

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

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TWC ENTERPRISES LIMITED ANNOUNCES FIRST QUARTER 2017 RESULTS AND ELIGIBLE CASH DIVIDEND

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended	
	March 31, 2017	March 31, 2016
Net loss	(3,608)	(5,720)
Basic and diluted loss per share	(0.13)	(0.21)

Operating Data

	Three months ended	
	March 31, 2017	March 31, 2016
ClubLink		
Canadian Full Privilege Golf Members	14,907	14,739
Championship rounds – Canada	3,000	3,000
18-hole equivalent championship golf courses – Canada	42.5	42.5
Championship rounds – U.S.	144,000	146,000
18-hole equivalent championship golf courses – U.S.	11.0	12.0
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, 2017	March 31, 2016
Net operating income by segment		
Canadian golf club operations	\$ 2,397	\$ 2,923
US golf club operations (2017 - US \$1,926,000; 2016 - US \$1,708,000)	2,548	2,349
Rail and port operations (2017 - US -\$2,601,000; 2016 - US -\$2,509,000)	(3,442)	(3,449)
Corporate operations	(745)	(694)
Net operating income ⁽¹⁾	\$ 758	\$ 1,129

The following is an analysis of net loss:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2017	March 31, 2016
Operating revenue	\$ 24,109	\$ 24,622
Direct operating expenses ⁽¹⁾	23,351	23,493
Net operating income ⁽¹⁾	758	1,129
Amortization of membership fees	1,927	2,741
Depreciation and amortization	(6,514)	(6,714)
Land lease rent	(1,304)	(1,329)
Interest, net	(4,078)	(4,605)
Real estate gain	2,104	-
Other expenses	8	(118)
Income taxes	3,491	3,176
Net loss	\$ (3,608)	\$ (5,720)

Direct operating expenses are calculated as follows:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2017	March 31, 2016
Cost of sales	\$ 1,270	\$ 1,139
Labour and employee benefits	10,968	11,192
Utilities	1,959	1,902
Selling, general and administrative expenses	1,732	1,434
Property taxes	2,738	2,864
Repairs and maintenance	877	885
Insurance	1,076	1,167
Fertilizers and pest control products	203	217
Fuel and oil	130	122
Other operating expenses	2,398	2,571
Direct operating expenses ⁽¹⁾	\$ 23,351	\$ 23,493

(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 2017 Consolidated Operating Highlights

Net loss decreased to \$3,608,000 for the three month period ended March 31, 2017 from \$5,720,000 in 2016 primarily due to a \$2,104,000 gain on the sale of Grandview Resort.

Basic and diluted loss per share was 13 cents per share for the three month period ended March 31, 2017, compared to a loss of 21 cents per share in 2016.

The exchange rate used for translating US denominated earnings has changed 3.8% to a quarterly average of 1.3230 for the three months ended March 31, 2017 from 1.3748 for the three month period ended March 31, 2016 due to the improvement in the Canadian dollar over the one year period.

Consolidated operating revenue decreased 2.1% to \$24,109,000 for the three month period ended March 31, 2017 from \$24,622,000 in 2016, due in part to the stronger Canadian dollar used to translate the US based revenue.

Consolidated operating expenses decreased 0.6% to \$23,351,000 for the three month period ended March 31, 2017 from \$23,493,000 in 2016.

Net operating income for the Canadian golf club operations segment decreased 18.0% to \$2,397,000 in 2017 from \$2,923,000 in 2016.

Net operating income for US golf club operations segment increased 12.8% to US \$1,926,000 in 2017 from US \$1,708,000 in 2016.

Net operating loss for the rail and port operations increased 3.7% to US\$2,601,000 from US\$2,509,000 in 2016.

Consolidated net operating income decreased 32.9% to \$758,000 for the three month period ended March 31, 2017 from \$1,129,000 in 2016.

Amortization of membership fees decreased 29.7% to \$1,927,000 from \$2,741,000 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 11.4% to \$4,078,000 for the three month period ended March 31, 2017 from \$4,605,000 in 2016 due primarily to a 6.8% decline in borrowings year over year.

On January 25, 2017, ClubLink sold the property that was formerly known as Grandview Resort in Huntsville, Ontario for net proceeds of \$5,074,000. A gain of \$2,104,000 was recognized for this sale.

Eligible Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per share to be paid on June 15, 2017 to shareholders of record as at May 31, 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 and on the Company website at www.twcenterprises.ca