

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

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TWC ENTERPRISES LIMITED ANNOUNCES 2017 YEAR END RESULTS AND ELIGIBLE CASH DIVIDEND

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended		Year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net earnings (loss)	(19,574)	(1,457)	2,044	16,558
Basic and diluted earnings (loss) per share	(0.72)	(0.05)	0.07	0.61

Operating Data

	Three months ended		Year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
ClubLink				
Canadian Full Privilege Golf Members			14,991	15,077
Championship rounds – Canada	123,000	125,000	1,058,000	1,063,000
18-hole equivalent championship golf courses – Canada	42.5	42.5	42.5	42.5
Championship rounds – U.S.	79,000	93,000	340,000	373,000
18-hole equivalent championship golf courses – U.S.	11.0	11.0	11.0	11.0
White Pass and Yukon Route				
Rail passengers	-	-	429,000	408,000
Port passengers from cruise ships	-	-	846,000	816,000
Cruise ship dockings	-	-	370	363

The following is a breakdown of net operating income by segment.

(thousands of Canadian dollars)	Year Ended December 31, 2017	Year Ended December 31, 2016
Net operating income by segment		
Canadian golf club operations	\$ 32,062	\$ 31,763
US golf club operations (2017 - US \$652,000; 2016 - US \$1,330,000)	938	1,864
Rail and port operations (2017 - US \$23,763,000; 2016 - US \$21,829,000)	30,468	28,122
Corporate operations	(2,940)	(2,886)
Net operating income ⁽¹⁾	\$ 60,528	\$ 58,863

The following is an analysis of net earnings:

(thousands of Canadian dollars)	Year Ended December 31, 2017	Year Ended December 31, 2016
OPERATING REVENUE	\$ 219,230	\$ 217,835
DIRECT OPERATING EXPENSES ⁽¹⁾	158,702	158,972
NET OPERATING INCOME ⁽¹⁾	60,528	58,863
Amortization of membership fees	7,987	11,210
Depreciation and amortization	(26,032)	(26,414)
Land lease rent	(5,170)	(5,303)
Interest, net	(16,682)	(18,151)
Impairment expense	(31,605)	-
Other expense, net	(304)	(795)
Income taxes	13,322	(2,852)
NET EARNINGS	\$ 2,044	\$ 16,558

Direct operating expenses are calculated as follows:

(thousands of Canadian dollars)	Year Ended December 31, 2017	Year Ended December 31, 2016
Cost of sales	\$ 23,824	\$ 23,778
Labour and employee benefits	82,306	82,056
Utilities	9,083	9,464
Selling, general and administrative expenses	7,046	6,536
Property taxes	4,522	4,898
Repairs and maintenance	4,766	4,780
Insurance	4,261	4,569
Fertilizers and pest control products	2,640	2,901
Fuel and oil	2,507	2,174
Other operating expenses	17,747	17,816
DIRECT OPERATING EXPENSES ⁽¹⁾	\$ 158,702	\$ 158,972

(1) Please see Non-IFRS Measures on page following

Non-IFRS Measures

TWC uses non-IFRS measures as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These measures, which included direct operating expenses and net operating income do not have standardized meaning under IFRS. While these non-IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, readers are cautioned that these non-IFRS measures as reported by TWC may not be comparable in all instances to non-IFRS measures as reported by other companies.

The glossary of financial terms is as follows:

Direct operating expenses = expenses that are directly attributable to company's business units and are used by management in the assessment of their performance. These exclude expenses which are attributable to major corporate decisions such as impairment.

Net operating income = operating revenue – direct operating expenses

Net operating income is an important metric used by management in evaluating the Company's operating performance as it represents the revenue and expense items that can be directly attributable to the specific business unit's ongoing operations. It is not a measure of financial performance under IFRS and should not be considered as an alternative to measures of performance under IFRS. The most directly comparable measure specified under IFRS is net earnings.

Goodwill Impairment

The Company is required to perform an annual impairment test on its goodwill - which is assigned to the Canadian golf club operations. This test combines all cash flows from each property within the cash generating unit. As at December 31, 2017, the Company performed impairment testing on goodwill and concluded an impairment existed. The entire amount of goodwill has been expensed in the amount of \$31,605,000. The main reason for the impairment is the trend of decreased collection of membership fees and the expected challenges in the future to reverse this trend.

2017 Consolidated Highlights

Consolidated net earnings decreased to \$2,044,000 in 2017 from \$16,558,000 in 2016. Consolidated net earnings in 2017 were subject to an impairment charge of goodwill in the amount of \$31,605,000. This was partially offset by a deferred tax recovery in the amount of \$17,662,000 relating to the US based deferred income tax liabilities arising from the substantively enacted decrease in Federal US income tax rates from 34% to 21%.

Basic and diluted earnings per share decreased to 7 cents per share in 2017, compared to 61 cents per share in 2016.

The exchange rate used for translating US denominated earnings has changed to a yearly average of 1.2980 in 2017 from 1.3256 in 2016 due to the strengthening Canadian dollar over this time frame.

Net operating income for the Canadian golf club operations segment increased 0.9% to \$32,062,000 in 2017 from \$31,763,000 in 2016.

Net operating income for the US golf club operations segment decreased to US\$652,000 in 2017 from US\$1,330,000 in 2016 primarily due to a decrease of 8.8% in championship golf rounds. The foreign exchange rate served as a deterrent to Canadian golfers visiting Florida in the 2017 winter season, and was further impacted by the poor weather in that market, including a hurricane event.

Net operating income for the rail and port operations increased 8.9% to US\$23,763,000 from US\$21,829,000 in 2016 due to an increase of approximately 21,000 rail passengers.

Interest, net decreased 8.1% to \$16,682,000 in 2017 from \$18,151,000 in 2016 primarily due to a lower debt level in 2017.

The income tax provision was impacted by a \$17,662,000 deferred income tax recovery resulting from a decline in the US Federal income tax rate from 34% to 21%. This was enacted as part of US income tax reform in December 2017.

Eligible Cash Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per common share to be paid on March 29, 2018 to shareholders of record as at March 15, 2018.

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 53.5 18-hole equivalent championship and 3.5 18-hole equivalent academy courses at 41 locations in Ontario, Quebec and Florida.

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

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Management's discussion and analysis, financial statements and other disclosure information relating to the Company is available through SEDAR and at www.sedar.com and on the Company website at www.twcenterprises.ca