.4% above the prior comparable half year. The increase in normalised earnings reflects strong results from Hotels and Resorts, Thredbo and Entertainment Germany, offset by the impact of a comparatively weak Hollywood film line-up on the Entertainment results in Australia and New Zealand. The Group result was further assisted by a reduction in corporate expenses of 31.3% to \$8,683,000.

Individually significant items

	31 Dec 2017 \$'000	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Individually significant items before income tax	(1,219)	(553)	–
Income tax benefit	366	166	–
Individually significant items after income tax	(853)	(387)	–

The individually significant items for the half year included impairment charges, restructure, redundancy and closure costs, and hotel pre-opening expenses offset by termination fees in relation to certain hotel management agreements. The individually significant items for the prior comparable half year included hotel pre-opening expenses and the profit on sale of apartments at QT Melbourne.

REVIEW OF OPERATIONS

Entertainment

Entertainment Australia

The normalised profit before interest and income tax expense was \$24,117,000 a decrease of \$8,891,000 or 26.9% below the prior comparable half year.

The normalised profit for the half year was mainly impacted by a considerable fall in box office due to a comparatively weak Hollywood film line-up. Total Australian box office for the period was 9.9% below the prior comparable half year.

The performance of the highest-grossing titles was similar to the prior comparable half year, with five titles that grossed in excess of \$20 million at the Australian box office, including: *Star Wars: The Last Jedi* (\$45.4 million); *Thor: Ragnarok* (\$35.0 million); *Spider-Man: Homecoming* (\$25.6 million); *It* (\$23.6 million); and *Dunkirk* (\$23.4 million). These five titles collectively grossed \$153.0 million and on a comparative basis the top five grossing titles from the prior comparable half year grossed \$153.6 million. However, mid-tier film product for the period has been softer, with 18 films that grossed

between \$5 million and \$15 million, compared with 22 titles in the prior comparable half year, and this comparatively weak mid-tier Hollywood product was the driver of the overall market decline in box office.

The Group's focus on a premium and value cinema location model has begun to deliver results, with certain value locations delivering growth in normalised earnings through increased admissions and merchandising spend. In premium locations, the Group has been able to achieve an increase in average admission price at peak times, including Saturday evenings after 5pm. There was also pleasing growth in the Group's Gold Class offering, with an increase in the proportion of Gold Class admissions for the half year.

Overall merchandising revenue spend per admission had good growth of 5.7% over the prior comparable half year, whilst the cost of goods sold for the period reduced by 6.9%. Screen advertising and other revenue increased 12% despite the lower box office, whilst online booking fee income increased with online transactions up 12%.

The Group continued to pursue increased market share and visitation loyalty through the Cinebuzz loyalty program with membership increasing by 18% since 30 June 2017, and Cinebuzz member bookings now represent the majority of admissions.

During the period the Group opened three new cinemas, totalling 20 screens. This included new Event Cinemas in Smithfield (Cairns) which includes one Vmax and five traditional screens, Palmerston (Darwin) which includes two Vmax and four traditional screens and Whitford (Perth) which includes two Gold Class, two Vmax and four traditional screens. These new sites negatively impacted normalised earnings but are trading in line with initial expectations.

Entertainment New Zealand

The normalised profit before interest and income tax expense was \$3,367,000, a decrease of \$994,000 or 22.8% below the prior comparable half year. After adjusting for the 2016 contribution from the Fiji Cinema Joint Venture, normalised profit was 12.4% below the prior comparable half year.

Total New Zealand box office decreased by 10.4% over the prior comparable half year. Similar to the Australian market, the highest-grossing titles performed well, however mid-tier film product was comparatively weak with only 22 films that grossed over NZ\$1.0 million compared to 30 titles in the prior comparable half year. Local film content was also comparatively weak, with New Zealand titles comprising less than 1% of box office compared with 4% in the prior comparable half year, and there was a reduced percentage of 3D admissions which impacted on overall box office for top titles including *Star Wars: The Last Jedi*.

Merchandising spend per admission increased by 5.4%, driven by a strong focus on the core product range and a number of successful candy bar combo promotions. There was an increase in online bookings of 9% over the prior comparable half year.

The New Zealand circuit continues to pursue market share through the Cinebuzz loyalty program with membership increasing by 9% since 30 June 2017.

The Group disposed of its two-thirds interest in the Fiji Cinema Joint Venture on 29 June 2017. The prior comparable half year result included the Group's share of earnings from the Fiji Cinema Joint Venture of \$516,000.

Entertainment Germany

The normalised profit before interest and income tax expense was \$16,356,000, an increase of \$2,620,000 or 19.1% above the prior comparable half year.

German box office was in line with the prior comparable half year, with a comparatively weak line-up of Hollywood titles offset by stronger local product and the continued strength of 3D admissions. The market share of German productions increased from 14.2% of German total box office in the prior comparable half year to 23.4% in the current half year with *Fack Ju Göhte 3* (6.0 million admissions) and *Bullyparade - Der Film* (1.9 million admissions) performing particularly well.

The Group achieved pleasing growth from merchandising spend per admission which increased by 11%, and screen advertising revenues, also up 11%.

The membership of the Group's loyalty program for the German cinema operations has increased 17% since 30 June 2017.

Hospitality and Leisure

Hotels and Resorts

The normalised profit before interest and income tax expense was \$36,449,000, an increase of \$11,903,000 or 48.5% above the prior comparable half year. The majority of this increase was driven by underlying growth in earnings from the Group's existing properties, and was further assisted by significant contributions from QT Melbourne (opened September 2016) and Rydges Geelong (acquired March 2017).

Occupancy in the Group's owned hotels was 80.6% with an average daily rate of \$182, an increase of 3.9 percentage points and 3.6% respectively. These combined to generate revpar (revenue per available room) growth of 8.9% over the prior comparable half year, above market growth in the majority of markets for which the statistic is available.

All brands contributed to the positive result. Underlying growth was driven by the completion of several hotel refurbishments combined with either steady or strong demand in most of the locations in which the Group operates.

Results from the Group's owned hotels in Melbourne, Sydney, Cairns and Queenstown were driven by a mix of corporate and leisure traffic together with strengthening inbound and conference activity. QT Queenstown opened in December 2017 and early trading is encouraging.

An improved result from the conference market was an important factor supporting improved profitability from the QT hotels in Canberra and the Gold Coast. Margin improvement was achieved across the rooms and food and beverage areas, with food and beverage margins growing up to 6% across the hotel brands.

Revenue from direct digital bookings increased 6% whilst the Group continues to invest in improved automation and digital capability.

The management services agreements for the Art Series Hotels ended in October, whilst four new management agreements were secured for hotels in Mackay, Newcastle, Melbourne and Tailem Bend in South Australia. These new hotels will join the Group during the second half of the year and, once all agreements have commenced, annual income from these new agreements will more than offset the loss of earnings from the Art Series Hotels.

Thredbo Alpine Resort

The normalised profit before income tax expense was \$24,196,000, an increase of \$3,727,000 or 18.2% above the prior comparable half year, and a record normalised profit result.

The 2017 snow season was consistent with the prior comparable half year in July and August however the September month experienced good snowfall resulting in a 40% increase in skiers which largely contributed to an overall increase in visitation of 12% for the season.

Total revenue for the half year grew 12% to \$57,539,000 with lift pass revenue for the 2017 snow season from 1 July 2017 increasing by 13%, and similar increases achieved in other ski-related ancillary revenue streams. Strong food and beverage revenues contributed to overall growth with revenue improving by 15% on a like-for-like basis over the prior comparable half year.

Summer revenues continue to grow, underpinned by growth in mountain biking visitation with mountain biking revenue in November and December 2017 increasing by 22% over the prior comparable half year despite inclement weather.

Property and Other Investments

The normalised profit before interest and income tax expense was \$6,856,000, an increase of \$1,381,000 or 25.2% above the prior comparable half year. The improved result includes rental income from the two properties located at 458-472 George Street, Sydney, which were acquired in May 2017 and are currently leased to several retail and commercial tenants.

Based on the most recent independent valuations, the fair value of the Group's property portfolio at 31 December 2017 is \$1.62 billion (including investment properties), whilst the book value of these interests is \$1.15 billion. Updated independent valuations for the majority of the Group's properties will be obtained at 30 June 2018.

Unallocated revenues and expenses

The unallocated revenues and expenses include the Group's corporate operations and various head office expenses. The decrease in the net expense reflects the new corporate structure and general cost saving initiatives.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED

INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Contents	Page
Directors' Report	10
Lead Auditor's Independence Declaration	11
Statement of Financial Position	12
Income Statement	13
Statement of Comprehensive Income	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Condensed notes to the interim consolidated financial statements	
1. Significant accounting policies and compliance	17
2. Segment reporting	18
3. Revenue and other income	21
4. Profit before income tax	21
5. Dividends	21
6. Taxation	22
7. Investments accounted for using the equity method	23
8. Property, plant and equipment	23
9. Goodwill and other intangible assets	23
10. Loans and borrowings	24
11. Share capital	25
12. Reserves	25
13. Interests in other entities	26
14. Business combinations	28
15. Commitments and leases	29
16. Contingent liabilities and contingent assets	29
17. Events subsequent to reporting date	29
Directors' Declaration	30
Independent Auditor's Review Report	31

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

The directors present their report together with the interim consolidated financial report for the half year ended 31 December 2017 and the independent auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half year period are:

Name	Period of directorship
AG Rydge (Chairman)	Director since 1978
JM Hastings (Chief Executive Officer)	Director since 2017
RG Newton	Director since 2008
PR Coates AO	Director since 2009
KG Chapman	Director since 2010
VA Davies	Director since 2011
DC Grant	Director since 2013
PM Mann	Director since 2013

Review of operations

The review and results of operations are set out in the Annexure to the Appendix 4D.

Dividend

On 15 February 2018 the directors declared an interim dividend of \$33,789,818 (21 cents per share).

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 11 and forms part of the directors' report for the half year ended 31 December 2017.

Rounding off

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* as issued by the Australian Securities and Investments Commission ("ASIC"). In accordance with that Instrument, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



AG Rydge
Director



JM Hastings
Director

Dated at Sydney this 15th day of February 2018.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Event Hospitality & Entertainment Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Event Hospitality & Entertainment Limited for the half year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Anthony Travers

Partner

Sydney

15 February 2018

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 Dec 2017 \$'000	30 June 2017 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		131,205	92,318
Trade and other receivables		73,700	55,051
Inventories		21,145	20,409
Prepayments and other current assets		12,035	10,458
Total current assets		238,085	178,236
Non-current assets			
Trade and other receivables		1,042	1,519
Other financial assets		1,396	1,396
Available-for-sale financial assets		21,062	19,928
Investments accounted for using the equity method	7	15,579	10,942
Property, plant and equipment	8	1,278,333	1,237,708
Investment properties		69,750	68,250
Goodwill and other intangible assets	9	105,505	108,899
Deferred tax assets		5,665	6,333
Other non-current assets		1,755	3,115
Total non-current assets		1,500,087	1,458,090
Total assets		1,738,172	1,636,326
LIABILITIES			
Current liabilities			
Trade and other payables		119,823	106,895
Loans and borrowings	10	1,398	325,441
Current tax liabilities		1,580	790
Provisions		18,600	20,613
Deferred revenue		105,309	88,235
Other current liabilities		3,250	3,841
Total current liabilities		249,960	545,815
Non-current liabilities			
Loans and borrowings	10	374,023	2,360
Deferred tax liabilities		14,563	12,192
Provisions		15,847	14,340
Deferred revenue		10,072	8,720
Other non-current liabilities		2,333	2,610
Total non-current liabilities		416,838	40,222
Total liabilities		666,798	586,037
Net assets		1,071,374	1,050,289
EQUITY			
Share capital	11	219,126	219,126
Reserves	12	58,858	54,933
Retained earnings		793,390	776,230
Total equity		1,071,374	1,050,289

The Statement of Financial Position is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 17 to 29.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Revenue and other income			
Revenue from sale of goods and rendering of services	3	628,298	615,963
Other revenue and income	3	32,609	40,111
		660,907	656,074
Expenses			
Employee expenses		(159,937)	(157,761)
Occupancy expenses		(129,076)	(128,558)
Film hire and other film expenses		(112,285)	(122,175)
Purchases and other direct expenses		(59,048)	(64,405)
Amortisation and depreciation		(43,961)	(37,074)
Other operating expenses		(36,773)	(39,099)
Advertising, commissions and marketing expenses		(19,521)	(19,434)
Finance costs		(3,897)	(4,917)
		(564,498)	(573,423)
Equity profit			
Share of net profit of equity accounted investees	13	1,420	1,402
Profit before income tax expense			
Income tax expense	6	(30,895)	(24,671)
Profit for the period		66,934	59,382
		31 Dec 2017	31 Dec 2016
		Cents	Cents
Earnings per share			
Basic earnings per share		41.9	37.4
Diluted earnings per share		41.6	37.0

The Income Statement is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 17 to 29.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Profit for the period	66,934	59,382
<i>Other comprehensive income</i>		
<i>Items that may be reclassified to profit or loss</i>		
Foreign currency translation differences for foreign operations – net of tax	294	(3,430)
Net change in fair value of available-for-sale financial assets – net of tax	794	(53)
Net change in fair value of cash flow hedges – net of tax	(1)	48
Other comprehensive income for the period – net of tax	1,087	(3,435)
Total comprehensive income for the period	68,021	55,947

The Statement of Comprehensive Income is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 17 to 29.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2017	219,126	54,933	776,230	1,050,289
Profit for the period	–	–	66,934	66,934
<i>Other comprehensive income</i>				
Foreign currency translation differences for foreign operations – net of tax	–	294	–	294
Net change in fair value of available-for-sale financial assets – net of tax	–	794	–	794
Net change in fair value of cash flow hedges – net of tax	–	(1)	–	(1)
Total other comprehensive income recognised directly in equity	–	1,087	–	1,087
Total comprehensive income for the period	–	1,087	66,934	68,021
Employee share-based payments expense – net of tax	–	2,838	–	2,838
Dividends paid	–	–	(49,774)	(49,774)
Balance at 31 December 2017	219,126	58,858	793,390	1,071,374
Balance at 1 July 2016	219,126	46,321	747,297	1,012,744
Profit for the period	–	–	59,382	59,382
<i>Other comprehensive income</i>				
Foreign currency translation differences for foreign operations – net of tax	–	(3,430)	–	(3,430)
Net change in fair value of available-for-sale financial assets – net of tax	–	(53)	–	(53)
Net change in fair value of cash flow hedges – net of tax	–	48	–	48
Total other comprehensive income recognised directly in equity	–	(3,435)	–	(3,435)
Total comprehensive income for the period	–	(3,435)	59,382	55,947
Employee share-based payments expense – net of tax	–	2,775	–	2,775
Dividends paid	–	–	(49,774)	(49,774)
Balance at 31 December 2016	219,126	45,661	756,905	1,021,692

The Statement of Changes in Equity is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 17 to 29.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	699,141	709,645
Cash payments in the course of operations	(575,032)	(589,836)
Cash provided by operations	124,109	119,809
Distributions from associates and joint ventures	102	1,463
Other revenue	29,985	23,952
Dividends received	439	482
Interest received	287	564
Finance costs paid	(3,995)	(5,108)
Income tax refunds	–	1,084
Income tax paid	(25,923)	(43,740)
Net cash provided by operating activities	125,004	98,506
Cash flows from investing activities		
Payments for property, plant and equipment and redevelopment of properties	(81,312)	(65,236)
Finance costs paid in relation to qualifying assets	(2,864)	–
Payment for interest in a joint venture	(3,266)	–
Payment for business acquired, including intangible assets	(1,141)	(7,255)
Payments for management rights, software and other intangible assets	(467)	(826)
Decrease in loans from other entities	(912)	(1,147)
Proceeds from disposal of property, plant and equipment	429	–
Net cash used by investing activities	(89,533)	(74,464)
Cash flows from financing activities		
Proceeds from borrowings	86,665	81,376
Transaction costs related to borrowings	(1,453)	–
Repayment of borrowings	(33,759)	(24,000)
Dividends paid	(49,774)	(49,774)
Net cash provided by financing activities	1,679	7,602
Net increase in cash and cash equivalents	37,150	31,644
Cash and cash equivalents at the beginning of the period	92,318	145,040
Effect of exchange rate fluctuations on cash held	1,737	(2,640)
Cash and cash equivalents at the end of the period	131,205	174,044

The Statement of Cash Flows is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 17 to 29.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND COMPLIANCE

EVENT Hospitality & Entertainment Limited (“Company”) is a company domiciled in Australia. The condensed interim consolidated financial report of the Company as at and for the six months ended 31 December 2017 comprises the Company and its subsidiaries (collectively referred to as “Group” or “Consolidated Entity”) and the Group’s interest in associates and jointly controlled entities.

The interim consolidated financial report was authorised by the Board of the Company for issue on 15 February 2018.

(a) Statement of Compliance

The interim consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim consolidated financial report does not include all of the information required for a full annual financial report.

It is recommended that this interim consolidated financial report be read in conjunction with the most recent annual financial report for the year ended 30 June 2017. This report should also be read in conjunction with any public announcements made by the Company during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The Group has elected to restate comparative information in the segment note as a result of the reclassification of profit on sale of apartments as an individually significant item. The Group does not consider this to be a material misstatement under AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and have therefore restated the comparative information in accordance with AASB 101 *Presentation of Financial Statements*.

(b) Significant Accounting Policies

The accounting policies applied by the Group in this interim consolidated financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2017.

(c) Estimates

The preparation of the interim consolidated financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim consolidated financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2017.

(d) Financial Risk Management

The Group’s financial risk management systems are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2017.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 2 – SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses from transactions with other Group segments. All segments' operating results are regularly reviewed by the Group's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to a segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment, before individually significant items, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate head office assets, head office expenses, and income tax assets and liabilities.

Segment information is presented in respect of the Group's reporting segments. These are the Group's main strategic business segments and have differing risks and rewards associated with the business due to their different product or service and geographic markets. For each of these operating segments, the Group's CEO regularly reviews internal management reports.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax as included in the internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to those of other businesses. Inter-segment pricing is determined on an arm's length basis.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise borrowing costs, interest income and corporate head office assets and expenses.

Operating segments

The Group comprises the following main operating segments:

- **Entertainment Australia**
Includes the cinema exhibition operations in Australia, technology equipment supply and servicing, and the State Theatre.
- **Entertainment New Zealand**
Includes cinema exhibition operations in New Zealand and Fiji. The Group's interest in the Fiji Cinema Joint Venture was disposed of on 29 June 2017.
- **Entertainment Germany**
Includes the cinema exhibition operations in Germany.
- **Hotels and Resorts**
Includes the ownership, operation and management of hotels in Australia and overseas.
- **Thredbo Alpine Resort**
Includes all the operations of the resort including property development activities.
- **Property and Other Investments**
Includes property rental, investment properties and available-for-sale financial assets.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 2 – SEGMENT REPORTING (CONTINUED)	Entertainment			Hotels and Resorts	Thredbo Alpine Resort	Property and Other Investments	Consolidated
	Australia \$'000	New Zealand \$'000	Germany \$'000				
Operating segments							
31 December 2017							
Revenue and other income							
External segment revenue	210,119	40,614	165,361	172,211	57,539	8,691	654,535
Other income – external	–	–	–	86	–	1,931	2,017
Finance revenue							287
Other unallocated revenue							12
Revenue and other income before individually significant items							656,851
Individually significant items							4,056
Revenue and other income							660,907
Result							
Segment result before individually significant items	24,061	3,367	15,185	36,256	24,196	6,856	109,921
Share of net profit of equity accounted investees	56	–	1,171	193	–	–	1,420
Total segment result before individually significant items	24,117	3,367	16,356	36,449	24,196	6,856	111,341
Unallocated revenue and expenses							(8,683)
Net finance costs							(3,610)
Individually significant items							(1,219)
Profit before related income tax expense							97,829
Income tax expense							(30,895)
Profit after income tax expense							66,934
Reportable segment assets	322,833	65,462	174,533	732,330	35,808	348,203	1,679,169
Equity accounted investments	8,456	–	3,792	3,331	–	–	15,579
Deferred tax assets							5,665
Unallocated corporate assets							37,759
Total assets							1,738,172

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 2 – SEGMENT REPORTING (CONTINUED)	Entertainment			Hotels and Resorts	Thredbo Alpine Resort	Property and Other Investments	Consolidated
	Australia \$'000	New Zealand \$'000	Germany \$'000				
Operating segments							
31 December 2016							
Revenue and other income							
External segment revenue	224,642	47,503	157,553	151,450	51,569	7,182	639,899
Other income – external	–	–	–	12	72	1,575	1,659
Finance revenue							564
Other unallocated revenue							15
Revenue and other income before individually significant items							642,137
Individually significant items							13,937
Revenue and other income							656,074
Result							
Segment result before individually significant items	32,858	4,361	12,484	24,546	20,469	5,475	100,193
Share of net profit of equity accounted investees	150	–	1,252	–	–	–	1,402
Total segment result before individually significant items	33,008	4,361	13,736	24,546	20,469	5,475	101,595
Unallocated revenue and expenses							(12,636)
Net finance costs							(4,353)
Individually significant items							(553)
Profit before related income tax expense							84,053
Income tax expense							(24,671)
Profit after income tax expense							59,382
Assets							
Reportable segment assets	303,743	75,558	219,204	647,110	38,934	224,817	1,509,366
Equity accounted investments	9,385	–	2,452	–	–	–	11,837
Deferred tax assets							6,488
Unallocated corporate assets							30,436
Total assets							1,558,127

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 3 – REVENUE AND OTHER INCOME	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Revenue		
Rendering of services	425,731	429,763
Sale of goods	202,567	186,200
	628,298	615,963
Other Revenue		
Rental revenue	15,216	12,867
Management and consulting fees	13,072	10,365
Sale of apartments	508	13,936
Finance revenue	287	564
Dividends	439	482
Sundry	1,509	720
	31,031	38,934
Other income		
Profit on sale of property	78	77
Increase in fair value of investment property	1,500	1,100
	1,578	1,177
	660,907	656,074

NOTE 4 – PROFIT BEFORE INCOME TAX	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Profit before income tax expense includes the following items where disclosure is relevant in explaining the financial performance of the Group:		
(a) Individually significant items		
Individually significant items	(1,219)	(553)

The individually significant items for the half year includes impairment charges, restructure, redundancy and closure costs, and hotel pre-opening expenses offset by termination fees in relation to certain hotel management agreements. The individually significant items for the prior comparable half year period included hotel pre-opening expenses and the profit on sale of apartments at QT Melbourne.

(b) Seasonality of operations

The consolidated result includes the operations of the Thredbo Alpine Resort. Due to the timing of the Australian ski season, profits from this business for the financial year to 30 June 2018 have largely been earned in the half year to 31 December 2017.

NOTE 5 – DIVIDENDS

	Per share Cents	Total amount \$'000	Date of payment	Tax rate for franking credit	Percentage franked
Dividends on ordinary shares paid in the current and comparative periods are:					
2017					
Final 2017 dividend	31	49,774	21 September 2017	30%	100%
2016					
Final 2016 dividend	31	49,774	22 September 2016	30%	100%

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 5 – DIVIDENDS (CONTINUED)

Subsequent events	Per share Cents	Total amount \$'000	Date of payment	Tax rate for franking credit	Percentage franked
Since the end of the period, the directors declared the following dividend:					
Interim 2018 dividend	21	33,790	15 March 2018	30%	100%

The financial effect of this interim dividend has not been brought to account in the interim consolidated financial report for the half year ended 31 December 2017 and will be recognised in subsequent consolidated financial reports.

NOTE 6 – TAXATION	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Income tax expense		
The major components of income tax expense are:		
Income tax recognised in profit or loss	30,895	24,671
<i>Current income tax</i>		
Current income tax expense	26,928	22,675
Income tax under/(over) provided in the prior year	285	(461)
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	3,682	2,457
Income tax expense reported in the Income Statement	30,895	24,671
Income tax (credited)/charged directly in equity		
<i>Deferred income tax related to items (credited)/charged directly in equity</i>		
Net (loss)/gain on hedge of net investment in overseas subsidiary	(262)	210
Unrealised gain/(loss) on available-for-sale financial assets	340	(23)
Currency translation movements of deferred tax balances of foreign operations	(720)	232
Income tax expense reported in equity	(642)	419
Reconciliation between tax expense and pre-tax net profit		
A reconciliation between tax expense and accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax expense	97,829	84,053
Prima facie income tax expense calculated at the Group's statutory income tax rate of 30% (2016: 30%) on accounting profit	29,349	25,216
Increase in income tax expense due to:		
Depreciation and amortisation of buildings	269	238
Non-deductible items and losses in non-resident controlled entities	613	1,644
Amortisation of management rights and other intangible assets	453	481
Tax losses from prior year now reversed or utilised	172	(1,251)
Sundry items	259	(773)
	1,766	339
Decrease in income tax expense due to:		
Share of incorporated joint venture net profit	505	423
	505	423
Income tax under/(over) provided in prior period	285	(461)
	30,895	24,671

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 7 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	31 Dec 2017 \$'000	30 June 2017 \$'000
Associates (refer to Note 13)	137	147
Joint ventures (refer to Note 13)	15,442	10,795
	15,579	10,942

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the half year ended 31 December 2017 the Group acquired property, plant and equipment with a cost value of \$84,572,000 (2016: \$66,998,000)

NOTE 9 – GOODWILL AND OTHER INTANGIBLE ASSETS	31 Dec 2017 \$'000
Goodwill and other intangible assets comprise of goodwill, construction rights, management and leasehold rights, liquor licences and software. Movements in goodwill and other intangible assets during the half year were as follows:	
Balance at 1 July 2017	108,899
Additions	1,211
Net foreign currency differences on translation of foreign operations	(1,053)
Amortisation	(2,735)
Impairment	(954)
Transfer	137
Balance at 31 December 2017	105,505

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 10 – LOANS AND BORROWINGS	31 Dec 2017	30 June 2017
	\$'000	\$'000
Current		
Interest bearing loans and borrowings		
Bank loans – secured	–	323,905
Deferred financing costs	–	(98)
	–	323,807
Non-interest bearing loans and borrowings		
Loans from other companies – unsecured	1,398	1,634
	1,398	325,441
Non-current		
Interest bearing loans and borrowings		
Bank loans – secured	373,246	–
Deferred financing costs	(1,453)	–
	371,793	–
Non-interest bearing loans and borrowings		
Loans from other companies – unsecured	2,230	2,360
	374,023	2,360

Bank debt – secured

The Group's secured bank debt facilities were amended and restated on 15 August 2017 and comprise the following:

- \$545,000,000 revolving multi-currency loan facility; and
- \$15,000,000 credit support facility (for the issue of letters of credit and bank guarantees).

The above facilities mature on 15 August 2020 and are supported by interlocking guarantees from most Group entities and are secured by specific property mortgages. Debt drawn under these facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.15% and 2.1% per annum. At 31 December 2017, the Group had drawn \$373,246,000 (30 June 2017: \$323,905,000) under the debt facilities, of which \$nil (30 June 2017: \$nil) was subject to interest rate swaps used for hedging, and had drawn \$3,071,000 under the credit support facility (30 June 2017: \$2,948,000).

Other facility – secured

Certain wholly owned German subsidiaries have arranged a secured five year guarantee facility of €17,000,000 (A\$25,260,000) (for the issue of letters of credit and bank guarantees)

The facility is supported by interlocking guarantees from certain (non-Australian based) Group entities and are secured against a specific property in Germany. Debt drawn under the facility bears interest at the relevant inter-bank benchmark rate plus a margin of between 0.75% and 2.75% per annum. At 31 December 2017, the Group had drawn €14,094,000 (A\$21,584,000) under the facility.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 11 – SHARE CAPITAL	31 Dec 2017 Shares	30 June 2017 Shares	31 Dec 2017 \$'000	30 June 2017 \$'000
Share capital				
Fully paid ordinary shares	160,459,339	159,488,932	219,126	219,126
Share capital consists of:				
Ordinary shares	160,433,042	159,369,264		
Tax Exempt Share Plan	26,297	27,548		
Employee Share Plan	–	92,120		
	160,459,339	159,488,932		
<i>Treasury shares</i>				
Performance shares	444,557	1,070,991		
	160,903,896	160,559,923		

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 12 – RESERVES	31 Dec 2017 \$'000	30 June 2017 \$'000
Available-for-sale financial assets revaluation	14,788	13,994
Investment property revaluation	5,121	5,121
Hedging	(11)	(10)
Share-based payments	32,659	29,821
Foreign currency translation	6,301	6,007
	58,858	54,933

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 13 – INTERESTS IN OTHER ENTITIES

Subsidiaries

A list of subsidiaries of the Group is set out in Note 5.2 of the 2017 Annual Report. Since 1 July 2017 there have been no significant changes to the Group's subsidiaries.

Joint Ventures

Details of the Group's investments in joint ventures, which are accounted for using the equity method, are as follows:

Name	Principal activities	Ownership interest		Investment carrying amount		Contribution to operating profit/(loss)		
		31 Dec 2017 %	30 Jun 2017 %	31 Dec 2017 \$'000	30 Jun 2017 \$'000	31 Dec 2017 \$'000	31 Dec 2016 \$'000	30 Jun 2017 \$'000
Browns Plains Cinemas Pty Limited	Operator of a multiscreen cinema complex	^(a) 50	^(a) 50	776	816	(40)	(42)	(65)
Filmpalast am ZKM Karlsruhe GmbH & Co. KG	Operator of a multiscreen cinema complex	^(b) 50	^(b) 50	2,212	1,446	721	870	1,341
Filmpalast Konstanz GmbH & Co. KG	Operator of a multiscreen cinema complex	^(b) 50	^(b) 50	1,259	809	425	384	879
Rydges Latimer Holdings Limited	Hotel owner	^(c) 16	–	3,331	–	193	–	–
Loganholme Cinemas Pty Limited	Operator of a multiscreen cinema complex	50	50	7,543	7,437	106	202	532
Red Carpet Cinema Communication GmbH & Co. KG	Event management	^(b) 50	^(b) 50	321	287	25	(2)	–
				15,442	10,795	1,430	1,412	2,687

Note:

(a) Browns Plains Cinemas Pty Limited owns 33% of the Browns Plains Multiplex Joint Venture. The Group also has a direct 33% share in the Browns Plains Multiplex Joint Venture which is accounted for as a joint operation. The Group's total effective interest in the Browns Plains Multiplex Joint Venture is 50%.

(b) These companies are incorporated in Germany.

(c) This company is incorporated in New Zealand.

Associates

Details of the Group's investments in associates, which are accounted for using the equity method, are as follows:

Name	Principal Activities	Ownership interest		Investment carrying amount		Contribution to operating profit/(loss)		
		31 Dec 2017 %	30 Jun 2017 %	31 Dec 2017 \$'000	30 Jun 2017 \$'000	31 Dec 2017 \$'000	31 Dec 2016 \$'000	30 Jun 2017 \$'000
Cinesound Movietone Productions Pty Limited	Film owner and distributor	50	50	137	147	(10)	(10)	(3)
Digital Cinema Integration Partners Pty Limited	Administration	48	48	–	–	–	–	–
Digital Cinema Integration Partners NZ Pty Limited	Administration	^{(a)(b)} 60	^{(a)(b)} 60	–	–	–	–	–
DeinKinoticket GmbH	Operator of DeinKinoticket website	^(c) 24	^(c) 24	–	–	–	–	–
Movietimes Australia and New Zealand Pty Limited	Operator of Movietimes website	^(a) 53	^(a) 53	–	–	–	–	–
				137	147	(10)	(10)	(3)

Note:

(a) Digital Cinema Integration Partners NZ Pty Limited and Movietimes Australia and New Zealand Pty Limited are not consolidated as the Group does not have control.

(b) This company is incorporated in New Zealand.

(c) This company is incorporated in Germany.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 13 – INTERESTS IN OTHER ENTITIES (CONTINUED)

Joint operations

Details of the Group's investments in joint operations, which are accounted for on a line-by-line basis, are as follows:

Name	Principal activities	Country of operation	Ownership interest	
			31 Dec 2017 %	30 Jun 2017 %
Australian Theatres Joint Venture	Operator of multiscreen cinema complexes	Australia	50	50
Browns Plains Multiplex Joint Venture	Operator of a multiscreen cinema complex	Australia	^(a) 33	^(a) 33
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	33	33
Rialto Joint Venture	Operator of multiscreen cinema complexes	New Zealand	50	50
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50

Note:

(a) In addition to the 33% interest in the Browns Plains Multiplex Joint Venture held directly, the Group has a 50% interest in Browns Plains Cinemas Pty Limited, which is classified as a joint venture and equity accounted. Browns Plains Cinemas Pty Limited owns 33% of the Browns Plains Multiplex Joint Venture. The Group's total effective interest in the Browns Plains Multiplex Joint Venture is 50%.

Operating lease commitments of joint operations

The Group's share of future minimum operating lease rentals in respect of the above joint operations is not provided for but is payable:

	31 Dec 2017 \$'000	30 June 2017 \$'000
Within one year	31,292	31,591
Later than one year but not later than five years	80,119	85,649
Later than five years	89,330	92,152
	200,741	209,392

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 14 – BUSINESS COMBINATIONS

Business combinations in the half year ended 31 December 2017

There were no material business combinations in the half year ended 31 December 2017.

Business combinations in the half year ended 31 December 2016

The Group acquired the following business during the prior comparable half year period:

Downtown Cinemas

Effective 28 July 2016, Event Cinemas Limited, a wholly-owned subsidiary in New Zealand, acquired three cinemas in Palmerston North, Paraparaumu and Havelock North, New Zealand. The consideration paid was \$7,255,000 (NZ\$7,650,000).

The Group recognised the fair value of the following identifiable assets and liabilities relating to this acquisition:

	Fair value at acquisition date
	\$'000
Plant and equipment	1,762
Inventory	69
Sub-total	1,831
Leasehold and management rights	5,424
Total net value of identifiable assets	7,255

Leasehold and management rights

Leasehold and management rights were recognised as a result of the acquisition as follows:

	\$'000
Total cash consideration paid, net of cash acquired	7,255
Less: net value of other identifiable assets and liabilities	(1,831)
Leasehold and management rights	5,424

Leasehold and management rights will be amortised over the remaining term of the lease. Amortisation of leasehold and management rights is not expected to be deductible for income tax purposes.

The Group incurred direct costs relating to this acquisition of \$33,000 which have been expensed in the Income Statement for the prior comparable half year period.

The Income Statement for the prior comparable half year period included revenue and net profit for the half year ended 31 December 2016 of \$2,917,000 and \$145,000 respectively as a result of this acquisition.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 15 – COMMITMENTS AND LEASES

Other than the following, there have been no material changes in commitments and leases since 30 June 2017.

	31 Dec 2017 \$'000	30 June 2017 \$'000
Operating lease commitments – as lessee		
Future minimum operating lease rentals not provided for and payable:		
Within one year	99,559	96,737
Later than one year but not later than five years	282,424	279,791
Later than five years	224,982	214,146
	606,965	590,674

Amounts disclosed in the table above exclude the Group's share of operating lease rentals in respect of the joint operations disclosed in Note 13.

NOTE 16 – CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no material changes in contingent liabilities or contingent assets since 30 June 2017.

NOTE 17 – EVENTS SUBSEQUENT TO REPORTING DATE

Dividends

For details of the interim 2018 dividend declared after 31 December 2017 refer to Note 5.

EVENT HOSPITALITY & ENTERTAINMENT LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

In the opinion of the directors of the Company:

1. The interim consolidated financial statements and notes set out on pages 12 to 29 are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



AG Rydge
Director



JM Hastings
Director

Dated at Sydney this 15th day of February 2018



Independent Auditor's Review Report

To the shareholders of Event Hospitality & Entertainment Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Event Hospitality & Entertainment Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Event Hospitality & Entertainment Limited is not in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
- complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The half year financial report comprises:

- consolidated statement of financial position as at 31 December 2017;
- consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date;
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The Group comprises Event Hospitality & Entertainment Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year.



Responsibilities of the directors for the half year financial report

The directors of the Company are responsible for:

- the preparation of the half year financial report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Event Hospitality & Entertainment Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Anthony Travers

Partner

Sydney

15 February 2018

Tracey Driver

Partner

Sydney

15 February 2018