

# TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE  
KING CITY, ONTARIO  
TSX: TWC

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## TWC ENTERPRISES LIMITED ANNOUNCES SECOND QUARTER 2016 RESULTS AND ELIGIBLE CASH DIVIDEND

### Consolidated Financial Highlights

| (in thousands of dollars except per share amounts) | Three months ended |               | Six months ended |               |
|----------------------------------------------------|--------------------|---------------|------------------|---------------|
|                                                    | June 30, 2016      | June 30, 2015 | June 30, 2016    | June 30, 2015 |
| Operating revenue                                  | 69,999             | 65,598        | 94,621           | 88,743        |
| Net operating income <sup>1</sup>                  | 18,973             | 16,849        | 20,102           | 17,902        |
| Net earnings (loss)                                | 5,866              | 4,666         | 146              | (2,718)       |
| Basic and diluted earnings (loss) per share        | 0.21               | 0.17          | 0.01             | (0.10)        |
| Weighted average shares outstanding (000's)        | 27,345             | 27,371        | 27,345           | 27,371        |

### Operating Data

|                                                       | Three months ended |               | Six months ended |               |
|-------------------------------------------------------|--------------------|---------------|------------------|---------------|
|                                                       | June 30, 2016      | June 30, 2015 | June 30, 2016    | June 30, 2015 |
| <b>ClubLink One Membership More Golf</b>              |                    |               |                  |               |
| Championship rounds – Canada                          | 394,000            | 344,000       | 397,000          | 344,000       |
| 18-hole equivalent championship golf courses – Canada | 42.5               | 42.5          | 42.5             | 42.5          |
| Full privilege members – Canada                       |                    |               | 14,980           | 15,069        |
| Championship rounds – U.S.                            | 83,000             | 94,000        | 229,000          | 239,000       |
| 18-hole equivalent championship golf courses – U.S.   | 12.0               | 12.0          | 12.0             | 12.0          |
| <b>White Pass and Yukon Route</b>                     |                    |               |                  |               |
| Rail passengers                                       | 158,000            | 152,000       | 158,000          | 152,000       |
| Port passengers from cruise ships                     | 322,000            | 311,000       | 322,000          | 311,000       |

## Segment Data

| (thousands of dollars)              | Three months ended |               | Six months ended |               |
|-------------------------------------|--------------------|---------------|------------------|---------------|
|                                     | June 30, 2016      | June 30, 2015 | June 30, 2016    | June 30, 2015 |
| <b>Net operating income</b>         |                    |               |                  |               |
| Canadian golf club operations (Cdn) | 7,587              | 6,564         | 10,510           | 9,294         |
| US golf club operations (USD)       | 131                | 158           | 1,839            | 1,854         |
| Rail and port operations (USD)      | 9,254              | 8,751         | 6,745            | 6,268         |

## Second Quarter 2016 Consolidated Operating Highlights

The exchange rate used for translating US denominated earnings has changed 4.8% to a quarterly average of 1.2886 for the three months ended June 30, 2016 from 1.2294 for the three month period ended June 30, 2015 due to the declining Canadian dollar over the one year period.

Consolidated operating revenue increased 6.7% to \$69,999,000 for the three month period ended June 30, 2016 from \$65,598,000 in 2015, due to the higher operating revenue in the Canadian golf club and rail and port segments, as well as the impact on the translation of the rail and port operations.

Consolidated operating expenses increased 4.7% to \$51,026,000 for the three month period ended June 30, 2016 from \$48,749,000 in 2015, due to the decline in the Canadian dollar and the impact on the translation of the US denominated expenses.

Net operating income for the Canadian golf club operations segment increased 15.6% to \$7,587,000 in 2016 from \$6,564,000 in 2015. The Canadian golf operations use a floating quarter end. This quarter end date was July 3, 2016 and June 28, 2015 in 2015 and has resulted in an extra six days of golfing activity in 2016. The increase of \$1,023,000 in net operating income is due to this extra week.

Net operating income for US golf club operations segment decreased 17.1% to US \$131,000 in 2016 from US \$158,000 in 2015.

Net operating income for the rail and port operations increased 5.8% to US \$9,254,000 from US \$8,750,000 in 2015.

Consolidated net operating income increased 12.6% to \$18,973,000 for the three month period ended June 30, 2016 from \$16,849,000 in 2015.

Interest, net decreased 5.3% to \$4,578,000 for the three month period ended June 30, 2016 from \$4,832,000 in 2015.

Effective January 1, 2016, TWC has declared its 8.00% USD mortgage facility as a hedge against its net investment in White Pass. Accordingly, the foreign exchange translation gain or loss on this mortgage is now reflected in accumulated other comprehensive income effective January 1, 2016.

Net earnings increased to \$5,866,000 for the three month period ended June 30, 2016 from \$4,666,000 in 2015 primarily due to the increase in net operating income.

## Comparability

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

The impact of these items is as follows:

| (thousands of dollars - except per share amounts)   | For the six months ended |                  |
|-----------------------------------------------------|--------------------------|------------------|
|                                                     | June 30,<br>2016         | June 30,<br>2015 |
| Net earnings (loss) as reported                     | \$ 146                   | \$ (2,718)       |
| Other expense (income)                              | (13)                     | 2,017            |
| Income tax provision on above adjustments           | 40                       | (418)            |
| Pro Forma net earnings (loss)                       | \$ 173                   | \$ (1,119)       |
| Earnings (loss) per share as reported               | \$ 0.01                  | \$ (0.10)        |
| Impact of other expense                             | -                        | 0.08             |
| Impact of income tax provision on above adjustments | -                        | (0.02)           |
| Pro Forma earnings (loss) per share                 | \$ 0.01                  | \$ (0.04)        |

## Eligible Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per common share to be paid on September 15, 2016 to shareholders of record as at August 31, 2016.

## 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 four 18-hole equivalent academy courses at 42 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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(1) Net operating income, operating margin, 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 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)