

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

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TWC ENTERPRISES LIMITED ANNOUNCES FIRST QUARTER 2018 RESULTS AND ELIGIBLE CASH DIVIDEND

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended	
	March 31, 2018	March 31, 2017
Net loss	(7,301)	(3,615)
Basic and diluted loss per share	(0.27)	(0.13)

Operating Data

	Three months ended	
	March 31, 2018	March 31, 2017
ClubLink		
Canadian Full Privilege Golf Members	14,915	14,907
Championship rounds – Canada	2,000	3,000
18-hole equivalent championship golf courses – Canada	42.5	42.5
Championship rounds – U.S.	139,000	144,000
18-hole equivalent championship golf courses – U.S.	11.0	11.0
White Pass and Yukon Route		
Rail passengers	Nil	Nil
Port passengers from cruise ships	Nil	Nil
Cruise ship dockings	Nil	Nil

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

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2018	March 31, 2017
Net operating income by segment		
Canadian golf club operations	\$ 2,986	\$ 2,397
US golf club operations (2018 - US \$1,294,000; 2017 - US \$1,926,000)	1,637	2,548
Rail and port operations (2018 - US -\$2,609,000; 2017 - US -\$2,601,000)	(3,299)	(3,442)
Corporate operations	(768)	(745)
Net operating income ⁽¹⁾	\$ 556	\$ 758

The following is an analysis of net loss:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2018	March 31, 2017
Operating revenue	\$ 23,539	\$ 24,347
Direct operating expenses ⁽¹⁾	22,983	23,589
Net operating income ⁽¹⁾	556	758
Amortization of membership fees	1,654	1,918
Depreciation and amortization	(6,343)	(6,514)
Land lease rent	(1,161)	(1,304)
Interest, net	(4,037)	(4,078)
Gain on capital assets	163	2,104
Other expenses	(744)	8
Income taxes	2,611	3,493
Net loss	\$ (7,301)	\$ (3,615)

Direct operating expenses are calculated as follows:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2018	March 31, 2017
Cost of sales	\$ 1,240	\$ 1,270
Labour and employee benefits	11,128	10,968
Utilities	1,741	1,959
Selling, general and administrative expenses	1,604	1,732
Property taxes	2,677	2,738
Repairs and maintenance	819	877
Insurance	1,136	1,076
Fertilizers and pest control products	134	203
Fuel and oil	155	130
Other operating expenses	2,349	2,636
Direct operating expenses ⁽¹⁾	\$ 22,983	\$ 23,589

(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.

First Quarter 2018 Consolidated Operating Highlights

Net loss increased to \$7,301,000 for the three month period ended March 31, 2018 from \$3,615,000 in 2017 primarily due to a \$2,104,000 gain on the sale of Grandview Resort recorded in 2017.

Basic and diluted loss per share was 27 cents per share for the three month period ended March 31, 2018, compared to a loss of 13 cents per share in 2017.

The exchange rate used for translating US denominated earnings has changed to a quarterly average of 1.2648 for the three months ended March 31, 2018 from 1.3230 for the three month period ended March 31, 2017 due to the strengthening of the Canadian dollar over the one year period.

Consolidated operating revenue decreased 3.3% to \$23,539,000 for the three month period ended March 31, 2018 from \$24,347,000 in 2017, due in part to the stronger Canadian dollar used to translate the US based revenue.

Consolidated operating expenses decreased 2.6% to \$22,983,000 for the three month period ended March 31, 2018 from \$23,589,000 in 2017.

Net operating income for the Canadian golf club operations segment increased 24.6% to \$2,986,000 in 2018 from \$2,397,000 in 2017.

Net operating income for US golf club operations segment decreased 32.8% to US \$1,294,000 in 2018 from US \$1,926,000 in 2017. The Florida golf market continues to be a very competitive market with discounting of green fee rates.

Net operating loss for the rail and port operations changed slightly to US \$2,609,000 from US \$2,601,000 in 2017.

Consolidated net operating income decreased 26.6% to \$556,000 for the three month period ended March 31, 2018 from \$758,000 in 2017.

Amortization of membership fees decreased 13.8% to \$1,654,000 from \$1,918,000 in 2017 due to the completion of the amortization periods of revenue for members that joined in 2004. This was completed in 2017.

Interest, net decreased 1.0% to \$4,037,000 for the three month period ended March 31, 2018 from \$4,078,000 in 2017 due primarily to a 4.0% decline in borrowings year over year offset by an increase in interest rates.

The overall effective tax rate for the three months ended March 31, 2018 was 26.3% as compared to 49.2% in 2017 due to a decline in the US effective tax rate used for the Company's US operations.

Eligible Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per share to be paid on June 15, 2018 to shareholders of record as at May 31, 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