

# TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE  
KING CITY, ONTARIO  
TSX: TWC

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## TWC ENTERPRISES LIMITED ANNOUNCES THIRD QUARTER 2017 RESULTS AND ELIGIBLE CASH DIVIDEND

### Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Net earnings	19,472	17,869	21,618	18,015
Basic and diluted earnings per share	\$0.71	\$0.65	\$0.79	\$0.66

### Operating Data

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<b>ClubLink</b>				
Canadian Full Privilege Golf Members			15,517	15,415
Championship rounds – Canada	574,000	541,000	935,000	938,000
18-hole equivalent championship golf courses – Canada			42.5	42.5
Championship rounds – U.S.	43,000	51,000	261,000	280,000
18-hole equivalent championship golf courses – U.S.			11.0	11.0
<b>White Pass and Yukon Route</b>				
Rail passengers	267,000	250,000	429,000	408,000
Port passengers from cruise ships	525,000	494,000	846,000	816,000
Cruise ship dockings	228	220	370	363

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

(thousands of Canadian dollars)	For the three months ended	
	September 30, 2017	September 30, 2016
Net operating income (loss) by segment		
Canadian golf club operations	\$ 18,055	\$ 17,306
US golf club operations (2017 - US loss \$1,038,000; 2016 - US loss \$867,000)	(1,298)	(1,133)
Rail and port operations (2017 - US \$18,674,000; 2016 - US \$16,827,000)	23,486	21,934
Corporate operations	(776)	(773)
Net operating income <sup>(1)</sup>	\$ 39,467	\$ 37,334

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2017	September 30, 2016
Net operating income (loss) by segment		
Canadian golf club operations	\$ 28,189	\$ 27,816
US golf club operations (2017 - US \$764,000; 2016 - US \$972,000)	1,081	1,383
Rail and port operations (2017 - US \$25,524,000; 2016 - US \$23,572,000)	32,704	30,444
Corporate operations	(2,265)	(2,207)
Net operating income <sup>(1)</sup>	\$ 59,709	\$ 57,436

The following is an analysis of net earnings:

(thousands of Canadian dollars)	For the three months ended	
	September 30, 2017	September 30, 2016
Operating revenue	\$ 97,357	\$ 94,448
Direct operating expenses (1)	57,890	57,114
Net operating income (1)	39,467	37,334
Amortization of membership fees	2,192	2,945
Depreciation and amortization	(6,378)	(6,572)
Land lease rent	(1,276)	(1,323)
Interest, net	(4,309)	(4,407)
Other expense	(336)	(388)
Income taxes	(9,888)	(9,720)
Net earnings	\$ 19,472	\$ 17,869

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2017	September 30, 2016
Operating revenue	\$ 190,902	\$ 189,069
Direct operating expenses (1)	131,193	131,633
Net operating income (1)	59,709	57,436
Amortization of membership fees	6,119	8,495
Depreciation and amortization	(19,422)	(19,648)
Land lease rent	(3,878)	(3,977)
Interest, net	(12,624)	(13,590)
Real estate gain	2,104	-
Other expense	(1,067)	(375)
Income taxes	(9,323)	(10,326)
Net earnings	\$ 21,618	\$ 18,015

(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.

## Third Quarter 2017 Consolidated Operating Highlights

Net earnings increased 9.0% to \$19,472,000 for the three month period ended September 30, 2017 from \$17,869,000 in 2016.

Basic and diluted earnings per share was 71 cents per share for the three month period ended September 30, 2017, compared to 65 cents in 2016.

The exchange rate used for translating US denominated earnings has changed to a quarterly average of 1.2526 for the three months ended September 30, 2017 from 1.3051 for the three month period ended September 30, 2016 due to the improving Canadian dollar over the one year period.

Consolidated operating revenue increased 3.1% to \$97,357,000 for the three month period ended September 30, 2017 from \$94,448,000 in 2016, due to higher operating revenue for the Canadian golf club operations from 33,000 more rounds and the rail and port operations from 17,000 more rail passengers.

Consolidated direct operating expenses increased 1.4% to \$57,890,000 for the three month period ended September 30, 2017 from \$57,114,000 in 2016.

Net operating income for the Canadian golf club operations segment increased 4.3% to \$18,055,000 in 2017 from \$17,306,000 in 2016 due to an increase in rounds to 574,000 for the three month period ended September 30, 2017 from 541,000 in 2016.

Net operating loss for US golf club operations segment increased to US \$1,038,000 in 2017 from US \$867,000 in 2016.

Net operating income for the rail and port operations increased 11.0% to US \$18,674,000 from US \$16,827,000 in 2016 due to 17,000 additional rail passengers in the quarter.

Consolidated net operating income increased 5.7% to \$39,467,000 for the three month period ended September 30, 2017 from \$37,334,000 in 2016.

Amortization of membership fees decreased 25.6% to \$2,192,000 from \$2,945,000 in 2016 due to the completion of the amortization periods of revenue for members that joined in 2003 and 2005. This was completed in 2016.

Interest, net decreased 2.2% to \$4,309,000 for the three month period ended September 30, 2017 from \$4,407,000 in 2016 due primarily to a 7.0% decline in borrowings year over year.

## **Eligible Dividend**

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per common share to be paid on December 15, 2017 to shareholders of record as at November 30, 2017.

## **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](http://www.sedar.com) and on the Company website at [www.twcenterprises.ca](http://www.twcenterprises.ca)*