



**THE PERFORMANCE OF
LEISURE OPERATORS
DURING THE RECESSIONARY YEARS
2007-2011**

19 MAY 2011



External Factors Influencing Performance

Economic Change

Social Change

Technological Change

Legislative Change





NR &Co League Table of Leisure Operators

Bingo

Bowling

Casino

Cinema

Health & Fitness

High Street Bars

Nightclub

Restaurant

Nightclub



Nightclub



Luminar Leisure Plc (Feb 09 – Feb 10 change)

Fri/Sat admits down by 13.7% (Overall 11.5%)

Spend per head up 1.1% at £12.46 (£12.29)

Turnover down 10.4% to £173.1m

EBITDA down 33% to £34.3m (£51.3m)

Profit conversion of 20% (32%)

Nightclub



In 2010, the market is estimated to be valued at £1.48 billion, a fall of 19% compared to 2005.

This represents a decline in real terms of 37%

Mintel – Nightclubs – UK – December 2010

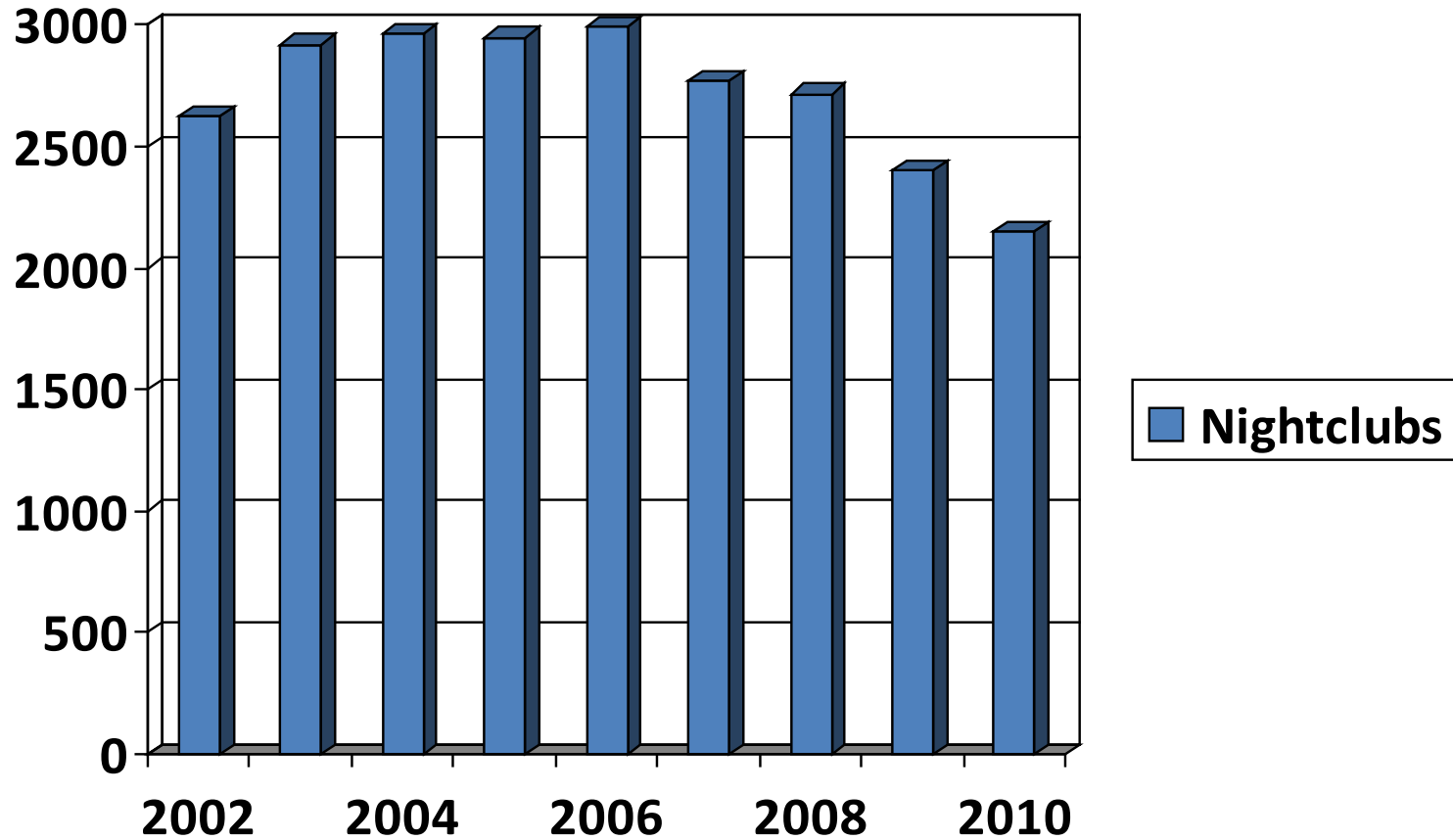
Nightclubs suffer slump as admission prices keep revellers at home

Metro Headline 11 April 2011

Between 2010 and 2015, market value is set to decline by 17%

Mintel – Nightclubs – UK – December 2010

Nightclub



Nightclub



Stephen Thomas, the founder of nightclub group Luminar, is to launch a new "up market, all seated and fully waiter serviced bar" concept called The Greene Room

Eclectic announce the investment of £850,000 in two new Lola Lo`s!

Launching on March 18th 2011 the 4200 capacity night spot, named Pulse, is determined to introduce itself as London`s newest Super Club, taking the crown as the Capitals largest nightspot

NR &Co League Table of Leisure Operators

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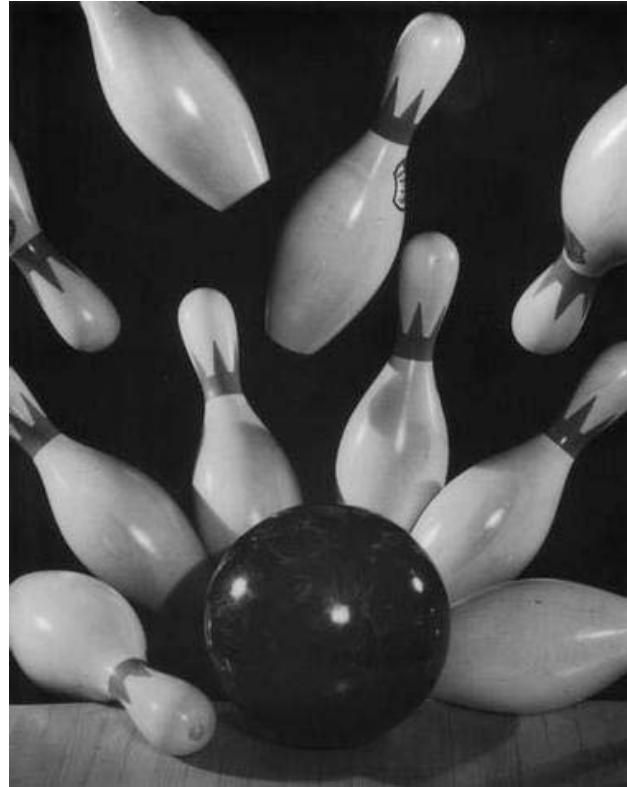
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8 Nightclub

Ten Pin Bowling

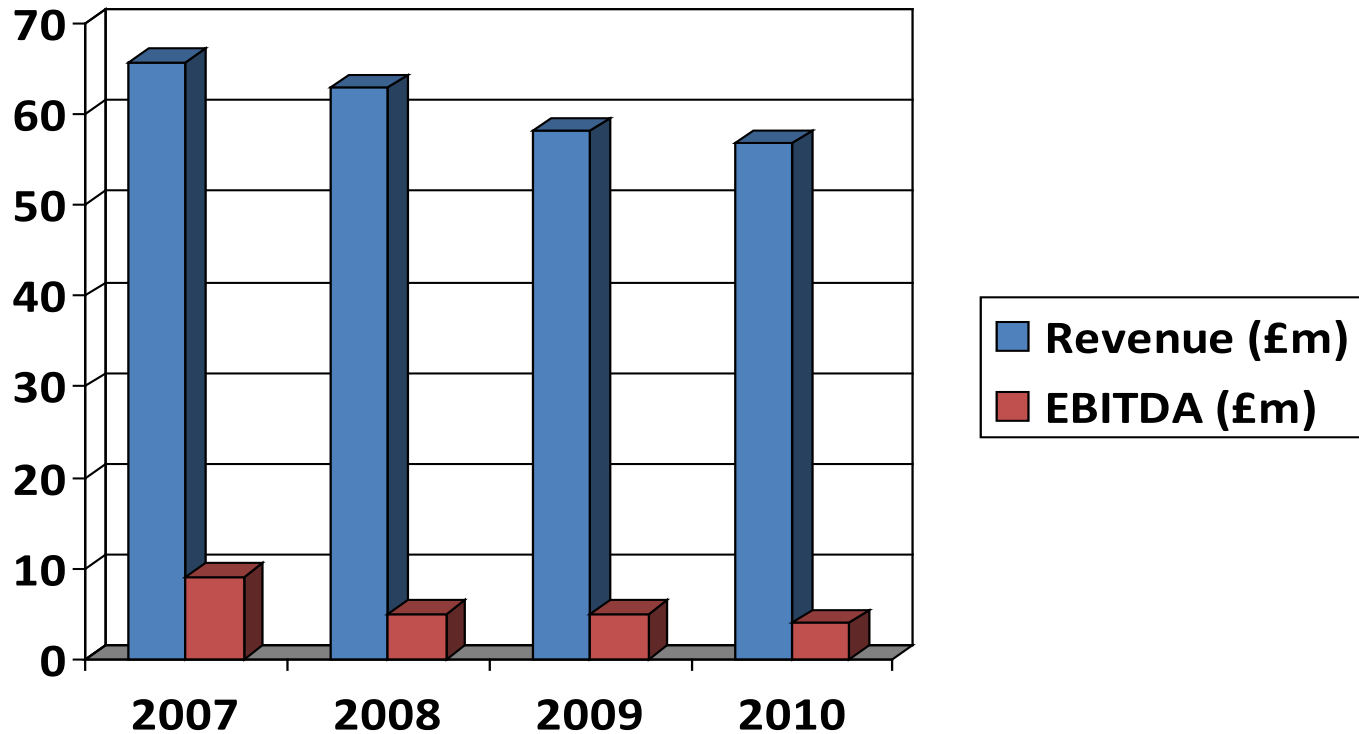


Ten Pin Bowling



- 45 Original Bowling Co (t/a AMF/Hollywood)**
- 38 Essenden plc (t/a Tenpin)**
- 18 Bowlplex**
- 16 Garland Leisure (t/a 1st Bowl)**
- 14 Namco**
- 10 American Amusements (t/a Strikes/Big Apple)**
- 8 Newbury Leisure (t/a Lakeside Superbowl)**

Ten Pin Bowling



Essenden plc

Ten Pin Bowling



.. the pressures caused by falling disposable incomes, high levels of unemployment and aggressive leisure competitor pricing on our two core customer groups, value conscious families and 18-30 year olds.

Group EBITDA for [2010] was down £1.1m at £4.0m. The £1.5m decline in revenue in 2010 represented a 5.3% decline in like for like sales (2009: -8%)

The directors do not recommend the payment of a dividend (2009: £nil)

Essenden annual report 2010

Ten Pin Bowling



Following a period of sustained growth of 2-3% per annum, the value of the tenpin bowling market fell by 11% between 2007 and 2009 to just under £250 million

Corporate group bookings – a high-margin segment with the highest ancillary spend per head – have declined during the recession. Birthday party packages have been least affected.

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Bingo

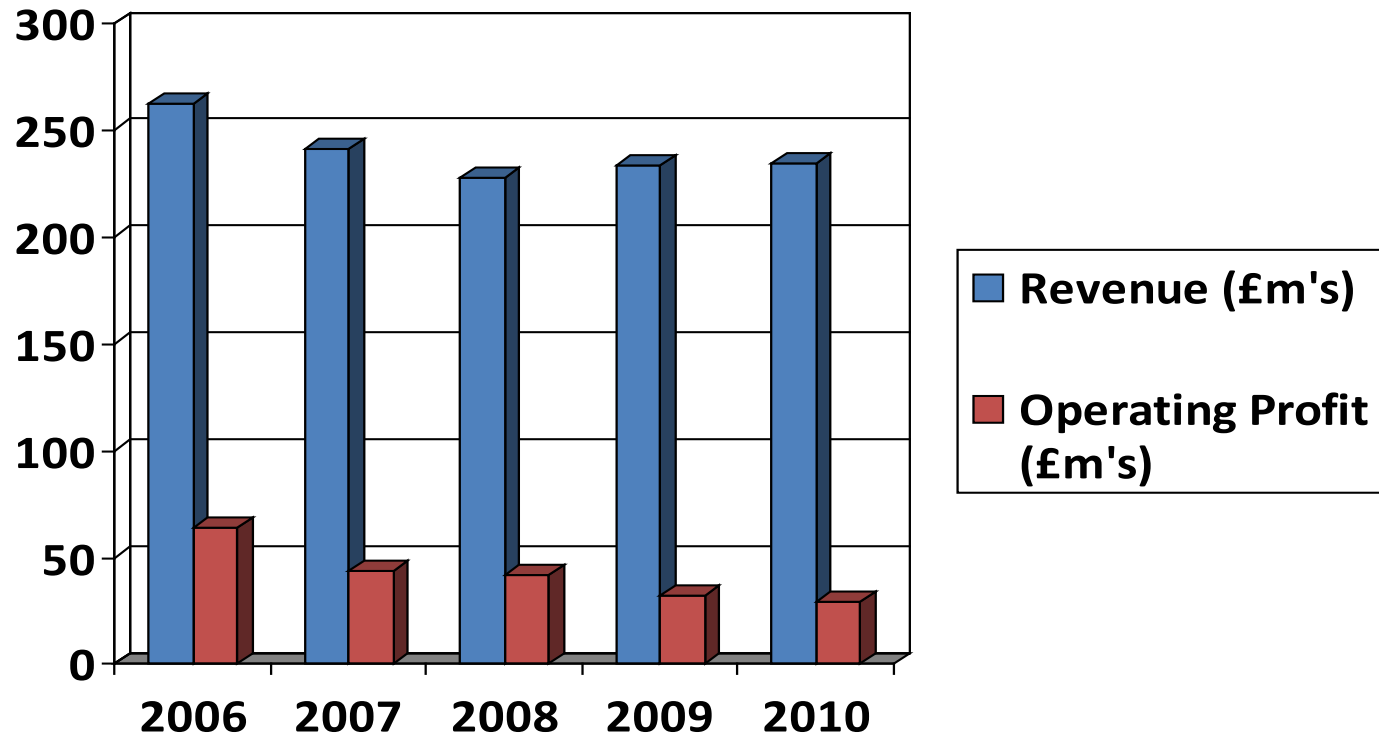


Bingo



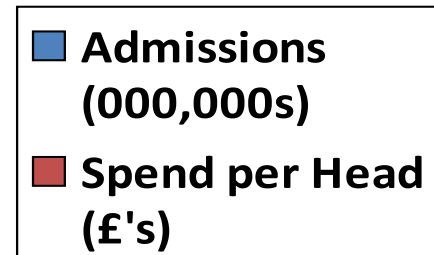
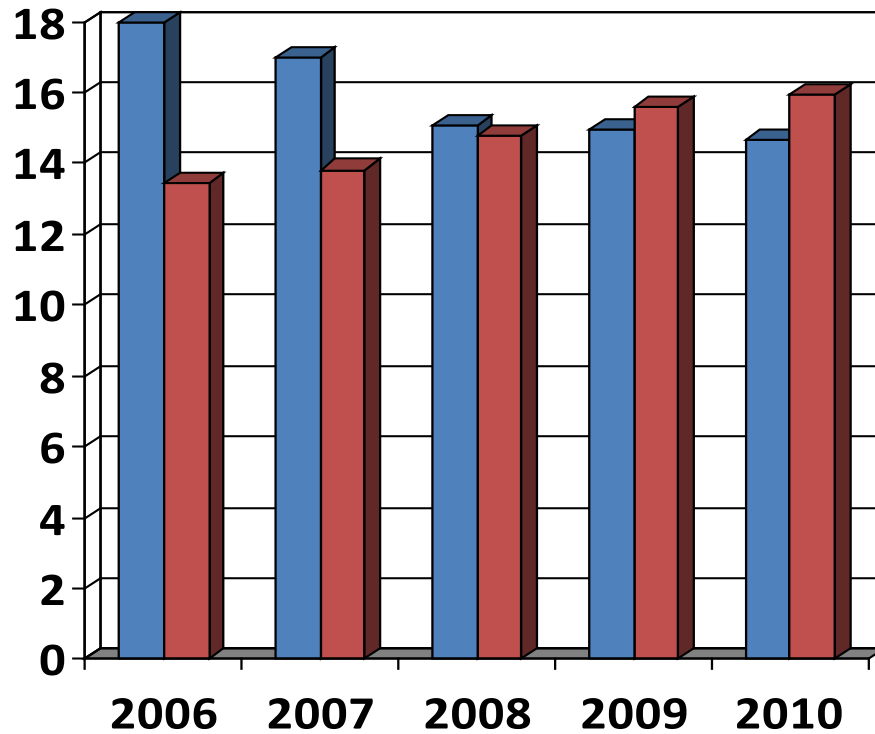
Bingo Operators in Great Britain	Closed Clubs	%age change		Feb 2011	Feb 2007
Gala Bingo	26	-15.3%		144	170
Mecca Bingo	10	-8.8%		103	113
Top Ten Bingo	21	-48.8%		22	43
Carlton Clubs	3	-17.6%		14	17
Other	99	-32.9%		202	301
Total	159	-24.7%		485	644

Bingo



Mecca Bingo (The Rank Group plc)

Bingo



Mecca Bingo (The Rank Group plc)

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Health & Fitness



Mintel – Health & Fitness Clubs – UK – October 2009

The UK health and fitness clubs market has ... in the past 18 months ... seen market growth stall as a result of the ... impact of the banking crisis and ... economic recession. Club openings have slowed ... as ... funding ... has dried up and consumers have been cutting back on non-essential items

Penetration of health clubs has slowed to a standstill and still remains at a level nearly half that of the much more developed US market.

Cost remains a major issue for many consumers and for that reason, the emergence of the budget health clubs sector during the past 18 months is a welcome development .

Health & Fitness



- **Premium** **Health & Racquets**
- **Mid-market** **Family (Wet)**
- **Budget** **Fitness (Dry)**

Health & Fitness



[Xercise4less to open Stockton club](#) 03 May 2011

Budget fitness chain Xercise4less is to open a new £1m "supergym" in Stockton-on-Tees, Durham, later this year

[Fitness4less opens in Southwark](#) 19 Apr 2011

Budget health club operator Fitness4less has opened a new 20,000sq ft club in Southwark, London

[Pure Gym to open first two London clubs](#) 15 Feb 2011

Budget health club operator Pure Gym has announced that it is to open five new sites in the UK - including its first two locations in London

[The Gym Group secures £20m funding](#) 07 Dec 2010

Low-cost health club operator The Gym Group has revealed that it has secured a £20m funding package towards its plans for expansion

Health & Fitness



The Budget Market Operators in UK

16	The Gym Group	21 by end Summer
13	Pure Gym	18 by end Summer
8	Fitness4Less	9 by end Summer
8	Fitspace	
7	Fit4less	
3	Gym4All	5 by end Summer
3	Xercise4Less	
1	Anytime Fitness	2 by end Summer
1	DW Express	
1	Kiss Gyms	



**JOIN THE
PureGym
REVOLUTION**

- ✓ Open 24/7
- ✓ Over 220 pieces of kit
- ✓ Over 40 free classes per week
- ✓ No contract, no catch
- ✓ Instant PIN access to gym via text

JOIN ONLINE NOW
FULL MEMBERSHIP FROM ONLY £16.99*

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High Street Bars



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High Street Bars



High Street Bars



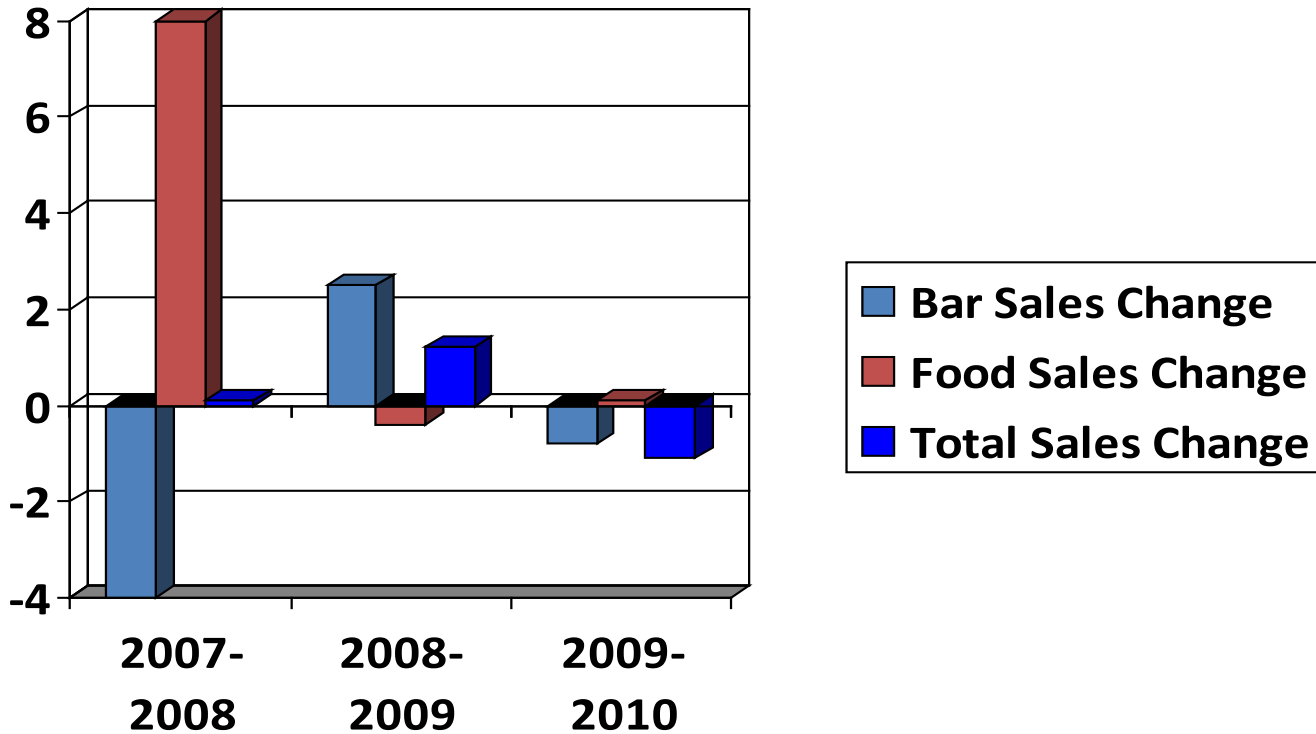
Mintel – High Street Pubs and Bars – UK – July 2008

The high street pubs and bars market is worth almost £3 billion, a modest increase of 1.7% since ... 2006.

The market leader, JD Wetherspoon, with around 40% of the trade, has enjoyed 10% growth in sales, mainly from its dining.

However, these are challenging times, with the credit crunch, demographics, cheap supermarket beer and the smoking ban creating unfavourable pressure on the trade now and into the future.

High Street Bars



JD Wetherspoon Plc – Like for Likes

High Street Bars



In the .. 39 weeks to 24 April 2011 .. like-for-like sales increased by 2.4% and overall Company sales increased by 7.6%.The operating margin in the [39 weeks] was 9.5%.

.. the company .. continues to be faced with rising costs .. combined with a reduction in disposable income for many of its customers.

Sales and cashflow continue to be resilient .. which should enable the Company to produce a reasonable outcome in the current financial year.

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High Street Bars



High Street Bars



Be At One, the cocktail bar chain with ten London sites, has reported a strong performance for December 2010 with like for like sales rising 11.1% Jan 2011

One of the City's favourite purveyors of liquid refreshment, the wine-bar chain Balls Brothers, has collapsed into administration after struggling with debts of £7m owed to Barclays Bank Nov 2010

2011 will clearly be a challenging year as the government austerity measures and rising cost prices kick in. *When customers do come out and spend their hard-earned cash they will migrate to the businesses offering best value and best service.* The winners will be those that invest in their offers and most importantly their people.

Rufus Hall, chief executive Orchid Group

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Casino



Casino



Casino Operators in Great Britain	Licences at Feb 2011	Licenses at Feb 2007
Genting Stanley	46 (9)	46 (5)
Grosvenor	37 (10)	33 (10)
Gala	28 (3)	30 (1)
London Clubs	10	7 (5)
Other	29 (15)	22 (14)
Total	150 (37)	138 (35)
London	25 (3)	
Provincial	125 (34)	

Casino



Casino admissions grew 23% from 13.9m to 17.1m
between 2006 and 2010 Gambling Commission
Gambling Commission

In the year to March 2010 UK gaming revenue was
£778m (82% from table games, 18% from machines)
Gambling Commission

4% of adults played table games in a casino in 2010
British Gambling Prevalence Survey 2010



Grosvenor Casinos 2010 Report and Accounts

	London	Provincial
Admissions	+ 5.7%	+ 3.3%
Spend per Visit	+ 3.1%	- 2.0%
Revenue	+ 9.0%	+ 3.3%
Op Profit	+ 33.0%	+ 4.8%*

All like for like figures (2010 cf 2009) except for *

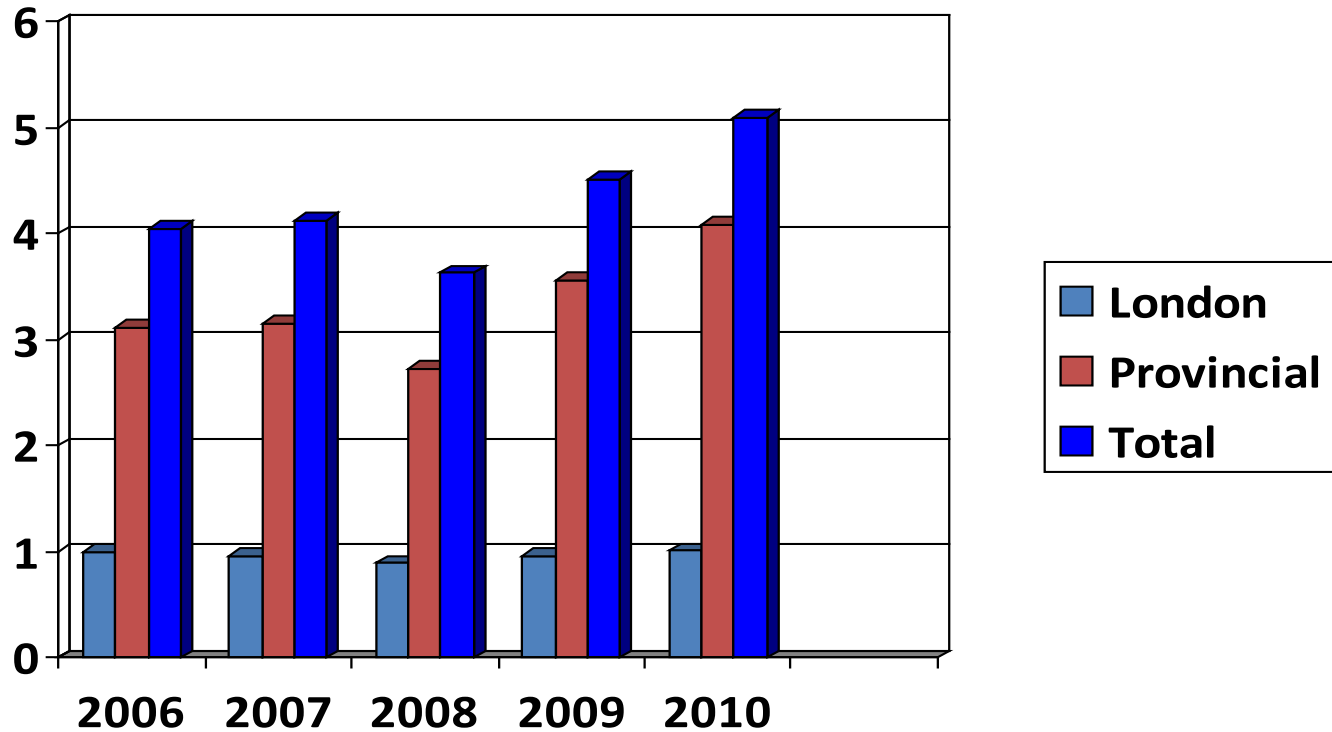
Casino



Grosvenor Casinos (The Rank Group Plc)

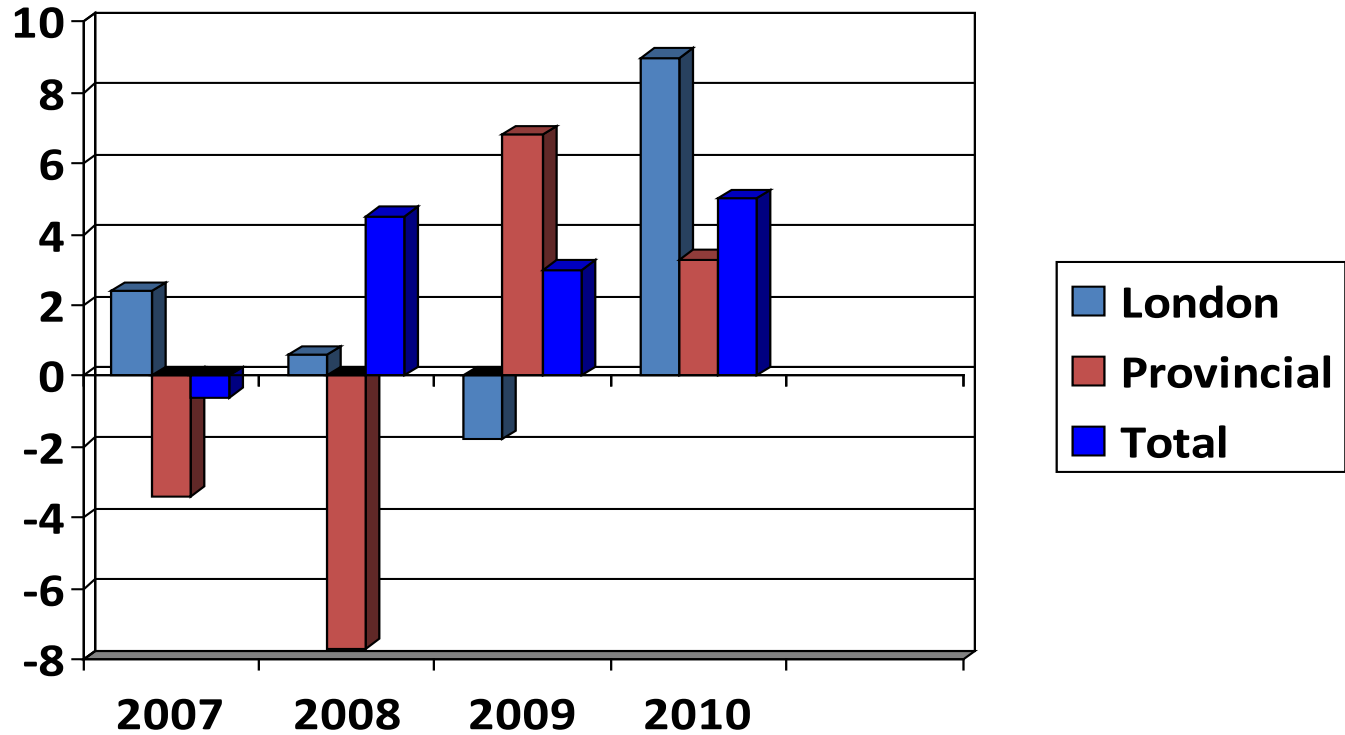
Spend per Visit	2010	2006	Change
London Casinos	£93.43	£86.21	+ 8.4%
Provincial Casinos	£31.28	£31.21	+ 0.2%
<i>Mecca Bingo Clubs</i>	<i>£15.96</i>	<i>£13.45</i>	<i>+ 18.7%</i>

Casino



Admissions (in millions) at UK Grosvenor Casinos

Casino



LfL Revenue % change at UK Grosvenor Casinos

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Restaurant



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Restaurant



Gondola Holdings

Zizzi
Ristorante



ASK ITALIAN

BYRON

Restaurant



Gondola Holdings

	Number of Outlets	Sales (£000s)	EBITDA (£000s)
FY 2006/07	540	431.4	96.3
FY 2007/08	561	461.7	103.0
FY 2008/09	597	509.3	105.5
FY 2009/10	645	545.0	112.4
2006 – 2010 change	+ 19.4%	+26.3%	+16.7%

Restaurant

Tragus Group



Restaurant

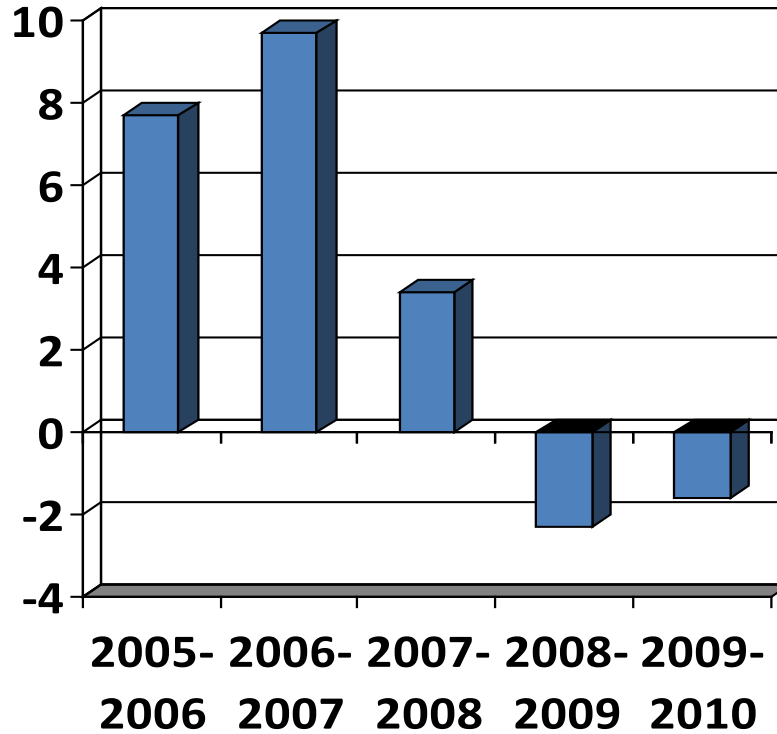


Tragus Group

	Number of Outlets	Sales (£000s)	EBITDA (£000s)
FY 2006	159	129.5	22.0
FY 2007	182	148.70	28.2
FY 2008	269	247.8	44.0
FY 2009	277	261.9	44.2
FY 2010	287	277.4	45.3
2006 – 2010 change	+ 80.5%	+114.1%	+106.0%

Restaurant

Tragus Group



■ LfL Sales Change

Restaurant



The year was a difficult one for the restaurant industry ... and trading remains challenging. *We expect to open circa 20 new restaurants during the year ... and the casual dining sector continues to have considerable potential for growth* Graham Turner, Chief Executive Tragus Group

[2011] has started with steady trading but we remain cautious about consumer demand [and] we see the outlook for [2011] as likely to be challenging, with spending remaining under pressure. *Despite fragile consumer confidence, we are in a strong position, and ... we are seeking to capitalise on this by maintaining our ambitious roll-out plans* Chris Woodhouse, Chairman Gondola Holdings

The Restaurant Group confirmed plans to open between 22 and 27 stores this year while Jamie Oliver`s ‘Jamie`s Italian’ said it will add a further 10 sites

Restaurant

RECENT M&A ACTIVITY



Landmark Group buys Carluccio's for £76m (10.6x)

Capricorn Ventures buys out Clapham House
(Gourmet Burger and Nando's)

Giraffe buys 11 Tootsies units

Prezzo buys 11 sites from Café Uno Brasseries for £3.1m

M&B acquires Ha Ha Bar & Grill for £19.5m

but

Wagamama and La Tasca both unsold due to pricing

NR &Co League Table of Leisure Operators

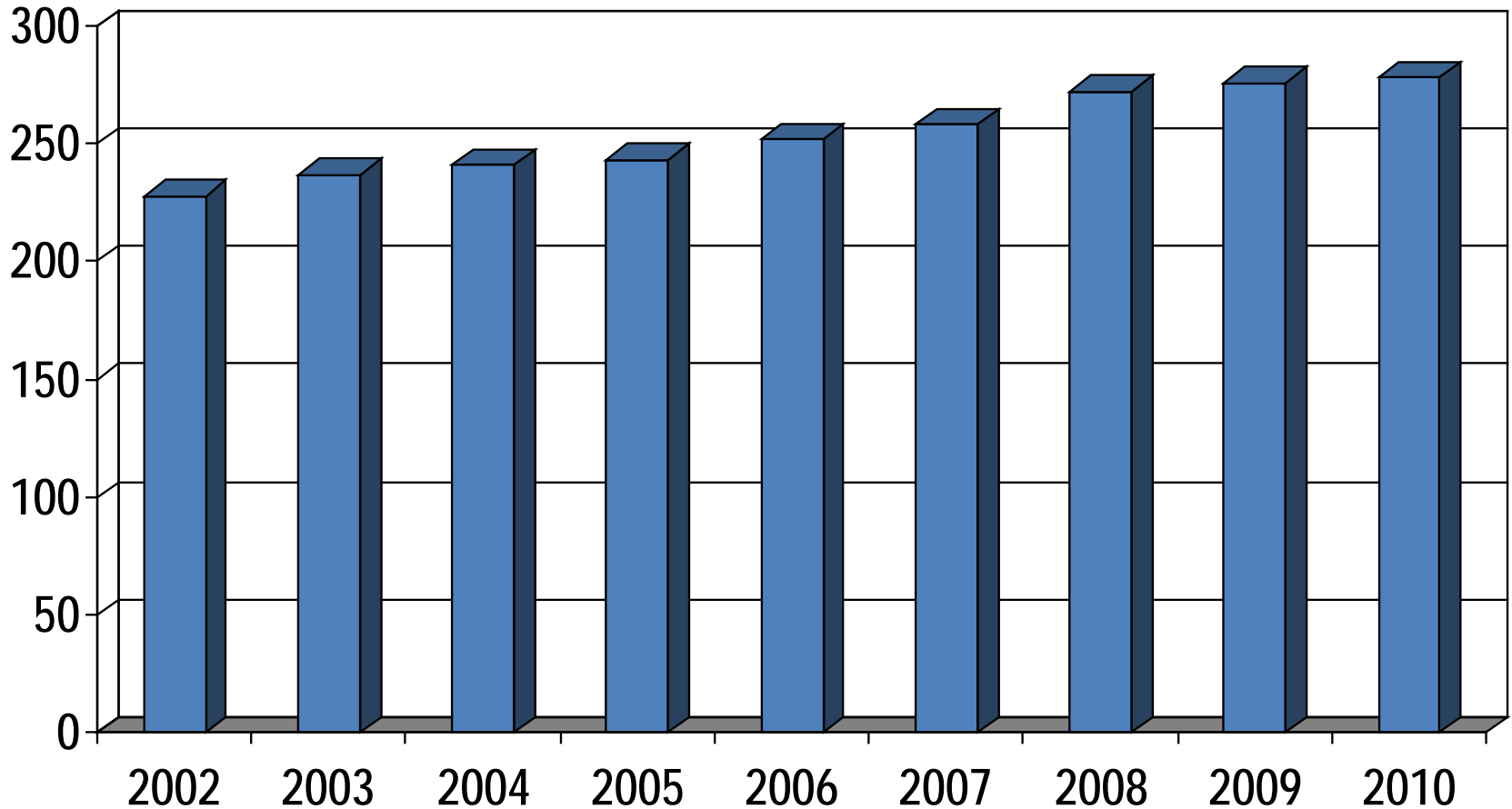
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Cinema



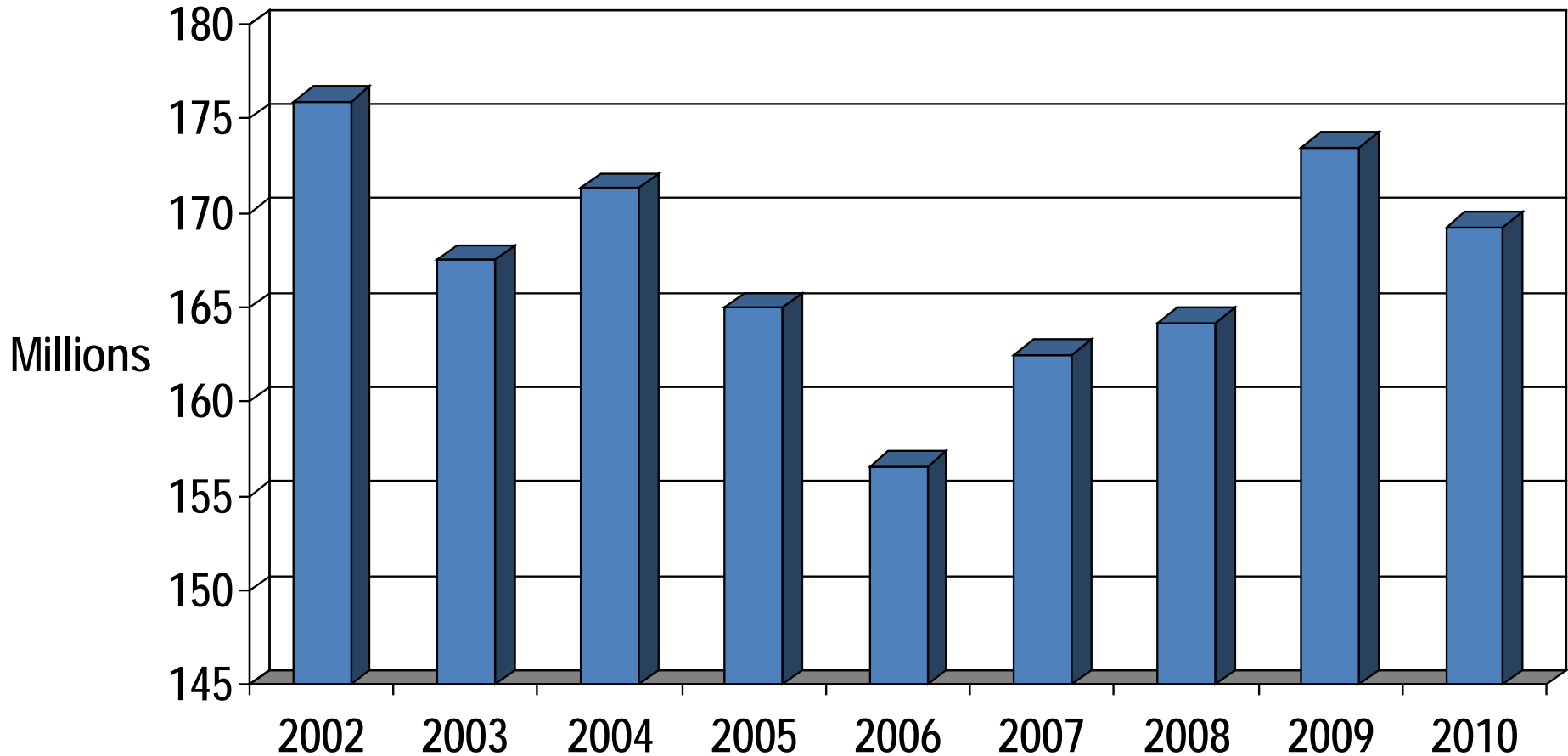
UK Multiplex Sites CEA



Cinema



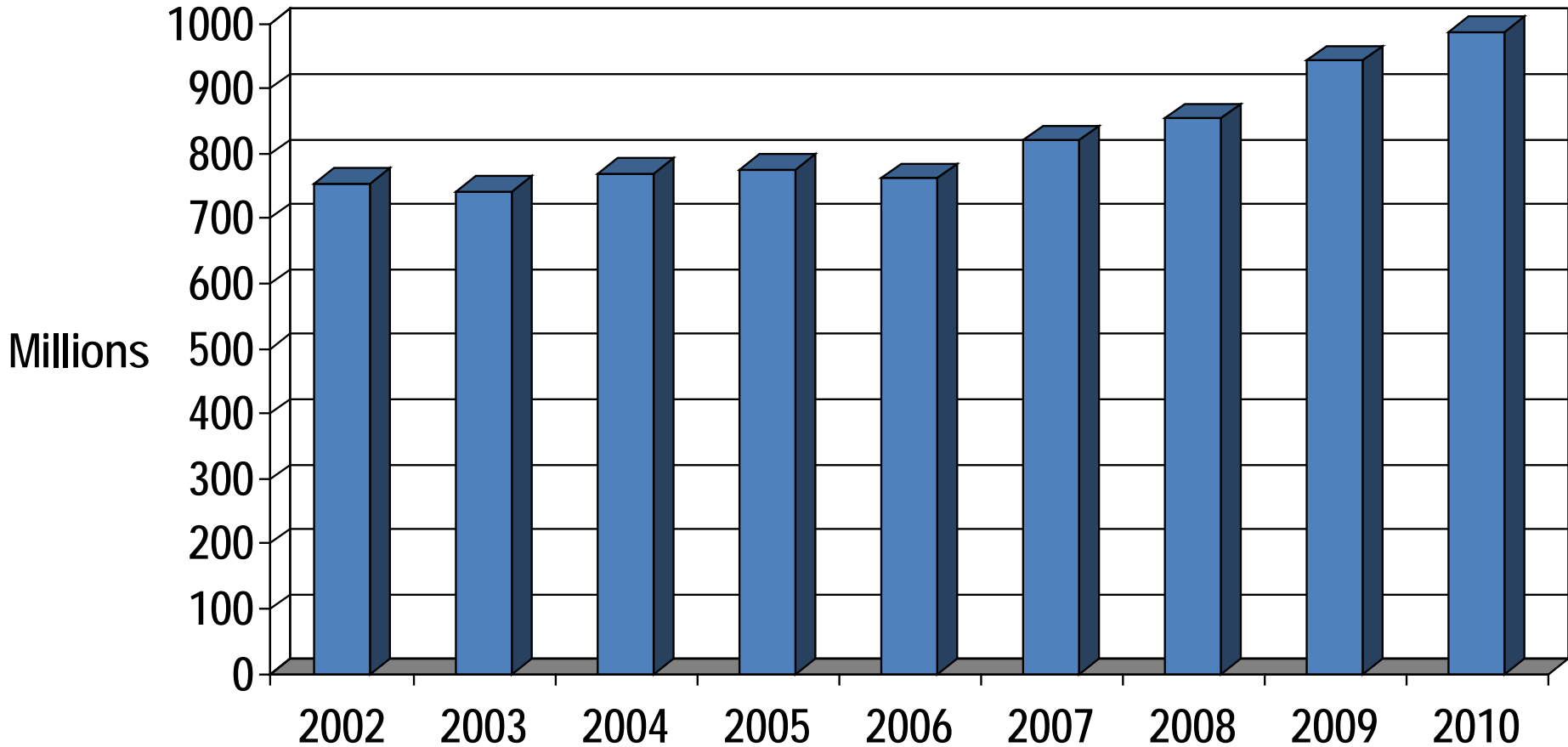
UK Admissions EDI CEA



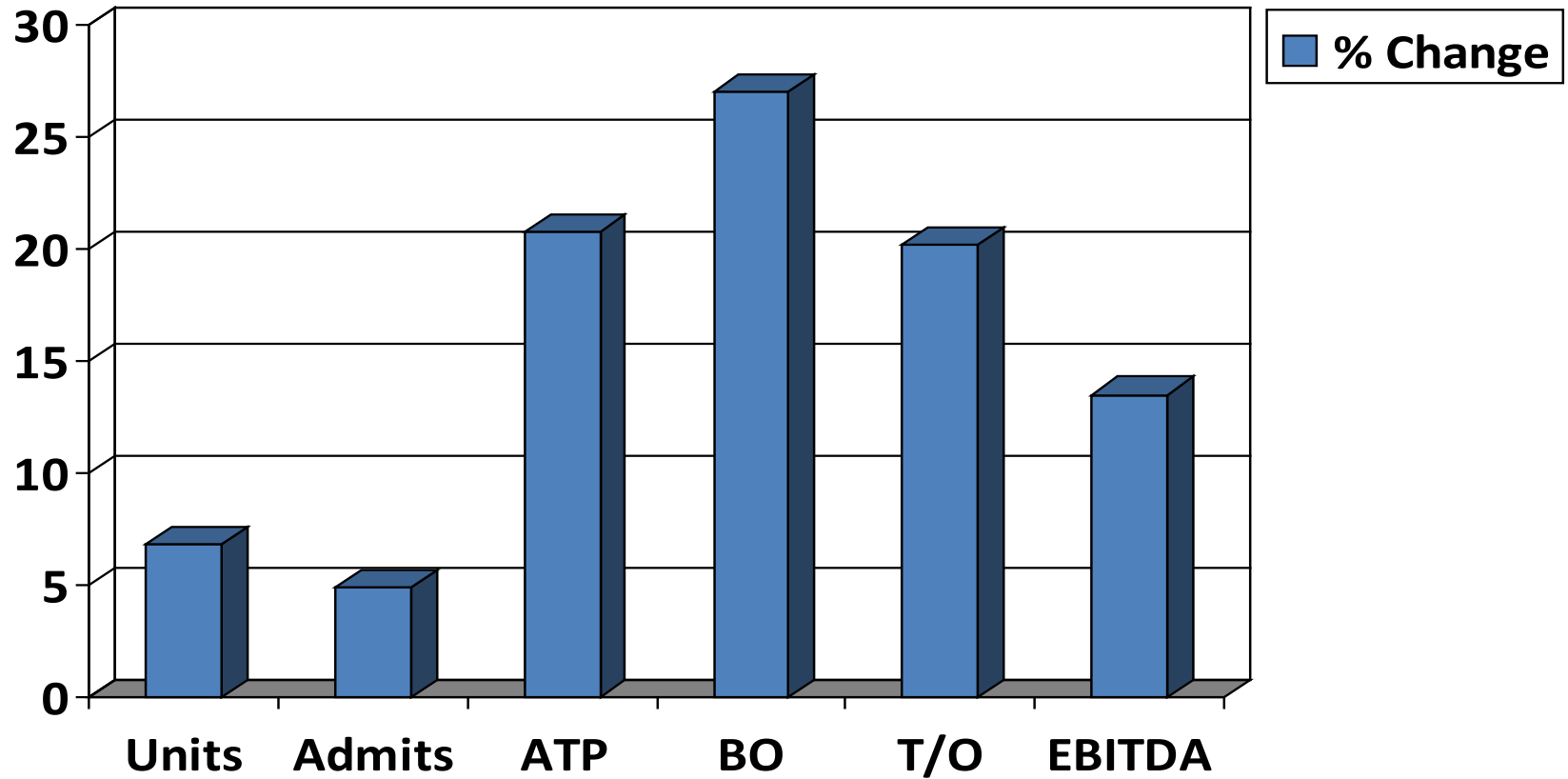
Cinema



UK Gross Box Office EDI Nielson



Cinema



Cineworld plc – 2007-2010

Cinema



UK admissions remained stable ... demonstrating the resilience of cinema in the economic and consumer environment

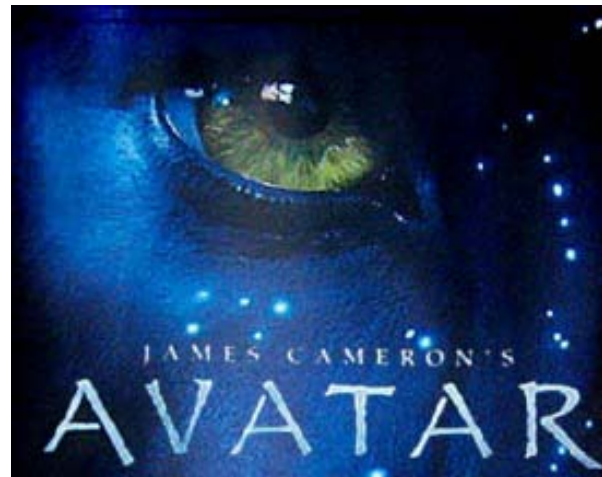
The low price of going to the cinema compared to other forms of leisure and the desire for escapism have remained key attractions

Underpinning the overall success in 2010 was the strong line-up of films, the ongoing conversion to digital and the growth in the number of films released in the 3D format

Cinema



3D Format



Avatar – Highest Grossing UK Film – £77.1m – 88% in 3D

2009 – 13 3D films (12% of Gross Box Office)

2010 – 25 3D films (28% of Gross Box Office)

NR &Co League Table of Leisure Operators

- 1 Cinema**
- 2 Restaurant
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Cinema



... and Shopping

Operator	Location	Screens/Date
Vue	Eastleigh	9 / April 09
Cineworld	Aberdeen	12 / Oct 09
Cineworld	Witney	5 / Oct 09
Vue	Newbury	7 / Nov 09
Odeon	Gateshead*	12 / Dec 09
Vue	Westfield	14 / Feb 10
Apollo	Carmarthen	6 / April 10
Vue	Bury*	10 / July 10

... and Shopping

Weston Super Mare – New Seafront

250,000 sq ft

140,000 sq ft retail

PLUS

8 screen Vue multiplex

20 lane 1st Bowl

Anytime Fitness Club

112 bed Premier Inn

Nando's

Prezzo

Harvester

