

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

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

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Net earnings	5,754	5,866	2,146	146
Basic and diluted earnings per share	0.21	0.21	0.08	0.01

Operating Data

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
ClubLink				
Canadian Full Privilege Golf Members			15,023	14,980
Championship rounds – Canada	358,000	394,000	361,000	397,000
18-hole equivalent championship golf courses – Canada			42.5	42.5
Championship rounds – U.S.	74,000	83,000	218,000	229,000
18-hole equivalent championship golf courses – U.S.			11.0	12.0
White Pass and Yukon Route				
Rail passengers	162,000	158,000	162,000	158,000
Port passengers from cruise ships	321,000	322,000	321,000	322,000
Cruise ship dockings	142	143	142	143

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

(thousands of Canadian dollars)	For the three months ended	
	June 30, 2017	June 30, 2016
Net operating income (loss) by segment		
Canadian golf club operations	\$ 7,737	\$ 7,587
US golf club operations		
(2017 - US loss \$124,000; 2016 - US earnings \$131,000)	(169)	167
Rail and port operations		
(2017 - US \$9,451,000; 2016 - US \$9,254,000)	12,660	11,959
Corporate operations	(744)	(740)
Net operating income ⁽¹⁾	\$ 19,484	\$ 18,973

(thousands of Canadian dollars)	For the six months ended	
	June 30, 2017	June 30, 2016
Net operating income (loss) by segment		
Canadian golf club operations	\$ 10,134	\$ 10,510
US golf club operations		
(2017 - US \$1,802,000; 2016 - US \$1,839,000)	2,379	2,516
Rail and port operations		
(2017 - US \$6,850,000; 2016 - US \$6,745,000)	9,218	8,510
Corporate operations	(1,489)	(1,434)
Net operating income ⁽¹⁾	\$ 20,242	\$ 20,102

The following is an analysis of net earnings:

(thousands of Canadian dollars)	For the three months ended	
	June 30, 2017	June 30, 2016
Operating revenue	\$ 69,436	\$ 69,999
Direct operating expenses (1)	49,952	51,026
Net operating income (1)	19,484	18,973
Amortization of membership fees	2,000	2,809
Depreciation and amortization	(6,530)	(6,362)
Land lease rent	(1,298)	(1,325)
Interest, net	(4,237)	(4,578)
Other income (expense)	(739)	131
Income taxes	(2,926)	(3,782)
Net earnings	\$ 5,754	\$ 5,866

(thousands of Canadian dollars)	For the six months ended	
	June 30, 2017	June 30, 2016
Operating revenue	\$ 93,545	\$ 94,621
Direct operating expenses (1)	73,303	74,519
Net operating income (1)	20,242	20,102
Amortization of membership fees	3,927	5,550
Depreciation and amortization	(13,044)	(13,076)
Land lease rent	(2,602)	(2,654)
Interest, net	(8,315)	(9,183)
Real estate gain	2,104	-
Other income (expense)	(731)	13
Income taxes	565	(606)
Net earnings	\$ 2,146	\$ 146

(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.

Second Quarter 2017 Consolidated Operating Highlights

Net earnings decreased slightly to \$5,754,000 for the three month period ended June 30, 2017 from \$5,866,000 in 2016.

Basic and diluted earnings per share was unchanged at 21 cents per share for the three month period ended June 30, 2017, compared to 2016.

The exchange rate used for translating US denominated earnings has changed to a quarterly average of 1.3450 for the three months ended June 30, 2017 from 1.2886 for the three month period ended June 30, 2016 due to the declining Canadian dollar over the one year period.

Consolidated operating revenue decreased 0.8% to \$69,436,000 for the three month period ended June 30, 2017 from \$69,999,000 in 2016, due to the wet Ontario and Quebec weather impacting the Canadian golf operations.

Consolidated direct operating expenses decreased 2.1% to \$49,952,000 for the three month period ended June 30, 2017 from \$51,026,000 in 2016 due to a containment of expenses in the Canadian golf operations in relation to the weather.

Net operating income for the Canadian golf club operations segment increased 2.0% to \$7,737,000 in 2017 from \$7,587,000 in 2016 due to the containment of expenses.

Net operating loss for US golf club operations segment was US \$124,000 in 2017 compared to net operating income of US \$131,000 in 2016.

Net operating income for the rail and port operations increased 2.1% to US \$9,451,000 from US \$9,254,000 in 2016 due to an increased capture rate of passengers.

Consolidated net operating income increased 2.7% to \$19,484,000 for the three month period ended June 30, 2017 from \$18,973,000 in 2016.

Amortization of membership fees decreased 28.8% to \$2,000,000 from \$2,809,000 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 7.4% to \$4,237,000 for the three month period ended June 30, 2017 from \$4,578,000 in 2016 due primarily to a 4.0% 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 September 15, 2017 to shareholders of record as at August 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