

# TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE  
KING CITY, ONTARIO  
TSX: TWC

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## TWC ENTERPRISES LIMITED ANNOUNCES 2014 YEAR END RESULTS AND ELIGIBLE STOCK DIVIDEND

### Consolidated Financial Highlights

(in thousands of dollars except per share amounts)	Three months ended		Year ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Operating revenue	28,967	27,846	200,104	197,425
Net operating income <sup>1</sup>	1,294	2,534	50,734	53,608
Net membership fee income <sup>1</sup>	2,911	3,803	11,150	14,564
Earnings before other items and income taxes <sup>1</sup>	4,205	6,337	61,884	68,172
Net earnings (loss)	(8,103)	(3,781)	3,465	13,154
Basic and diluted earnings (loss) per share	(0.31)	(0.15)	0.13	0.50
Cash flow from operations <sup>1</sup>	(5,625)	(3,140)	26,822	34,495
Basic and diluted cash flow from operations per share <sup>1</sup>	(0.22)	(0.12)	1.03	1.32
Weighted average shares outstanding (000's)	26,219	26,108	26,134	26,090

### Operating Data

	Three months ended		Year ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>ClubLink One Membership More Golf</b>				
Championship rounds – Canada	104,000	100,000	950,000	957,000
18-hole equivalent championship golf courses – Canada	43.5	41.5	43.5	41.5
Championship rounds – U.S.	94,000	93,000	373,000	358,000
18-hole equivalent championship golf courses – U.S.	12.0	11.0	12.0	11.0
<b>White Pass and Yukon Route</b>				
Rail passengers	-	-	410,000	395,000
Port passengers from cruise ships	-	-	820,000	822,000
Cruise ship dockings	-	-	396	388

## 2014 Consolidated Operating Highlights

Consolidated operating revenue increased 1.4% to \$200,104,000 in 2014 from \$197,425,000 in 2013 primarily due to additional operating revenue generated by the rail and port operations segment from 15,000 additional rail passengers offset by lower operating revenue from Canadian golf club operations resulting from 406 less full privilege golf members.

Consolidated cost of sales and operating expenses increased 3.9% to \$149,370,000 in 2014 from \$143,817,000 in 2013 primarily due to the acquisitions of TPC Eagle Trace and Hidden Lake.

Net operating income for the Canadian golf club operations segment decreased 13.3% to \$29,054,000 in 2014 from \$33,520,000 in 2013. This decline is due to Glen Abbey not hosting the RBC Canadian Open in 2014 as it did in 2013, and the loss of full privilege golf members.

Net operating income for the US golf club operations segment decreased to US\$813,000 in 2014 from US\$1,850,000 in 2013 primarily due to poor weather and the absorption of certain head office costs from Canada and completion of staffing the new Florida corporate office.

Net operating income for the rail and port operations increased 6.7% to US\$21,295,000 from US\$19,958,000 in 2013 primarily due to the additional passengers.

Net membership fee income decreased 23.4% to \$11,150,000 from \$14,564,000 in 2013 primarily due to the completion of amortization of membership fee revenue for the 1994 to 2001 Canadian member group in 2013.

Consolidated earnings before other items and income taxes decreased 9.2% to \$61,884,000 in 2014 from \$68,172,000 in 2013. This decrease is due to the decline in net membership fee income and less operating revenue from fewer Canadian full privilege golf members.

Depreciation and amortization increased 4.7% to \$24,898,000 in 2014 from \$23,769,000 in 2013.

Land lease rent decreased marginally to \$5,455,000 in 2014 from \$5,457,000 in 2013.

Interest, net increased 0.2% to \$20,257,000 in 2014 from \$20,216,000 in 2013.

Other expense, net, increased to \$6,497,000 in 2014 from \$496,000 in 2013 due to several large one-time events including an unrealized foreign exchange loss of \$1,438,000, severance of \$1,500,000 and impairment/loss on assets in the amount of \$2,117,000.

The overall effective tax rate for 2014 was 27.5% as compared to 27.9% in 2013.

Consolidated net earnings decreased to \$3,465,000 in 2014 from \$13,154,000 in 2013 primarily due to the decline in net membership fee income, the lower net operating income from both the Canadian and US golf segments and the increase in other expense.

Basic and diluted earnings per share decreased to 13 cents per share in 2014, compared to 50 cents per share in 2013.

## Comparability

The completion of amortization of membership fee revenue for the 1994 to 2001 Canadian member group in 2013 has resulted in a significant decline in earnings, but has minimal cash flow impact.

Other expense includes certain one-time and non-cash items which are not comparable between years.

The impact of these items are as follows:

(thousands of dollars - except per share amounts)	For the year ended	
	December 31 2014	December 31 2013
Net earnings as reported	\$ 3,465	\$ 13,154
Members that joined from 1994 to 2001		
Amortization of membership fees	(517)	(4,258)
Membership fees collected	517	592
Differential	-	(3,666)
Other expense	6,497	496
Income tax provision on above adjustments	(1,892)	1,080
Pro Forma net earnings	\$ 8,070	\$ 11,064
Earnings per share as reported	\$ 0.13	\$ 0.50
Less: impact of amortization of membership fees	-	(0.14)
Add: impact of other expense	0.25	0.02
Add: impact of income tax provision on above adjustments	(0.07)	0.04
Pro Forma earnings per share	\$ 0.31	\$ 0.42

## Eligible Stock Dividend

Today, TWC Enterprises Limited announced an eligible stock dividend of 7.5 cents per share to be distributed on March 27, 2015 to shareholders of record on March 18, 2015.

The number of TWC common shares to be distributed on March 27, 2015 will be the number of TWC common shares held by each shareholder on March 18, 2015 times 7.5 cents divided by the average closing market price of TWC shares traded between February 27, 2015 and March 26, 2015. Fractional shares will be paid in cash at the average closing market price of TWC shares.

## Corporate Profile

TWC is engaged in golf club operations under the trademark, "ClubLink One Membership More Golf." TWC is Canada's largest owner and operator of golf clubs with 54.5 18-hole equivalent championship and six 18-hole equivalent academy courses at 44 locations in Ontario, Quebec and Florida.

TWC is also engaged in rail, tourism and port operations based in Skagway, Alaska, which operate under the trade name "White Pass & Yukon Route." The railway stretches approximately 177 kilometres (110 miles) from Skagway, Alaska, to Whitehorse, Yukon. Presently, approximately 110 kilometres (67.5 miles) of the railway is in active service from Skagway, Alaska, to Carcross, Yukon. In addition, White Pass operates three docks, primarily for cruise ships.

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(1) Net operating income, operating margin, net membership fee income, earnings before other items and income taxes, cash flow from operations and basic and diluted cash flow from operations per share are not recognized performance measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to net earnings, these measures are useful supplemental information to provide investors with an indication of the Company's performance. Investors should be cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. ClubLink's method of calculating these measures is consistent from year to year, but may be different than those used by other companies (See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for detailed calculations).

Management's discussion and analysis, financial statements and other disclosure information relating to the Company's 2014 fiscal year will be available later in March 2015 through SEDAR and at [www.sedar.com](http://www.sedar.com) and on the Company website at [www.clublinkenterprises.ca](http://www.clublinkenterprises.ca)