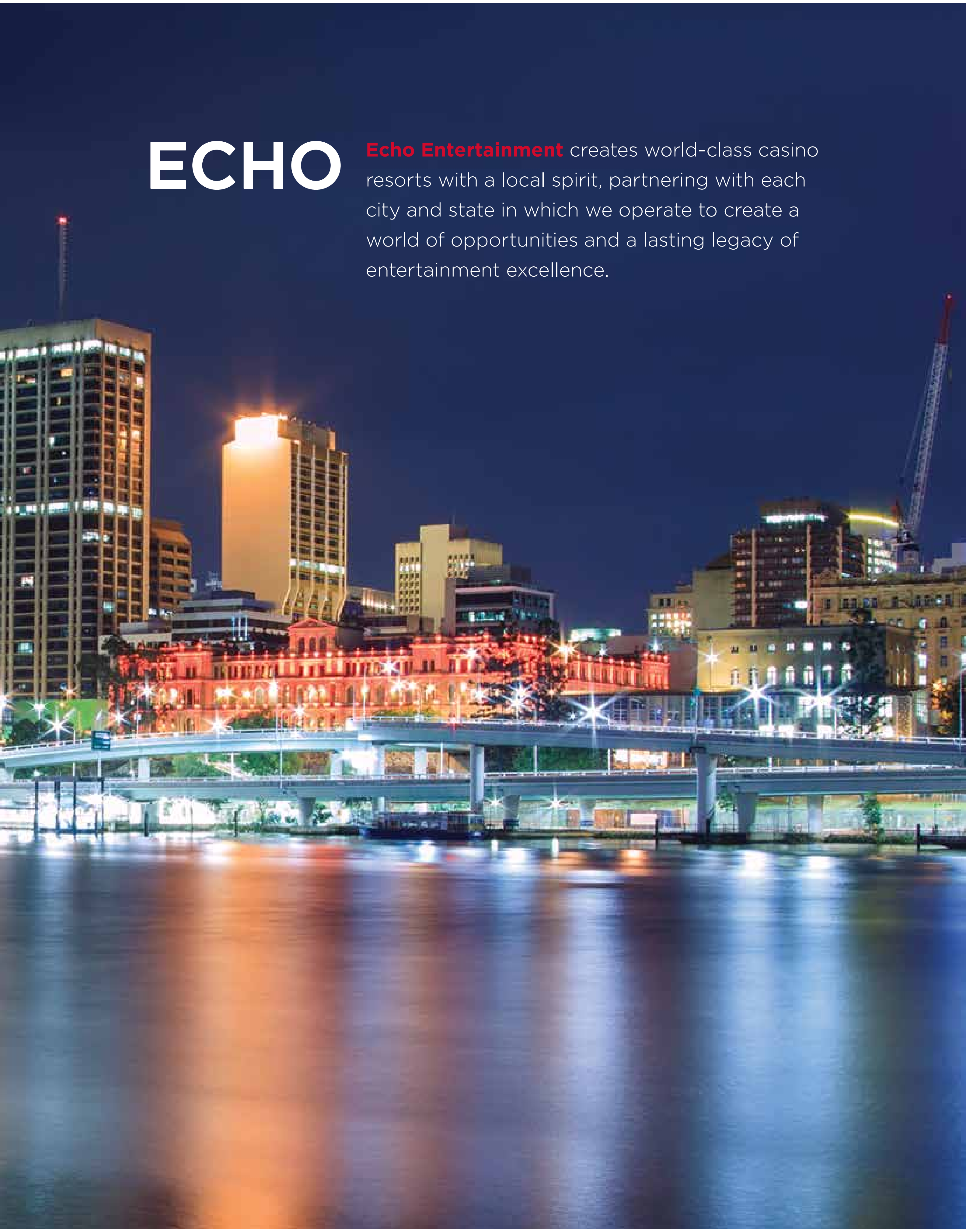
2014
ANNUAL
REPORT

ECHO

ECHO ENTERTAINMENT GROUP

ECHO

Echo Entertainment creates world-class casino resorts with a local spirit, partnering with each city and state in which we operate to create a world of opportunities and a lasting legacy of entertainment excellence.



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Echo Entertainment Group Limited
ACN 149 629 023
ASX:EGP

ANNUAL GENERAL MEETING

The Annual General Meeting of Echo Entertainment Group Limited will be held on Friday 31 October 2014 at Jupiters Theatre, Jupiters Hotel & Casino, Broadbeach Island, Gold Coast Highway, Gold Coast, Queensland, commencing at 9:30am (Queensland time).


ECHO ENTERTAINMENT GROUP
Jupiters
HOTEL & CASINO
GOLD COAST
THE STAR
SYDNEY
TREASURY
CASINO & HOTEL
BRISBANE

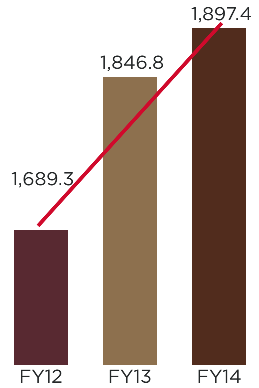
HIGHLIGHTS

DOMESTIC REVENUE GROWTH

$41 MILLION

(FY14 VS FY13 ACTUAL)

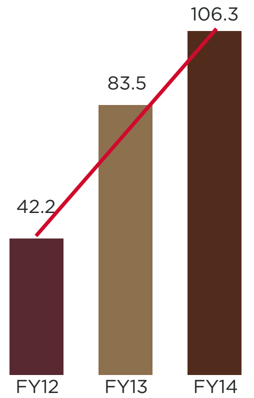
ACTUAL GROSS REVENUE ($M)



$380 MILLION

PAID IN GOVERNMENT LEVIES AND TAXES IN FY14

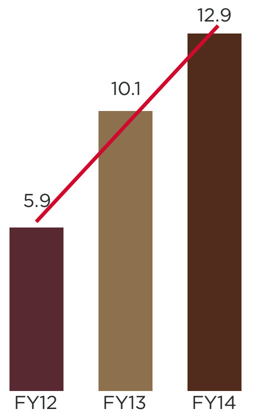
STATUTORY NPAT ($M)



$345 MILLION

COMMITTED TO THE EXPANSION OF JUPITERS GOLD COAST

EARNINGS PER SHARE - STATUTORY (CENTS)



AWARD WINNING PROPERTIES

THE STAR

- Sydney Morning Herald Good Food Guide 2014 – Three Chef's Hats – Momofuku Seiōbo
- Gourmet Traveller Australian Restaurant Guide 2014 – Restaurant of the Year – Momofuku Seiōbo
- The Australian Good Food and Travel Guide 2013 – Scored 19/20 – Momofuku Seiōbo
- Gourmet Traveller Wine List of the Year Awards 2013 – Two Glasses – Momofuku Seiōbo
- Gault & Millau Sydney Restaurant Guide 2014 – Three Chef's Hats – BLACK by ezard
- Gourmet Traveller Wine List of the Year Awards 2013 – Best Hotel Wine List – BLACK by ezard
- Gourmet Traveller Wine List of the Year Awards 2013 – Three Glasses – Balla
- Sydney Morning Herald Good Food Guide 2014 – One Chef's Hat – Balla
- Gault & Millau Sydney Restaurant Guide 2014 – Two Chef's Hats – Balla
- Sydney Morning Herald Good Food Guide 2014 – One Chef's Hat – Sokyo
- Gourmet Traveller Wine List of the Year Awards 2013 – Two Glasses – Sokyo
- World Luxury Hotel Awards 2013 – Luxury Design Hotel, Australasia & Oceania – The Darling

TREASURY CASINO & HOTEL BRISBANE

- TripAdvisor Certificate of Excellence 2014 – Treasury Heritage Hotel
- TripAdvisor Certificate of Excellence 2014 – lab bar + restaurant
- Queensland Heritage Council Awards – Gold Award – Stonework Conservation of Land Administration Building (August 2014)

JUPITERS HOTEL & CASINO GOLD COAST

- Entertainment Book Hall of Fame – Casual Restaurant and Dining, Gold Coast – Food Fantasy

JUPITERS TOWNSVILLE HOTEL & CASINO

- Savour Australia Restaurant & Catering HOSTPLUS Awards for Excellence 2013 – Northern Queensland Restaurant Awards Best New Restaurant – Kōbe
- Savour Australia Restaurant & Catering HOSTPLUS Awards for Excellence 2013 – Northern Queensland Restaurant Awards Best Café Restaurant – Spin
- North Queensland Tourism Awards 2013 – Meetings and Business Tourism winner

CHAIRMAN'S MESSAGE

The 2014 financial year marked the third full year of operations of Echo Entertainment Group Limited since demerging from Tabcorp Holdings Limited in 2011. It was a year of implementation, building on the stable foundations established by John Redmond in the role of Managing Director and Chief Executive Officer and our then Chief Financial Officer and Executive Director, Matt Bekier, throughout 2013.

With this foundation in place, the Board and executive team remained focused on delivering better operational and financial performance and positioning the company for future growth.

This in turn delivered results for the full financial year that exceeded market expectations, with strong momentum in the second half of the year. Statutory net profit after tax (NPAT) was $106.3 million (up 27.3% on the prior year), while statutory earnings before interest, tax, depreciation and amortisation (EBITDA) increased 15.7% on the prior year to $387.1 million. Normalised EBITDA was up 12.2% to $439.1 million applying the same normalisation rates as in the 2013 financial year.

The Board declared total dividends of 8 cents per share, fully franked, marginally above the company's target payout ratio and up 33% on the prior year. The Star in Sydney was the strongest performing property, reflecting the significant investment in the complex that was completed last financial year. This investment also continues to underpin ongoing growth in the international VIP rebate business, with Echo Entertainment's share of this business in the Australian and New Zealand markets reaching a record 38% in the second half of the financial year.

Following the February announcement of a planned transition of Managing Director and Chief Executive Officer, Matt Bekier has moved seamlessly into the role. As a result, key initiatives and strategic priorities continued, and are continuing, to be delivered, including the separation of Jupiters Townsville from the group, the cost optimisation program and enhanced loyalty and marketing programs. We are also well underway with the $345 million redevelopment plans for Jupiters Gold Coast, as announced earlier in the year, to enable a significantly upgraded Jupiters Gold Coast to be a key tourism venue for the 2018 Commonwealth Games.

In Brisbane, as the current owner and operator of Treasury Casino & Hotel, Echo Entertainment has partnered with two pre-eminent Hong Kong-based organisations, Chow Tai Fook Enterprises and Far East Consortium, to create the Destination Brisbane Consortium to respond to the Queensland Government's request for proposals to redevelop the Queen's Wharf Brisbane precinct. This joint venture brings together an unprecedented suite of complementary hospitality, retail and property development capabilities for Brisbane and Queensland, with a particular and exciting focus on global and pan-Asian tourism.

Since his appointment to the role of Managing Director and Chief Executive Officer, Matt has bolstered the executive team to support the next vital stage of Echo Entertainment's growth. This included the appointments of Chad Barton as Chief Financial Officer and Greg Hawkins as Managing Director of The Star. Greg, together with Geoff Hogg as Managing Director, Queensland, provide exceptional casino management expertise and leadership across all properties.

With the initiatives and the management team in place to make further enhancements in the underlying performance of the business, our focus now is on maintaining the stability and alignment required for the business to capitalise on the momentum built, while continuing to address the ever-evolving challenges of our competitive markets. On behalf of the Board, I would like to thank Matt Bekier and all team members for their commitment and energy throughout 2014. I would also like to thank John Redmond for his steady guidance during the first half of the year.

It also gives me great pleasure to welcome Dr Sally Pitkin to the Board as a non-executive director, subject to casino regulatory approvals being obtained. Dr Pitkin is a highly experienced company director and lawyer who brings extensive capability as a non-executive director and board member across a wide range of industries in the private and public sectors. Dr Pitkin also brings another Queensland-based perspective, consistent with the continuing prioritisation of that state in Echo Entertainment's future aspirations.

In conjunction with this, non-executive director and Deputy Chair Ms Anne Brennan will step down from the Board following the Annual General Meeting, after three years of committed service to the company. On behalf of all the directors, I would like to thank Anne for her dedicated and strong contribution to the Board, and also as Deputy Chair and Chair of the Remuneration and Nomination Committee.

In closing, I extend my gratitude to all of our shareholders for their ongoing support for Echo Entertainment's vision. I look forward to the opportunities that the year ahead provides.

John O'Neill

John O'Neill AO
Chairman

CHIEF EXECUTIVE OFFICER'S MESSAGE

OVERVIEW

In the 2014 financial year Echo Entertainment delivered another successive year of substantial earnings growth, continuing the trend since the 2012 financial year.

Momentum built throughout the year, and a strong second half drove a solid full year result, particularly in our domestic business. Statutory net profit after tax was up 27.3% on the prior year result (up 24.6% on a normalised basis, before significant items) and statutory earnings per share were 12.9 cents (up 27.7%).

Statutory revenue increased 3.9% to $1,805.7 million in FY14. Normalised revenue of $1,973.1 million was up 3.8% for the year with all of the growth generated in the second half of the year.

OPERATING PERFORMANCE

The Star in Sydney, Echo Entertainment's flagship property, delivered the majority of revenue growth during FY14 while the Queensland properties continued to be impacted by the constrained consumer environment and lack of new facilities.

Domestic revenues grew 2.8% to $1,494.0 million across the group in FY14, as Echo Entertainment continues to drive this core segment of the business. The main contributor to growth in main gaming floor revenues, up 2.7% to $505.6 million, was the continued growth and acceptance of multi-terminal gaming product. Each of the major properties exhibited growth in slots market share, with revenue up 5.1% to $544.9 million. This was a direct result of sustained domestic marketing efforts, the Echo Entertainment group-wide loyalty program and the regulatory changes relating to electronic gaming in Queensland.

Non-gaming revenues grew by 4.2% to $256.7 million for the year. This growth was predominantly at The Star, providing clear evidence that the new products, including restaurants, bars and the Event Centre, continue to gain traction. The signature restaurants at The Star continue to be embraced by Sydney with 11 awards received throughout the year, most notably David Chang's Momofuku Seiōbo, which was awarded Three Chef's Hats, Two Glasses and Gourmet Traveller Australian Restaurant Guide 2014 Restaurant of the Year. This, combined with The Star's 5-star accommodation offering, nightlife and entertainment venues, truly make it one of Sydney's premier locations, for locals and tourists alike, and a strong and ever-growing contributor to New South Wales' visitor economy.

The international VIP rebate business was solid in FY14, with the highest ever turnover period achieved in the second half of the year. Revenue was up 2.5% to $396.5 million for the year (up 6.9% to $472.2 million on a normalised basis). Net trade receivables of $76.5 million for the year were largely unchanged from $74.3 million at 30 June 2013.

Operating expenses for FY14 of $866.9 million were down 0.2% on FY13. This was achieved despite the business absorbing additional government levies in both New South Wales and Queensland totalling some $14.1 million. These cost savings are in line with guidance provided to the market in the second half of the financial year (which was well below initial guidance provided at the start of the year), and reflect the continued benefits of the cost reduction program initiated in April 2012.

The significant items for FY14 of $15.5 million (after tax) relate to the finance costs associated with the closing out of a number of interest rate swaps and the restructuring of lending arrangements.

TEAM AND COMMUNITY

Echo Entertainment recognises and embraces its responsibility to team members, guests and the communities in which we operate.

One of our core priorities is to nurture and develop our team members. Our renewed focus on providing high quality, distinctly local experiences for our guests relies heavily on our team being engaged and galvanised. Therefore, the past year has seen the business emphasise team engagement as a means to support the delivery of organisational priorities. In particular, exemplary guest service, a safe work environment and community initiatives were important features of the team member engagement program, yielding significant improvements in engagement across the business.

In addition, Echo Entertainment has developed numerous programs and initiatives through the year in the areas of learning and development, work health and safety, retention and diversity and will continue to expand and refine these to ensure our team members, and in turn our guests, are always receiving the best Echo Entertainment has to offer.

CAPITAL EXPENDITURE AND OUTLOOK

Capital expenditure of $111.3 million for FY14 related largely to maintenance activities, as well as electronic gaming product in Queensland that sought to leverage the regulatory changes. With the completion of Project Star, FY14 capital expenditure was down $44 million, or 28.3% on FY13, and will increase in FY15 as the redevelopment of Jupiters Gold Coast builds momentum.

The new financial year has begun well, as the momentum built across the business in the second half of FY14 carries forward into FY15. In the first two months, The Star, Jupiters Gold Coast and Treasury Casino & Hotel delivered revenue growth at levels largely consistent with the second half of FY14.

There are three clear priorities for Echo Entertainment in the current financial year. First, the group will continue to seek growth in earnings through a greater focus on our guests and prudent expense management. While this effort will be applied across the business, there will be a particular focus on our flagship property, The Star, to which incremental investment will continue to be directed to further improve the guest proposition. This will primarily involve the refurbishment of the Astral Tower and Residences, expansion of the domestic and international VIP rebate gaming areas and the addition of new restaurants and bar facilities to commence in FY15. Continued improvements in operating results at The Star are anticipated as a result of these initiatives

The remaining two priorities are clear and relate to our Queensland properties. First, we will deliver on the initial stage of the $345 million expansion project to substantially redevelop and expand Jupiters Gold Coast.

In addition, Echo Entertainment, as part of the Destination Brisbane Consortium, will submit a detailed proposal to develop an entertainment precinct and integrated resort at Queen's Wharf that offers Brisbane a full precinct solution with city wide impact, to create an iconic destination and the unique capacity to drive inbound tourism.

In light of these significant undertakings, in addition to the key appointments made within the executive team, we have made a number of key appointments across the group to ensure we have solid, stable leadership in place and to strengthen our operational capabilities as we continue to drive the business forward.

I would like to extend my sincere gratitude to the Board, management team and all team members and acknowledge the important role that each has played in the achievements of the last year. I have confidence in the continuing commitment of the entire team to realise our ambitions for the 2015 financial year.

Matt Bekier
Managing Director and
Chief Executive Officer

ECHO ENTERTAINMENT GROUP AT A GLANCE

Echo Entertainment is a leading owner and operator of integrated resorts and casinos in Australia. Established only three years ago with a clear focus and a specialist management team to optimise its casino and resort assets, Echo Entertainment has already enjoyed considerable success.

ECHO ENTERTAINMENT'S INTEGRATED RESORTS AND CASINOS

Echo Entertainment owns and operates The Star in Sydney, Treasury Casino & Hotel Brisbane, Jupiters Hotel & Casino Gold Coast and Jupiters Townsville Hotel & Casino. Echo Entertainment also manages the Gold Coast Convention and Exhibition Centre on behalf of the Queensland Government, as well as the Townsville Entertainment and Convention Centre.

The recent $870 million transformation of The Star is a tangible reflection of the new company's capacity and capability to invest significantly and effectively in its properties. This investment has enabled normalised gross revenue growth in that property of 6.8% in FY14, underpinned by attaining an increased share of Australia's lucrative international VIP rebate business market.

Core to the premium offering at each of the Echo Entertainment properties is the quintessential spirit of each destination, with broad appeal for both local and international visitors. This is achieved through a long-term commitment to local relationships, leveraging deep local knowledge and insights, and enhanced by international best practice expertise.

	The Star	Jupiters Hotel & Casino Gold Coast	Treasury Casino & Hotel Brisbane	Jupiters Townsville Hotel & Casino[1]
Accommodation offering	Two luxury hotels – The Darling and Astral Tower and Residences	592 room hotel	Boutique, luxury hotel featuring 130 rooms	Waterfront hotel with 194 rooms
Event and meeting facilities	Event Centre with capacity for 4,000 persons; Marquee Nightclub	Theatre with capacity for 2,000 persons; conference and meeting facilities, including grand ballroom	Extensive meeting facilities	Meeting and conference facilities
Gaming facilities	World-class casino including VIP amenities	Casino with VIP amenities	Casino with VIP amenities	Casino with VIP amenities
Dining	More than 20 restaurants, bars and cafés, including Momofuku Seiōbo by David Chang, Stefano Manfredi's Balla and Teage Ezard's BLACK by ezard	Seven restaurants and eight bars	Six restaurants, including Luke Nguyen's Fat Noodle, and four bars	Three restaurants and six bars
Attractions	16-room spa and high end retail	Gymnasium, pools and salons	Live music and entertainment venues	Tropical pool, spa and health centre

1. During the 2013/14 period Echo Entertainment Group entered into an agreement to sell its Jupiters Townsville complex (including the interest in the Townsville Entertainment and Convention Centre). Until the sale of Jupiters Townsville is completed, Echo Entertainment has also managed the Townsville Entertainment and Convention Centre, positioned adjacent to Jupiters Townsville.

GOLD COAST CONVENTION AND EXHIBITION CENTRE

The Gold Coast Convention and Exhibition Centre is Australia's largest regional convention centre and was a first for the Gold Coast when it opened in June 2004. It is linked to the Jupiters Gold Coast complex by a covered walkway.

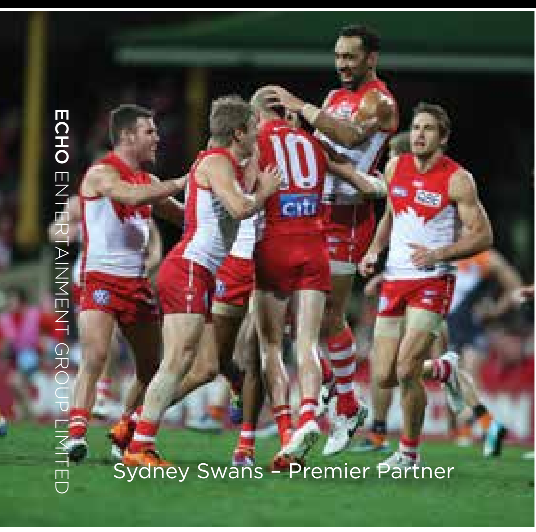
The $167 million centre provides a modern, centrally-located facility to accommodate major national and international conventions and conferences, sporting and special events and exhibitions. It incorporates a main arena, exhibition halls and meeting rooms with flexibility to cater to up to 6,000 people.

CITIES WITHOUT LIMITS

A city's spirit is nowhere more evident than in its signature events. In each of our cities, Echo Entertainment's properties are becoming key supporters of the events and festivals that unite and excite the city – through culture, music, art and sport.

In that way, Echo Entertainment is not only contributing to the spirit of our cities – but also connecting our properties, our people and our guests to the festivals and events within and around The Star, Jupiters Gold Coast and Treasury Casino & Hotel.

Echo Entertainment contributes to and celebrates the distinctive, thrilling character of each of our cities.



Sydney Swans – Premier Partner

Vivid Sydney – Event Collaborator

Vivid Sydney – Event Collaborator

Brisbane Festival – Principal Partner

Photography by Atmosphere Photography.

AACTA Awards – Telecast Partner

Asia Pacific Screen Awards – Presenting Partner

Asia Pacific Screen Awards – Presenting Partner


Concept image for illustrative purposes only.

INVESTMENT ON THE GOLD COAST

Echo Entertainment announced in FY14 its investment plans for Jupiters Gold Coast, committing $345 million to the redevelopment of the property. The redevelopment, now well underway, will see the commencement of construction for the new hotel tower with over 70 suites, room refurbishments in the existing hotel, the upgrade of the pool facilities and exterior façade works on the existing complex in FY15. New Japanese and Italian restaurants and bars will also be delivered.

With the full redevelopment to be completed prior to the 2018 Commonwealth Games, Jupiters Gold Coast will be a key tourism venue. It is anticipated also that this investment will restore and enhance the property's long-term competitiveness in the region.

Concept image for illustrative purposes only.

GROUP PERFORMANCE

THE STAR

The Star had another year of considerable success, as momentum across the property continued to build in the first full year of operation since the January 2013 completion of the $870 million transformation of the site into a world-class integrated resort.

The Star is now firmly entrenched as one of Sydney's most awarded and sought-after entertainment and tourism locations. The signature restaurants and bars at The Star continued to receive acclaim and recognition during the financial year, with 11 awards shared between David Chang's Momofuku Seiōbo, Stefano Manfredi's Balla, Sokyo and BLACK by ezard. In addition, The Darling, Sydney's first new five-star hotel since the 2000 Olympic Games, was awarded Luxury Design Hotel, Australasia & Oceania at the World Luxury Hotel Awards.

Throughout the year, The Star featured an exciting line-up of acts and shows, most notably Ricky Martin, Alicia Keys, Jessica Mauboy, Cold Play and Wakin Chau, as well as the world premiere of *Strictly Ballroom the Musical*, directed by Baz Luhrmann.

Additionally, The Star hosted many popular and prestigious events, including the ARIA Awards, AACTA Awards, Mumbrella Awards, the Victor Chang Heart to Heart Ball 2013, the Emerald Ball, the Dally M Awards, the Miss Sydney Chinese Pageant, and the Sydney Morning Herald Good Food Guide Awards.

The Star formalised a number of strategic partnerships and key sponsorship agreements with a range of major event organisers, including Vivid Sydney 2014, Sydney Festival 2014, Australian Badminton Open 2014 and Hyundai Fan Park Sydney for FIFA World Cup Brazil 2014, and fostered extensive sporting partnerships with the Sydney Swans, the Greater Western Sydney Giants and the National Rugby League.

Operating performance at The Star was solid during FY14 with revenue of $1,277.3 million, up 6.2% on the previous year (up 6.8% to $1,327.5 million on a normalised basis), underpinned by strong performance by all core areas of the business. EBITDA was up 3.8% to $260.1 million for the year (up 14.8% to $298.8 million on a normalised basis).

Gaming revenue grew 5.3% (up 6.0% on a normalised basis) for the year, with strong results in the second half of the financial year across electronic gaming machines and domestic table games. The international VIP rebate business experienced its highest turnover period on record, helping to drive the results for the year. Non-gaming business continued to gain momentum with revenue up 14.2% on an actual basis for FY14.

While operating expenses at The Star were up 4.8% for FY14, this was the result of increased activity across the business. Operating expenses as a percentage of revenue continue to fall as operational efficiencies increase throughout the business.

The Star is well positioned to realise benefits in four key areas in the coming financial year:

- Continuing to drive the momentum created in the second half of the last financial year throughout all facets of the business
- Executing incremental investment plans to further improve The Star's guest proposition
- Leveraging the strengthened leadership team to adopt a stronger focus on the guest experience, and
- Maximising Echo Entertainment's group-wide loyalty program, Absolute Rewards, across the guest base to continue to drive incremental benefits.

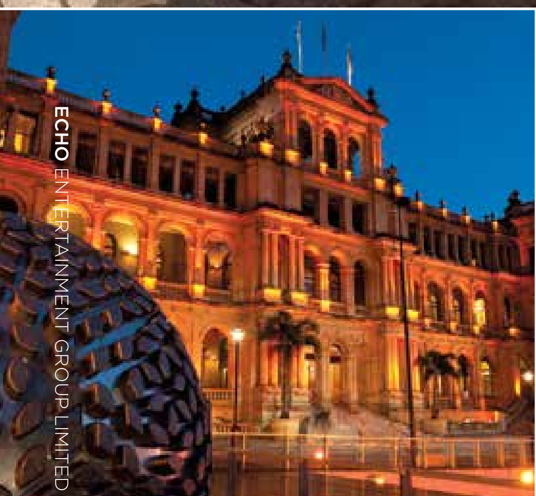
THE STAR

NORMALISED REVENUE
$1,327.5 MILLION, UP 6.8%

NORMALISED EBITDA
$298.8 MILLION, UP 14.8%

NORMALISED EBIT
$208.9 MILLION, UP 26.1%


STERLING
SUITE
STERLING
SUITE




Jupiters
THEATRE

OUR QUEENSLAND PROPERTIES

Echo Entertainment's Queensland properties experienced softer performance relative to The Star, with a constrained consumer environment impacting operations, particularly during the first half of the financial year. The outlook is more positive, after solid results were achieved in the second half of the financial year.

Revenue for the full year decreased by 3.7% to $620.1 million on an actual basis (down 1.9% to $645.6 million on a normalised basis). EBITDA of $127.1 million was up 3.9% on an actual basis (up 7.0% to $140.3 million on a normalised basis), primarily as a result of prudent expense management.

The electronic gaming machines segment of the business was the highest performer across the period, with revenues up 4.7% for the year. This was due in large part to improved electronic gaming regulation, the benefits of the loyalty program and domestic marketing efforts implemented in the second half of the financial year.

As a result of increased operating efficiencies, operating expenses across the Queensland properties were down 7.0% to $344.2 million for FY14.

Throughout FY14, Echo Entertainment has maintained a focus on the Queensland business through continued incremental investment across the properties to ensure that our guests enjoy the best that these current facilities have to offer.

At the same time, Echo Entertainment has been laying the ground work for its future success. The improved performance of The Star following its physical transformation is a compelling case for further investment in the group's Queensland properties.

Accordingly, on the Gold Coast, Echo Entertainment has announced and commenced work on a $345 million capital investment program for the expansion of Jupiters Hotel & Casino. In FY15, the construction of the new hotel tower is scheduled to commence and rooms in the existing hotel will be upgraded. In addition, works on the exterior façade of the existing complex, the pool, and new restaurants and bars have already commenced.

In Brisbane, Echo Entertainment was shortlisted by the Queensland Government to proceed to the next stage of the Queen's Wharf Brisbane development process and has established a partnership with Chow Tai Fook Enterprises Limited and Far East Consortium (Australia) Pty Ltd to prepare a detailed proposal to develop an entertainment precinct and integrated resort at the Queen's Wharf Brisbane site.

These two major undertakings reflect Echo Entertainment's commitment to and vision for its South East Queensland operations, and recognise the strategic benefits that development in both these major cities can bring to the group.

Against that context and following consideration of the strategic fit of its Townville property, Echo Entertainment entered into an agreement in January 2014 to sell the Jupiters Townsville complex.

Echo Entertainment's focus for the coming year in Queensland is on four key areas:

- Build on the momentum created in the second half of the last financial year across the Queensland properties to continue to drive incremental returns
- Leverage the modernisation of the regulatory environment to support investment returns
- Deliver the key milestones in relation to the Jupiters Gold Coast expansion project, and
- Deliver an attractive and compelling proposal to develop an entertainment precinct and integrated resort at the Queen's Wharf Brisbane site.

ECHO ENTERTAINMENT GROUP LIMITED THREE YEAR FINANCIAL RESULTS SUMMARY

(For further information please refer to the Financial Report contained in the Annual Report for the relevant financial year)

	FY2012	FY2013		FY2014	
Reported Results	$millions	$millions	% change	$millions	% change
Statutory Revenue	$1,615.5	$1,737.9	↑ 7.6%	$1,805.7	↑ 3.9%
EBITDA	$265.9	$334.6	↑ 25.8%	$387.1	↑ 15.7%
EBIT	$143.8	$188.6	↑ 31.2%	$241.5	↑ 28%
NPAT	$42.2	$83.5	↑ 97.9%	$106.3	↑ 27.3%
NPAT before significant items	$94.1	$110.3	↑ 17.2%	$121.8	↑ 10%
Significant items (pre-tax)	$74.1	$38.3	↓ 48.3%	$22.2	↓ 42%
Earnings Per Share	5.9 cents	10.1 cents	↑ 71.2%	12.9 cents	↑ 27.7%
Full year dividend (fully franked, cents per share)	4 cents	6 cents	↑ 50%	8 cents	↑ 33.3%

TALENT

As a provider of destinational experiences, Echo Entertainment recognises the importance of recruiting, training and retaining quality team members across all areas of the business.

With a workforce of more than 8,000 people fulfilling more than 1,100 roles across the organisation, appropriate investment in the attraction, development and retention of team members is a critical success factor for the business.

Echo Entertainment implements recruitment and development strategies that deliver talented and skilled team members. The company's focus on team members displaying professionalism, respect, courtesy and dignity in every interaction with guests and fellow team members is underpinned by a guest focused Code of Conduct.

WORK HEALTH AND SAFETY

Echo Entertainment's commitment to Work Health and Safety (WHS) is underpinned by strong governance framework. The Board's People, Culture and Social Responsibility Committee monitors WHS performance and oversees the identification and mitigation of workplace risks and implementation of programs to continually seek further best practice injury prevention and management opportunities within the business. The incorporation of safety targets in the performance plans of all Echo Entertainment senior management team members reinforces the organisation's commitment to the WHS strategy.

A culture of continuous improvement in WHS practices is enabled through significant investment in systems and programs that create a healthy and safe experience at all properties. An important milestone for the 2013/14 period was the move to a single WHS Management System, supported by one centre of excellence, to ensure consistent standards and high levels of WHS performance across the entire business.

The WHS strategy continues to focus on five key areas: leadership and culture, health and wellbeing, risk management and consultation, management systems, and technology.

The success of the strategy is demonstrated in the significant improvements achieved in key WHS performance measures this year:

- The Lost Time Injury Frequency Rate (LTIFR) fell by 46.0% from 10.0 to 5.4
- The Total Recordable Injury Frequency Rate (TRIFR) decreased by 6.6% from 33.5 to 31.3
- A 12.3% reduction in self-insurance costs was achieved.

Echo Entertainment is also pleased to report a 7.9% reduction in absenteeism, as well as an improvement in the wellbeing and productivity of team members, achieved through the care@Echo program and early intervention initiatives.

Echo Entertainment received the Liability Risk Management Award at the Vero Insurance Risk Management Advancer Awards in October 2013 for its innovative processes to mitigate liability risks.

MORE THAN 10% REDUCTION IN SELF-INSURANCE COSTS

WINNER OF LIABILITY RISK MANAGEMENT AWARD AT VERO INSURANCE RISK MANAGEMENT ADVANCER AWARDS

ECHO PEOPLE & CULTURE | SAFE

ECHO PEOPLE & CULTURE | CARE

LEARNING AND DEVELOPMENT

Building the capability of team members is integral to Echo Entertainment's long-term success. The continuous upskilling of talent in all areas and levels of the business remains a core priority.

This year, 217 team members were trained in a range of accredited programs, including programs such as Certificate III Hospitality (Table Games), Certificate IV in Frontline Management and Diploma of Management, as well as training support and mentoring. In addition, more than 9,000 registrations for face-to-face and online non-accredited training occurred in the areas of workplace effectiveness, compliance and leadership, with a particular focus on guest service training.

Another highlight for 2013/14 was the partnership between Echo Entertainment, the City of Gold Coast and Workforce Futures Australia to develop guest service training for Jupiters Gold Coast team members in anticipation of the Gold Coast Commonwealth Games in 2018.

Echo Entertainment is focused on identifing and developing emerging talent within the business. Structured career paths across a number of roles and internal promotion support initiatives were implemented. This included the 'Echo Development Pathway', which was launched in the past year to provide learning and development opportunities for team members at all stages of their career. These programs, together with a strong emphasis on workforce planning, facilitate the necessary focus on critical roles and prepare for future resource requirements.

Development programs extend to the management and leadership team also and include the regular staging of strategic Leaders' Forums and Thought & Action Forums to encourage the implementation of cutting-edge concepts at all properties.

DIVERSITY

Echo Entertainment remains dedicated to fostering a diverse and vibrant workplace, in which all team members are treated with fairness and respect, without any barriers to information and opportunities.

In the past year, Echo Entertainment introduced several diversity initiatives, and continued its Diversity Committee supported by four working groups to represent four key areas – age, gender, cultural, and lesbian, gay, bisexual and transgender diversity.

Echo Entertainment has partnered with several diversity groups, most notably the Diversity Council Australia. This year, Echo Entertainment sponsored the Council's Annual Diversity Debate, in which Managing Director Queensland, Geoff Hogg, featured as a guest speaker.

By supporting a richly diverse team, Echo Entertainment continues to attract and retain a broad and talented pool of team members. This in turn enables the business to best meet guests' needs, enhancing the quality of service experiences.

The Board annually assesses measurable performance indicators to track Echo Entertainment's progress towards achieving the objectives of the diversity strategy. More detail on the diversity objectives is set out in the Corporate Governance Statement.

STANDOUT TEAM MEMBERS

LALINI DE SILVA

Director of Housekeeping (The Star)

Director of Housekeeping at The Star since September 2009, Lalini manages a 460-strong team responsible for housekeeping and public area services across The Star's 647 hotel rooms and a wardrobe that carries nearly 70,000 uniforms.

Lalini is a founding member of the Professional Housekeepers Association of NSW (PHAN) in a voluntary capacity and assumed the role of President in 2009/2010. A highly respected PHAN member, Lalini supports and encourages training, education and mentoring across the housekeeping profession. She is highly focused on team member engagement and attributes this to the success of her team.

A highlight of her tenure at The Star was the opening of The Darling, Sydney's newest five-star hotel. Lalini successfully opened and managed the entire housekeeping function at The Darling, while continuing to manage the housekeeping function at the Astral Tower and Residences (476 rooms), which were running at 100% occupancy.

Within The Star, Lalini operates as an expert and mentor, the 'go to' person in the team for managers seeking to emulate her leadership style and positive spirit.

In July 2014 Lalini was honoured as 'Housekeeper of the Year' at the Tourism Accommodation Australia NSW Awards for Excellence.

SIMONE KEAT

Human Resource Business Partner (Jupiters Hotel & Casino)

Simone has been recognised as a highly committed leader since her commencement at Jupiters Gold Coast in September 2011. Over the last three years she has successfully devised strategies to build and strengthen a positive workplace culture across all departments.

As Project Lead for the Jupiters Gold Coast 'Effective Performance Management Workshops', Simone also works collaboratively with her counterparts in other Echo Entertainment properties. Currently she is heavily involved in Enterprise Agreement negotiations at Jupiters Gold Coast.

Simone holds a Masters of Business, a post-graduate Certificate in Employment Relations and Bachelor of Psychology and Management.

She was the recipient of the 2013 Managing Director's Leadership Award, conferred on an individual who has demonstrated extraordinary leadership capabilities during the year.

JULIUS VILLAMOR

Apprentice Chef (Treasury Casino & Hotel)

Julius is a second year apprentice chef, working on a rotating basis at all Treasury Casino & Hotel restaurants and food and beverage outlets.

In 2013 Julius won the inaugural 2013 Echo Culinary Institute (ECI) Apprentice Competition, an award that recognises the achievements of apprentice chefs across Echo Entertainment. It is intended to build the profile of emerging chefs at their respective properties and also at a group-wide level.

The competition sees apprentice chefs competing initially at a local property level, and then across the group at a final contest at The Star. At The Star, the contestants were required to transform given 'product' and 'protein' into dishes to be served to a judges panel comprising Echo Entertainment senior executives and Balla executive chef, Stefano Manfredi.

As the national winner, Julius was awarded a four-day Tasmanian culinary experience, incorporating a 'paddock to plate' adventure and tours of local speciality farms.

In July 2014 Julius also won the 'Best First Entry' award at the coveted Les Toques Blanches Awards of Excellence.

ECHO ENTERTAINMENT PROPERTIES IN THEIR COMMUNITIES

Echo Entertainment takes pride in its leadership role in the gaming and entertainment industry and embraces a culture of social responsibility, ethical behaviour and community engagement to support and promote sustainable business practices. This culture is reflected in a partnership approach that includes working with individuals, government and community stakeholders.

RESPONSIBLE GAMBLING SUPPORT SERVICES ARE PROVIDED BY MORE THAN 300 RESPONSIBLE GAMBLING LIAISON OFFICERS

ECHO ENTERTAINMENT OFFERS A REMOTELY ASSISTED SELF EXCLUSION PROGRAM AND A VOLUNTARY PRE-COMMITMENT SOLUTION

RESPONSIBLE GAMBLING

Providing a safe and responsible entertainment environment is a fundamental platform for Echo Entertainment's business. In relation to responsible gambling, Echo Entertainment has comprehensive programs, works with communities as an industry leader and is actively involved in research efforts. Focused oversight of new responsible gambling policy directions and initiatives to further enhance the organisation's responsible gambling practices by the Board is provided through the People, Culture and Social Responsibility Committee.

Responsible gambling programs developed by Echo Entertainment are aimed at minimising the potential harm to individuals in the community. Echo Entertainment's approach to responsible gambling is far more than simply compliance. Echo Entertainment believes that a sustainable business in the Australian marketplace relies heavily on our guests playing responsibly. Echo Entertainment's responsible gambling programs are therefore integral to the sustainability of the Echo Entertainment business model and are embedded in the day-to-day business operations.

This commitment was recognised by S&P Dow Jones through their selection of Echo Entertainment as part of the RobecoSAM Corporate Sustainability Assessment in 2013. Echo Entertainment's responsible gambling programs were assessed as industry best practice.

RESPONSIBLE GAMBLING INITIATIVES

In support of its responsible gambling programs, Echo Entertainment provides comprehensive training programs for all team members, with regular refresher courses.

Information to enable guests to make informed decisions about their participation in gambling is provided at all Echo Entertainment properties and websites, in multiple languages. Onsite responsible gambling support services operate on a 24-hour basis and are provided by more than 300 Responsible Gambling Liaison Officers, many of whom are bi-lingual. Their role is to respond to guests, and their families if required, should they experience difficulties either with their own gambling behaviour or with that of a family member or friend.

Echo Entertainment provides information as well as sensitive and timely support to guests who wish to self-exclude themselves from Echo Entertainment venues. The program also allows guests to self-exclude remotely through an expanding list of nominated community organisations.

Echo Entertainment also supports a specialist counselling service known as BetCare to provide crisis intervention and support for guests, their families and team members.

Through the Absolute Assist Program, Echo Entertainment properties provide a voluntary pre-commitment option for guests, with the option of setting limits on their electronic gambling machine time and spend using their Absolute Rewards card.

BETCARE
Helping you turn your gambling problem around

COMMUNITY ENGAGEMENT INITIATIVES

In a partnership between government, community organisations and the broader gaming industry, Echo Entertainment supports the annual *National Responsible Gambling Awareness Week*. In addition, Echo Entertainment conducts two supplementary responsible gambling awareness weeks as part of the continuous focus on improving team member awareness and knowledge of responsible gambling.

Other highlights during the financial year include:

- In a partnership with *Relationships Australia Queensland*, Echo Entertainment developed and delivered a pilot project on remotely assisted self-exclusion at the National Association for Gambling Studies Conference in Sydney
- Echo Entertainment supported the Gold Coast and Brisbane *Community Services & Industry Responsible Gambling Forums*
- Echo Entertainment actively contributed to the *Queensland Responsible Gambling Advisory Committee* working party review and updates of the Responsible Gambling Code of Practice and the Queensland Responsible Gambling Resource Manual
- Various workshops were delivered by Echo Entertainment to financial counsellors at the *Salvation Army in Brisbane* and *Uniting Care* on the Gold Coast.

In addition to these engagement initiatives, a percentage of gaming taxes paid by Echo Entertainment are directed to community benefit funds. These are allocated, through the relevant state governments, to projects benefiting the community via grants to non-profit community organisations and to research into gambling, the provision of problem gambling counselling services and initiatives designed to reduce problem gambling behaviour in communities.

Relationships Australia QUEENSLAND

A portion of the tax proceeds is also directed to the *National Gambling Help Line* and gambling help online services.

In New South Wales, The Star's funding contribution to the *Responsible Gambling Fund* has meant that more than 50 NSW-specific gambling research projects have been commissioned since 1995.

The Star also partners with Lifeline, as the 'Diamond Sponsor' of their Sapphire Gala Ball. The Star and Lifeline have signed a Memorandum of Understanding under which they assist each other in promoting responsible gambling.

THOUGHT LEADERSHIP ON RESPONSIBLE GAMBLING

During the year, Echo Entertainment has been directly involved in, or contributed to, a number of empirical research projects that seek to further knowledge about responsible gambling and problem gambling in communities across the country, including:

- 'Investigating effective anti-gambling advertising – exploring the role of fear and challenge as a social marketing advertising strategy' by the *University of Adelaide*
- 'The use of social media and gambling' by the *Centre for Gambling Education and Research, Southern Cross University, University of Adelaide, University of Sydney and McGill University, Canada.*

Echo Entertainment's Community Engagement Manager also presented and led discussion on responsible gambling programs at both national and international conferences, including:

- The 23rd *National Association for Gambling Studies Conference* in Sydney (November 2013)
- The 2nd *Asia Pacific Conference on Gambling & Commercial Gambling Research* in Kaohsiung, Taiwan (December 2013)
- The 5th *International Gambling Conference* in Auckland, New Zealand (February 2014).

The regard for Echo Entertainment's leadership role in responsible gambling is reflected in the industry leadership positions held by members of the Echo Entertainment management team. Both the *Queensland Responsible Gambling Advisory Committee* and the *Casinos & Resorts Australasia Responsible Gambling Taskforce* are chaired by Echo Entertainment senior executives.

COMMUNITY

Echo Entertainment has a proud record of community contribution and responsible corporate citizenship beyond the provision of safe and responsible entertainment venues.

Local community support is an important part of Echo Entertainment's authentic participation in each of the cities in which it operates, and each of the Echo Entertainment properties is committed to making a difference in its local area.

This support is provided in many different forms, including active participation in community initiatives as well as direct assistance and donations to community groups and charitable organisations. It also extends to sponsorship arrangements, the in-kind use of Echo Entertainment facilities and team member volunteering efforts.

Importantly, while these charity and community partnerships support Echo Entertainment's corporate social responsibility aspirations, they also provide a consistent extension of each property's brand marketing program, ensuring sustainability.

In the past year, Echo Entertainment has made direct contributions in excess of $3.7 million to community groups, charitable organisations and sponsorships. Each contribution is characterised by strong synergies and natural associations with the group in the respective location.

THE STAR

In addition to the formal sponsorship undertakings, The Star and its team members have been active contributors to a range of community programs throughout 2013/14 including:

- Raising awareness for mental health in the annual R U OK? Day campaign
- Raising awareness for men's health for The Movember Foundation
- Promoting cultural diversity and inclusiveness across the property on Harmony Day
- Hosting Pink Hope's Ambassador Getaway and Training event at The Star.

The passion for sustainable practices and local community support at The Star also saw:

- Approximately 3,000 meals donated during the year to food rescue charity OZHarvest for distribution to worthy charities in the local area
- Garment and uniform donations to The Salvation Army.

TREASURY CASINO & HOTEL BRISBANE

Treasury Casino & Hotel has continued to support a broad range of community activities and charities including:

- The Cerebral Palsy League of Queensland's flagship community engagement activity, Picnic in the Park, with 2014 marking the 12th successive year of support
- $100,000 fundraising support to St Vincent de Paul Queensland's (Vinnies) 2014 CEO Sleepout
- Youngcare and the Children's Hospital Foundation.

Treasury Casino & Hotel opened the iconic heritage buildings to guided tours for the public in support of the National Trust of Queensland's annual Brisbane Open House event.

In August, Echo Entertainment's ongoing care and attention as custodian of these culturally significant buildings was recognised with a Gold Award at the Queensland Heritage Council Awards.

ASSISTED SURF LIFE SAVING QUEENSLAND RAISE MORE THAN $10.7 MILLION THROUGH THE JUPITERS SUMMER SURF GIRL PROGRAM

APPROXIMATELY 3,000 MEALS DONATED TO OZHARVEST

64 CHARITIES AND COMMUNITY ORGANISATIONS SUPPORTED THROUGH THE OPEN YOUR HEARTS PROGRAM

12 YEARS OF SUPPORT TO CEREBRAL PALSY LEAGUE QUEENSLAND

JUPITERS HOTEL & CASINO GOLD COAST

Jupiters Gold Coast also maintained a number of long-term relationships with a variety of charities and community groups during the financial year.

In particular Jupiters Gold Coast celebrated 20 years of proud support for Surf Life Saving Queensland. More than $160,000 of equipment has been provided through the annual Surf Safe Appeal and assistance provided to raise more than $10.7 million through the Jupiters Summer Surf Girl program.

In addition, Jupiters Gold Coast contributed to:

- Paradise Kids
- Cancer Council Queensland
- The Gold Coast Hospital Foundation to help purchase vital equipment and fund research projects.

OPEN YOUR HEARTS

The continuing Open Your Hearts program, operating at Treasury Casino & Hotel and Jupiters Gold Coast, provides team members with the opportunity to be actively involved in local charities and community groups by enabling requests for funding or in-kind support for groups with which they are personally involved.

During the financial year, 64 charities and community organisations were supported through the program.

ENVIRONMENT AND SUSTAINABILITY

HIGHLIGHTS

Echo Entertainment:

- Was the first major entertainment group to commit nationally to setting ambitious energy and waste reduction targets under CitySwitch
- Developed and launched 'Echo Friendly', a national team member environment and sustainability program across all properties, including a 'green idea' program to drive engagement and innovation
- Implemented a new Waste Managemeny Strategy, improving Echo Entertainment's recycling rate by 14%
- Increased The Star's recycling rate within the year by 28% by introducing a new recycling system, including food waste and mixed recycling

CITY SWITCH
GREEN OFFICE SIGNATORY

APPROACH TO SUSTAINABILITY

For Echo Entertainment, the vision for sustainability is to see clear evidence of the group's environmental values, activities and commitments embedded in every entertainment space, every accommodation place and every operational activity.

As the Echo Entertainment offering becomes more sophisticated, so too does its sustainability program. The five year environment and sustainability strategy incorporates a range of projects and initiatives that deliver tangible outcomes and enduring behavioural changes.

As a result, the organisation is successfully increasing the sustainability of each of its integrated resorts and casinos, transparently measuring performance and reporting openly to stakeholders on the progress achieved.

STRATEGY, FRAMEWORK AND FY15 OBJECTIVES

In the year ahead the sustainability program will have six focus areas to ensure all sustainability efforts are targeted and deliver tangible outcomes. These areas are:

- Governance and reporting
- Our stakeholders
- Our team members
- Our suppliers
- Our environment
- Our communities.

PERFORMANCE AGAINST FY14 OBJECTIVES

In FY14, Echo Entertainment focused on embedding programs, engaging stakeholders and establishing the baselines against which future performance will be assessed.

FY14 Objectives	Projects and programs delivered in FY14	Status
Further develop the environment and sustainability program across all properties	– Launched environment and sustainability 5 year strategy – Developed national team member environment and sustainability program ('Echo Friendly')	Complete
Establish targets, metrics and a reporting framework to monitor, manage and provide feedback on performance	– Introduced a group-wide resource consumption database and performance reporting for energy, water, carbon and waste – Introduced invoice validation to ensure the transparency, accuracy and completeness of data	Complete
Introduce technologies to increase visibility and reduce energy and water consumption	– Upgraded The Star Building Management System (BMS) operation – Expanded sub-metering program to increase visibility around electricity consumption at The Star	Complete
Develop a stakeholder engagement program to work with retailers	– Completed water and waste management assessments for food retailers at The Star, identifying opportunities to reduce water use and increase recycling	Complete
Develop an environment and sustainability team member engagement program and induction module	– All team members inducted on environment and sustainability initiatives – Introduced a herb garden at Jupiters Gold Coast to supply kitchens and bars	Complete
Establish an Environment and Sustainability Working Group	– Established Sustainability Committees at each property	Complete
Develop a supplier engagement framework and sustainable procurement guidance	– Introduced environment and sustainability criteria within procurement documentation – Worked proactively with suppliers at Jupiters Gold Coast to reduce food packaging	Complete
Continue voluntary reporting under the Dow Jones Sustainability Index	– Qualified for inclusion in RobecoSAM's 'The Sustainability Yearbook', the world's most comprehensive publication on corporate sustainability	Complete
Meet compliance commitments and work further with industry	– Reported under the National Greenhouse and Energy Reporting Act (NGERs) – Successfully submitted Energy Efficiency Opportunities Assessment Plan to Government in line with reporting cycle obligations – Became a signatory to CitySwitch	Complete
Formalise a team member award and performance recognition for contribution towards environment and sustainability	– Launched an 'Echo Friendly' team member quarterly award and 'green idea' program – Developed an environment and sustainability intranet site, reaching over 5,200 team members	Complete
Introduce a Waste Management Strategy and new recycling systems to further divert waste streams from landfill	– Implemented mixed recycling across all four properties, improving group recycling rate by 14% – Introduced new recycling streams including organics at The Star, improving recycling rates by 28% within the year	Complete
Ensure new developments consider energy efficient technologies in their design and introduce a group-wide design standard	– Developed a group-wide Sustainable Design Guideline and implemented this new Guideline into the refurbishment of Astral Tower and Residences and the extension of Sovereign Lakes	Complete

CASE STUDY

ENGAGING THE ENTIRE TEAM IN CREATING SUSTAINABLE WORKPLACES

Echo Entertainment understands the importance of involving and encouraging all its 8,000-plus team members in the recently launched 'Echo Friendly' program. Only through the passion and commitment of the entire team can this program achieve the targeted improvements in water use, energy consumption and waste generation that will drive lasting value. The 'Echo Friendly' program has generated enthusiasm and motivated team members to work together to achieve a common purpose.

Specific initiatives since the November 2013 implementation included:

- A dedicated 'Echo Friendly' day supported by each property's Managing Director and senior leadership team to communicate Echo Entertainment's commitments
- Rollout of the 'Echo Friendly' intranet portal reaching 5,200 team members, driving transparency, education and engagement
- The 'green idea' program, created to drive team member engagement, innovative ideas and solutions around resource savings
- A quarterly team member award for the best 'green idea'.

AN EARLY OUTCOME – THE STAR RECYCLING RATE IMPROVES BY 28%

Approximately 4,000 tonnes of waste are generated at The Star annually across the dining, nightlife, hotels and gaming operations. As part of the 'Echo Friendly' environment and sustainability program, a Waste Strategy Group was formed at The Star to focus on reducing waste and improving recycling systems.

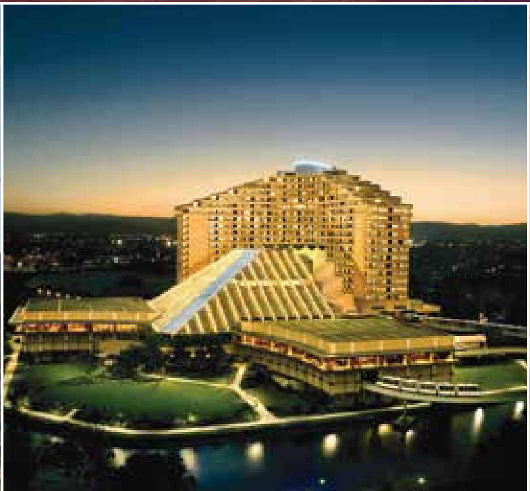
Key stakeholders across the property were encouraged to focus on reducing waste within their areas of leadership and to establish new recycling systems.

The program involved extensive waste audits, induction and training sessions for all team members, the introduction of food waste recycling across all restaurants and the separation of new waste streams to maximise recycling opportunities.

In its initial year of operation the rate of recycling at The Star improved by 28% and new recycling opportunities continue to be investigated.


TREASURY


Jupiters



BOARD OF DIRECTORS

JOHN O'NEILL AO

Chairman and
Non-Executive Director

Diploma of Law; Foundation Fellow of Australian Institute of Company Directors

John O'Neill was formerly Managing Director and Chief Executive Officer of Australian Rugby Union Limited, Chief Executive Officer of Football Federation Australia, Managing Director and Chief Executive Officer of the State Bank of New South Wales and Chairman of the Australian Wool Exchange Limited. Mr O'Neill was also formerly a Director of Tabcorp Holdings Limited and Rugby World Cup Limited.

Mr O'Neill was also the inaugural Chairman of Events New South Wales, which flowed from the independent reviews he conducted into events strategy, convention and exhibition space, and tourism on behalf of the New South Wales Government.

MATT BEKIER

Managing Director and
Chief Executive Officer

Master of Economics and Commerce; PhD in Finance

Matt Bekier was previously Chief Financial Officer and Executive Director of Echo Entertainment and also previously Chief Financial Officer of Tabcorp Holdings Limited from late 2005 and until the demerger of Echo Entertainment and its controlled entities in June 2011.

Prior to his role at Tabcorp, Mr Bekier previously held various roles with McKinsey & Company.

ANNE BRENNAN

Deputy Chair and
Non-Executive Director

Bachelor of Commerce; Fellow of the Australian Institute of Chartered Accountants; Fellow of the Australian Institute of Company Directors

Anne Brennan has extensive chartered accounting experience, including at Partner level, across three major accounting firms. More recently Ms Brennan has held financial executive positions including Chief Financial Officer at CSR Limited and Finance Director at the Coates Group.

Ms Brennan is currently a Non-Executive Director of Argo Investments Limited, Charter Hall Group, Myer Holdings Limited, Nufarm Limited, Rabobank Australia Limited and Rabobank New Zealand Limited.

KATIE LAHEY AM

Non-Executive Director

Bachelor of Arts (First Class Honours); Master of Business Administration

Katie Lahey has extensive experience in the retail, tourism and entertainment sectors and previously held chief executive roles in the public and private sectors.

Ms Lahey is currently the Managing Director of Australasia for Korn/Ferry International. She is also a member of several boards including the Australian Brandenburg Orchestra.

Ms Lahey was previously the Chair of Carnival Australia and also a long term member of the boards of David Jones Limited, Australia Council Major Performing Arts, Hills Motorway Limited, Australia Post and Garvan Research Foundation.

RICHARD SHEPPARD

Non-Executive Director

Bachelor of Economics (First Class Honours); Fellow of the Australian Institute of Company Directors

Richard Sheppard has had an extensive executive career in the banking and finance sector including an executive career with Macquarie Group Limited spanning more than 30 years.

Mr Sheppard was previously the Managing Director and Chief Executive Officer of Macquarie Bank Limited and chaired the boards of a number of Macquarie's listed entities. He has also served as Chairman of the Commonwealth Government's Financial Sector Advisory Council.

Mr Sheppard is currently Chairman of Green State Power. During the financial year, Mr Sheppard was a Non-Executive Director of Dexus Property Group and Treasurer of the Bradman Foundation.

GERARD BRADLEY

Non-Executive Director

Bachelor of Commerce; Diploma of Advanced Accounting; Fellow of the Institute of Chartered Accountants; Fellow of CPA Australia; Fellow of the Australian Institute of Company Directors; Fellow of the Australian Institute of Management

Gerard Bradley is currently the Chairman of Queensland Treasury Corporation and related companies, having served for 14 years as Under Treasurer and Under Secretary of the Queensland Treasury Department. He has extensive experience in public sector finance in both the Queensland and South Australian Treasury Departments.

Mr Bradley has previously served as Chairman of the Board of Trustees at QSuper. His previous non-executive board memberships also include Funds SA, Queensland Investment Corporation, Suncorp (Insurance & Finance), Queensland Water Infrastructure Pty Ltd and South Bank Corporation.

EXECUTIVE TEAM

CHAD BARTON
Chief Financial Officer

Chad Barton brings extensive senior finance experience in listed and large global corporates, most recently serving as Chief Financial Officer of media and outsourcing company Salmat Limited from 2009 to 2014.

A chartered accountant, Chad previously served as CFO for the Australian and New Zealand business of Electronic Data Systems (EDS) and as Commercial Director at telecommunications company SingTel Optus.

STEPHEN SPENCE
Executive General Manager VIP Gaming

Stephen Spence has nearly a decade of experience in the gaming sector and has held a range of roles with Tabcorp Holdings Limited, and subsequently Echo Entertainment, since 2006. Previously he held various financial management roles with 20th Century Fox Films and Ernst & Young.

As Executive General Manager VIP Gaming, Stephen is responsible for driving the growth and development of the international VIP rebate business, ensuring the sales and marketing operations are performing at optimal levels.

He promotes Echo Entertainment, and the tourism experiences in the regions in which Echo Entertainment's properties are located, to current and potential guests throughout Asia using well established networks.

GREG HAWKINS
Managing Director, The Star

Greg Hawkins has been appointed Managing Director of The Star and commenced in the role on 1 September 2014.

Greg comes to The Star with more than 20 years of Australian, Asian and New Zealand gaming experience and most recently served as Chief Executive Officer of Crown Melbourne from 2011 to 2013. Prior to this role, Greg spent five years in Asia, initially as CEO of Altira, Macau and then as President of City of Dreams, Macau.

Having managed both a premium VIP hotel and casino and a large-scale Integrated Resort in Macau, Greg also brings valuable experience in the Asian VIP and premium mass market.

GEOFF PARMENTER
Executive General Manager Group Marketing & Corporate Affairs

Geoff Parmenter has more than 20 years of executive and general management experience across the commercial, sales, media, communications and operations sectors in Australia and internationally.

From 2007 to 2011, Geoff was Chief Executive of Events New South Wales, a state government-owned company responsible for developing the first structured annual events calendar for Sydney and New South Wales. In this role, Geoff delivered more than half a billion new tourism dollars to New South Wales every year and established innovative new signature events for Sydney, including the Vivid Sydney festival and Opera on Sydney Harbour.

GEOFF HOGG
Managing Director, Queensland

Geoff Hogg has 20 years of operational casino experience at a senior executive level. Geoff commenced as Managing Director of Treasury Casino & Hotel in May 2008 and since May 2014 has assumed responsibility for all Queensland properties in the role of Managing Director, Queensland. Prior to commencing with Echo Entertainment, Geoff worked with the SKYCITY Entertainment Group for more than 13 years in their New Zealand properties.

Geoff is an active participant in the Queensland business community, in particular, the tourism and entertainment industry. He currently chairs the Responsible Gambling Advisory Committee and is the Treasurer of Casinos and Resorts Australasia.

PAULA MARTIN
Group General Counsel & Company Secretary

Paula Martin has extensive experience in the gaming industry, commencing approximately 10 years ago, first with the casinos division of Tabcorp Holdings Limited and then continuing with Echo Entertainment.

She has a broad commercial law and regulatory background, having first practised with King & Wood Mallesons (formerly Mallesons Stephen Jacques) in the telecommunications, information technology and competition law areas.

Paula holds a Diploma in Governance from the Governance Institute of Australia.

CORPORATE GOVERNANCE STATEMENT
OF ECHO ENTERTAINMENT GROUP LIMITED

The table below summarises the relevant sections of this Corporate Governance Statement which address each of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

ASX CORPORATE GOVERNANCE COUNCIL'S PRINCIPLES & RECOMMENDATIONS		RELEVANT SECTION(S)	COMPLY
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	Establish and disclose the functions reserved to the Board and those delegated to senior executives.	Section 4	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Section 22	Yes
1.3	Provide the information indicated in the guide to reporting on Principle 1.	Sections 4 & 22	Yes
PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE			
2.1	A majority of the board should be independent directors.	Sections 3 & 5	Yes
2.2	The chair should be an independent director.	Sections 3 & 5	Yes
2.3	The roles of chair and chief executive should not be exercised by the same individual.	Section 3	Yes
2.4	The board should establish a nomination committee which should be structured so that it consists of a majority of independent directors, is chaired by an independent director and has at least three members.	Sections 8 &11	Yes
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Section 22	Yes
2.6	Provide the information indicated in the guide to reporting on Principle 2.	Sections 3, 5, 8, 11, 21 & 22	Yes
PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING			
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: – the practices necessary to maintain confidence in the company's integrity; – the practices necessary to take into account their legal obligations and reasonable expectations of stakeholders; and – the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Section 16	Yes
3.2	Establish and disclose a policy concerning diversity which includes requirements for the board to establish measurable objectives for achieving gender diversity.	Section 28	Yes
3.3	Disclose the measurable objectives for achieving gender diversity set by the board in accordance with the Diversity Policy and progress towards achieving them.	Section 28	Yes
3.4	Disclose the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Section 28	Yes
3.5	Provide the information indicated in the guide to reporting on Principle 3.	Sections 16 & 28	Yes
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING			
4.1	The Board should establish an Audit Committee.	Sections 8 & 9	Yes
4.2	The Audit Committee should be structured so that it consists only of non-executive directors, the majority of which are independent directors, is chaired by an independent director who is not chair of the board and has at least 3 members.	Sections 8 & 9	Yes
4.3	The Audit Committee should have a formal charter.	Sections 8 & 9	Yes
4.4	Provide the information indicated in the guide to reporting on Principle 4.	Sections 4 & 9	Yes
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	Establish and disclose written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and ensure accountability at a senior executive level for that compliance.	Section 20	Yes
5.2	Provide the information indicated in the guide to reporting on Principle 5.	Section 20	Yes
PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS			
6.1	Design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings.	Section 29	Yes
6.2	Provide the information indicated in the guide to reporting on Principle 6.	Section 29	Yes
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Section 14	Yes
7.2	Require management to design and implement the risk management and internal control system to manage the company's material business risks and disclose whether management has reported to the board as to the effectiveness of the company's management of its material business risks.	Sections 13 & 14	Yes
7.3	Disclose whether the board has received assurance from the Managing Director & Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Section 15	Yes
7.4	Provide the information indicated in the guide to reporting on Principle 7.	Sections 14 & 15	Yes
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board should establish a remuneration committee.	Sections 8 & 11	Yes
8.2	The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent chair and has at least three members.	Sections 8 & 11	Yes
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Section 11	Yes
8.4	Provide the information indicated in the guide to reporting on Principle 8.	Sections 8, 11 & 19	Yes

CORPORATE GOVERNANCE STATEMENT
OF ECHO ENTERTAINMENT GROUP LIMITED

1. ECHO ENTERTAINMENT'S APPROACH TO CORPORATE GOVERNANCE

Echo Entertainment's Board of Directors and management strongly support the principles of good corporate governance. This is particularly important given the highly regulated industry in which Echo Entertainment and its subsidiaries and other controlled entities (the ***Echo Group***) operate, and for the long term sustainability of the Echo Group's businesses.

Processes have been established to ensure that the Echo Group's corporate governance practices are reviewed regularly and will continue to be developed and refined to meet the needs of the Echo Group.

In developing the appropriate corporate governance practices, the Echo Group takes into account all applicable legislation and recognised standards, which include, but are not limited to:

- *Corporations Act 2001* (Cth) (***Corporations Act***);
- Australian Securities Exchange (***ASX***) Listing Rules;
- State legislation governing the licences issued to the Echo Group to conduct its casino operations and related activities; and
- Australian Standard AS 8000 - 2003 – Good Governance Principles.

This corporate governance statement outlines the Echo Group's main corporate governance practices and policies in place for the twelve month period ended 30 June 2014, except where indicated otherwise.

This statement and other related information is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

2. ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The Echo Group adopts the "*Corporate Governance Principles and Recommendations with 2010 Amendments, 2nd edition*" which was published by the ASX Corporate Governance Council (***ASX CGC***) in June 2010. The Echo Group complies with all of the ASX CGC Recommendations unless otherwise stated and has also established processes to maintain ongoing compliance with the Principles and Recommendations. The Echo Group acknowledges that the 3rd edition of the ASX CGC Recommendations was published on 27 March 2014 and, as required by the 3rd edition, intends to comply with the amended recommendations in the period ending 30 June 2015. There are only a minimal number of sections of this corporate governance statement which will require change to reflect the Echo Group's practices to comply with the 3rd edition.

3. COMPOSITION OF THE BOARD

As at 30 June 2014, the Board consisted of six directors, comprising:

- five independent Non-Executive Directors, including the Chairman; and
- the Managing Director and Chief Executive Officer.

The names of the Directors, the period of office held by each director, and details of their qualifications, skills, experience and expertise are set out in the Directors' Report and also on the Echo Entertainment website at http://www.echoentertainment.com.au/About/BoardOfDirectors/Pages/default.aspx

Echo Entertainment's Constitution requires that the number of Directors (not including alternate Directors) shall not exceed twelve, nor be less than three. A Director, other than the Managing Director and Chief Executive Officer, may not hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment or last re-election to the Board, whichever is the longer, without submitting for re-election. The Board has the power to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board, subject to receiving all necessary regulatory approvals, but that person must stand for election at the following annual general meeting.

The appointment and removal of the Managing Director and Chief Executive Officer is a matter for the Board as a whole, in association with the recommendations of the Remuneration and Nomination Committee .

The Board has considered and believes that there is currently an adequate mix of skills, experience and diversity on the Board. Each of the current directors possess an adequate level of financial literacy and business acumen.

If the Board considers that there is a need for the services of a new director to add to the Board's existing mix of skills and experience, the Remuneration and Nomination Committee will undertake a search for suitable candidates, which may include using the services of external consultants. Nominations are subsequently received and reviewed by the Remuneration and Nomination Committee before it makes its recommendations to the Board on candidates it considers appropriate for appointment. The Board will then consider candidates who have the appropriate range of skills, experience and diversity that will best complement Board effectiveness.

The Board seeks to achieve a mix of skills and diversity in the membership of the board which is suitable to the nature of Echo Entertainment's business and which complements the existing range of skills on the Board at the relevant time.

Echo Entertainment's Constitution is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

4. RESPONSIBILITIES AND FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board has adopted its own Terms of Reference which specify the responsibilities and functions reserved to the Board as a whole, and those delegated to management.

A copy of the Board Terms of Reference is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

The Board's role includes:

- reviewing and approving the strategies, budgets and business plans prepared by management;
- assuring itself of the effectiveness of arrangements for the governance of the Echo Group including:
  - the quality of the executive team;
  - the appropriateness of organisational arrangements and structures; and
  - the adequacy of internal controls, policies, procedures and processes;
- overseeing performance against targets and objectives; and
- overseeing reporting to shareholders and other stakeholders on the strategic direction, governance and performance of the Echo Group.

To assist the Board with carrying out its responsibilities and functions, certain powers have been delegated to management, including the authority to undertake transactions and incur expenditure on behalf of the Echo Group, up to specified thresholds. These are referred to in Echo Entertainment's Authorities Policy, which has been agreed by the Board and management. The policy includes the financial and non-financial matters that the Board has delegated to management, the capital and operational expenditure approval limits applicable to each level of management, and specific key responsibilities within each division of the Echo Group.

Processes have been established to ensure that management provides relevant information to the Board in a concise and timely manner to enable the Board to make informed decisions and effectively discharge their duties. The Board also has processes in place to ensure that it regularly monitors the flow of information it receives from management, and Directors may request additional information where necessary.

5. DIRECTOR INDEPENDENCE

Directors are required to be meticulous in their disclosure of any material contract or relationship, including relevant interests of family companies and spouses and involvement with other companies or professional firms. Directors are required to adhere strictly to the constraints on their participation and voting in relation to matters in which they may have an interest, in accordance with the Corporations Act and policies of the Echo Group. All directors bring an independent judgment to bear on Board decisions.

A register of Directors' material interests is maintained and is regularly sent to every Director for acknowledgement. Directors are required to advise the Board if they have any interest in a matter that could potentially conflict with the interests of the Echo Group as a whole. Where Directors are involved with other companies or professional firms, which from time to time have dealings with the Echo Group, all such dealings are at arms length and on normal commercial terms.

Processes have been established to ensure that the Board periodically assesses the independence of each Director. For this purpose, an independent Director is a Non-Executive Director whom the Board considers to be independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment. This determination is made through both a quantitative and qualitative assessment of independence.

All of the Non-Executive Directors (including the Chairman) of Echo Entertainment during the financial year have been determined to be independent Directors. In reaching that determination, the Board has taken into account (in addition to the matters set out above):

- The specific disclosures made by each Director as referred to above;
- That no Director is, or is associated directly with, a substantial shareholder of Echo Entertainment;
- That no Director has ever been employed in any other capacity by Echo Entertainment or any of its subsidiaries;
- That no Director personally carries on any role for the Echo Group other than as a Director of Echo Entertainment;
- There are no related party dealings referable to a Director which are material under accounting standards;
- That no Director is, or is associated directly with, a supplier, professional adviser, consultant to or customer of the Echo Group which is material for the purposes of the ASX CGC's Recommendations;
- That no director has close familial ties with any person who falls within any of the above categories; and
- That no director has been in their position for such a period that his or her independence may have been compromised.

To assist in determining levels of materiality for assessing whether supplier, professional adviser, consultant or customer relationships affect the independence of Directors, a relationship is presumed immaterial when it generates or equates to less than 5% of the Echo Group revenue, expense or equity base as relevant during a twelve month period, in the absence of evidence to the contrary. In making this determination, the Board will also undertake a qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that a Director's interests, business or relationship (even if it does not trigger the quantitative requirements described here) could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Echo Group.

The Board also has procedures in place to ensure it operates independently of management. These procedures include, the Non-Executive Directors meeting together regularly in the absence of executive Directors and other executives of the Echo Group. Where appropriate, executives are also excluded from Board discussions that relate to specific management issues, such as executive remuneration.

6. OTHER DIRECTORSHIPS

Directors are required continually to evaluate the number of Boards on which they serve to ensure that they can give the time and attention required to fulfill their duties and responsibilities. Directors are required to seek approval from the Chairman prior to accepting an invitation to become a Director of any corporation, and in the case of the Chairman, seek approval from the Deputy Chairman of the Board or the Chairman of the Audit Committee.

Details of the directorships of each Director are provided in the Directors' Report.

7. BOARD AND COMMITTEE MEETINGS

The Board and its Committees meet regularly to discuss matters relevant to the Echo Group. Additional meetings may be scheduled to address specific matters. Any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter, unless all other Directors present resolve otherwise.

Management representatives are invited to attend meetings where matters relevant to their respective areas of responsibility are to be considered.

The Company Secretary is responsible for coordinating and distributing materials for Board meetings, shareholder meetings and Board Committee meetings and all Directors have access to the Company Secretary. The appointment and removal of the Company Secretary is a matter for discussion by the Board as a whole.

Directors are expected to attend all Board meetings, shareholder meetings and Board Committee meetings for which they are members, subject to any unusual or unforeseen circumstances which may prevent them from attending. The number of Board and Board Committee meetings held during the financial year and details of Directors' attendance at those meeting are provided in the Directors' Report.

8. COMMITTEES OF THE BOARD

To assist the Board in achieving the highest standards of corporate governance, processes have been established to ensure that the Directors involve themselves with the critical areas of the Echo Group's activities through Board Committees, with specific responsibilities for:

- Audit (see section 9);
- Risk and compliance (see section 10);
- Remuneration and Nomination (see section 11); and
- People, Culture and Social Responsibility (see section 12).

Membership of each of the Board Committees is restricted to Non-Executive Directors only.

Each Board Committee has terms of reference which set out the roles, responsibilities, composition and processes of each Committee.

During the financial year, the Board formed an Investment Review Sub-Committee for the specific purpose of providing oversight and reporting to the Board on the Company's strategic projects such as the New South Wales Unsolicited Proposal and the Queen's Wharf Brisbane Project proposal and bid process. The members of the Investment Review Sub-committee are John O'Neill (Non-Executive Director), Gerard Bradley (Non-Executive Director), Matt Bekier (Executive Director), and Richard Sheppard (Non-Executive Director) who is the Chairman of the Committee.

The terms of reference for each of the standing Board Committees are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

9. AUDIT COMMITTEE

The Audit Committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and financial statements issued by Echo Entertainment.

The key responsibilities of the Audit Committee are:

- Oversee compliance with statutory responsibilities relating to financial, accounting practices, financial risk management, internal control systems, external reporting, and the internal and external audit functions;
- Review the activities and performance of the internal audit function and the external auditors;
- Review the adequacy of the Echo Group's internal control systems;
- Monitor related party transactions and potential conflicts of interest; and
- Review the process for management assurance to the Board (refer to section 15 for more information).

The Audit Committee or the Chairman of the Audit Committee is required to meet at least once annually with the external auditor, in the absence of management, and on any occasion during the year as requested by either the Chairman of the Audit Committee or the external auditors.

The annual internal audit plan and the scope of work to be performed is set in consultation with the Audit Committee. The Audit Committee approves the annual internal audit plan and reviews progress and reports made pursuant to that plan.

The Audit Committee is committed to maintaining auditor independence and limiting the engagement of the external auditor for only audit related services, unless exceptional circumstances necessitate the involvement of the external auditor. The Chairman of the Audit Committee must approve all non-audit related work to be undertaken by the external auditor (if any).

Echo Entertainment will maintain the rotation of the lead external audit partner every five successive years or less, as required by the Corporations Act. The external auditor attends Echo Entertainment's annual general meeting and is available to answer shareholder questions regarding aspects of the external audit and their report.

Composition of the Audit Committee

Chairman: **Gerard Bradley** (from 1 September 2013)
Members: **John O'Neill**, **Anne Brennan** (former Chairman to 31 August 2013), **Richard Sheppard**

The terms of reference for the Audit Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

10. RISK AND COMPLIANCE COMMITTEE

The main responsibilities of the Risk and Compliance Committee are:

- Reviewing and approving the Echo Group's risk and compliance policies and frameworks;
- Assessing the appropriateness of risk and compliance management systems, related control processes, and reporting systems;
- Monitoring the effectiveness of systems and processes in place to ensure compliance requirements are being satisfied and performing adequately (other than the financial reporting obligations for which the Audit Committee is responsible);
- Evaluating the effectiveness of the Echo Group's systems and controls to monitor and manage risks that are significant to the fulfilment of the Echo Group's business objectives; and
- Ensuring that sufficient resources are dedicated to managing risk and compliance.

Refer also to section 13 for the internal control framework and section 14 for management of risk.

Composition of the Risk and Compliance Committee

Chairman: **Richard Sheppard**
Members: **John O'Neill, Katie Lahey, Gerard Bradley**

The terms of reference for the Risk and Compliance Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

11. REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee has responsibility for, among other things:

Remuneration Matters

- Reviewing and making recommendations to the Board on remuneration packages and policies applicable to the Chairman, Directors, the Managing Director and Chief Executive Officer, and executives reporting to the Managing Director and Chief Executive Officer;
- Reviewing and making recommendations to the Board on the Echo Group's general remuneration practices and policies, including terms and conditions of any employee share ownership and option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements;
- Reviewing and approving participation of executives in incentive plans, including option and share plans;
- Reviewing and making recommendations to the Board regarding the Echo Group's remuneration arrangements with respect to gender;
- Overseeing the preparation of the Remuneration Report for inclusion in Echo Entertainment's Annual Report.

Nomination Matters

- Managing a process to identify and propose to the Board suitable candidates for appointment to the Board and Board Committees and to engage external consultants in the process if considered appropriate;
- Reviewing Board succession plans to enable an appropriate mix of skills, experience, expertise and diversity on the Board to be maintained and make recommendations to the Board to facilitate orderly succession of Board membership (refer to section 23 for further information);
- Making recommendations to the Board on candidates it considers appropriate for appointment to the Board and Board Committees, including whether the Board should support the election or re-election of any Director required to retire at a general meeting;
- Making recommendations to the Board about the necessary and desirable competencies of Directors required to discharge the Board's duties and the extent to which they are represented in the composition of the Board and each Board Committee;
- Facilitating an independent three yearly assessment of the performance of the Board, Board Committees and Directors (refer to section 22 for further information); and
- Ensuring that an effective Board induction process is in place (refer to section 24 for more information).

Details about Echo Entertainment's remuneration policies and practices are set out in the Remuneration Report which clearly distinguishes the structure of Non-Executive Directors' remuneration from that of executive directors and senior executives.

Composition of the Remuneration and Nomination Committee

Chairman: **Anne Brennan**

Members: **John O'Neill, Katie Lahey, Gerard Bradley**

The terms of reference for the Remuneration and Nomination Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

12. PEOPLE, CULTURE AND SOCIAL RESPONSIBILITY COMMITTEE

The main responsibilities of the People, Culture and Social Responsibility are to assist the Board with its oversight of the Company's strategy, policies, practices and controls relating to such matters:

- employment practices and workplace conditions;
- workplace health and safety arrangements;
- employee engagement;
- succession planning and talent management;
- employee development (including training on responsible service of alcohol and responsible gambling);
- industrial relations;
- diversity in employment
- environmental issues and sustainable business practices (including water and energy efficiency initiatives);
- community engagement (including sponsorships, donations, charitable support, political affairs);
- responsible gambling;
- statutory and stakeholder reporting on matters of corporate social responsibility; and
- other matters of significance to the Company's reputation as a responsible corporate citizen.

Composition of the People, Culture and Social Responsibility Committee

Chairman: **Katie Lahey**

Members: **John O'Neill, Richard Sheppard, Anne Brennan**

The terms of reference for the People, Culture and Social Responsibility Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

13. INTERNAL CONTROL FRAMEWORK

The Board reviews and approves the internal control structure of the Echo Group. This includes the role performed by the Echo Group's internal audit, risk management and compliance functions.

Processes have been established to ensure that the Echo Group's strategic plan (see section 26) and a detailed budget are prepared annually and subject to the approval of the Directors.

Processes have also been established to ensure that forecasts for the Echo Group and each of the operating divisions are regularly updated and reported to the Board throughout the year to enable Directors to monitor performance against the annual budget.

The Echo Group has detailed procedural guidelines for the approval of capital expenditure including annual budgeting, review and approval of individual proposals and specific levels of authority between the Board, the Managing Director and Chief Executive Officer and other levels of management.

Processes for the investment of surplus cash, management of debt and currency, and interest rate risk management have been approved by the Board and are the subject of ongoing reporting to the Board. The Echo Group Treasury department is responsible for managing the Echo Group's finance facilities and interest rate, credit, liquidity and currency risks in line with policies set by the Board.

The Echo Group's internal audit function is resourced by Echo Entertainment employees supplemented by relevant industry experts, and is independent of the external auditor. Processes have been established to ensure that internal audit reports are regularly submitted to the Chief Financial Officer, to the Audit Committee and, where appropriate, to the Board. The Audit Committee approves the internal audit plan annually.

The Echo Entertainment Compliance Policy and Framework was developed to align with:

- Australian Standard AS 3806 – Compliance Programs;
- Australian Standard AS 8000 - 2003 – Good Governance Principles;
- applicable legislation; and
- Echo Entertainment's organisational structure and strategy.

The Echo Group monitors whether practices and processes designed to ensure compliance have been operating effectively to increase the visibility of potential issues and improve the processes for resolving issues.

The Australian Standards AS 3806 – Compliance Programs and AS 8000 - 2003 – Good Governance Principles are available from SAI Global's website at www.saiglobal.com

14. MANAGEMENT OF RISK

The Board requires management to design, implement and review the risk management and internal control system to manage Echo Group's material business risks and report to it on whether those risks are being managed effectively.

The Echo Group has in place a risk management framework, policies and procedures, which set out the roles, responsibilities and guidelines for managing financial, legal, strategic and operational risks associated with the Echo Group's businesses. The Risk Management Framework is based on concepts and principles identified in the Risk Management Standard AS/NZS ISO 31000:2009. Its implementation and ongoing development is periodically reviewed by the Board Risk and Compliance Committee.

Processes have been established to ensure that during each financial year the Echo Group's risks are reviewed to ensure that appropriate controls are in place and that there is appropriate allocation of responsibility within the business, so that potential occurrence and consequences of material business risks are effectively mitigated. The Risk and Compliance Committee provides oversight of the risk management process and ensures that the relevant internal controls are considered in the annual internal audit planning process.

The terms of reference for the Risk and Compliance Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

The standard AS/NZS ISO 31000:2009 – Risk Management is available from SAI Global's website at www.saiglobal.com

15. MANAGEMENT ASSURANCE

Processes have been established to ensure that, at the Board meetings to approve the Echo Group's annual and half yearly results, the Board receives and considers a certificate of assurance comprised of statements in writing from the Managing Director and Chief Executive Officer and the Chief Financial Officer in relation to the Echo Group's system of risk oversight and management and internal control. The certificate of assurance is supported by written attestations provided by relevant senior executives in relation to their area of management.

The certificate of assurance states that the financial statements have been prepared in conformity with generally accepted accounting principles and that they gave a true and fair view of the state of affairs of Echo Entertainment and of the Echo Group.

The certificate of assurance also states that the risk management and internal compliance and control systems operated effectively, in all material respects, based on the AS/NZS ISO 31000:2009 – Risk Management standard adopted by the Echo Group. The certificate of assurance also includes statements that all information had been made available to the external auditor, and that there were not any irregularities or significant issues identified that would have a material impact on the Echo Group.

The Board has received a statement in writing from the Managing Director and Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The standard AS/NZS ISO 31000:2009 – Risk Management is available from SAI Global's website at www.saiglobal.com

16. CODE OF CONDUCT

The Echo Group has a group-wide Code of Conduct. Compliance with the Code of Conduct and associated policies, guidelines and procedures is a requirement for all employees, Directors and contractors of the Echo Group. The Code is founded on the Echo Group's values, and establishes the behaviour that is expected from all employees, Directors and contractors, including the maintenance of ethical standards, honesty, teamwork, fairness, courtesy and integrity.

The Code includes, among other things, references to specific Echo Group policies regarding money laundering, corruption, bribery, bullying and harassment, equal opportunity in the workplace, insider trading, whistleblowing, conflicts of interest and restrictions on the use of the Echo Group's gambling products.

The Code of Conduct and relevant policies are included in the Echo Group's induction program, with annual refresher training and compliance awareness conducted across the Echo Group.

In addition to adhering to the high ethical standards set by the Code of Conduct, Echo Entertainment's Directors and key personnel are also required to undergo extensive probity investigation and clearance by the New South Wales Independent Liquor and Gaming Authority and the Queensland Office of Liquor and Gaming Regulation.

Echo Entertainment's Code of Conduct is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

17. WHISTLEBLOWER SYSTEM

Echo Entertainment has an independent, anonymous crime and misconduct reporting service as one of Echo Entertainment's processes to prevent, detect, and respond to crime and misconduct.

The service is available 24 hours a day, 7 days a week to Echo Entertainment's employees and stakeholders in Australia and overseas.

The service is managed by the Echo Group's Governance, Risk and Internal Control team and has accountability at the highest levels, with the Chairman of the Risk and Compliance Committee able to access reports relating to all employees and review the action taken. The service was introduced to achieve Australian and international best practice, reflecting Echo Entertainment's commitment to integrity and befitting the responsibilities of a publicly listed company.

Further information on the crime and misconduct reporting service is available from Echo Entertainment's website at http://www.echoentertainment.com.au

18. RESPONSIBLE GAMBLING

The Echo Group's Queensland-based casinos comply with the Queensland Responsible Gambling Code of Practice and utilise the casinos' specific Queensland Responsible Gambling Resource Manual. The Queensland Code of Practice and Resource Manual are a result of an initiative between the Queensland Government and the gambling industry.

In addition to conducting its business in compliance with legislation, regulation and Responsible Gambling Codes, the Echo Group leverages the findings of academic research with its experience of industry practice to provide various responsible gambling support services and awareness activities across all of its properties. It also provides employees with training and awareness programs relating to responsible service of gambling. To further support the responsible delivery of its gambling products, the Echo Group has implemented a voluntary pre-commitment and external exclusions scheme at each of its casino properties in Queensland and New South Wales.

Echo Group's New South Wales casino complies with The Star Responsible Gambling Code.

Echo's Codes of Practice are available from the Responsible Gambling section of Echo Entertainment's website at http://www.echoentertainment.com.au/OurCommunity/ResponsibleGambling/Pages/default.aspx

19. SECURITIES TRADING POLICY

Echo Entertainment has a policy regarding trading in its securities which applies to all Directors, employees and contractors. This policy also extends to any person or entity, which may in the circumstances be reasonably associated with the Echo Group or any Director, employee or contractor (for example, a spouse, dependent children, family trust, family company or joint venture partner).

Directors, executives reporting directly to the Managing Director and Chief Executive Officer (***Executives***), all direct reports to those Executives (***Executive Direct Reports***), employees of the Echo Group and associates of any of the preceding must not trade, arrange for someone else to trade, or pass on information to someone they know, or ought reasonably to know, may use the information to trade (or procure another person to trade) Echo Group securities when they are in possession of price sensitive information relating to the Echo Group which is not generally available to the market.

To avoid any adverse inference being drawn of unfair dealing, Directors, Executives, Executive Direct Reports and any associates of the preceding also may not deal in Echo Group securities during the applicable Blackout Periods set out in the policy or within 12 months of the acquisition of the relevant Echo Group securities. Blackout Periods are the periods between 1 January and the release of Echo Entertainment's half year results, and 1 July and the release of Echo Entertainment's full year results, and any other periods determined by the Echo Entertainment Board, the Chairman, the Managing Director and Chief Executive Officer or the Company Secretary from time to time.

If a Director or an associate of a Director wishes to trade in Echo Entertainment securities at any time, the Director must obtain prior written approval from the Chairman (in the case of Directors other than the Chairman) and in the case of the Chairman, from the Chairman of the Audit Committee. Directors are also required to notify the Company Secretary of any changes to their relevant notifiable interests in Echo Entertainment securities no more than 5 business days after the change occurs.

If an Executive, an Executive Direct Report or an associate of an Executive or Executive Direct Report wishes to trade in Echo Entertainment securities at any time, the Executive or Executive Direct Report must obtain the prior written approval of any of the Company Secretary, the Chief Financial Officer or the Managing Director and Chief Executive Officer.

The policy also contains restrictions on margin lending. Directors, Executives and Executive Direct Reports must receive prior written consent from the Chairman (in the case of the Chairman, prior written consent from the Chairman of the Audit Committee) before entering into margin loans or similar financing arrangements.

The policy prohibits employees participating in any of Echo Entertainment's employee or executive incentive plans from hedging the value of restricted shares and unvested performance options or rights granted under such plans. Breaches of this prohibition will result in awards being forfeited by the relevant employee.

Echo Entertainment's Securities Trading Policy is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

20. CONTINUOUS DISCLOSURE

The Echo Group has a Disclosure and Investor Communications Policy and procedures are in place to ensure that information is reported to the ASX in accordance with the continuous disclosure requirements of its Listing Rules. The Board reviews Echo Entertainment's compliance with its continuous disclosure obligations at each of its meetings.

Echo Entertainment's Company Secretary is responsible for coordinating disclosure of information to the ASX, the Australian Securities and Investments Commission and shareholders. The Company Secretary is referred to as the Disclosure Officer in the Disclosure and Investor Communications Policy.

The Disclosure Officer must be kept informed by management of disclosure related issues, and each Executive Committee member must notify the Disclosure Officer immediately of any information that may require disclosure.

In addition to the Disclosure Officer, there are a limited number of authorised Echo Entertainment spokespersons. Only authorised Echo Entertainment spokespersons may speak on the Echo Group's behalf to people such as analysts, brokers, journalists and shareholders, and comments must be limited to their expertise. If an employee of the Echo Group is not an authorised Echo Entertainment spokesperson, and receives an enquiry about the Echo Group from a journalist, analyst or other external party, they must refer the enquiry to an authorised Echo Entertainment spokesperson.

Authorised Echo Entertainment spokespersons liaise closely with the Disclosure Officer to ensure all proposed public comments are within the bounds of information that is already in the public domain, and/or is not material. All company announcements are made available on Echo Entertainment's website following release to the ASX.

Echo Entertainment's Disclosure and Investor Communications Policy is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

21. INDEPENDENT PROFESSIONAL ADVICE

An individual Director may, after discussion with the Chairman, and advising the Managing Director and Chief Executive Officer, obtain independent professional advice at the expense of the Echo Group. Such advice is to be made available to all other Directors.

Board Committees and members of the Audit Committee, the Remuneration and Nomination Committee, the Risk and Compliance Committee, and the People, Culture and Social Responsibility Committee may also obtain independent professional advice, subject to the terms of reference for the applicable committee.

The terms of reference for each Board Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

22. PERFORMANCE ASSESSMENT

The Board and Directors

The Remuneration and Nomination Committee is responsible for facilitating an independent review of the performance and effectiveness of the Board, its Committees and Directors every three years.

This assessment process is expected to include surveys and interviews with current Directors and members of the Executive Committee. The results will be benchmarked against those of other companies for comparative purposes. The Board will review the findings and any recommendations arising from the review and any appropriate enhancements will be implemented.

In light of the changes to the Board and Committee composition during the financial year, the Board considered it appropriate to defer commencement of a formal Board and Committee performance evaluation to the final quarter of the financial year. This was to ensure that all Directors had sufficient time to fully participate in a reasonable number of Board and Committee meetings and gauge the dynamics of Board and Committee operations, thereby enabling a more meaningful review and provision of feedback to occur. This assessment process has commenced and an external consultant has been engaged to conduct an independent review of the performance and effectiveness of the Board, its Committees and Directors, which will be completed in the financial year ending 30 June 2015.

The Board currently conducts ongoing self-assessments and informal reviews of the effectiveness of Board and Committee meetings, including assessing its information needs and its requirements of management for those meetings.

A performance assessment of the separate Board Committees will be conducted as and when considered necessary by the chairman of the relevant committee.

Senior Executives

Processes have been established to ensure that formal performance and development evaluations are conducted every six months for each employee, including all senior executives and the Managing Director and Chief Executive Officer. Individual performance is assessed using a balanced scorecard setting out individual targets that are aligned to and are supportive of Echo Entertainment's annual objectives. Individuals are also assessed on whether they have exhibited Echo Entertainment's behavioural attributes.

During the financial year, performance and development evaluations were conducted for senior executives and the Managing Director and Chief Executive Officer in accordance with the processes described above.

23. SUCCESSION PLANNING

The People, Culture and Social Responsibility Committee has oversight of talent development and succession planning within the Echo Group. Succession planning is focussed on identifying the best candidates for leadership and management roles so that the Executive Committee and senior management within the organisation comprise high calibre people with the necessary and desirable experience and competencies to best meet the organisation's needs. In addition, Directors periodically discuss succession matters at meetings of the Board and the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee is responsible for making recommendations to the Board to facilitate the orderly succession of Board membership and to manage a process to identify suitable candidates for appointment to the Board and for the optimal composition of Board Committees.

The terms of reference for the Remuneration and Nomination Committee are available from the Corporate Governance section of Echo's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

24. INDUCTION OF DIRECTORS AND EMPLOYEES

The appointment of any new Director is subject to regulatory approvals. While these approvals are being sought, the person, with the approval of the regulators, may attend Board and Committee meetings as an observer. This assists their transition into their role, but they may not vote on any matter considered at those meetings.

Each observer undertakes an induction program and is provided with access to Echo Entertainment's online Directors' knowledge centre, the Echo Group's strategic plan and other materials to assist them to participate fully and actively in all Board decision-making at the earliest opportunity. In addition, upon being invited to join the Board, every observer receives a letter of appointment setting out the key information and terms and conditions applicable to their appointment as a Director of Echo Entertainment.

The induction program aims to provide the observer with the relevant knowledge regarding the processes of the Echo Entertainment Board, Board culture, the role and responsibilities of an Echo Entertainment Director, the Echo Group's strategic direction, the nature of the Echo Group's businesses, industry matters, the Echo Group's financial position, key senior management, operational and risk management practices and the major issues facing the Echo Group. The induction program includes meetings with each Executive Committee member and their leadership team, site tours, and specific matters of interest to each observer.

The Remuneration and Nomination Committee is responsible for ensuring that an effective induction process is in place, and regularly reviews its effectiveness in accordance with industry best practice and including incorporation of feedback from newly appointed Directors.

Echo Entertainment has a formal induction program for all employees, including executives. This program is conducted by skilled trainers and provides information about the structure and operations of the Echo Group, Echo Entertainment's Code of Conduct, key employee policies (such as the use of Echo Entertainment's gambling products, harassment and bullying, occupational health and safety, and equal opportunity). In addition, employees receive orientation regarding their specific responsibilities, duties and rights, meet with executives and team members and undergo familiarisation in their workplace.

Employees have agreed position descriptions and balanced scorecards that set out their duties, responsibilities, objectives and key performance indicators. Letters of appointment or employment contracts set out other key terms of employment.

25. DIRECTORS' CONTINUING EDUCATION

All Directors have access to continuing education to update and enhance their skills and knowledge to enable them to continue to carry out their duties as Directors in an efficient and knowledgeable manner.

The continuing education program includes information concerning key developments in the Echo Group and the industry and environments within which it operates, including site visits to the Echo Group's properties, updates to relevant policies, discussion of relevant legal developments, corporate governance updates and other matters of interest for Directors.

26. ECHO GROUP STRATEGIC PLANNING

Echo Entertainment has a formal strategic planning process whereby a strategic plan is approved by the Board each year. The intent of the annual review is to consider a range of strategies and provide management with guidance on those strategies that in the Board's opinion will enhance shareholder value.

27. SUSTAINABILITY

Echo Entertainment is committed to the long term sustainability of its operations and aims to optimise the social, environmental, workplace and economic impact of its operations for the benefit of all stakeholders.

Although the operations of the Echo Group are considered to have minor impact on the environment, Echo Entertainment is committed to protecting the environment and minimising the impact wherever appropriate.

28. DIVERSITY

Echo Entertainment understands the rich value that a diverse workforce brings to its organisation. The diversity of guests, shareholders, suppliers and other stakeholders is reflected in the diversity of the Company's employees. As a result, Echo recognises that diversity celebrates difference and a focus on inclusion ensures that those differences strengthen the organisation. By moving beyond diversity to foster inclusivity through a flexible and individualised approach for all employees, Echo Entertainment engages with employees to bring the 'best of themselves' to work.

The Board, supported by management, is responsible for devising and implementing strategies to achieve Echo Entertainment's diversity objectives, monitoring the representation of women at all levels of Echo Entertainment and assessing the progress against measurable gender diversity objectives set by the Board.

The Board has established a People, Culture and Social Responsibility Committee which will assist and guide management's activities in achieving diversity across all nominated diversity groups. Gender equality remains a priority for Echo Entertainment and its progress against achieving the measurable gender diversity objectives are reported to the Board by the People, Culture and Social Responsibility Committee.

The Board will annually review and assess the measurable objectives and key performance indicators to track and verify progress towards attainment of the objectives and the success of the overall strategy.

Echo Entertainment has partnered with several diversity groups, most notably in its active membership on the Diversity Council Australia of which Echo Entertainment's Executive General Manager Human Resources is a Board member.

Echo Entertainment's measurable objectives for achieving gender diversity and its progress towards achieving those objectives are set out below.

	MEASURABLE OBJECTIVES (ESTABLISHED IN FY2012)	**DETAILS**	**ECHO ENTERTAINMENT'S PROGRESS**
1.	Gender diversity in senior executive roles	Aim to increase the percentage of female representation in senior executive positions to 33% by 2015, as vacancies arise and subject to identification of candidates with appropriate skills.	The percentage of female representation in senior executive positions as at 30 June 2014 is 23.3%.
2.	Diversity Committee	Establish a Diversity Committee in FY13 to identify and manage gender diversity issues.	The Diversity & Equity Steering Committee continued to meet in FY2014. The Committee comprises Executive and General Manager representatives from across the company. The Committee's role is to: – Provide guidance, governance and oversight to diversity programs within Echo – Ensure "diversity" within the diversity programs to ensure that the program of events meets the needs of Echo – Build an inclusive workforce – Operationalise the Diversity & Equity Strategy
3.	Support for Flexible Working Arrangements	Implement a flexible working policy in FY13 to facilitate the return of female employees from maternity leave and assisting both men and women to balance their work, life and family responsibilities.	A Flexible Work Arrangements Policy has been implemented. In addition, the parental leave policy has been updated and 169 employees took parental leave (155 females and 14 males).

MEASURABLE OBJECTIVES (ESTABLISHED IN FY2012)		DETAILS	ECHO ENTERTAINMENT'S PROGRESS
4.	Identify High Potential Women	Implement talent management practices in FY13 to identify and develop potential female employees for career progression into senior executive positions.	The talent management practices implemented in FY2013 continued in FY2014. In reviewing Echo's talent pool, 8% of all female employees assessed were ranked in the highest category (compared to 6% of all male employees assessed). Additionally, 33% of senior management roles have female successors in the succession plan.
Additional Measurable Objectives (established in FY2013)			
5.	Access to thought leadership	Gain access to diversity thought leadership through membership of the Diversity Council Australia and the Australian Human Resources Institute, and attendance at relevant conferences and seminars.	Echo Entertainment's Executive General Manager Human Resources has been elected to the Board of the Diversity Council Australia. She is also a member of the NSW State Council for the Australian Human Resources Institute. In addition, Echo partnered with external parties to conduct analyses of its Lesbian, Gay, Bisexual and Transgender (LGBT) employees and aged employees. The results of this analysis have provided input into the action planning for the appropriate diversity working groups.
6.	Review of policies	Review and update human resources policies to have a positive impact on the attractiveness of employment for female employees, to encourage retention and the promotion of female employees into senior executive positions.	Echo Entertainment's Human Resources team has reviewed and updated the following policies: – Parental Leave Policy – Bullying & Harassment Policy
7.	Engagement with female employees	Establish female diversity committees for each casino property to identify and manage gender diversity issues.	As part of the Diversity & Equity Strategy, an Echo-wide female diversity committee was established with representation from all areas of the business.
8.	Establishment of Diversity Working Groups for our four branches of Diversity	Establishment of four working groups for Female, Mature Age, Multicultural, and Lesbian, Gay, Bisexual and Transgender (LGBT) team members.	The Diversity Working Groups meet regularly and are actively engaged in the process of highlighting areas of development in relation to diversity. The group's function is to: – Cascade information, ideas and suggestions to the Diversity Steering Committee for action and implementation – Engage Team Members across Echo in diversity initiatives – Represent and champion the cause of the branch of diversity they represent – Collaborate with other Diversity Working Groups to ensure that diversity initiatives are cohesive

Echo Entertainment has lodged a report on its workplace program to the Workplace Gender Equality Agency in compliance with its obligations under the Workplace Gender Equality Act 2012 (Cth) to report annually on its workplace program. A notice of compliance was issued to Echo Entertainment in July 2014 stating that Echo Entertainment is compliant with the Act. A copy of the report is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx.

As at 30 June 2014, Echo Entertainment has two female Directors on the Board (representing 33% of all Directors or 40% of Non-Executive Directors), 10 female senior executives (representing 23.3% of all senior executives) and 3,371 female employees across the whole of the Echo Group (representing 42% of all employees).

In the next financial year, Echo Entertainment aims to continue its growth in the area of Diversity. Diversity data obtained from the 2014 Your Say Employee Engagement Survey will assist in identifying areas of focus for diversity activities.

- Echo Entertainment's Diversity Policy is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

29. ENGAGING SHAREHOLDERS

The Echo Group's Disclosure and Investor Communications Policy sets out Echo Entertainment's procedures and guidelines relating to continuous disclosure and the communication of information to investors. This information is communicated to shareholders through Echo Entertainment's website, annual report, dividend mailouts, emails, the ASX, and other means where appropriate.

The Echo Group's website provides stakeholders with a range of information about the Echo Group, including its operations, history, strategies, values, brands, community involvement, share price performance and shareholder reports. Major announcements, such as the annual and half-year results and the annual general meeting, are webcast live on Echo Entertainment's website. Webcasts are archived and accessible on the website for a period after the webcast.

Echo Entertainment (via its share registry) provides an email service for its shareholders to receive all shareholder related communications electronically, including dividend statements, notices of meeting, and the annual report. This email service provides a quick and convenient means for receiving this information while reducing costs and being environmentally friendly. Shareholders can also use the share registry's website to lodge their proxy appointments and proxy votes prior to the annual general meeting.

Dedicated shareholder relations personnel are available to assist in responding promptly to all shareholder inquiries. Echo Entertainment has a Shareholder Enquiries and Complaints Policy that sets out the way in which Echo Entertainment addresses concerns and feedback from shareholders.

Echo Entertainment encourages its shareholders to participate fully at its annual general meeting. Processes have been established to ensure that important issues are presented to shareholders as single resolutions and full discussion of each item is encouraged. Explanatory memoranda, where considered appropriate, will be included with the notice of annual general meeting in respect of items to be voted on at the meeting.

- Echo Entertainment's website is available at http://www.echoentertainment.com.au
- Shareholders can elect to receive all communications electronically by following the instructions in the 'Become an eShareholder' section under the 'Our Investors' tab on Echo Entertainment's website at http://www.echoentertainment.com.au/OurInvestors/ShareholderCentre/Pages/Become-an-eShareholder.aspx
- Echo Entertainment's Disclosure and Investor Communications Policy and Echo Entertainment's Shareholder Enquiries and Complaints Policy are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

DIRECTORS' REPORT AND FINANCIAL REPORT

DIRECTORS' REPORT

The Directors of Echo Entertainment Group Limited (the ***Company***) submit their report for the consolidated entity comprising the Company and its controlled entities (collectively referred to as the ***Group***) in respect of the financial year ended 30 June 2014.

1. Principal activities

The principal activities of the Group during the financial year comprised the provision of leisure and entertainment services (particularly in relation to casino gambling, entertainment and hospitality).

2. Directors

The names and titles of the Company's Directors in office during the financial year and until the date of this report (except as otherwise stated) are set out below. Directors were in office for this entire period unless otherwise stated.

Directors	
John O'Neill AO	Chair and Independent Non-Executive Director
Matt Bekier (i)	Managing Director & Chief Executive Officer
Anne Brennan (ii)	Deputy Chair and Independent Non-Executive Director
Katie Lahey AM	Independent Non-Executive Director
Richard Sheppard	Independent Non-Executive Director
Gerard Bradley	Independent Non-Executive Director
Dr Sally Pitkin (iii)	Proposed Non-Executive Director subject to the receipt of all necessary regulatory approvals
John Redmond (iv)	Managing Director & Chief Executive Officer

(i) Ceased as Chief Financial Officer & Executive Director on 10 April 2014 and appointed as Managing Director & Chief Executive Officer on 11 April 2014

(ii) To cease as Deputy Chair and Independent Non-Executive Director following the Company's 2014 Annual General Meeting

(iii) On 31 July 2014, the Company announced the proposed appointment of Dr Sally Pitkin as a Non-Executive Director subject to regulatory approvals being obtained

(iv) Ceased as a Director on 11 April 2014

3. Financial results and review of operations

The Group's consolidated profit after income tax for the financial year ended 30 June 2014 was $106.3 million (2013: $83.5 million) after significant items of $15.5 million, an increase of 27.3% on the previous financial year.

Earnings before interest and tax (EBIT) were $241.5 million (2013: $188.6 million), an increase of 28.0% on the previous financial year.

The increase in earnings was attributable to a number of items, including increased revenue from electronic gaming (including slots), and increased volumes in table games on the main gaming floor. This growth was offset by a lower win rate in the International VIP Rebate business that was down 10.5% on the prior year, to 1.45%. Good cost control across the group was maintained, with operating expenditure of $866.9m, down 4.4% on the prior year.

Statutory net revenue was $1,805.7 million (2013: $1,737.9 million), an increase of 3.9% on the previous financial year. Gross revenue at The Star was up 6.2%, offset by Queensland gross revenues that were down 3.7%. Revenue in the International VIP Rebate business was up 2.5% compared to the previous financial year.

The Group's divisional structure comprises the following three operating divisions:

- The Star;
- Jupiters; and
- Treasury.

The activities and results for these operations are discussed below.

3.1. The Star

The Group operates The Star in Sydney.

The Star achieved EBIT of $170.2 million, an increase of 9.1% on the previous financial year. Gross revenue increased by 6.2% to $1,277.3 million for the financial year.

Gaming revenue was driven by a strong performance in multi terminal table games and slots in the second half of the year as a result of the effective marketing strategy and the loyalty program gaining traction. The International VIP Rebate business showed some volume growth but experienced a lower win rate in the 2014 financial year than the prior period. Non-gaming revenue was up largely as a result of increased cash room occupancy and the Event Centre being operational for the full year as compared to six months in the prior year. Bars and restaurants also experienced revenue growth. Costs were well maintained, with a growth of 4.8% on the prior comparative period, driven largely by increased activity.

3.2. Queensland

In Queensland, the Group operates the Jupiters Hotel and Casino on the Gold Coast, Jupiters Townsville and the Treasury Casino and Hotel in Brisbane. In addition, the Group manages the Gold Coast Convention and Exhibition Centre, and has an interest in and manages the Townsville Entertainment and Convention Centre.

Treasury achieved EBIT of $43.6 million, which was 4.0% below the previous financial year. Gross revenue increased by 1.1% to $283.6 million.

Jupiters (comprising the Gold Coast and Townsville businesses) achieved EBIT of $27.7 million, which was 8.6% above the previous financial year. Gross revenue decreased by 7.4% to $336.5 million.

The Queensland properties' result was driven by an increase in revenues from electronic gaming in the second half of the year, with that business benefitting from regulatory changes, including changes allowing the use of $50 and $100 note acceptors in electronic gaming machines (EGMs), the approval of ticket in ticket out (TITO) technology and the rolling out of a new gaming management system offering the opportunity for more diverse games to be introduced. The loyalty program also gained momentum through the period. Win rates and volumes from table games (including International VIP Rebate business) were lower leading to a softer result in these areas. Non-gaming revenue was also lower due to limited new product and relatively soft market conditions. Operating expenses were well controlled and 7.0% below the previous corresponding period due to the cost optimisation program implemented in previous years.

Gold Coast expansion plans

The Company is pursuing Board approved plans for the expansion and refresh of the Jupiters Gold Coast property to the value of $345 million, comprising $230 million growth capital expenditure and $115 million maintenance expenditure to refurbish the existing facilities. The modernisation of Jupiters Gold Coast will increase its attractiveness as a world class resort. The planned investment includes a new six star hotel and upgrade of existing hotel, significant expansion in food and beverage offering, new International VIP Rebate gaming facilities and private gaming rooms for domestic high rollers. Planning has progressed in the current financial year, with works expected to be initiated early in the 2015 financial year.

Townsville sale

On 24 January 2014, the Group entered into an agreement to sell its Jupiters Townsville complex to Colonial Leisure Group (CLG) for $70 million. The transaction is for the sale of all the shares and units in Breakwater Island Limited and Breakwater Island Trust respectively. The sale of Jupiters Townsville is at an advanced stage and completion is expected to occur in the upcoming weeks, subject to all the necessary regulatory approvals being received. The financial results of Jupiters Townsville are included within the results for the Jupiters segment.

3.3. International VIP Rebate business

The results of the International VIP Rebate business are embedded in the segment results above. Normalised[1] gross revenue of $472.2 million was up 6.9% (actual $396.5 million, up 2.5%) on the previous financial year. International VIP Rebate front money was up 6.5% on the previous financial year to $2,232.0 million. International VIP Rebate win rate of 1.45% was below the previous financial year (2013: 1.62%) and actual turns of front money of 12.2 times were lower than the historic average, although turns in the second half of the year were closer to normalised levels. Net trade receivables of $76.5 million were largely unchanged from the previous financial year (2013: $74.3 million).

[1] Normalised results reflect the underlying performance of the business as they remove the inherent volatility of the international VIP Rebate business. Normalised results are adjusted using an average win rate of 1.62% and average number of turns of front money of 13 times based on the 5 year average to the end of FY13. Normalisation rates applied to the FY14 results are consistent with FY13 rates.

4. Earnings per share (EPS)

Basic and diluted EPS for the financial year were 12.9 cents (2013: 10.1 cents), up 27.7% on the previous financial year. EPS is disclosed in note 13 of the financial report.

5. Dividends

5.1. Dividend payout

The Company's target dividend payout ratio is 50% of statutory net profit after tax (NPAT).

An interim dividend of 4 cents per share (fully franked) was paid on 14 March 2014.

A final dividend of 4 cents per share (fully franked) has been declared by the Company for the financial year ended 30 June 2014, to be paid to shareholders on 30 September 2014.

The final dividend is above the Group's target payout ratio of 50% of NPAT, reflecting the Board's confidence in the underlying business momentum.

5.2. Dividend reinvestment plan (DRP)

The Company's DRP is in operation for the final dividend. The last date for receipt of election notices to enable participation for the final dividend is 27 August 2014. The price at which shares are allocated under the DRP is the daily volume weighted average market price of the Company's shares sold in the ordinary course of trading on the ASX over a period of 10 business days beginning on (and including) the second business day after the Record Date (26 August 2014). Shares allocated under the DRP will rank equally with the Company's existing fully paid ordinary shares.

6. Significant changes in the state of affairs

The following events, which may be considered to be significant changes in the state of affairs of the Group, have occurred during the financial year.

6.1. Shareholder Activity – applications to increase shareholding/voting power

Applications to increase shareholding/voting power above 10%

The application made by the Genting group of companies on 27 June 2012 for approval to increase their shareholding or voting power in the Company above the 10% restriction in the Company's constitution is still pending approval by the New South Wales Independent Liquor and Gaming Authority and the Queensland Attorney General and Minister for Justice as at the date of this report. The New South Wales Independent Liquor and Gaming Authority and the Queensland Attorney General and Minister for Justice have previously granted approvals for Perpetual Limited (through its subsidiary Perpetual Investments Management Limited) and Crown Resorts Limited (through its subsidiary Pennwin Pty Limited) to increase their shareholding or voting power in the Company up to 15% and 23% respectively.

6.2. Restructure of financing arrangements

During the financial year, the Group closed out a number of its out-of-the-money interest rate swaps (IRS) to restructure lending arrangements. The close-out of the swap positions coincided with a restructuring of the Group's lending arrangements. This resulted in a reduction of the syndicated revolving facility by $250 million and the establishment of a $150 million working capital facility during the year. Maturities of the facilities were also extended by a further 12 months (refer to note 26).

The expense associated with closing out the out-of-the-money IRS and financing restructure was $22.2 million before tax and has been treated as a significant item in the financial report (refer to note 8). This initiative will lead to lower financing costs in future periods.

6.3. New South Wales Unsolicited Licence and Proposal to New South Wales Government

In New South Wales, The Star's casino licence continues until 2093 and includes exclusivity arrangements with the New South Wales Government that support a single casino licence in New South Wales until November 2019.

On 4 July 2013, the New South Wales Government progressed Crown Resorts Limited's (Crown) proposal to develop a gaming facility at Barangaroo to Stage 3 of the Unsolicited Proposal process. On 20 November 2013, the Casino Control Amendment (Barangaroo Restricted Gaming Facility) Bill 2013 was passed and on 8 July 2014 the Independent Liquor and Gaming Authority (ILGA) issued a restricted gaming licence to Crown to operate a VIP casino at Barangaroo from November 2019 onwards. The development of the Crown Sydney Hotel Resort is still subject to the granting of all necessary planning approvals and the finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease. If Crown subsequently builds and develops the proposed facility, the exclusivity of The Star's casino licence will cease after November 2019.

The Group is committed to maximising the return on its assets from being the sole casino in Sydney until November 2019 and to compete effectively beyond that time frame.

6.4. Queensland licenses

Each of the Queensland casino licences are perpetual and will remain in force unless and until they are cancelled or surrendered pursuant to the Casino Control Act 1982 (Qld). The Queensland casino licences do not currently contain any exclusivity provisions and there are currently four casinos in Queensland.

On 19 December 2013, the Queensland Government launched two competitive bid processes in relation to up to three potential new integrated resort developments in Queensland (one in Brisbane and two in regional Queensland) for which additional casino licences may be awarded.

The Queensland Government has announced a proposed timeline for the competitive bid process for the Queen’s Wharf Brisbane development that will require the submission of detailed proposals by late 2014. The Company submitted its Expression of Interest for the Queen’s Wharf Brisbane development to the Queensland Government on 31 March 2014 and was subsequently shortlisted by the Queensland Government in May 2014 to proceed to the next stage of the development process, along with three other participants.

In June 2014, the Company signed a binding Memorandum of Understanding (MOU) with shortlisted participants, Chow Tai Fook Enterprises Limited (CTF) and Far East Consortium (Australia) Pty Limited (FEC (Australia)), a subsidiary of Far East Consortium International Limited (FEC), to form a strategic joint venture for the competitive bid process for the Queen’s Wharf Brisbane development which combines Echo’s extensive Queensland and broader Australian experience in operating integrated resorts with CTF and FEC’s international hospitality operations, mixed use development expertise and strong links into Chinese and other Asian markets.

The MOU provides that the Company will contribute 50% of the capital to develop the integrated resort and will act as the operator under a long dated gaming operator agreement. CTF and FEC (Australia) will each contribute 25% of the capital to develop the integrated resort and together will also undertake the residential and related component of the broader Queen’s Wharf Brisbane development. It is expected that the successful bidder will be announced by the Queensland Government in early 2015.

7. Business strategies

The key strategic priorities for the Group are as follows:

- Create “world class casino resorts with local spirit”, including the proposed expansion of the South East Queensland casinos;
- Manage planned capital expenditure programs in Queensland and Sydney to deliver value and returns for shareholders;
- Increase volume of high-value visitation, from local, domestic and international markets;
- Grow domestic and international VIP business, including providing world class private gaming facilities;
- Improve customer experience, including providing customers with tailored product and service offerings; and
- Maximise value from technology, including further enhancing gaming and loyalty experience and delivering integrated and new IT platforms.

8. Significant events after the end of the financial year

Other than those events that have already been disclosed in this report or elsewhere in these financial statements, there have been no other significant events occurring after the statement of financial position date and up to the date of this report, which may materially affect either the Group's operations or results of those operations or the Group's state of affairs.

9. Likely developments and expected results

The Group will continue with its strategies, as set forth in this report.

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors have reasonable grounds to believe that to include such information will be likely to result in unreasonable prejudice to the Group.

10. Auditors

The Group’s external auditor is Ernst & Young. The Group’s internal audit function is fully resourced by the Company.

11. Environmental regulation and performance

The Group is committed to continuously improving its level of environmental performance across all its operations by identifying opportunities to reduce energy and water consumption, reducing waste to landfill, procuring more sustainable products and services and reducing its overall carbon emissions. Each of the Group's properties applies environmental management procedures and systems which assist in maintaining high levels of environmental regulation and performance. Implementation of the Group's Environment and Sustainability Strategy aims to minimise adverse environmental impacts and deliver continual improvement in environmental performance which exceeds state and federal regulations.

The Company is registered under the National Greenhouse Energy Reporting System (NGERS) and reports all energy consumption and greenhouse gas emissions to the Federal Government every year.

12. Risk management

The Group's approach to risk management is to identify and manage risks so that business activities align with the Group's risk appetite. This is achieved by a structured approach to the evaluation and management of strategic, people, financial and compliance risks and opportunities faced by the Group. This approach is central to achieving the corporate objective of delivering long-term value to shareholders.

13. Directors' qualifications, experience and special responsibilities

The details of the Company's Directors in office during the financial year and until the date of this report (except as otherwise stated) are set out below.

Name	Qualifications, experience and special responsibilities
Current	
John O'Neill AO	**Chairman** (from 8 June 2012); **Non-Executive Director** (from 28 March 2011) Diploma of Law; Foundation Fellow of the Australian Institute of Company Directors Mr O'Neill was formerly Managing Director and Chief Executive Officer of Australian Rugby Union Limited, Chief Executive Officer of Football Federation Australia, Managing Director and Chief Executive Officer of the State Bank of New South Wales, and Chairman of the Australian Wool Exchange Limited. Mr O'Neill was also formerly a Director of Tabcorp Holdings Limited and Rugby World Cup Limited. Mr O'Neill was also the inaugural Chairman of Events New South Wales, which flowed from the independent reviews he conducted into events strategy, convention and exhibition space, and tourism on behalf of the New South Wales Government. Mr O'Neill is an ex-officio member of all Board committees.
Matt Bekier	**Managing Director and Chief Executive Officer** (from 11 April 2014); **Director** (from 2 March 2011); **Chief Financial Officer and Executive Director** (from 15 June 2011 to 10 April 2014) Master of Economics and Commerce; PhD in Finance Matt Bekier was previously Chief Financial Officer and Executive Director of the Company and also previously Chief Financial Officer of Tabcorp Holdings Limited from late 2005 and until the demerger of the Company and its controlled entities in June 2011. Prior to his role at Tabcorp, Mr Bekier previously held various roles with McKinsey & Company.
Anne Brennan(i)	**Deputy Chair** (from 14 June 2013); **Non-Executive Director** (from 23 March 2012) Bachelor of Commerce; Fellow of the Australian Institute of Chartered Accountants; Fellow of the Australian Institute of Company Directors Anne Brennan has extensive chartered accounting experience, including at Partner level, across three major accounting firms. More recently Ms Brennan has held financial executive positions including Chief Financial Officer at CSR Limited and Finance Director at the Coates Group. Ms Brennan is currently a Non-Executive Director of Argo Investments Limited, Charter Hall Group, Myer Holdings Limited, Nufarm Limited, Rabobank Australia Limited and Rabobank New Zealand Limited. During the financial year, Ms Brennan was the Chairman of the Remuneration & Nomination Committee and a member of the People, Culture and Social Responsibility Committee. Ms Brennan was Chairman of the Audit Committee until 1 September 2013, when Mr Gerard Bradley assumed the role. Ms Brennan remains a member of the Audit Committee.

Name	Qualifications, experience and special responsibilities
Katie Lahey AM	**Non-Executive Director** (from 1 March 2013) Bachelor of Arts (1st Class Honours); Master of Business Administration Katie Lahey has extensive experience in the retail, tourism and entertainment sectors and previously held chief executive roles in the public and private sectors. Ms Lahey is currently the Managing Director of Australasia for Korn/Ferry International. She is also a member of several boards including the Australian Brandenburg Orchestra. Ms Lahey was previously the Chair of Carnival Australia and also a long term member of the boards of David Jones Limited, Australia Council Major Performing Arts, Hills Motorway Limited, Australia Post and Garvan Research Foundation. During the financial year, Ms Lahey was a member of the Risk and Compliance Committee and the Remuneration & Nomination Committee. Ms Lahey is also the Chair of the People, Culture and Social Responsibility Committee.
Richard Sheppard	**Non-Executive Director** (from 1 March 2013) Bachelor of Economics (1st Class Honours); Fellow of the Australian Institute of Company Directors Richard Sheppard has had an extensive executive career in the banking and finance sector including an executive career with Macquarie Group Limited spanning more than 30 years. Mr Sheppard was previously the Managing Director and Chief Executive Officer of Macquarie Bank Limited and chaired the boards of a number of Macquarie's listed entities. He has also served as Chairman of the Commonwealth Government's Financial Sector Advisory Council. Mr Sheppard is currently Chairman of Green State Power. During the financial year Mr Sheppard was a Non-Executive Director of Dexus Property Group and Treasurer of the Bradman Foundation. During the financial year, Mr Sheppard was the Chairman of the Risk and Compliance Committee and a member of the Audit Committee and the People, Culture and Social Responsibility Committee.
Gerard Bradley	**Non-Executive Director** (from 30 May 2013) Bachelor of Commerce; Diploma of Advanced Accounting; Fellow of the Institute of Chartered Accountants; Fellow of CPA Australia; Fellow of the Australian Institute of Company Directors; Fellow of the Australian Institute of Management Gerard Bradley is currently the Chairman of Queensland Treasury Corporation and related companies, having served for 14 years as Under Treasurer and Under Secretary of the Queensland Treasury Department. He has extensive experience in public sector finance in both the Queensland and South Australian Treasury Departments. Mr Bradley has previously served as Chairman of the Board of Trustees at QSuper. His previous non-executive board memberships also include Funds SA, Queensland Investment Corporation, Suncorp (Insurance & Finance), Queensland Water Infrastructure Pty Ltd, and South Bank Corporation. During the financial year, Mr Bradley was a member of the Risk and Compliance Committee and the Remuneration & Nomination Committee. Mr Bradley commenced as Chairman of the Audit Committee on 1 September 2013 following a period of transition from Ms Anne Brennan and continues as the Chairman of the Audit Committee.
Former	
John Redmond(ii)	**Managing Director and Chief Executive Officer** (from 18 January 2013 to 11 April 2014) John Redmond has a wealth of international casino management experience, including an executive management career spanning more than 25 years in the United States of America. Mr Redmond previously held executive positions with Caesars World Inc. including as Senior Vice President and Chief Financial Officer of Caesars Palace and Sheraton Desert Inn. He was subsequently Co-CEO of MGM Grand Inc. and then Co-CEO of MGM Mirage, following MGM Grand's acquisition of Mirage Resorts Inc. Mr Redmond later held the position of President and CEO of MGM Grand Resorts with a portfolio including Mandalay Bay, Luxor, New York, Excalibur, MGM Grand, Borgata and MGM Grand Detroit casinos. Mr Redmond was the Managing Director and Chief Executive Officer until 11 April 2014 when Mr Matt Bekier assumed this role after a transition period.

(i) On 31 July 2014, the Company announced that Anne Brennan would cease as Deputy Chair and Independent Non-Executive Director following the Company's 2014 Annual General Meeting.
(ii) Ceased as a Director of the Company on 11 April 2014. Information was applicable at the time of cessation as a Director.

14. Directorships of other listed companies

The following table shows, for each person who served as a Director during the financial year and up to the date of this report (unless otherwise stated), all directorships of companies that were listed on the ASX or other financial markets operating in Australia (other than Echo Entertainment Group Limited) during the last three years, and the period for which each directorship has been held.

Name	Listed entity	Period directorship held
Current		
John O'Neill AO	Tabcorp Holdings Limited	May 2008 to June 2011
Matt Bekier	Nil	N/A
Anne Brennan	Myer Holdings Limited Charter Hall Group Nufarm Limited Argo Investments Limited	September 2009 to present October 2010 to present February 2011 to present September 2011 to present
Katie Lahey AM	David Jones Limited	October 1995 to June 2012
Richard Sheppard	Dexus Property Group	January 2012 to present
Gerard Bradley	Nil	N/A
Former		
John Redmond[(i)]	Nil	N/A

(i) Ceased as a Director of the Company on 11 April 2014.

15. Directors' interests in securities

At the date of this report (except as otherwise stated), the Directors had the following relevant interests in the securities of the Company:

Name	Ordinary Shares	Performance Rights
Current		
John O'Neill AO	46,120	Nil
Matt Bekier	225,739	656,680
Anne Brennan	10,000	Nil
Katie Lahey AM	7,142	Nil
Richard Sheppard	50,000	Nil
Gerard Bradley	20,000	Nil
Former		
John Redmond[(i)]	150,000	Nil

(i) Ceased as a Director of the Company on 11 April 2014. The number of Echo Entertainment Group Limited securities disclosed above was applicable at the time of cessation. Performance rights previously allocated lapsed as a result of cessation of employment.

16. Company Secretary

Paula Martin holds the position of Group General Counsel and Company Secretary. She holds a Bachelor of Business (Int. Bus.) and a Bachelor of Laws and a Graduate Diploma in Applied Corporate Governance. She has extensive commercial legal experience having worked with King & Wood Mallesons (formerly Mallesons Stephen Jaques) prior to joining the Company's casino businesses. Ms Martin is a member of the Queensland Law Society, Australian Corporate Lawyers Association and a member of the Governance Institute of Australia.

17. Board and Committee meeting attendance

During the financial year ended 30 June 2014 the Company held 12 meetings of the Board of Directors. The numbers of Board and Committee meetings attended by each of the Directors during the year are set out in the table below:

	Board of Directors		Audit Committee		Risk and Compliance Committee		Remuneration & Nomination Committee		People, Culture & Social Responsibility Committee	
Name	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Current										
John O'Neill AO	12	12	4	4	4	4	4	5	4	4
Matt Bekier(i)	12	12	0	0	0	0	0	0	0	0
Anne Brennan	12	12	4	4	0	0	5	5	4	4
Katie Lahey AM	12	12	1	1	4	4	5	5	4	4
Richard Sheppard	12	12	4	4	4	4	1	1	4	4
Gerard Bradley	12	12	4	4	4	4	5	5	0	0
Former										
John Redmond(i)(ii)	8	9	0	0	0	0	0	0	0	0

A – Number of meetings attended as a Director or observer

B – Maximum number of meetings available for attendance prior to changes to committee structures implemented during the year

(i) Executive Directors are not members of any Board Committee but may attend Board Committee meetings upon invitation, however this attendance is not recorded here.

(ii) Ceased as a Director on 11 April 2014.

Details of the functions and memberships of the Committees of the Board are set out in the Corporate Governance Statement section of the Annual Report. The terms of reference for each Board Committee are available from the corporate governance section of the Group's website.

18. Indemnification and insurance of Directors and Officers

The Directors and Officers of the Company are indemnified against liabilities pursuant to agreements with the Company. The Company has entered into insurance contracts with third party insurance providers, and in accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

19. Non-audit services

Ernst & Young, the external auditor to the Company and the Group, provided non-audit services to the Company during the financial year ended 30 June 2014. The Directors are satisfied that the provision of non-audit services during this period was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided did not compromise auditor's independence. These statements are made in accordance with advice provided by the Audit Committee.

The Audit Committee reviews the activities of the independent external auditor and reviews the auditor's performance on an annual basis. The Chairman of the Audit Committee must approve all non-statutory audit and other work to be undertaken by the auditor. Further details relating to the Audit Committee and the engagement of auditors are available in the Corporate Governance Statement section of the Annual Report.

Ernst & Young, acting as the Company's external auditor, received or are due to receive the following amounts in relation to the provision of non-audit services to the Company:

Description of services	$000
Other assurance related services in relation to the Company and any other entity in the consolidated group	80
Other non-audit services including taxation services	356
Total of all non-audit and other services	**436**

Amounts paid or payable by the Company for audit and non-audit services are disclosed in note 36 of the financial report.

20. Rounding of amounts

Echo Entertainment Group Limited is a company of the kind specified in Australian Securities and Investments Commission Class Order 98/100. In accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded to the nearest hundred thousand dollars unless specifically stated to be otherwise.

21. Auditor's independence declaration

Attached is a copy of the auditor's independence declaration provided under section 307C of the Corporations Act 2001 in relation to the audit for the financial year ended 30 June 2014. The auditor's independence declaration forms part of this Directors' report.

This report has been signed in accordance with a resolution of Directors.

John O'Neill AO

Chairman
Sydney
13 August 2014

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Echo Entertainment Group Limited

In relation to our audit of the financial report of Echo Entertainment Group Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

John Robinson
Partner
13 August 2014

Introduction

Echo is pleased to present its Remuneration Report to the shareholders for the year ended 30 June 2014. The Board is committed to clear and transparent disclosure of the Company's remuneration structure and the individual remuneration details for Key Management Personnel (***KMP***) which drives Echo's performance. The term *'Executives'* in this report does not refer to Non-Executive Directors *(**NED**)*.

There have been no additional changes to the design of Executive remuneration arrangements outside those which were disclosed to shareholders in the FY13 report. There are no expected remuneration framework changes for FY15.

A summary below by remuneration component shows outcomes as a result of either changes in role or performance. Table 1 shows the actual cash remuneration received by Executives for FY14.

Fixed remuneration

- Geoff Hogg, Managing Director Queensland, received an increase due to a change in his role; and
- Matt Bekier, Managing Director and Chief Executive Officer, received an increase on promotion from the Chief Financial Officer and Executive Director role.

Short-term incentives

- No incentives were paid to Executives during FY14 as a result of performance from FY13; and
- Incentives will be paid at 100% of target under the Short Term Performance Plan (***STPP***) during FY15 as a result of performance in FY14.
    - As advised in the FY13 Remuneration Report, one-third of short-term incentives awarded to Executives will be deferred into restricted shares for a period of twelve months and clawback provisions will apply.

Long-term incentives

- Long-term incentives were awarded to Executives under the Long Term Performance Plan (***LTPP***) based on individual contractual obligations and the recognition of future performance expectations. There were no performance tests and no vesting of past granted equity.
    - As advised in the FY13 Remuneration Report, in addition to the Total Shareholder Return measure, a second performance measure of Earnings per Share has been introduced.

Other considerations

Frederic Luvisutto, Managing Director The Star, resigned and John Redmond, Managing Director and Chief Executive Officer, retired from the Group during the performance year. Mr. Luvisutto and Mr. Redmond did not receive any performance-based remuneration on termination.

Following a restructure of the management of the Queensland operations, the role of Managing Director Jupiters Hotel and Casino was made redundant. Aaron Gomes received a redundancy payment which included, in part, a payment in place of a short term incentive.

As announced via the ASX on 29 April 2014, Gregory Hawkins was offered and accepted the role of Managing Director, The Star. Mr. Hawkins received a sign-on bonus of $400,000 and will commence in September 2014.

Actual Cash Remuneration – Executives

Table 1: Actual Cash Remuneration for the year ended 30 June 2014 – Executives

Executive	Actual Cash Remuneration			
	Salary $	Other(i) $	STPP Incentive $	Total $
Matt Bekier	1,014,043	-	-	1,014,043
Aaron Gomes (ceased 28/05/14)	533,909	489,153	-	1,023,062
Chad Barton (appointed 02/06/14)	52,685	-	-	52,685
Frederic Luvisutto (ceased 24/01/14)	462,844	-	-	462,844
Geoff Hogg	382,604	-	-	382,604
John Redmond (ceased 01/05/14)	1,943,385	-	-	1,943,385
TOTAL FY14	**4,389,470**	**489,153**	**-**	**4,878,623**

(i) Includes termination payments for ceased KMP (excluding superannuation).

1. Remuneration Report (audited)

This Remuneration Report outlines the remuneration policy and arrangements for Key Management Personnel of Echo Entertainment Group Limited (***Echo*** or the ***Company***). The report is prepared in accordance with the requirements of the Corporations Act 2001 and the Corporations Regulations 2001. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act.

2. Remuneration Governance

The Remuneration and Nomination Committee (the ***Committee***) considers matters relating to the remuneration of KMP as well as the remuneration policies of the Company generally. The Committee is comprised of at least three members appointed by the Board. All members must be Non-Executive Directors. The Corporate Governance Statement outlines the Committee membership.

The main responsibilities of the Committee are:

- Establishing and maintaining fair and reasonable remuneration policies and practices that apply to the Company;
- Reviewing and recommending to the Board the remuneration of KMP and the terms and conditions of any incentive plans for Executives;
- Engaging a remuneration consultant who provides remuneration recommendations on KMPs directly to the Committee; and
- Agreeing benchmarks against which annual salary reviews are evaluated.

The Committee engages with PricewaterhouseCoopers (***PwC***) to provide remuneration advice and recommendations. Echo employs in-house remuneration professionals who provide information to the Committee throughout the year leveraging content provided from external providers, e.g., Mercer.

In FY14 PwC provided remuneration recommendations in relation to the Managing Director and Chief Executive Officer role. PwC, the Committee and the Board are satisfied that the advice received from PwC is free from undue influence from Executives as the remuneration recommendations were provided to the Chairman of the Board and Chair of the Remuneration and Nomination Committee.

The fees paid to PwC for remuneration recommendation advice totalled $31,500. PwC also provided non-remuneration related consulting advice to the Company, including advice in relation to the performance and ongoing improvements in the Absolute Rewards program. Fees for non-remuneration advice totalled $716,294.

The remuneration recommendations are provided to Echo as an input into decision making only. The Committee and the Board consider the recommendations together with other factors in making its remuneration decisions.

3. Key Management Personnel for the year ended 30 June 2014

Echo's KMP are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company. They consist of:

- Independent Non-Executive Directors; and
- Executives are comprised of an Executive Director (Managing Director & Chief Executive Officer) and Executives (Chief Financial Officer and Property Managing Directors - Queensland and The Star).

Table 2: Key Management Personnel changes for the year ended 30 June 2014

Name	**Title *(at year end)***	**Changes during FY14**
Non-Executive Directors		
John O'Neill AO	Chair and Independent Non-Executive Director	No change
Anne Brennan	Deputy Chair and Independent Non-Executive Director	No change
Katie Lahey AM	Independent Non-Executive Director	No change
Richard Sheppard	Independent Non-Executive Director	No change
Gerard Bradley	Independent Non-Executive Director	No change

Name	**Title *(at year end)***	**Change during FY14**
Executives		
Matt Bekier	Managing Director and Chief Executive Officer	Ceased as Chief Financial Officer and Executive Director on 10 April 2014 Appointed as Managing Director and Chief Executive Officer on 11 April 2014
Geoff Hogg	Managing Director Queensland	Ceased as Managing Director Treasury Casino & Hotel and Managing Director Jupiters Townsville on 29 May 2014 Appointed as Managing Director Queensland on 30 May 2014
Chad Barton	Chief Financial Officer	Appointed on 2 June 2014
Aaron Gomes	Managing Director Jupiters Hotel & Casino	Retrenchment effective on 28 May 2014
John Redmond	Managing Director and Chief Executive Officer	Resignation effective on 1 May 2014
Frederic Luvisutto	Managing Director The Star	Resignation effective on 24 January 2014

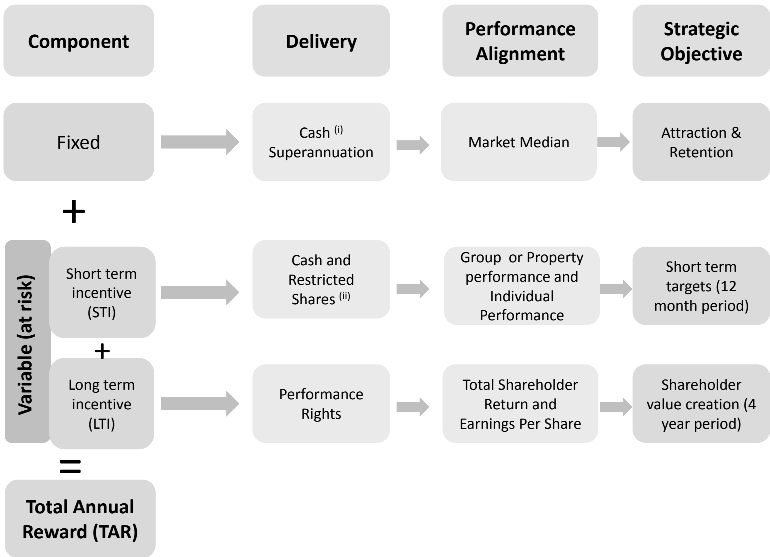
4. Remuneration Strategy and Programs

The Company's remuneration framework enables Echo to attract, motivate and retain the highest calibre individuals at all levels across the Company. The core components of our framework for the current financial year are based on the following principles:

- Market-based fixed remuneration which is relative to our peers (domestic and international gaming competitors, as well as similar sized ASX listed companies);
- Short-term performance based incentives measured through scorecards; and
- Long-term value creation which encourages our leaders to behave like company owners.

For Executives, this involves aligning the reward components with the individual's ability to influence results.

Figure 1: Components of Executive Total Annual Reward (*TAR*)



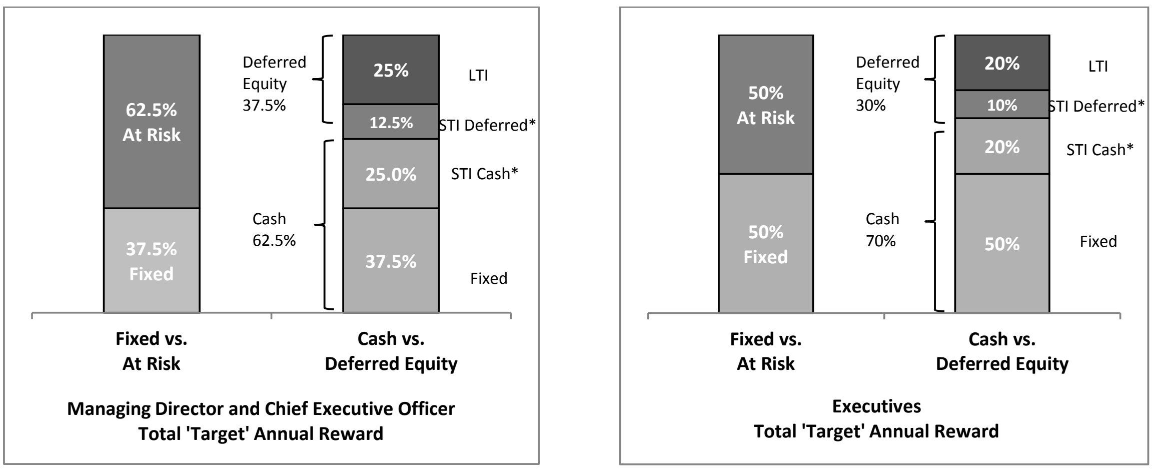
(i) Employees may voluntarily elect to salary sacrifice for additional superannuation contributions and motor vehicle novated leases (from fixed component only).

(ii) A mandatory one third of the Short Term Performance Plan (STPP) award is deferred into Echo shares for a period of 12 months.

Target remuneration pay mix - fixed versus variable (at risk) remuneration

Echo balances the level of fixed versus variable remuneration based on the Company's market (specifically, Echo's domestic gaming competitors), the views of shareholders and the need for effective reward mechanisms to connect short and longer term performance against the Company's strategic objectives.

Figure 2: Components of the Executives' Total Annual Reward

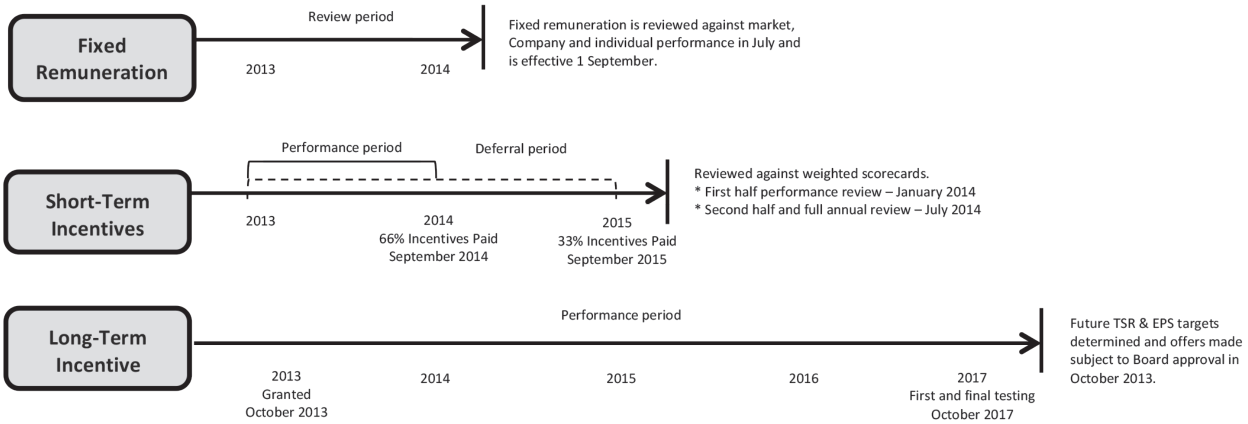


*Executives' maximum STI opportunity is 150% of their target for outstanding performance.

Performance and reward cycle

Each remuneration component has a different performance and reward cycle. Figure 3 shows the review/performance period, the timing of key decisions and adjustments.

Figure 3: Performance and reward cycle



Fixed remuneration

The fixed remuneration received by Executives may comprise base salary, superannuation and non-monetary benefits. The amount of fixed remuneration an Executive receives is based on the:

- scope and responsibilities of the role;
- reference peer group from ASX 20-100 companies and Echo's domestic and international gaming competitors; and
- level of international and domestic gaming knowledge, skills and experience of the individual.

Variable (at risk) remuneration

Echo has two variable reward programs which drive short-term earnings and long-term value creation for shareholders. They are the Short Term Performance Plan (***STPP***) and the Long Term Performance Plan (***LTPP***).

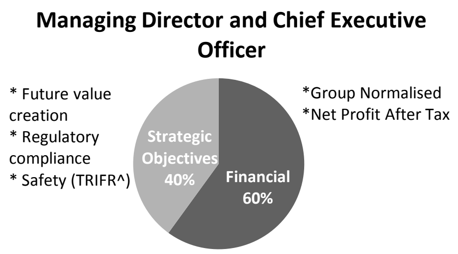
Short Term Performance Plan

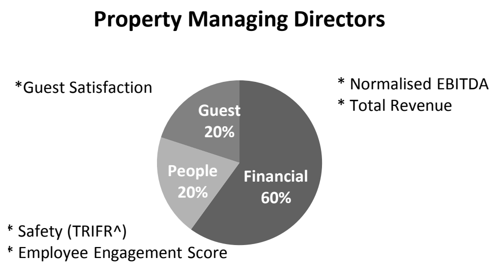
The Echo Short Term Performance Plan is designed to reward Executives for their contribution against a weighted scorecard. For payments to be made, the Echo Board first reviews the Company's performance against the NPAT budget to determine if awards will be available.

Table 3: Key design features of the plan

Purpose	To motivate, assess and reward Executives based on their short-term (12 month) contribution to the Company and property/team results.
Gateway	Normalised net profit after tax (NPAT) before non-recurring and significant items as approved by the Echo Board. This gateway applies to all Executives and participants in the plan. The level of Company performance required before the gateway is opened is determined by the threshold.
Threshold	100% of budget, otherwise known as an 'on target' Company result. The Board may use its discretion to make payments to reward for significant non-financial performance, e.g., strategic objectives, where the 'on target' result hasn't been achieved.
Pool size	The pool is determined by the Board through an assessment of: 1. Company performance (Normalised NPAT) 2. Property performance (EBITDA) 3. Individual performance (Financial and strategic objectives).
Incentive opportunity levels	Incentives are based on the Executive's incentive target as per their employment contract. The payment range available to the Board is 0%-150% of the Executive's incentive target.
Payment calculation	Individual performance is determined by using a weighted scorecard of measures (Figure 4) to arrive at a performance rating. Performance ratings link to payment ranges which are: • Outstanding: 125 – 150% of target • Exceeds: 100 – 125% of target • Meets: 75 – 100% of target • Meets some: 0 – 75% of target • Did not meet: 0% of target Payments are capped at 150% of the Executive's STPP target. Where performance and/or behaviours have been deemed unsatisfactory, no incentives are awarded.
Delivery of the payments (including deferrals)	Two-thirds of any payments are delivered in cash immediately following the performance assessment. One-third of all payments are held in restricted Echo shares for a period of 12 months. These shares are forfeited in the event that the Executive voluntarily terminates from the Company. Executives may receive dividends on shares held during the restrictive period.
Clawback	Incentives may be clawed back where there has been a material misrepresentation of the financial outcomes on which the payment had been assessed and/or the Executive's actions have been to found to be fraudulent, dishonest or in breach of the Code of Conduct, e.g., misconduct.

Figure 4: FY14 Goal Setting





^Total Recordable Injury Frequency Rate

The Managing Director and Chief Executive Officer goals were set for the Company at the start of the performance period. These goals transitioned from Mr. Redmond to Mr. Bekier in April 2014. The focus of these goals were:

- Financial – earnings to shareholders, in part by ensuring the company has the correct financial structure.
- Future value creation – objectives outlined in the Directors' Report e.g. preparing the Company for the Queensland developments.

The Property Managing Directors' goals were set for each property at the start of the performance period. Mr. Luvisutto was responsible for these goals at The Star until his resignation. Mr. Hogg assumed responsibilities for the Queensland property goals in May 2014. The focus of these goals were:

- Financial – driving top line revenue growth of key segments whilst delivering appropriate margins and ensuring prudent cost management, which was the focus of the FY13 optimisation program.
- Guest Satisfaction & Employee Engagement – combined, these measures seek to deliver exceptional experiences to Echo's guests.

Long Term Performance Plan

The Echo Long Term Performance Plan is principally designed to reward Executives for their contributions to long-term shareholder value creation. It is an annual opportunity for an equity award granted at the start of the financial year, which vests after four years (subject to performance). Performance is measured at the test date against two criteria – Total Shareholder Return (TSR) and Earnings Per Share (EPS). There is no retesting of awards after the test date.

Table 4: Key design features of the plan

<table>
<tr><td>Type of equity awarded</td><td colspan="2">Performance rights. Upon satisfying the vesting conditions, the Executive is entitled to receive one fully paid ordinary Echo share in exchange for each right they hold.</td></tr>
<tr><td>Determination of the number of rights</td><td colspan="2">The number of performance rights allocated to an Executive is based on the following calculation:
Target LTI ($) ÷ Moderated Face Value of a Performance Right = Number of Performance Rights allocated
Moderated Face Value (MFV) reflects the face value of the share at the allocation date less the value of any dividends foregone by the award holder during the vesting period, i.e., Share price x Dividend Discount Factor.</td></tr>
<tr><td>Vesting conditions (hurdles)</td><td>Total Shareholder Return (50% of the award)
TSR has been included to focus the Executives on the return received by shareholders (capital returns, dividends and share price movement) over the four year period relative to a peer group of companies.

<u>TSR peer group</u>: S&P ASX 100
Exclusions: Property trusts, Infrastructure groups, and Mining companies, represented by the S&P Global Industry Classification Standards of Oil & Gas, Metals & Mining, Transportation Infrastructure and Real Estate.

<u>Vesting schedule</u>
<table>
<tr><th>Echo's relative TSR ranking</th><th>Percentage of Performance Rights that will vest</th></tr>
<tr><td>Below 50th percentile</td><td>0%</td></tr>
<tr><td>At 50th percentile</td><td>50%</td></tr>
<tr><td>Above 50th and below 75th percentile</td><td>Pro-rata between 50% (at 50th percentile) and 100% (at 75th percentile)</td></tr>
<tr><td>At or above 75th percentile</td><td>100%</td></tr>
</table></td><td>Earnings Per Share (50% of the award)
EPS has been included to drive line of sight between shareholder value creation and management's financial performance, against the Company's business plan. It measures growth in accounting-based earnings per ordinary share.

<u>FY14 EPS target</u>: EPS Growth to FY17
Echo will disclose the actual EPS target on a retrospective basis to ensure that the Company's competitive position is not undermined.

<u>Vesting schedule</u>
<table>
<tr><th>EPS performance outcome</th><th>Percentage of Performance Rights that will vest</th></tr>
<tr><td>Below 90% target</td><td>0%</td></tr>
<tr><td>At 90% target</td><td>50%</td></tr>
<tr><td>Greater than 90% and less than 100%</td><td>An additional 5% of Performance Rights will vest for each 1% increase above 90%</td></tr>
<tr><td>At target (100%)</td><td>100%</td></tr>
</table></td></tr>
<tr><td>Vesting and Test date</td><td colspan="2">Performance rights are subject to a four year performance period. They are tested on the fourth anniversary of the grant and are not subject to retesting.
When the performance rights vest, Echo shares are delivered automatically and are registered in the participant's name, and participants receive full voting and dividend rights corresponding to the rights of all other holders of ordinary shares. These shares are free of restrictions but are still subject to Echo's Securities Trading Policy.</td></tr>
<tr><td>Cessation of employment</td><td colspan="2">All unvested performance rights lapse immediately upon cessation of employment with Echo. However, the Board has discretion in special circumstances to determine the number of performance rights retained and the terms applicable. Special circumstances include events such as retirement, redundancy, death and permanent disability.</td></tr>
</table>

Policy prohibiting hedging

Participants in the incentive plans (STPP and LTPP) are restricted from hedging the value of Restricted Shares and unvested Performance Rights and must not enter into any derivative arrangements in respect of the equity instruments granted under these plans. Breaches of the restriction will result in equity instruments being forfeited by the participant.

These prohibitions are included in Echo's Securities Trading Policy, available from the Corporate Governance section of Echo's website at **www.echoentertainment.com.au** and also in the terms and conditions of the incentive plans.

Equity instruments granted under the incentive plans can only be registered in the name of the participant, are identified as non-tradable on the share register and cannot be traded or transferred to another party until vested or until any trading restriction period has expired (where applicable).

5. Executive Performance and Reward Outcomes

Executives were assessed against their weighted scorecards and behaviours for the full financial year. The Board first considered the Group's performance against the NPAT budget to determine if any incentives would be paid.

In summary:

- Based on the achievement of results above the Normalised NPAT budget, the Board approved the creation of an 'on target' (i.e. 100%) incentive pool. The basis for the amounts distributed from this pool to current Executives is outlined in Table 5 below.
- Performance rights were granted to Executives in FY14 (Table 9) to acknowledge future share price growth expectations against the Echo peer group, and to drive shareholder earnings against budget.
- There were no performance tests for past equity grants under the LTPP in FY14.

Current Executives:
Table 5 outlines each Executive's assessment against both financial and non-financial measures.

- Mr. Bekier, Managing Director and Chief Executive Officer, oversaw the delivery of financial performance ahead of budget and significantly ahead of the prior year during his transition into the role of Managing Director and Chief Executive Officer. The cost optimisation program delivered results substantially ahead of initial targets and other key strategic objectives, including the sale of Jupiters Townsville, were delivered. As a result, based on the outcomes outlined in Table 5, the Board approved an overall 'exceeds' outcome.
- Mr. Hogg, Managing Director Queensland, has exceeded every formal target set for the financial year and managed the separation of the Townsville property. This supported his appointment to an expanded role under which he now assumes responsibility for the performance measures for the Queensland properties. As a result, based on the outcomes outlined in Table 5, the Board approved an overall 'exceeds' outcome.

Table 5 below presents the STPP outcomes for each Executive, which will be paid two-thirds in cash and one-third in restricted shares. Mr. Bekier will be paid a total award of $1,170,000 and Mr. Hogg will be paid a total award of $294,000.

Table 5: FY14 Financial and non-financial KMP performance assessment and outcome

Measure & outcome	Managing Director and Chief Executive Officer	Managing Director Queensland
Financial	Exceeded Normalised NPAT budget	Exceeded Adjusted EBITDA budget*
Non-Financial Objectives	Substantial leadership throughout the year, contributing to favourable strategic outcomes	Exceeded every formal target as MD of Treasury Brisbane. Showed strong leadership in Brisbane development
Incentive outcome	**120% STPP target****	**120% STPP target****

* Excludes Jupiters Gold Coast and Jupiters Townsville given limited periods of responsibility and transitional arrangements for Jupiters Townsville
** Based on the target STPP applicable against the average Fixed Remuneration over the performance period.

External providers were engaged to report People measures, i.e., Employee Engagement score and Total Reportable Injury Frequency Rate, and the Guest measure, i.e., Guest satisfaction which includes third party mystery shop results.

Former Executives:

- Following a restructure of the management of the Queensland operations, the role of Managing Director Jupiters Hotel and Casino was made redundant. Mr. Gomes received a redundancy payment which included, in part, a payment in place of a short term incentive. All previously granted performance rights granted under the plan lapsed.
- Mr. Redmond, Managing Director and Chief Executive Officer, retired and Mr. Luvisutto, Managing Director, The Star, resigned from the Company. No short-term incentives were awarded. All previously granted performance rights lapsed.

Echo performance and shareholder wealth

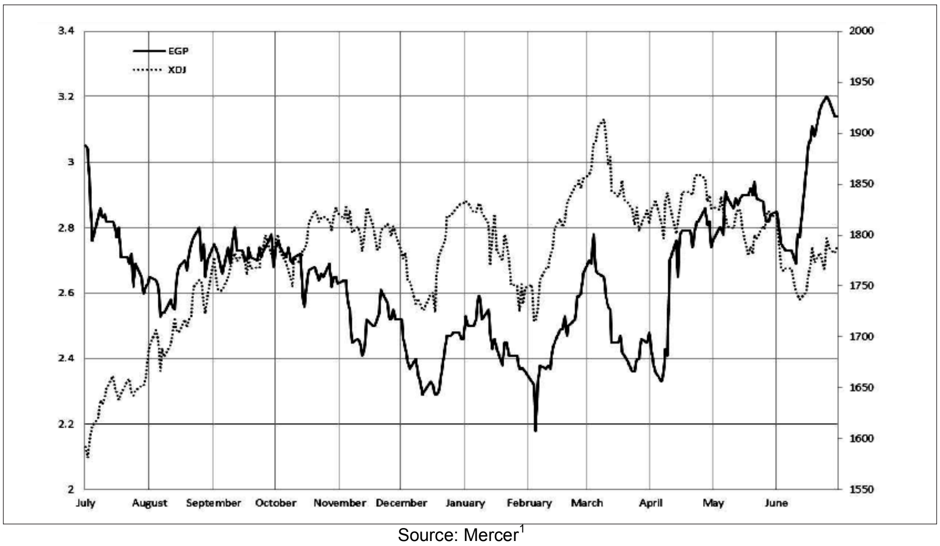
Table 6: Echo historical NPAT and EPS

This table outlines the link between the Company's performance (NPAT) and shareholder returns (EPS). The Company was incorporated on 2 March 2011 and has been listed since 6 June 2011.

	Statutory NPAT	Earnings Per Share
FY14	$106.3m	12.9c
FY13	$83.5m	10.1c
FY12	$42.2m	5.9c

Figure 5: Echo share price movement against S&P ASX Consumer Discretionary Index

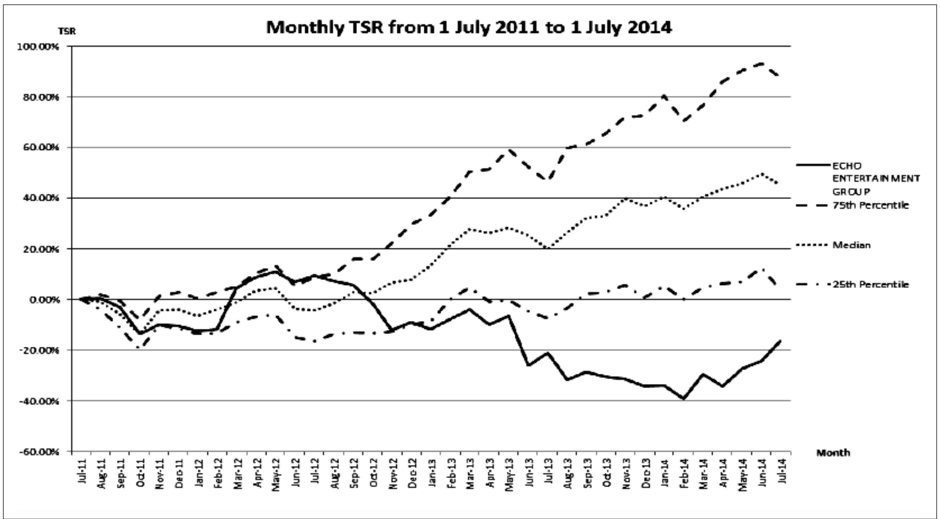
This figure shows the changes in Echo's share price (red) against the S&P ASX Consumer Discretionary Index (blue). This peer group includes Crown, Tatts, Aristocrat, Tabcorp and Echo, and shows the rolling average over a period of a twelve month period ending 1 July 2014.



Source: Mercer[1]

Figure 6: Echo's rolling three year Total Shareholder Return against the peer group

The chart shows the Company's rolling TSR performance against its LTPP peer group. It has been prepared on 1 July 2014, showing monthly share price movement and dividends paid from 1 July 2011.



Source: Mercer[1]

[1] Returns determined by Mercer Consulting (Australia) Pty Ltd using publicly available data. Mercer Consulting (Australia) Pty Ltd provides no opinion on the veracity of the data.

6. Executive Employment Contracts

The following table sets out details of the contract terms relating to Executives as at 30 June 2014 and includes Gregory Hawkins, who will be an Executive during FY15.

Table 7: Executive Employment Contracts

Executive & role	Matt Bekier[i] Managing Director and Chief Executive Officer	Geoff Hogg[i] Managing Director Queensland	Chad Barton Chief Financial Officer	Gregory Hawkins Managing Director The Star (commences September 2014)
Fixed remuneration	$1,500,000	$500,000	$650,000	$1,200,000
Superannuation	Echo deducts superannuation from the Executives' fixed remuneration as per the Australian Tax Office Superannuation Guarantee Cap.			
Short-term incentive target	$1,500,000	$300,000	$390,000	$720,000
Long-term incentive	$1,000,000	$200,000	$260,000	$480,000
Total Target Annual Reward (TAR)	**$4,000,000**	**$1,000,000**	**$1,300,000**	**$2,400,000**
Non-monetary benefits	N/A	N/A	N/A	N/A
Other benefits	N/A	N/A	N/A	Sign on bonus $400,000. Relocation reimbursement and benefits (flights, accommodation, initial setup costs) to support his relocation to New South Wales for year one.
Notice by the Executive	12 months	6 months	6 months	9 months
Notice by the Company	12 months	9 months	9 months	Executive may be terminated at any time up to the 24th month anniversary by providing the Executive with either: • 21 months' notice • 9 months' notice as determined by the Board. Thereafter, 9 months' notice applies.
Restraint [ii]	12 months	12 months	Either: • Notice period • 6 months following the notice of termination by the Company for any reason.	12 months
Non solicitation	12 months	12 months	12 months	12 months
Contract duration	Open ended	Open ended	Open ended	Open ended

i. The detail for the previous roles for Mr. Bekier and Mr. Hogg were disclosed in the FY13 Remuneration Report.
ii. Exclusion from being engaged in any business or activity in Australia which competes with or is substantially similar to the business of Echo.

7. Executive Remuneration for the year ended 30 June 2014 with comparison to 30 June 2013

Table 8: Executive Remuneration

	Short-term				Long-term	Post-Employment	Total excluding charge for share based allocations $	Charge for share based allocations		Total Remuneration(vi) $	Performance related(vii) %	Termination benefits $
Executive	Salary & fees(i) $	Bonus(ii) $	Non-monetary benefits(iii) $	Other (iv) $	Long service leave $	Superannuation $		Performance Rights(v) $	Restricted Shares(ii) $			
Matt Bekier												
FY14	1,060,584	780,000	4,302	-	102,679	17,775	1,965,340	365,854	390,000	2,721,194	56%	-
FY13	899,654	-	57,800	-	41,531	16,470	1,015,455	260,416	-	1,275,871	20%	-
Aaron Gomes (ceased 28/05/14)												
FY14	536,067	-	60,093	-	(1,395)	20,737	615,502	(24,965)	-	590,537	0%	489,153
FY13	351,550	-	19,951	120,000	1,395	12,353	505,259	24,965	-	530,214	5%	-
Chad Barton (appointed 02/06/14)												
FY14	56,658	-	-	-	860	1,481	58,999	-	-	58,999	0%	-
Frederic Luvisutto (ceased 24/01/14)												
FY14	462,844	-	227,216	-	(7,497)	10,369	692,932	(89,315)	-	603,617	0%	-
FY13	689,063	-	355,059	-	4,834	16,470	1,065,426	73,537	-	1,138,963	6%	-
Geoff Hogg												
FY14	413,029	196,000	-	-	30,997	17,775	657,801	93,204	98,000	849,005	46%	-
FY13	337,724	-	6,205	-	10,919	16,470	371,318	60,714	-	432,032	14%	-
John Redmond (ceased 01/05/14)												
FY14	1,943,385	-	418,984	-	(2,823)	15,545	2,375,091	(125,000)	-	2,250,091	0%	-
FY13	1,072,908	-	282,899	-	2,823	8,235	1,366,865	125,000	-	1,491,865	8%	-
Larry Mullin (ceased 31/01/13) (viii)												
FY13	821,989	-	366,776	-	(85,263)	-	1,103,502	(250,000)	-	853,502	0%	2,406,473
TOTAL FY14	**4,472,567**	**976,000**	**710,595**	**-**	**122,821**	**83,682**	**6,365,665**	**219,778**	**488,000**	**7,073,443**		**489,153**
TOTAL FY13	**4,172,888**	**-**	**1,088,690**	**120,000**	**(23,761)**	**69,998**	**5,427,815**	**294,632**	**-**	**5,722,447**		**2,406,473**

(i) Comprises salary, salary sacrificed benefits (including superannuation and motor vehicle novated leases) and annual leave expense.

(ii) Represents portion of STPP award related to FY14 performance, delivered as two-thirds cash award and one-third restricted share grant. For accounting purposes, the charge relating to the restricted share award is recognised as a share based payment expense in the income statement over the vesting period.

(iii) Comprises car parking, accommodation, airfares and travel costs, relocation expenses, living away from home benefits and taxation services where applicable.

(iv) Comprises cash appointment incentives, where applicable. Mr. Gomes was entitled to a $120,000 sign on bonus upon his appointment as Managing Director of Jupiters Hotel & Casino in FY13.

(v) Represents the fair value of share based payments expensed by Echo, which includes amounts expensed on cessation of employment where equity instruments are retained, and reversal of previously recognised remuneration on cessation of employment where equity instruments lapse. Value only accrues to the KMP when performance and time based conditions have been met. Currently, these long-term incentives are allocated in the form of Performance Rights, which are expensed by the Company over the four year vesting period using a fair value of $2.01 ($2.20 for FY13) per performance right granted. Table 8 represent the expenses incurred during the year in respect of current and past incentive allocations. These amounts are not representative of the value actually received by Executives during the year. Whether Executives receive any value from the allocation of long-term incentives in the future will depend on the TSR performance of the Company relative to a peer group of listed companies and EPS.

(vi) There were reversals for terminated Executives – Mr. Gomes, Mr. Luvisutto and Mr. Redmond; this included long service leave and performance rights. Mr. Gomes was given a redundancy payment inclusive of termination benefits and statutory entitlements. The total payment was assessed to be under the Terminations Cap as per the Corporations Act. Shareholder approval was not required.

(vii) Represents the sum of bonus (excluding non-performance related bonus), Performance Rights and Restricted Shares (excluding appointment incentives) as a percentage of total remuneration, excluding termination payments.

(viii) Mr Mullin received cash in lieu of superannuation, due to being a senior executive temporary resident of Australia. These amounts are disclosed under salary and fees. Mr Mullin ceased employment and ceased as a KMP on 31 January 2013. In addition to the amounts disclosed above, payment of annual leave on cessation amounted to $63,432.

8. Variable Remuneration achieved for the year ended 30 June 2014 with comparison to 30 June 2013

Table 9: Variable Remuneration

	Short-Term Incentives					Long-Term Incentives							
Executive	Actual STI payment $	Actual STI Deferred to FY15 $	As a % of Total Remuneration (Table 8)	STI not achieved as a % of Target STI(i)	Number Performance Rights Granted	Face Value of Performance Rights Granted	Allocation Methodology	Face Value at Grant Date	Grant date	Exercise date (First and Final Test)	As a % of Total Remuneration (Table 8)(ii)	Number Performance Rights Exercised(iii)	Number Performance Rights Lapsed(iv)
Matt Bekier(vi)													
FY14	780,000	390,000	43%	0%	196,850	499,998	Moderated Face Value	2.54	1/10/2013	1/10/2017	13%	-	-
FY13	-	-	0%	100%	227,272	499,998	Fair Value	2.2	19/09/2012	19/09/2016	20%	-	-
Aaron Gomes (ceased 28/05/14)													
FY14	-	-	0%	100%	70,866	180,000	Moderated Face Value	2.54	1/10/2013	1/10/2017	0%	-	131,388
FY13	-	-	0%	100%	60,522	133,148	Fair Value	2.2	19/09/2012	19/09/2016	5%	-	-
Chad Barton ^ (appointed 02/06/14)													
FY14	-	-	-	-	-	-	-	-	-	-	-	-	-
Frederic Luvisutto (ceased 24/01/14)													
FY14	-	-	0%	100%	110,236	279,999	Moderated Face Value	2.54	1/10/2013	1/10/2017	0%	-	266,862(v)
FY13	-	-	0%	100%	127,272	279,998	Fair Value	2.2	19/09/2012	19/09/2016	6%	-	-
Geoff Hogg(vii)													
FY14	196,000	98,000	35%	0%	62,992	160,000	Moderated Face Value	2.54	1/10/2013	1/10/2017	11%	-	-
FY13	-	-	0%	100%	63,636	139,999	Fair Value	2.2	19/09/2012	19/09/2016	14%	-	-
John Redmond (ceased 01/05/14)													
FY14	-	-	0%	100%	590,551	1,500,000	Moderated Face Value	2.54	1/10/2013	1/10/2017	0%	-	590,551
FY13	-	-	-	-	-	-	-	-	-	-	-	-	-
Larry Mullin (ceased 31/01/13)													
FY13	-	-	0%	100%	-	-	-	-	-	-	-	-	465,116

^ Mr. Barton was not eligible for incentives in FY14 due to service below the minimum requirement.

i. Maximum opportunity available is 150% of the Executives target incentive level.
ii. Represents the fair value of Performance Rights expensed during the year (including accelerated charge) as a percentage of total remuneration (from Table 8), excluding termination payments. Total remuneration includes the charge for share based allocations.
iii. Represents the value of Performance Rights exercised during the year. The value is calculated based on the market value of Echo shares at the date of exercise. As at year end, no Performance Rights had vested.
iv. Represents the cumulative number of Performance Rights forfeited during the year due to cessation of employment.
v. Contains FY12 performance rights of 29,534 that lapsed upon termination.
vi. The total number of Performance Rights held by Mr. Bekier at year end was 656,680 (2013: 459,830).
vii. The total number of Performance Rights held by Mr. Hogg at year end was 174,718 (2013: 111,726).

9. Non-Executive Director Remuneration Framework

Remuneration Framework

The Remuneration and Nomination Committee has responsibility for reviewing and recommending to the Board the appropriate remuneration arrangements for NEDs, taking into consideration the following factors:

- Echo's remuneration philosophy;
- The level of fees paid to Board members of ASX 20-100 companies (excluding mining and infrastructure groups);
- Operational and regulatory complexity.

The aggregate fees payable to the NEDs for their services as directors are limited to the maximum annual amount approved by shareholders, currently set at $2,000,000 including superannuation contributions. Since the adoption of the Company's Constitution on 6 June 2011, the Company has not sought shareholder approval to increase this limit.

Remuneration Policy

- NEDs do not receive any performance or incentive payments and are not eligible to participate in any of Echo's incentive plans. This policy aligns with the principle that NEDs act independently and impartially.
- Echo remunerates NEDs for the full month of fees irrespective of their commencement date. Observer fees are equivalent to applicable Board and Committee fees.
- Superannuation is capped at the Maximum Contribution Base, as per the Australian Taxation Office schedule. NEDs may choose to salary sacrifice additional fees into superannuation at their election.
- Board fees are not paid to the Managing Director and Chief Executive Officer (or other Executive Directors, if any). Executives do not receive fees for directorships of any subsidiaries.

FY14 and FY15 NED Fees

A market review of NED fees was completed by PwC in FY12. The review considered fees for the Board Chair and Members, and Chair and Members for each Committee. With a view to simplifying and uplifting fees to better align to market and the internal relativity of Committee fees, the Board introduced a new fee structure commencing FY13. This change was implemented over a two year period, completed by the end of FY14.

This year the Board introduced a Deputy Chair fee, which is paid in addition to the Board member fee.

There are no planned changes to NED fees in FY15.

Table 10: Annual Non-Executive Director Fees (inclusive of superannuation)

	FY13 $	FY14 $	FY15 $
Board			
Chair (All inclusive fee from 1 July 2013)	400,000	475,000	475,000
Deputy Chair (New fee from 1 July 2013)	-	25,000	25,000
Member	140,000	150,000	150,000
Audit			
Chair	43,600	35,000	35,000
Member	16,350	17,500	17,500
Risk and Compliance			
Chair	27,250	30,000	30,000
Member	16,350	15,000	15,000
Remuneration and Nomination Committee			
Chair	27,250	35,000	35,000
Member	10,900	17,500	17,500
Nomination (Combined with Remuneration Committee from 1 July 2013)			
Chair	8,175	-	-
Member	8,175	-	-
People, Culture and Social Responsibility			
Chair	-	30,000	30,000
Member	-	15,000	15,000

10. NED Remuneration for the year ended 30 June 2014 with comparison to 30 June 2013

Table 11: NED Remuneration

NED	Short-term			Post-Employment	Total $
	Salary & fees[(i)] $	Non-monetary benefits $	Other[(ii)] $	Superannuation $	
John O'Neill (Chair)					
FY14	440,000	-	-	35,000	475,000
FY13	429,742	-	909	23,850	454,501
Anne Brennan (Deputy Chair) [(iii)]					
FY14	227,642	-	-	17,775	245,417
FY13	212,092	-	30,429	16,470	258,991
Brett Paton (Ceased 25/09/12)					
FY13	58,541	-	-	5,269	63,810
Gerard Bradley					
FY14	196,411	-	-	18,172	214,583
FY13	73,308	-	-	6,598	79,906
John Redmond (Ceased as NED 17/01/13)					
FY13	178,227	-	31,337	-	209,564
Katie Lahey					
FY14	194,482	-	-	18,018	212,500
FY13	131,955	-	-	11,876	143,831
Richard Sheppard					
FY14	194,482	-	-	18,018	212,500
FY13	120,627	-	-	10,856	131,483
TOTAL FY14	**1,253,017**	**-**	**-**	**106,983**	**1,360,000**
TOTAL FY13	**1,204,492**	**-**	**62,675**	**74,919**	**1,342,086**

(i) Comprises salary and fees.
(ii) Payments made in respect of period ending 30 June 2012.
(iii) Ms. Brennan assumed the role of Deputy Chair on 1 July 2013.

11. KMP shareholdings for year ended 30 June 2014 with comparison to 30 June 2013

Table 12: Shares held in Echo Entertainment Group Limited (number)

KMP	KMP Start Date	Number of shares held at the beginning of the year	Number Acquired	Net Change Other (i)	KMP Cessation Date	Number of shares held at the end of the year
John O'Neill (Chair)	N/A				N/A	
FY14		46,120	-	-		**46,120**
FY13		15,500	30,620	-		**46,120**
Anne Brennan (Deputy Chair)	N/A				N/A	
FY14		10,000	-	-		**10,000**
FY13		-	10,000	-		**10,000**
Aaron Gomes	N/A					
FY14		-	-	-	28 May 2014	-
FY13		-	-	-		-
Brett Paton	N/A					
FY13		75,000	15,000	(90,000)	25 September 2012	-
Chad Barton	2 June 2014				N/A	
FY14		-	-	-		-
Frederic Luvisutto	N/A					
FY14		-	-	-	24 January 2014	-
FY13		-	-	-		-
Geoff Hogg	N/A				N/A	
FY14		30,579	-	-		**30,579**
FY13		30,579	-	-		**30,579**
Gerard Bradley	N/A				N/A	
FY14		-	20,000(ii)	-		**20,000**
FY13		-	-	-		-
John Redmond	N/A					
FY14		-	150,000	(150,000)	1 May 2014	-
FY13		-	-	-		-
Katie Lahey	N/A				N/A	
FY14		-	7,142	-		**7,142**
Larry Mullin	N/A					
FY13		154,703	30,941	(185,664)	31 January 2013	-
Matt Bekier	N/A				N/A	
FY14		220,964	4,775	-		**225,739**
FY13		184,136	36,828	-		**220,964**
Richard Sheppard	N/A				N/A	
FY14		-	50,000	-		**50,000**
TOTAL FY14		**307,663**	**231,917**	**(150,000)**		**389,580**
TOTAL FY13		**459,918**	**123,389**	**(275,654)**		**307,663**

(i) Represents shares held on cessation from Echo.
(ii) Includes 5,000 shares purchased on 30 June 2014 with the purchase settled in July 2014.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $m	2013 $m
Revenue	3	**1,805.7**	1,737.9
Other (expenses)/income	4	**(0.1)**	3.1
Government taxes and levies		**(382.0)**	(358.7)
Commissions and fees		**(169.7)**	(137.6)
Employment costs	5	**(530.9)**	(563.8)
Depreciation, amortisation and impairment	6	**(145.6)**	(146.0)
Cost of sales		**(77.0)**	(78.1)
Property costs		**(78.1)**	(78.6)
Advertising and promotions		**(66.9)**	(72.1)
Other expenses		**(113.9)**	(117.5)
Profit before net finance costs and income tax		**241.5**	188.6
Net finance costs	9	**(88.3)**	**(79.4)**
Profit before income tax	7	**153.2**	109.2
Income tax expense	11	**(46.9)**	(25.7)
Net profit after tax		**106.3**	83.5
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Change in fair value of cash flow hedges taken to equity net of tax	10	**11.5**	(5.3)
Total comprehensive income for the year		**117.8**	78.2
Earnings per share:			
Basic and diluted earnings per share	13	**12.9 cents**	10.1 cents

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 $m	2013 $m
ASSETS			
Cash and cash equivalents	15	**144.9**	265.5
Trade and other receivables	16	**87.1**	84.8
Inventories	17	**6.5**	7.2
Income tax receivable		**11.7**	1.3
Derivative financial instruments	18	**2.9**	3.4
Other assets	19	**21.7**	14.7
Assets classified as held for sale	39	**69.7**	-
Total current assets		**344.5**	376.9
Property, plant and equipment	20	**1,911.1**	2,006.2
Intangible assets	21	**1,845.8**	1,848.3
Derivative financial instruments	18	**86.7**	91.8
Other assets	19	**30.1**	22.4
Total non current assets		**3,873.7**	3,968.7
TOTAL ASSETS		**4,218.2**	4,345.6
LIABILITIES			
Trade and other payables	23	**154.7**	184.0
Provisions	24	**51.7**	58.5
Derivative financial instruments	18	**14.7**	30.3
Other liabilities	25	**16.2**	11.4
Liabilities directly associated with assets as held for sale	39	**8.0**	-
Total current liabilities		**245.3**	284.2
Interest bearing liabilities	26	**803.1**	972.8
Deferred tax liabilities	11	**177.9**	160.4
Provisions	24	**8.9**	8.0
Derivative financial instruments	18	**51.4**	57.6
Total non current liabilities		**1,041.3**	1,198.8
TOTAL LIABILITIES		**1,286.6**	1,483.0
NET ASSETS		**2,931.6**	2,862.6
EQUITY			
Share capital	27	**2,580.5**	2,580.5
Retained earnings		**367.3**	310.5
Reserves	27	**(16.2)**	(28.4)
TOTAL EQUITY		**2,931.6**	2,862.6

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $m	2013 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**1,800.0**	1,757.4
Payments to suppliers, service providers and employees		**(1,057.8)**	(982.2)
Payment of government levies, gaming taxes and GST		**(385.6)**	(381.3)
Interest received		**3.3**	3.6
Income tax (paid)/received		**(44.6)**	9.0
Net cash inflow from operating activities	29	**315.3**	406.5
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(110.0)**	(147.3)
Increase in other non current assets	37	**(9.6)**	-
Net cash (outflow) used in investing activities		**(119.6)**	(147.3)
Cash flows from financing activities			
Proceeds from interest bearing liabilities	26	**150.0**	48.0
Repayment of interest bearing liabilities	26	**(315.0)**	(443.0)
Repayment of derivative financial instruments		**(22.6)**	-
Proceeds from Entitlement Offer		**-**	186.9
Dividends paid	12	**(49.5)**	(33.0)
Finance costs		**(75.1)**	(95.2)
Net cash (outflow) from financing activities		**(312.2)**	(336.3)
Net (decrease) in cash and cash equivalents		**(116.5)**	(77.1)
Net cash transferred to assets held for sale	39	**(4.1)**	-
Cash and cash equivalents at beginning of the year		**265.5**	342.6
Cash and cash equivalents at end of the year		**144.9**	265.5

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Note	Ordinary shares $m	Retained earnings $m	Hedging reserve $m	Share based payment reserve $m	Total equity $m
2014						
Balance at 1 July 2013		**2,580.5**	**310.5**	**(29.5)**	**1.1**	**2,862.6**
Profit for the year		**-**	**106.3**	**-**	**-**	**106.3**
Hedge reserve (written off)/transferred to income statement on termination of interest rate swaps	10	**-**	**-**	**17.4**	**-**	**17.4**
Other comprehensive (loss)	10	**-**	**-**	**(5.9)**	**-**	**(5.9)**
Total comprehensive income		**-**	**106.3**	**11.5**	**-**	**117.8**
Dividends provided for or paid	12	**-**	**(49.5)**	**-**	**-**	**(49.5)**
Employee share based payments	28	**-**	**-**	**-**	**0.7**	**0.7**
Balance at 30 June 2014		**2,580.5**	**367.3**	**(18.0)**	**1.8**	**2,931.6**
2013						
Balance at 1 July 2012		2,580.5	260.0	(24.2)	0.7	2,817.0
Profit for the year		-	83.5	-	-	83.5
Other comprehensive (loss)	10	-	-	(5.3)	-	(5.3)
Total comprehensive income / (loss)		-	83.5	(5.3)	-	78.2
Dividends paid	12	-	(33.0)	-	-	(33.0)
Employee share based payments	28	-	-	-	0.4	0.4
Balance at 30 June 2013		2,580.5	310.5	(29.5)	1.1	2,862.6

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

1. Corporate Information

Echo Entertainment Group Limited ('the Company') is a company incorporated and domiciled in Australia. The financial report of the Company for the year ended 30 June 2014 comprises the Company and its controlled entities (collectively referred to as 'the Group').

The Company is a company of the kind specified in Australian Securities and Investments Commission ('ASIC') Class Order 98/100. In accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded to the nearest hundred thousand dollars, unless specifically stated to be otherwise. All amounts are in Australian dollars ($). The Company is a for profit organisation.

The financial report was authorised for issue by the directors on 13 August 2014.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia.

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. The policies used in preparing the financial statements are consistent with those of the previous year except as indicated under "Changes in accounting policies and disclosures".

Preparation of the financial statements in conformity with Australian Accounting Standards and IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Refer to "Significant accounting judgements, estimates and assumptions". Actual results may differ from those estimates.

Changes in accounting policies and disclosures

The Group has adopted the following new and amended accounting standards, which became applicable from 1 July 2013:

AASB 10	Consolidated Financial Statements
AASB 11	Joint Arrangements
AASB 12	Disclosure of Interest in Other Entities
AASB 13	Fair Value Measurement
AASB 119 (2011)	Employee Benefits
AASB 2012-5	Amendments arising from Annual Improvements 2009-2011 Cycle
AASB 2012-6	Amendments - Mandatory Effective Date of AASB 9 and Transition Disclosure
AASB 2012-9	Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039
AASB 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities - Amendments
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

The adoption of these standards did not have any material effect on the financial position or performance of the Group, additional disclosures have been made where required.

Standards and amendments issued but not yet effective

The Group has early adopted *AASB2013-3 - Recoverable amount disclosures for non-financial asset,* which impacts disclosure only and not measurement or recognition.

With the exception of AASB2013-3 noted above, the Group has not applied Australian Accounting Standards and IFRS that were issued or amended but not yet effective. These are not expected to have a material impact on the Group's financial position and performance, however increased disclosures will be required in the Group's financial statements:

Reference	Title	Application date
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	1 July 2014
Interpretation 21	Levies	1 July 2014
Annual Improvements 2010–2012 Cycle	Annual Improvements to IFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle	1 July 2014
AASB 1031	Materiality	1 July 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	1 July 2014
IFRS 15	Revenue from Contracts with Customers	1 July 2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 July 2016
AASB 9	Financial Instruments	1 January 2018

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

2. Significant accounting policies (continued)

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Asset useful lives and residual values
Property, plant and equipment is depreciated over its useful life taking into account residual values where appropriate. The useful lives of the assets and residual values are assessed annually. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, lease terms, the remaining life of the asset and projected disposal values.

Impairment of assets
Goodwill and indefinite life intangible assets are considered for impairment at least annually. Property, plant and equipment, other intangible assets and other financial assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic entity, the viability of the unit itself (refer to note 22).

Valuation of derivatives and other financial instruments
The valuation of derivatives and financial instruments is based on market conditions at the statement of financial position date. The value of the instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the statement of financial position date.

Provision for impairment of trade receivables
The Group recognises a provision for impairment of trade receivables when there is objective evidence that an individual trade debt is impaired or when a debt reaches a certain age. Factors considered when determining if an impairment exists include the age of the debt, management's experienced judgement, and the facts in the individual situation.

Significant items
Management determines significant items based on their nature and size.

Resetting tax values of certain assets
The Group recognised a deferred tax liability of $14.0 million on demerger as a result of setting up a new tax consolidation group. The liability relates to the resetting of tax values of certain assets on demerger. Following the completion of the tax consolidation setting process, the forecasted balance of the liability at 30 June 2014 is $11.9 million (2013: $10.1 million).

Basis of consolidation
Controlled entities
The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Controlled entities are consolidated from the date control is transferred to the Group and are no longer consolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Foreign currency
The consolidated financial statements are presented in Australian dollars ($) which is the Group's functional and presentation currency.

Transactions and balances
Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Gains and losses arising from the translation are credited or charged to the statement of comprehensive income with the exception of differences on foreign currency borrowings that are in an effective hedge relationship. These are taken directly to equity until the liability is extinguished at which time they are recognised in the statement of comprehensive income.

Revenue
Revenue is measured at the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised to the extent that it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated costs incurred (or to be incurred) can be reliably measured. The following criteria is also applied:

Gaming revenue
Revenue is recognised as the net gaming win less player rebates and promotional allowances.

Customer loyalty programs
The Group operates customer loyalty programs enabling customers to accumulate award credits for gaming and on property spend. A portion of the spend, equal to the fair value of the award credits earned, is treated as deferred revenue (refer to note 25). Revenue from the award credits is recognised in the income statement when the award is redeemed or expires.

Net finance costs
Finance income is recognised as the interest accrues, using the effective interest method. Finance costs consist of interest and other borrowing costs incurred in connection with the borrowing of funds. Finance costs directly associated with qualifying assets are capitalised, all other finance costs are expensed in the period they occur.

Significant items
Significant items are items of income or expense which are, either individually or in aggregate, material to the Group or to the relevant business segment and:
- not in the ordinary course of business, such as the cost of significant reorganisations or restructuring; or
- part of the ordinary activities of the business but unusual due to their size and nature, such as impairment of assets.

Taxation
Income tax
Income tax comprises current and deferred income tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:
- goodwill; and
- the initial recognition of an asset or liability in a transaction which is not a business combination and that affect neither accounting nor taxable profit at the time of the transaction.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2. Significant accounting policies (continued)

Goods and Services Tax (GST)
Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:
- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- casino revenues, due to the GST being offset against government taxes; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Cash and cash equivalents
Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents include cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash for the purpose of the statement of cash flows.

Trade and other receivables
Trade receivables are recognised and carried at original settlement amount less a provision for impairment, where applicable. Bad debts are written off when identified. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income. Other receivables are carried at amortised cost less impairment.

Inventories
Inventories include consumable stores, food and beverage and are carried at the lower of cost and net realisable value. Inventories are costed on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business.

Property, plant and equipment
Freehold land is included at cost and is not depreciated.

All other items of property, plant and equipment are stated at historical cost net of depreciation, amortisation and impairment, and depreciated over periods deemed appropriate to reduce carrying values to estimated residual values over their useful lives. Historical cost includes expenditure that is directly attributable to the acquisition of these items. Depreciation is calculated on the straight line method. The principal useful lives over which the assets are depreciated are as follows:
- Freehold and leasehold buildings : 10 - 95 years
- Leasehold improvements : 4 - 75 years
- Plant and equipment : 5 - 20 years

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at each financial reporting date.

Operating equipment (which includes uniforms, casino chips, kitchen utensils, crockery, cutlery and linen) is recognised as a depreciation expense based on usage. The period of usage depends on the nature of the operating equipment and varies between one to three years.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Costs arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred.

Costs relating to development projects are recognised as an asset when it is:
- probable that any future economic benefit associated with the item will flow to the entity; and
- it can be measured reliably.

If it becomes apparent that the development will not occur, the amount is expensed to the statement of comprehensive income.

Intangible assets
Goodwill
Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed. Goodwill is assessed for impairment on an annual basis and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Other intangible assets
Indefinite life intangible assets are not amortised and are assessed annually for impairment. Expenditure on gaming licences acquired, casino concessions acquired, computer software and other intangibles are capitalised and amortised using the straight line method as follows:

The Star casino licence and concessions:
The casino licence is amortised on a straight line basis from its date of issue until expiry in 2093.

The concessions granted by the New South Wales government include product concessions and effective casino exclusivity in New South Wales. Amortisation is on a straight line basis over the period of expected benefits, which is until 2093 and 2019 respectively.

Treasury casino licence:
The licence is amortised on a straight line basis over the remaining life of the lease to which the licence is linked, which expires in 2070.

Software
Costs associated with developing or maintaining computer software programmes are recognised as expenses as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Group and which have probable economic benefits exceeding the costs beyond one year are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of the relevant overheads. Expenditure meeting the definition of an asset is recognised as a capital improvement and added to the original cost of the asset. These costs are amortised over their estimated useful lives (three to ten years).

Gold Coast Convention and Exhibition Centre
This relates to the contribution to the construction costs of the state government owned Gold Coast Convention and Exhibition Centre. The Group's Gold Coast casino is deriving future benefits from the contribution, which is being amortised over a period of 50 years.

Impairment of assets
Assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Refer to note 22 for further details of key assumptions included in the impairment calculation.

2. Significant accounting policies (continued)

Provisions
A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Self insurance
The Group self insures for workers' compensation in both New South Wales and Queensland. A valuation of the estimated claims liability for workers' compensation is undertaken annually by an independent actuary.

The valuations are prepared in accordance with the relevant legislative requirements of each state and Professional Standard 300 of the Institute of Actuaries. The estimate of claims liability includes a margin over case estimates to allow for the future development of known claims, the cost of incurred but not reported ('IBNR') claims and claims handling expenses, which are determined using a range of assumptions.

Interest bearing liabilities
Interest bearing liabilities are recognised initially inclusive of transaction costs, at fair value. Subsequent to initial recognition, interest bearing liabilities are recognised at amortised cost using the effective interest rate method. Any difference between proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Leases
Leases of assets where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Employee benefits
Post-employment benefits
The Group's commitment to accumulation plans is limited to making the contributions in accordance with the minimum statutory requirements. There is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees relating to current and past employee services.

Superannuation guarantee charges (SGC) are recognised as expenses in the statement of comprehensive income as the contributions become payable. A liability is recognised when the Group is required to make future payments as a result of employees' services provided.

Long service leave
The Group's net obligation in respect of long term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the statement of financial position date which have maturity dates approximating to the terms of the Group's obligations.

Annual leave
Liabilities for annual leave are calculated at discounted amounts based on remuneration rates the Group expects to pay, including related on-costs when the liability is expected to be settled. Annual leave is an other long term benefit and measured using the projected credit unit method.

Share based payment transactions
The Group operates the Long Term Performance Plan ('LTPP'), which is available at the most senior executive levels. Under the LTPP, employees may become entitled to Performance Rights in the Company. The fair value of Performance Rights is measured at grant date and is recognised as an employee expense (with a corresponding increase in the share based payment reserve) over three years for Performance Rights granted on 20 September 2011, and four years thereafter, from the grant date irrespective of whether the Performance Rights vest to the holder. A reversal of the expense is only recognised in the event the instruments lapse due to cessation of employment within the vesting period. The fair value of the Performance Rights is determined by an external valuer and takes into account the terms and conditions upon which the Performance Rights were granted.

Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its Treasury Policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period. The resulting gain or loss is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for cash flow hedge accounting, the effective portion of the gain or loss is deferred in equity while the ineffective portion is recognised in the statement of comprehensive income.

The fair value of interest rate swap, cross currency swap and forward currency contracts is determined by reference to market values for similar instruments. Refer to note 35 for details of fair value determination.

Derivative assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:
- there is a currently enforceable legal right to offset the recognised amounts, and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Hedging
Cash flow hedge
Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecast transaction subsequently results in the recognition of a non financial asset or liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, then the associated gains and losses that were recognised directly in equity are reclassified into the statement of comprehensive income in the same period or periods during which the asset acquired or liability assumed affects the statement of comprehensive income (i.e. when interest income or expense is recognised). For cash flow hedges, the effective part of any gain or loss on the derivative financial instrument is removed from equity and recognised in the statement of comprehensive income in the same period or periods during which the hedged forecast transaction affects the statement of comprehensive income. The ineffective part of any gain or loss is recognised immediately in the statement of comprehensive income.

2. Significant accounting policies (continued)

When a hedging instrument expires or is sold, terminated or exercised, or the designation of the hedge relationship is revoked but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealised gain or loss recognised in equity is recognised immediately in the statement of comprehensive income.

Issued capital
Issued and paid up capital is recognised at the fair value of the consideration received. Issued capital comprises ordinary shares. Any transaction costs directly attributable to the issue of ordinary shares are recognised directly in equity, net of tax, as a reduction of the share proceeds received.

Operating segment
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's executive decision makers to allocate resources and assess its performance.

Operating segments have been identified based on the information provided to the executive decision makers, being the Managing Director and Chief Executive Officer.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- nature of the products and services;
- type or class of customer for the products and services;
- methods used to distribute the products or provide the services; and
- nature of the regulatory environment.

Segment results include revenue and expenses directly attributable to a segment and exclude significant items.

Capital expenditure represents the total costs incurred during the period to acquire segment assets, including capitalised interest.

Dividend distributions
Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

Basic earnings per share
Basic earnings per share is calculated by dividing the net earnings after tax for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share
Diluted earnings per share is calculated by dividing the net earnings attributable to ordinary equity holders adjusted by the after tax effect of:

- any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss
- attributable to ordinary equity holders,
- any interest recognised in the period related to dilutive potential ordinary shares; and
- any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares;

by the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Non-current assets and disposal groups held for sale
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position. Additional disclosures are provided in note 39.

	2014 $m	2013 $m
3. Revenue		
Gross revenue	**1,897.4**	1,846.8
Player rebates and promotional allowances	**(91.7)**	(108.9)
	1,805.7	1,737.9
4. Other (expenses)/income		
Net foreign exchange (loss)/gain	**(0.1)**	3.1
	(0.1)	3.1
5. Employment costs		
Salaries, wages, bonuses and other benefits	**494.7**	526.3
Defined contribution plan expense (SGC)	**35.5**	37.1
Share based payments expense (refer to note 28)	**0.7**	0.4
	530.9	563.8
6. Depreciation, amortisation and impairment		
Property, plant and equipment (refer to note 20)	**123.7**	125.1
Intangible assets (refer to note 21)	**20.9**	19.6
Other	**1.0**	1.3
	145.6	146.0
7. Profit before income tax is stated after charging the following		
Impairment and write off of trade receivables (refer to note 16)	**23.3**	17.8
Operating lease charges - property, aircraft and other	**11.3**	13.9
Significant items (refer to note 8)	**22.2**	38.3
8. Significant items		
Net profit before income tax is stated after charging the following significant items:		
Finance costs related to debt and derivative restructuring activities [a]	**22.2**	-
Restructuring costs [b]	**-**	33.3
Costs related to the New South Wales Government's unsolicited proposal process [c]	**-**	5.0
	22.2	38.3

a Finance costs include an amount of $22.2 million relating to costs associated with the close out of a number of the Group's out-of-the-money interest rate swaps and the restructure of lending arrangements. The total comprises $17.4 million relating to the hedge reserve written off to the income statement on termination of the swaps (refer to note 10) and $4.8 million of borrowing and amendment fees.

b Restructuring costs are related to the Group's approved cost optimisation program implemented from April 2012 and include termination payments, legal and consulting fees. This amount also includes a one off payment of $11.4 million for the restructure of the Enterprise Bargaining Agreement at The Star for FY14 to FY17.

c Costs incurred related to the Unsolicited Proposal to the New South Wales Government, including advisory, legal, architectural and other related fees.

	2014 $m	2013 $m
9. Net finance costs		
Interest paid on borrowings	**63.3**	79.6
Capitalised to property, plant and equipment and intangible assets (refer to notes 20 and 21)	**(1.2)**	(8.9)
Finance costs related to debt and derivative restructuring activities (refer to note 8)	**22.2**	-
Other finance costs	**7.1**	12.6
Finance costs	**91.4**	83.3
Finance income	**(3.1)**	(3.9)
Net finance costs recognised in profit and loss	**88.3**	79.4
10. Other comprehensive income/(loss)		
Net (loss)/gain on cash flow hedges	**(9.3)**	37.8
Hedge reserve written off on interest rate swap termination [a]	**17.4**	-
Transfer of hedging reserve to the statement of comprehensive income [b]	**8.3**	(45.3)
Tax on above items recognised in other comprehensive income/(loss)	**(4.9)**	2.2
	11.5	(5.3)

a As part of the financing restructure that took place during the year, the Group terminated $485 million of its interest rate swaps (IRS) portfolio designated against its syndicated revolving facility and repaid $250 million of the drawn facility. As the debt relating to the IRS was extinguished, hedge accounting ceased and $17.4 million of accumulated losses relating to these swaps was recycled from the hedge reserve to the income statement (included in significant items, refer to note 8).

b The transfer related to the foreign exchange spot retranslation on the cross currency swaps and is offset by the retranslation of foreign debt in the net foreign exchange gain line in the statement of comprehensive income.

11. Income tax

	2014 $m	2013 $m
(a) Income tax expense		
The major components of income tax expense are:		
Current tax expense	**(33.7)**	(30.3)
Recognition of losses	**(0.6)**	-
Deferred income tax expense	**(12.6)**	4.6
Income tax expense reported in the statement of comprehensive income	**(46.9)**	(25.7)
Aggregate current and deferred tax relating to items charged or credited to equity:		
Share capital raising costs	**-**	(0.1)
Change in value of cash flow hedges	**(4.9)**	2.2
Income tax (expense)/benefit reported in equity	**(4.9)**	2.1
Income tax expense		
A reconciliation between income tax expense and the product of accounting profit before income tax multiplied by the income tax rate is as follows:		
Accounting profit before income tax expense	**153.2**	109.2
At the Group's statutory income tax rate of 30%	**(46.0)**	(32.8)
- Recognition of tax losses	**0.6**	-
- Recognition/de-recognition of temporary differences	**(1.9)**	3.7
- Research and development tax offset	**2.1**	4.9
- Other items	**(1.7)**	(1.5)
Aggregate income tax expense	**(46.9)**	(25.7)
(b) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Provisions		
- employee benefits	**15.3**	15.2
- other	**4.8**	2.2
Accrued expenses	**3.5**	4.4
Allowance for doubtful debts	**5.4**	12.3
Other	**8.1**	6.4
Fair value of derivatives	**2.7**	5.2
Foreign exchange on loan	**17.5**	20.0
Amounts recognised directly in equity		
Share issue transaction costs	**2.2**	3.2
Fair value of cash flow hedges	**17.1**	21.2
	76.6	90.1
Set off against deferred tax liabilities	**(76.6)**	(90.1)
Net deferred tax assets	**-**	-
Movements		
Carrying amount at beginning of year	**90.1**	100.1
(Credited) to the statement of comprehensive income	**(9.4)**	(1.5)
Charged to other	**-**	(1.2)
Charged to equity	**(4.1)**	(7.3)
Carrying amount at end of year	**76.6**	90.1

11. Income tax (continued)

(c) Deferred tax liabilities

	2014 $m	2013 $m
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Intangible assets	**74.1**	73.8
Property, plant and equipment	**135.3**	128.7
Rent in advance	**2.8**	2.8
Consumables	**8.7**	8.7
Prepayments	**3.0**	1.1
Research and development	**2.0**	4.2
Other	**1.7**	2.6
Fair value of derivatives	**17.5**	20.0
Amounts recognised directly in equity		
Fair value of cash flow hedges	**9.4**	8.6
	254.5	250.5
Set off against deferred tax assets	**(76.6)**	(90.1)
Net deferred tax liabilities	**177.9**	160.4
Movements		
Carrying amount at beginning of year	**250.5**	265.7
Credited to the statement of comprehensive income	**3.2**	(5.8)
Charged to equity	**0.8**	(9.4)
Carrying amount at end of year	**254.5**	250.5

There is no net impact to the statement of comprehensive income.

(d) Tax consolidation

Effective on 15 June 2011, Echo Entertainment Group Limited ('the Head Company') and its 100% owned subsidiaries formed an income tax consolidation group. Members of the tax consolidation group entered into a tax sharing arrangement that provides for the allocation of income tax liabilities between the entities should the Head Company default on its tax payment obligations. At balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidation group

Members of the tax consolidation group have entered into a tax funding agreement effective 15 June 2011. Under the terms of the tax funding agreement, the Head Company and each of the members in the tax consolidation group have agreed to make a tax equivalent payment to or from the Head Company, based on the current tax liability or current tax asset of the member. Deferred taxes are recorded by members of the tax consolidation group in accordance with the principles of AASB 112 'Income Taxes'. Calculations under the tax funding agreement are undertaken for statutory reporting purposes.

The allocation of taxes under the tax funding agreement is recognised as either an increase or decrease in the subsidiaries' intercompany accounts with the tax consolidation group Head Company. The Group has chosen to adopt the Group Allocation method as outlined in Interpretation 1052 'Tax Consolidation Accounting' as the basis to determine each members' current and deferred taxes. The Group Allocation method as adopted by the Group will not give rise to any contribution or distribution of the subsidiaries' equity accounts as there will not be any differences between the current tax amount that is allocated under the tax funding agreement and the amount that is allocated under the Group Allocation method.

12. Dividends

	2014 $m	2013 $m
Dividends declared and paid during the year on ordinary shares		
Final dividend paid during the year in respect of the year ended 30 June 2013 [a]	**16.5**	-
Interim dividend paid during the year in respect of the half year ended 31 December 2013 [b]	**33.0**	33.0
	49.5	33.0

a A final dividend of 2 cents per share fully franked for the year ended 30 June 2013 was declared on 22 August 2013 and paid on 9 October 2013

b An interim dividend of 4 cents per share fully franked for the half year ended 31 December 2013 was declared on 5 February 2014 and paid on 14 March 2014

	2014 $m	2013 $m
Dividends declared after balance date		
Final dividend declared for the year ended 30 June 2014 [c]	**33.0**	16.5

c Since the end of the financial year, the directors have declared a final dividend of 4 cents per ordinary share (2013: 2 cents), fully franked. The aggregate amount is expected to be paid on 30 September 2014 out of retained earnings at 30 June 2014, but not recognised as a liability at the end of the year.

	2014 $m	2013 $m
Franking credit balance		
Amount of franking credits available to shareholders	**27.5**	4.2

	2014 $m	2013 $m
13. Earnings per share		
Net profit after tax attributable to ordinary shareholders	**106.3**	83.5
Basic and diluted earnings per share (cents per share)	**12.9**	10.1

	2014 Number	2013 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares issued	**825,672,730**	825,672,730

14. Segment information

The Group's operating segments have been determined based on the internal management reporting structure and the nature of products and services provided by the Group. They reflect the business level at which financial information is provided to the executive decision makers, being the Managing Director and Chief Executive Officer, for decision making regarding resource allocation and performance assessment.

The Group has three reportable segments:

The Star Comprises The Star's casino operations (Sydney), including hotels, apartment complex, night club, restaurants and bars.

Jupiters Comprises the casino operations at two locations (Gold Coast and Townsville), including hotels, theatre, restaurants and bars.

Treasury Comprises Treasury's casino operations (Brisbane), including hotel, restaurants and bars.

	The Star $m	Jupiters $m	Treasury $m	Total $m
2014				
Gross revenues /(loss) - VIP [a b]	**388.6**	**8.2**	**(0.3)**	**396.5**
Gross revenues - external [a b]	**888.7**	**328.3**	**283.9**	**1,500.9**
Segment revenue	**1,277.3**	**336.5**	**283.6**	**1,897.4**
Segment profit before income tax expense and net finance costs (excluding significant items)	**170.2**	**27.7**	**43.6**	**241.5**
Depreciation, amortisation and impairment	**89.8**	**30.4**	**25.4**	**145.6**
Capital expenditure	**45.7**	**35.9**	**29.7**	**111.3**

	The Star $m	Jupiters $m	Treasury $m	Total $m
2013				
Gross revenues - VIP [a b]	362.0	19.5	5.3	386.8
Gross revenues - external [a b]	841.1	343.7	275.2	1,460.0
Segment revenue	1,203.1	363.2	280.5	1,846.8
Segment profit before income tax expense and net finance costs (excluding significant items)	156.0	25.5	45.4	226.9
Depreciation, amortisation and impairment	94.6	29.5	21.9	146.0
Capital expenditure	94.5	35.2	25.5	155.2

a Gross revenue is presented as the gross gaming win before player rebates and promotional allowances

b Segment revenue is presented on an actual basis

	2014 $m	2013 $m
Reconciliation of reportable segment profit to profit before income tax		
Segment profit before net finance costs and income tax	**241.5**	226.9
Significant items (refer to note 8)	**(22.2)**	(38.3)
Unallocated items:		
- net finance costs (excluding significant items)	**(66.1)**	(79.4)
Profit before income tax	**153.2**	**109.2**

	2014 $m	2013 $m
15. Cash and cash equivalents		
Cash on hand and in banks	**88.4**	88.8
Short term deposits, maturing within 30 days	**56.5**	176.7
	144.9	265.5
16. Trade and other receivables		
Trade receivables [a]	**94.8**	115.5
Less provision for impairment	**(18.3)**	(41.2)
Net trade receivables	**76.5**	74.3
Other receivables	**10.6**	10.5
	87.1	84.8

a Includes patron cheques not deposited of $30.9 million (2013: $37.6 million).

(a) **Provision for impairment of trade receivables** **Movement in provision**	2014 $m	2013 $m
Balance at beginning of year	**(41.2)**	(30.8)
Net doubtful debt expense for the year [b]	**(23.3)**	(17.8)
Net amounts written off	**46.2**	7.4
Balance at end of year	**(18.3)**	(41.2)

b These amounts are included in other expenses in the statement of comprehensive income.

Trade debtors are non-interest bearing and are generally on 30 day terms.

(b) **Ageing of trade receivables**	0 - 30 days $m	30 days - 1 year $m	1 - 3 years $m	3 years + $m	Total $m
2014					
Not yet due	**35.6**	**-**	**-**	**-**	**35.6**
Past due not impaired	**-**	**32.4**	**8.5**	**-**	**40.9**
Considered impaired	**-**	**9.7**	**8.5**	**0.1**	**18.3**
	35.6	**42.1**	**17.0**	**0.1**	**94.8**
2013					
Not yet due	41.8	-	-	-	41.8
Past due not impaired	-	11.4	19.7	1.4	32.5
Considered impaired	-	4.0	29.7	7.5	41.2
	41.8	15.4	49.4	8.9	115.5

Other receivables do not contain impairments and are not past due. It is expected that these other balances will be received when due.

	2014 $m	2013 $m
17. Inventories		
Consumables	**6.5**	7.2

Cost of inventories recognised as an expense during the period in respect of continuing operations was $77.0 million (2013: $78.1 million).

18. Derivative financial instruments	2014 $m	2013 $m
Current assets		
Cross currency swaps	**2.7**	3.2
Forward currency contracts	**0.2**	0.2
	2.9	3.4
Non current assets		
Cross currency swaps	**85.7**	89.7
Forward currency contracts	**1.0**	2.1
	86.7	91.8
Current liabilities		
Interest rate swaps[a]	**14.5**	30.2
Forward currency contracts	**0.2**	0.1
	14.7	30.3
Non current liabilities		
Interest rate swaps[a]	**51.2**	57.6
Forward currency contracts	**0.2**	-
	51.4	57.6
Net financial assets	**23.5**	7.3

a During the year the Group terminated $485 million (notional principal) of its interest rate swaps portfolio.

Refer to note 35 for additional financial instruments disclosure.

	2014 $m	2013 $m

19. Other assets

	2014 $m	2013 $m
Current		
Prepayments	**17.2**	9.9
Rental paid in advance	**0.3**	0.2
Other assets	**4.2**	4.6
	21.7	14.7
Non current		
Prepayments	**0.1**	0.1
Rental paid in advance	**10.2**	10.3
Other assets	**19.8**	12.0
	30.1	22.4

Other assets above are shown net of impairment of nil (2013: nil).

20. Property, plant and equipment

	2014 $m	2013 $m
Freehold land		
- at cost	**81.5**	104.4
	81.5	104.4
Freehold and leasehold buildings		
- at cost [a]	**1,568.4**	1,593.3
- accumulated depreciation	**(226.5)**	(207.0)
	1,341.9	1,386.3
Leasehold improvements		
- at cost [a]	**271.6**	269.6
- accumulated depreciation	**(70.5)**	(61.8)
	201.1	207.8
Plant and equipment		
- at cost [a]	**739.6**	718.3
- accumulated depreciation	**(452.9)**	(410.6)
	286.6	307.7
	1,911.1	2,006.2
a Includes capital works in progress of:		
Buildings - at cost	**25.0**	21.5
Leasehold improvements - at cost	**1.5**	0.7
Plant and equipment - at cost	**6.5**	15.1
Total capital works in progress	**33.0**	37.3

Reconciliations

	Note	Freehold land $m	Freehold and leasehold buildings $m	Leasehold improvements $m	Plant and equipment $m	Total $m
2014						
Carrying amount at beginning of the year		**104.4**	**1,386.3**	**207.8**	**307.7**	**2,006.2**
Additions		**-**	**22.2**	**4.9**	**57.0**	**84.1**
Reclassification/transfer [b]		**-**	**(0.4)**	**(1.9)**	**9.4**	**7.1**
Transferred to assets held for sale	39	**(22.9)**	**(28.1)**	**-**	**(11.6)**	**(62.6)**
Depreciation expense	6	**-**	**(38.1)**	**(9.7)**	**(75.9)**	**(123.7)**
Carrying amount at end of the year		**81.5**	**1,341.9**	**201.1**	**286.6**	**1,911.1**
2013						
Carrying amount at beginning of the year		104.4	1,412.0	205.6	255.8	1,977.8
Additions		-	46.5	9.7	79.6	135.8
Reclassification/transfer [c]		-	(32.7)	0.7	49.7	17.7
Depreciation expense		-	(39.5)	(8.2)	(77.4)	(125.1)
Carrying amount at end of the year		104.4	1,386.3	207.8	307.7	2,006.2

Borrowing costs of $0.5 million (2013: $8.2 million) were capitalised during the year and are included in 'Additions' above. The capitalisation rate used was equal to the Group's weighted average cost of borrowings applicable to the Group's outstanding borrowings during the year of 9.8% (2013: 10.2%).

b Reclassification of $7.1 million from intangibles - software (refer to note 21).

c Reclassification of $17.7 million from intangibles - software (refer to note 21).

21. Intangible assets

	2014 $m	2013 $m
Goodwill		
- at cost (refer to note 22)	**1,442.2**	1,443.7
	1,442.2	1,443.7
The Star and Treasury casino licences		
- at cost	**294.7**	294.7
- accumulated amortisation	**(56.5)**	(53.3)
	238.2	241.4
The Star casino concessions		
- at cost	**100.0**	100.0
- accumulated amortisation	**(14.5)**	(11.6)
	85.5	88.4
Software		
- at cost [a]	**130.1**	111.4
- accumulated amortisation and impairment	**(66.4)**	(53.2)
	63.7	58.2
Investment in Gold Coast Convention and Exhibition Centre		
- at cost	**20.1**	20.1
- accumulated amortisation and impairment	**(3.9)**	(3.5)
	16.2	16.6
	1,845.8	1,848.3

a Includes capital works in progress of $6.5 million (2013: $18.4 million).

Reconciliations

	Note	Goodwill $m	The Star and Treasury casino licences $m	The Star casino concessions $m	Software $m	Other $m	Total $m
2014							
Carrying amount at beginning of the year		**1,443.7**	**241.4**	**88.4**	**58.2**	**16.6**	**1,848.3**
Additions		**-**	**-**	**-**	**27.2**	**-**	**27.2**
Reclassification/transfer [b]		**-**	**-**	**-**	**(7.1)**	**-**	**(7.1)**
Transferred to assets held for sale	39	**(1.5)**	**-**	**-**	**(0.2)**	**-**	**(1.7)**
Amortisation expense	6	**-**	**(3.2)**	**(2.9)**	**(14.4)**	**(0.4)**	**(20.9)**
Carrying amount at end of the year		**1,442.2**	**238.2**	**85.5**	**63.7**	**16.2**	**1,845.8**
2013							
Carrying amount at beginning of the year		1,443.7	244.6	91.2	69.7	17.0	1,866.2
Additions		-	-	-	19.4	-	19.4
Reclassification/transfer [c]		-	-	-	(17.7)	-	(17.7)
Amortisation expense		-	(3.2)	(2.8)	(13.2)	(0.4)	(19.6)
Carrying amount at end of the year		1,443.7	241.4	88.4	58.2	16.6	1,848.3

Borrowing costs of $0.7 million (2013: $0.7 million) were capitalised during the year and are included in 'Additions' above. The capitalisation rate used was equal to the Group's weighted average cost of borrowings applicable to the Group's outstanding borrowings during the year of 9.8% (2013: 10.2%).

b Reclassification of $7.1 million to property, plant & equipment (refer to note 20).

c Reclassification of $17.7 million to property, plant & equipment (refer to note 20).

22. Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the applicable cash generating unit for impairment testing. Each cash generating unit represents a business operation of the Group.

Carrying amount of goodwill allocated to each cash generating unit:

Cash generating unit (Reportable segment)	The Star (The Star) $m	Jupiters Gold Coast (Jupiters) $m	Treasury (Treasury) $m	Jupiters Townsville [a] (Jupiters) $m	Total carrying amount $m
2014	**1,013.5**	**165.5**	**263.2**	**-**	**1,442.2**
2013	1,013.5	165.5	263.2	1.5	1,443.7

a The Jupiters Townsville operation is classified as held for sale at year end (refer to note 39) therefore not included above.

The recoverable amount of each of the three cash generating units at year end (The Star, Jupiters Gold Coast and Treasury) is determined based on 'fair value less costs to sell', which is calculated using the discounted cash flow approach. This approach utilises cash flow forecasts that are principally based upon Board approved business plans for a five-year period and longer term Board approved capital investment plans, extrapolated using an implied terminal growth rate of 2.5% (2013: 2.5% to 3.0%). These cash flows are then discounted using a relevant long term post tax discount rate specific to each cash generating unit, ranging between 9.6% to 9.8% (2013: 9.6% to 10.3%).

Key assumptions

The following describes the key assumptions on which management based its cash flow projections when determining 'fair value less costs to sell' to undertake impairment testing of goodwill:

i. Cash flow forecasts

The cash flow forecasts are based upon the Board approved five-year business plan and longer term Board approved capital investment plans for each cash generating unit.

ii. Terminal value

The terminal growth rate used is in line with the forecast long term underlying growth rate in CPI.

iii. Discount rates

Discount rates applied are based on the post tax weighted average cost of capital applicable to the relevant cash generating unit.

iv. Regulatory

Queensland

On 19 December 2013, the Queensland Government launched two competitive bid processes in relation to up to three potential new integrated resort developments in Queensland (one in Brisbane and two in regional Queensland) for which additional casino licences may be awarded. The Queensland Government has announced a proposed timeline for the competitive bid process for the Queen's Wharf Brisbane development that will require the submission of detailed proposals by late 2014. The Company submitted its Expression of Interest for the Queen's Wharf Brisbane development to the Queensland Government on 31 March 2014 and was subsequently shortlisted by the Queensland Government in May 2014 to proceed to the next stage of the development process, along with three other participants.

In June 2014, the Company signed a binding Memorandum of Understanding (MOU) with shortlisted participants, Chow Tai Fook Enterprises Limited (CTF) and Far East Consortium (Australia) Pty Limited (FEC (Australia)), a subsidiary of Far East Consortium International Limited (FEC), to form a strategic joint venture for the competitive bid process for the Queen's Wharf Brisbane development. The MOU provides that the Company will contribute 50% of the capital to develop the integrated resort and will act as the operator under a long dated gaming operator agreement. CTF and FEC (Australia) will each contribute 25% of the capital to develop the integrated resort and together will also undertake the residential and related component of the broader Queen's Wharf Brisbane development. It is expected that the successful bidder will be announced by the Queensland Government in early 2015.

As the details regarding the nature and location of the additional potential licences are unknown, as well as the outcome of the bidding process, it is impossible to reliably quantify the likely impact this would have on the Queensland cash generating units' respective carrying values, including to what extent an impairment adjustment, if any, would be required. As and when the successful bidders are announced and details of the nature, location and scope of the additional licences become known, management will be in a position to determine the impact on the carrying values of the cash generating units that may require a material adjustment.

New South Wales

On 4 July 2013, the New South Wales Government progressed Crown Resorts Limited's (Crown) proposal to develop a gaming facility at Barangaroo to Stage 3 of the Unsolicited Proposal process. On 20 November 2013, the Casino Control Amendment (Barangaroo Restricted Gaming Facility) Bill 2013 was passed and on 8 July 2014 the Independent Liquor and Gaming Authority (ILGA) issued a restricted gaming licence to Crown to operate a VIP casino at Barangaroo from November 2019 onwards. The development of the Crown Sydney Hotel Resort is still subject to the granting of all necessary planning approvals and the finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease. The expected impact of the above has been taken into consideration in determining the recoverable amount of The Star at 30 June 2014. As further details of the final approval and scope of the proposed gaming facility become known, management will consider the impact that this may have on The Star's carrying value.

v. Sensitivities

The key estimates and assumptions used to determine the 'fair value less costs to sell' of a cash generating unit are based on management's current expectations after considering past experience, future investment plans and external information. They are considered to be reasonably achievable, however, significant changes in any of these key estimates and assumptions may result in a cash generating unit's carrying value exceeding its recoverable value, requiring an impairment charge to be recognised at a future date. Management considers a 1.5% decline in the compound annual growth rate to be a reasonably possible change that would give rise to an impairment charge of approximately $105 million for The Star and $140 million for Jupiters Gold Coast being recognised.

	2014 $m	2013 $m
23. Trade and other payables		
Trade creditors and accrued expenses	**152.5**	181.2
Interest payable	**2.2**	2.8
	154.7	184.0
24. Provisions		
Current		
Employee benefits	**39.9**	42.7
Workers' compensation	**11.8**	15.8
	51.7	58.5
Non current		
Employee benefits	**8.9**	8.0
	8.9	8.0

Reconciliation

Reconciliation of workers' compensation at the end of the current year is set out below:

	2014 $m	2013 $m
Carrying amount at beginning of the year	**15.8**	15.3
Provisions made during the year	**0.1**	3.1
Provisions utilised during the year	**(2.9)**	(2.6)
Amounts transferred to liabilities held for sale	**(1.2)**	-
Carrying amount at end of the year (current)	**11.8**	15.8

	2014 $m	2013 $m
25. Other liabilities (current)		
Customer loyalty deferred revenue [a]	**13.5**	7.6
Other deferred revenue	**2.7**	3.8
	16.2	11.4

a The Group operates customer loyalty programs enabling customers to accumulate award credits for gaming and on property spend. A portion of the spend, equal to the fair value of the award credits earned, is treated as deferred revenue. Revenue from the award credits is recognised in the income statement when the award is redeemed or expires.

	2014 $m	2013 $m
26. Interest bearing liabilities		
Non current		
Bank loans - unsecured [a]	**316.1**	477.8
Private placement - US dollar [b]	**487.0**	495.0
	803.1	972.8

a Bank loans - unsecured

Syndicated revolving facility

On 10 December 2013, the Group completed a program to close out a number of its out-of-the-money interest rate swaps (IRS) and to restructure lending arrangements (refer to note 8). The Group repaid $250 million of the drawn syndicated revolving facility by reducing its cash holdings by $100 million and drawing down $150 million from a bridge facility. The Group repaid a further $65 million during the year and in June 2014, the term of the existing syndicated revolving facility was extended by 12 months with minor changes made to the terms of the facility. As part of the extension an additional bank was added to the banking group.

2014

Type	Facility amount $m	Unutilised at 30 June $m	Maturity date
Syndicated revolving facility - tranche A	250.0	80.0	July 2016
Syndicated revolving facility - tranche B	250.0	250.0	July 2018
	500.0	330.0	

2013

Type	Facility amount $m	Unutilised at 30 June $m	Maturity date
Syndicated revolving facility - tranche A	375.0	-	July 2015
Syndicated revolving facility - tranche B	375.0	265.0	July 2017
	750.0	265.0	

Interest is variable, linked to BBSY (Bank Bill Swap Bid Rate), plus a margin tiered against the reported gearing ratio at the end of certain test dates.

Working capital facility

On 30 May 2014, the Group entered into a new working capital facility. This working capital facility has been executed on essentially the same terms and conditions as the existing syndicated revolving facility agreement.

2014

Type	Facility amount $m	Unutilised at 30 June $m	Maturity date
Working capital facility	150.0	-	July 2015
	150.0	-	

Interest is variable, linked to BBSY (Bank Bill Swap Bid Rate), plus a margin tiered against the reported gearing ratio at the end of certain test dates.

b US Private Placement (USPP)

The Group's USPP borrowings have not changed during the year, and are summarised below.

2014/2013

Type	$m (USD)	$m(AUD)*	Maturity date
Series A	100.0	94.0	June 2018
Series B	360.0	336.0	June 2021
	460.0	430.0	

**The $430.0 million USPP borrowings are stated in the table above at the AUD amount repayable under cross currency swaps at maturity.*

Interest is variable, linked to BBSW (Bank Bill Swap Rate), and a defined gearing ratio at the end of certain test dates.

All of the above borrowings are subject to financial undertakings as to gearing and interest cover.

Fair value disclosures

Details of the fair value of the Group's interest bearing liabilities are set out in note 35.

27. Share capital and reserves

	2014 $m	2013 $m
(a) Share capital		
Ordinary shares - issued and fully paid [a]	**2,580.5**	2,580.5

a There is only one class of shares (ordinary shares) on issue. These ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The Company does not have authorised capital nor par value in respect of its issued shares.

	Number of shares	Number of shares
Movements in ordinary share capital		
Balance at beginning of year	**825,672,730**	688,019,737
Shares issued under Entitlement Offer	**-**	137,652,993
Balance at end of year	**825,672,730**	825,672,730

	2014 $m	2013 $m
(b) Reserves		
Hedging reserve [a]	**(18.0)**	(29.5)
Share based payments reserve [b]	**1.8**	1.1
	(16.2)	(28.4)

Nature and purpose of reserves

a The hedging reserve records fair value changes on the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

b The share based payments reserve is used to recognise the value of equity settled share based payment transactions provided to employees, including Key Management Personnel as part of their remuneration. Refer to note 28 for further details on these plans.

(c) Capital management

The Group's objectives when managing capital are to ensure the Group continues as a going concern while providing optimal returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid to shareholders, return capital to shareholders or issue new shares. Gearing is managed primarily through the ratio of net debt to earnings before interest, tax, depreciation, amortisation and impairment (EBITDA). Net debt comprises interest bearing liabilities, with US dollar borrowings translated at the 30 June 2014 USD/AUD spot rate of 1.0618 (2013: 1.0798), after adjusting for cash and cash equivalents.

The Group is not subject to any externally imposed capital requirements, other than the banking covenants referred to in note 26.

	2014 $m	2013 $m
Gross Debt	**803.1**	972.8
Net Debt [a]	**658.2**	707.3
EBITDA [b]	**387.1**	372.9
Gearing ratio	**1.7x**	1.9x

a Net debt is stated after adjusting for cash and cash equivalents

b EBITDA is stated before significant items

28. Employee share plans

During the current and prior periods, the Company issued Performance Rights under the Long Term Performance Plan to eligible employees. The share based payment expense of $0.7 million (2013: $0.4 million) in respect of the equity instruments granted is recognised in the statement of comprehensive income.

The number of Performance Rights granted to employees and forfeited during the year are set out below:

2014 **Grant date**	**Balance at start of year**	**Granted during the year**	**Forfeited during the year**	**Expired during the year**	**Vested during the year**	**Balance at end of year**
20 September 2011	**545,927**	**-**	**29,354**	**-**	**-**	**516,573**
19 September 2012	**817,725**	**-**	**187,794**	**-**	**-**	**629,931**
1 October 2013	**-**	**1,303,717**	**771,653**	**-**	**-**	**532,064**
	1,363,652	**1,303,717**	**988,801**	**-**	**-**	**1,678,568**

2013 Grant date	Balance at start of year	Granted during the year	Forfeited during the year	Expired during the year	Vested during the year	Balance at end of year
20 September 2011	1,179,622	-	633,695	-	-	545,927
19 September 2012	-	954,373	136,648	-	-	817,725
	1,179,622	954,373	770,343	-	-	1,363,652

The grants of 20 September 2011 and 19 September 2012 included market-based hurdles. The grant of 1 October 2013 includes a market based hurdle and an EPS component. The Performance Rights have been independently valued. Under AASB 2, market-based hurdles (such as TSR) impact the value of the Performance Right while internal performance hurdles (such as EPS) do not impact on determination on the value of the Performance Right. In accordance with AASB 2, an allowance cannot be made for the impact of internal performance hurdles and hence the impact of this hurdle is taken into account during the expensing process. For the relative TSR component, valuation was based on assumptions underlying the Black-Scholes methodology to produce a Monte-Carlo simulation model. For the EPS component, a discounted cash flow technique was utilised. The total value does not contain any specific discount for forfeiture if the employee leaves the Company during the vesting period. This adjustment, if required, is based on the number of equity instruments expected to vest at the end of each reporting period.

The key assumptions underlying the Performance Rights valuations are set out below:

Effective grant date	**Test and vesting date**	**Share price at date of grant $**	**Expected volatility in share price %**	**Expected dividend yield %**	**Risk free interest rate %**	**Value per Performance Right $**
20 September 2011	20 September 2014	3.61	30.00%	3.00%	3.57%	2.15
19 September 2012	19 September 2016	3.86	25.00%	2.18%	2.70%	2.20
1 October 2013	1 October 2017	2.68	27.00%	1.75%	3.03%	2.01

29. Notes to the statement of cash flows

Reconciliation of net profit after tax to net cash inflow from operations:		**2014** **$m**	**2013** **$m**
Net profit after tax		**106.3**	83.5
Non cash items and items dealt with separately:			
- depreciation, amortisation and impairment	6	**145.6**	146.0
- employee share based payments expense	27	**0.7**	0.4
- unrealised foreign exchange gains or losses		**0.6**	(1.7)
Items classified as investing/financing activities:			
- finance costs	9	**91.4**	83.3
Cash generated by operations before working capital changes		**344.6**	311.5
Working capital changes			
- (Increase)/decrease in trade and other receivables and other assets		**(9.7)**	60.2
- Decrease in inventories		**0.1**	0.2
- (Decrease) in trade and other payables, accruals and provisions		**(22.0)**	(0.2)
- Increase in tax provisions		**2.3**	34.8
Net cash inflow from operating activities		**315.3**	**406.5**

30. Related party disclosure

(a) Parent entity

The ultimate parent entity within the Group is Echo Entertainment Group Limited.

(b) Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 2. The financial years of all controlled entities are the same as that of the Company (unless stated otherwise below).

Name of controlled entity	Note	Country of incorporation	Equity type	Equity interest 2014 %	Equity interest 2013 %
Parent entity					
Echo Entertainment Group Limited		Australia	ordinary shares		
Controlled entities					
Star City Holdings Limited	a b	Australia	ordinary shares	**100.0**	100.0
The Star Pty Ltd	a b	Australia	ordinary shares	**100.0**	100.0
Star City Entertainment Pty Ltd	a	Australia	ordinary shares	**100.0**	100.0
Sydney Harbour Casino Properties Pty Ltd	a b	Australia	ordinary shares	**100.0**	100.0
Sydney Harbour Apartments Pty Ltd	a	Australia	ordinary shares	**100.0**	100.0
Star City Investments Pty Ltd	a	Australia	ordinary shares	**100.0**	100.0
Star City Share Plan Company Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Star City Superannuation Fund Pty Ltd	c	Australia	ordinary shares	**0.0**	100.0
Jupiters Limited		Australia	ordinary shares	**100.0**	100.0
Breakwater Island Limited	d	Australia	ordinary shares	**100.0**	100.0
Breakwater Island Trust	d	Australia	units	**100.0**	100.0
Jupiters Custodian Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Jupiters Trust		Australia	units	**100.0**	100.0
Jupwind Superannuation Pty Ltd	c	Australia	ordinary shares	**0.0**	100.0
Echo Entertainment International No.1 Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment International No.2 Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Jupiters Resorts (Macau) Limited		Macau	ordinary shares	**100.0**	100.0
Echo Entertainment International No.3 Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Vanuatu Casino Management Services Limited		Vanuatu	ordinary shares	**99.9**	99.9
Echo Entertainment International (Hong Kong) Limited		Hong Kong	ordinary shares	**100.0**	100.0
Echo Entertainment (Shanghai) TradingCo. Ltd	f g	China	ordinary shares	**100.0**	0.0
EEI Services (Hong Kong) Limited	h	Hong Kong	ordinary shares	**100.0**	0.0
EEI C&C Services Pte Ltd	f i	Singapore	ordinary shares	**100.0**	0.0
Echo Entertainment RTO Pty Ltd	e	Australia	ordinary shares	**100.0**	100.0
Echo Entertainment Finance Limited		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment International Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment Technology Services Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment Training Company Pty Ltd		Australia	ordinary shares	**100.0**	100.0
PPIT Pty Ltd	j	Australia	ordinary shares	**100.0**	0.0

a These companies entered into a deed of cross guarantee with Star City Holdings Limited on 31 May 2011, and as such are members of the closed group as defined in Australian Securities and Investments Commission class order CO 98/1418 (refer to note 32).
b These companies have provided a charge over their assets and undertakings as explained in note 34.
c These companies were de-registered during the year.
d These companies were classified as held for sale at year end (refer to note 39).
e Formerly Echo Entertainment Culinary Institute Pty Ltd.
f These companies' financial year end is 31 December.
g This company was incorporated in China on 20 August 2013.
h This company was incorporated in Hong Kong on 7 November 2013.
i This company was incorporated in Singapore on 18 November 2013.
j This company was incorporated in Australia on 25 July 2013.

30. Related party disclosure (continued)

(c) Transactions with controlled entities

Echo Entertainment Group Limited

During the period, the Company entered into the following transactions with controlled entities:

- loans of $56.9 million were repaid by controlled entities (2013: the Company repaid loans of $54.1 million and advanced loans of $142.5 million); and
- income tax and GST paid on behalf of controlled entities of $166.0 million (2013: income tax and GST paid of $108.3 million).

The amount receivable by the Company from controlled entities at year end is $85.6 million (2013: $142.5 million). All the transactions were undertaken on normal commercial terms and conditions.

31. Parent entity disclosures

Echo Entertainment Group Limited, the parent entity of the Group, was incorporated on 2 March 2011.

	2014	2013
Result of the parent entity	**$m**	**$m**
(Loss)/profit for the period	**(1.6)**	138.7
Total comprehensive (loss)/income for the period [a]	**(1.6)**	138.7

a Since the end of the financial year, the Company has declared a final dividend of 4 cents per ordinary share (2013: 2 cents), which is expected to be paid on 30 September 2014 out of retained earnings at 30 June 2014 to its shareholders (refer to note 12). The Company's controlled entities have also proposed a dividend of $53.0 million to the Company subsequent to the year end.

	2014	2013
Financial position of the parent entity		
Current assets	**1,127.1**	1,173.7
Non current assets	**2,590.6**	2,591.1
Total assets	**3,717.7**	3,764.8
Current liabilities	**12.9**	10.0
Non current liabilities	**1,030.6**	1,030.2
Total liabilities	**1,043.5**	1,040.2
Net assets	**2,674.2**	2,724.6
Total equity of the parent entity		
Issued capital	**2,580.5**	2,580.5
Retained earnings	**91.9**	143.0
Share based payments benefits reserve	**1.8**	1.1
Total equity	**2,674.2**	2,724.6

Certain financial position comparatives have been restated to conform to current year presentation.

Contingent liabilities

There were no contingent liabilities for the parent entity at 30 June 2014 (2013: nil).

Capital expenditure

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2014 (2013: nil).

Guarantees

Echo Entertainment Group Limited has guaranteed the liabilities of Echo Entertainment Finance Limited and Echo International No. 3 Pty Ltd. As at 30 June 2014, the carrying amount included in current liabilities at 30 June 2014 was nil (2013: nil), and the maximum amount of these guarantees was $124.7 million (2013: $124.8 million). The Company has also undertaken to support its controlled entities when necessary to enable them to pay their debts as and when they fall due.

Accounting policy for investments in controlled entities

All investments are initially recognised at cost, being the fair value of the consideration given. Subsequently investments are carried at cost less any impairment losses.

32. Deed of cross guarantee

Star City Holdings Limited, The Star Pty Ltd, Star City Entertainment Pty Ltd, Sydney Harbour Casino Properties Pty Ltd, Sydney Harbour Apartments Pty Ltd and Star City Investments Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirements to prepare a financial report and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Consolidated statement of comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Star City Holdings Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2014 of the closed group consisting of Star City Holdings Limited, The Star Pty Ltd, Star City Entertainment Pty Ltd, Sydney Harbour Casino Properties Pty Ltd, Sydney Harbour Apartments Pty Ltd and Star City Investments Pty Ltd.

Consolidated statement of comprehensive income

	2014 $m	2013 $m
Revenue	**1,197.1**	1,111.2
Other income	**(0.5)**	2.6
Government taxes and levies	**(250.4)**	(234.3)
Commissions and fees	**(164.1)**	(127.9)
Employment costs	**(280.7)**	(300.4)
Depreciation, amortisation and impairment	**(84.9)**	(88.8)
Cost of sales	**(38.8)**	(37.3)
Property costs	**(49.4)**	(49.0)
Advertising and promotions	**(39.5)**	(38.7)
Other expenses	**(166.2)**	(102.7)
Profit before net finance costs and income tax	**122.6**	134.7
Finance income	-	-
Profit before income tax	**122.6**	134.7
Income tax expense	**(42.0)**	(41.4)
Net profit after tax	**80.6**	93.3
Total comprehensive income for the year	**80.6**	93.3
Summary of movements in consolidated accumulated losses		
Accumulated losses at the beginning of the financial year	**(95.9)**	(29.6)
Profit for the year	**80.6**	93.3
Dividends paid	**-**	(159.6)
Accumulated losses at the end of the financial year	**(15.3)**	(95.9)

32. Deed of cross guarantee (continued)

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2014 of the closed group consisting of Star City Holdings Limited, The Star Pty Ltd, Star City Entertainment Pty Ltd, Sydney Harbour Casino Properties Pty Ltd, Sydney Harbour Apartments Pty Ltd and Star City Investments Pty Ltd.

	2014	2013
ASSETS	**$m**	**$m**
Cash assets	**53.2**	39.3
Receivables	**80.9**	70.9
Inventories	**4.4**	3.7
Other	**6.2**	5.0
Total current assets	**144.7**	118.9
Property, plant and equipment	**1,210.4**	1,249.5
Intangible assets	**307.1**	315.6
Other	**15.2**	16.5
Total non current assets	**1,532.7**	1,581.6
TOTAL ASSETS	**1,677.4**	1,700.5
LIABILITIES		
Payables	**452.6**	559.4
Provisions	**32.2**	36.3
Other	**9.3**	7.8
Total current liabilities	**494.1**	603.5
Net deferred tax liabilities	**53.9**	48.8
Provisions	**4.8**	4.2
Total non current liabilities	**58.7**	53.0
TOTAL LIABILITIES	**552.8**	656.5
NET ASSETS	**1,124.6**	1,044.0
EQUITY		
Issued capital	**1,139.9**	1,139.9
Accumulated (losses)	**(15.3)**	(95.9)
TOTAL EQUITY	**1,124.6**	1,044.0

33. Key Management Personnel disclosures

	2014	2013
Compensation of Key Management Personnel	**$000**	**$000**
Short term	**7,412**	6,649
Long term	**313**	121
Share based payments	**708**	295
Termination benefits	**489**	2,406
Total compensation	**8,922**	9,471

The above reflects the compensation for individuals who are Key Management Personnel of the Group. This note should be read in conjunction with the remuneration report.

34. Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise cash, short term deposits, bank bills, Australian denominated bank loans, and foreign currency denominated notes.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. Derivative transactions are also entered into by the Group, being interest rate swaps, cross currency swaps and forward currency contracts, the purpose being to manage interest rate and currency risks arising from the Group's operations and sources of finance.

The Group's risk management policy is carried out by the Corporate Treasury function under the Group Treasury Policy approved by the Board. Corporate Treasury reports regularly to the Board on the Group's risk management activities and policies. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 2.

Interest rate risk
The Group has a policy of controlling exposure to interest rate fluctuations by the use of fixed and variable rate debt and by the use of interest rate swaps or caps. It has entered into interest rate swap agreements to hedge underlying debt obligations and allow floating rate borrowings to be swapped to fixed rate borrowings. Under these arrangements, the Group will pay fixed interest rates and receive the bank bill swap rate calculated on the notional principal amount of the contracts.

At 30 June 2014 after taking into account the effect of interest rate swaps, approximately 60% (2013: 100%) of the Group's borrowings are at a fixed rate of interest.

Foreign currency risk
As a result of issuing private notes denominated in US Dollars ('USD'), the Group's statement of financial position can be affected by movements in the USD/AUD exchange rate. In order to hedge this exposure, the Group has entered into cross currency swaps to fix the exchange rate on the notes until maturity. The Group agrees to exchange a fixed USD amount in exchange for an agreed AUD amount with swap counterparties, and re-exchange this again at maturity. These swaps are designated to hedge the principal and interest obligations under the private notes.

The Group has operating leases for two aircrafts invoiced in USD. The Group has entered into foreign exchange forward contracts to hedge against the USD currency risk, by exchanging the future USD lease payments to AUD amounts.

Credit risk
Credit risk on financial assets which have been recognised on the statement of financial position, is the carrying amount less any allowance for non recovery. The Group minimises credit risk via adherence to a strict cash management policy. Collateral is not held as security.

Credit risk in trade receivables is managed in the following ways:
- The provision of cheque cashing facilities for casino gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank options and the use of a central credit agency which collates information from the major casinos around the world; and
- the provision of non gaming credit is covered by a risk assessment process for customers using the Credit Reference Association of Australia, bank opinions and trade references.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is carefully managed and controlled.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents (including short term deposits and bank bills), the maximum exposure of the Group to credit risk from default of a counterparty is equal to the carrying amount of these instruments.

In relation to financial liabilities, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in respect of interest rate swap contracts, cross currency swap contracts and forward currency contracts is detailed in note 35.

34. Financial risk management objectives and policies (continued)

Credit risk includes liabilities under financial guarantees. For financial guarantee contract liabilities the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. The fair value of financial guarantee contract liabilities has been assessed as nil (2013: nil), as the possibility of an outflow occurring is considered remote. Details of the financial guarantee contracts at statement of financial position date are outlined below:

Fixed and floating charges
The controlled entities denoted (b) in note 30 have provided the Independent Liquor and Gaming Authority ('ILGA') with a fixed and floating charge over all of the assets and undertakings of each company to secure payment of all monies and the performance of all obligations which they have to the ILGA. The maximum prospective liability under the charge is $1.5 billion (2013: $1.5 billion).

Guarantees and indemnities
The controlled entities denoted (b) in note 30 have entered into a guarantee and indemnity agreement in favour of the ILGA whereby all parties to the agreement are jointly and severally liable for the performance of the obligations and liabilities of each company participating in the agreement with respect to agreements entered into and guarantees given.

Echo Entertainment Finance Limited and Echo International No. 3 Pty Ltd are called upon to give in the ordinary course of business, guarantees and indemnities in respect of the performance of their contractual and financial obligations. The maximum amount of these guarantees and indemnities is $124.7 million (2013: $124.8 million).

Liquidity risk
Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and notes.

The Group manages liquidity risk by maintaining a forecast of expected cash flow which is monitored and reviewed on a regular basis. To help reduce liquidity risk, the Group targets a minimum level of cash and cash equivalents to be maintained, and has revolving facilities in place with sufficient undrawn funds available

The Group's policy is that not more than 33% of debt facilities should mature in any financial year within the next four years. At 30 June 2014, the Group's debt facilities that will mature in less than one year is nil (2013: nil). The next debt maturity is the working capital facility of $150 million in July 2015. This represents 19% of total debt and is within the Group's policy.

Refer to notes 26 and 35 for maturity of financial liabilities.

The contractual cash flows including principal and estimated interest receipts/payments of financial assets/liabilities are as follows:

(a) Non-derivative financial instruments

	2014			2013		
	< 1 year	**1 - 5 years**	**> 5 years**	**< 1 year**	**1 - 5 years**	**> 5 years**
	$m	**$m**	**$m**	**$m**	**$m**	**$m**
Financial assets						
Cash assets	**88.4**	**-**	**-**	88.8	-	-
Short term deposits	**56.5**	**-**	**-**	176.7	-	-
Net receivables	**87.1**	**-**	**-**	84.8	-	-
	232.0	**-**	**-**	350.3	-	-
Financial liabilities						
Trade creditors and accrued expenses	**152.5**	**-**	**-**	184.0	-	-
Bank loans - unsecured	**13.1**	**328.2**	**-**	24.7	522.7	-
Private placement - US dollar	**27.1**	**209.1**	**424.9**	27.6	218.1	454.2
	192.7	**537.3**	**424.9**	236.3	740.8	454.2
Net inflow / (outflow)	**39.3**	**(537.3)**	**(424.9)**	114.0	(740.8)	(454.2)

34. Financial risk management objectives and policies (continued)

(b) Derivative financial instruments

	2014			2013		
	< 1 year $m	1 - 5 years $m	> 5 years $m	< 1 year $m	1 - 5 years $m	> 5 years $m
Financial assets						
Interest rate swaps - receive AUD floating	**11.5**	**43.6**	**17.7**	25.2	60.6	27.6
Cross currency swaps - receive USD fixed	**27.1**	**209.1**	**424.9**	27.6	218.1	454.2
Forward currency contract - receive USD	**7.5**	**23.6**	**-**	7.7	29.7	1.0
	46.1	**276.3**	**442.6**	60.5	308.4	482.8

	2014			2013		
	< 1 year $m	1 - 5 years $m	> 5 years $m	< 1 year $m	1 - 5 years $m	> 5 years $m
Financial liabilities						
Interest rate swaps - pay AUD fixed	**26.8**	**101.4**	**41.4**	55.8	135.8	62.5
Cross currency swaps - pay AUD floating	**24.8**	**187.7**	**374.3**	25.2	194.6	394.8
Forward currency contract - pay AUD fixed	**7.7**	**24.1**	**-**	7.7	29.7	0.9
	59.3	**313.2**	**415.7**	88.7	360.1	458.2
Net inflow / (outflow)	**(13.2)**	**(36.9)**	**26.9**	(28.2)	(51.7)	24.6

For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date. For foreign currency receipts and payments, the amount disclosed is determined by reference to the AUD/USD rate at statement of financial position date.

Financial instruments - sensitivity analysis

Interest rates - AUD and USD

The following sensitivity analysis is based on interest rate risk exposures in existence at year end.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

2014	Net profit after tax higher/ (lower) $m	Other comprehen-sive income higher/ (lower) $m
AUD		
+ 0.5% (50 basis points)	**(0.8)**	**9.3**
- 0.5% (50 basis points)	**0.8**	**(9.6)**
USD		
+ 0.5% (50 basis points)	**-**	**(11.2)**
- 0.25% (25 basis points)	**-**	**5.7**

2013	Net profit after tax higher/ (lower) $m	Other comprehen-sive income higher/ (lower) $m
AUD		
+ 0.5% (50 basis points)	0.4	14.3
- 0.5% (50 basis points)	(0.4)	(14.8)
USD		
+ 0.5% (50 basis points)	-	(13.8)
- 0.25% (25 basis points)	-	7.1

34. Financial risk management objectives and policies (continued)

The movements in profit are due to higher/lower interest costs from variable rate debt and investments. The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges.

The numbers derived in the sensitivity analysis are indicative only.

Significant assumptions used in the interest rate sensitivity analysis include:

- reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt, relationships with financial institutions and the level of debt that is expected to be renewed, as well as a review of the last two years historical movements and economic forecaster's expectations;
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at statement of financial position dates; and
- the net exposure at statement of financial position date is representative of what the Group was and is expecting to be exposed to in the next twelve months.

Foreign Exchange

The following sensitivity analysis is based on foreign currency risk exposures in existence at the statement of financial position date.

At 30 June, had the Australian dollar (AUD) moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

Judgements of reasonably possible movements:

	Net profit after tax higher/ (lower) 2014 $m	Other comprehensive income higher/ (lower) 2014 $m	Net profit after tax higher/ (lower) 2013 $m	Other comprehensive income higher/ (lower) 2013 $m
AUD/USD + 10 cents	**-**	**(7.6)**	-	(10.4)
AUD/USD - 10 cents	**-**	**9.3**	-	12.9

The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges.

Management believe the statement of financial position date risk exposures are representative of the risk exposure inherent in the financial instruments.

The numbers derived in the sensitivity analysis are indicative only.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- reasonably possible movements in foreign exchange rates were determined based on a review of the last two years' historical movements and economic forecaster's expectations;
- the reasonably possible movement of 10 cents was calculated by taking the USD spot rate as at statement of financial position date, moving this spot rate by 10 cents and then re-converting the USD into AUD with the 'new spot-rate'. This methodology reflects the translation methodology undertaken by the Group;
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at statement of financial position dates; and
- the net exposure at statement of financial position date is representative of what the Group was and is expecting to be exposed to in the next 12 months.

35. Additional financial instruments disclosure

(a) Fair values

The fair value of the Group's financial assets and financial liabilities approximates their carrying value as at statement of financial position date.

Swaps

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at statement of financial position date.

Forward currency contracts

Fair value is calculated using forward exchange market rates at the statement of financial position date.

US Private Placement

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at statement of financial position date, in combination with restatement to current foreign exchange rates.

(b) Interest rate risk

The Group had the following classes of financial assets and financial liabilities exposed to floating interest rate risk:

	2014 $m	2013 $m
Financial assets		
Cash assets	**25.0**	15.6
Short term deposits	**56.5**	176.7
Total financial assets	**81.5**	192.3
Financial liabilities		
Bank loans - unsecured [a]	**320.0**	477.8
USPP cross currency swaps	**430.0**	430.0
Derivatives[b]	**(430.0)**	(915.0)
Total financial liabilities	**320.0**	(7.2)

a Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. The floating rates represent the most recently determined rate applicable to the instrument at statement of financial position date.

b Notional principal amounts.

(c) Financial instruments - interest rate swaps

Interest rate swaps meet the requirements to qualify for cash flow hedge accounting and are stated at fair value.

These swaps are being used to hedge the exposure to variability in cash flows attributable to movements in the reference interest rate of the designated debt or instrument and are assessed as highly effective in offsetting changes in the cash flows attributable to such movements. Hedge effectiveness is measured by comparing the change in the fair value of the hedged item and the hedging instrument respectively each quarter. Any difference represents ineffectiveness and is recorded in the statement of comprehensive income.

The notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	2014	2013
Less than one year	**-**	250.0
One to five years	**94.0**	329.0
More than five years	**336.0**	336.0
Notional principal	**430.0**	915.0
Fixed interest rate range p.a.	**6.0% - 7.3%**	5.9% - 7.6%
Variable interest rate range p.a.	**2.7%**	2.8%

Net settlement receipts and payments are recognised as an adjustment to interest expense on an accruals basis over the term of the swaps, such that the overall interest expense on borrowings reflects the average cost of funds achieved by entering into the swap agreements.

35. Additional financial instruments disclosure (continued)

(d) Financial instruments - cross currency swaps

Cross currency swap contracts are classified as cash flow hedges and are stated at fair value.

These cross currency swaps, in conjunction with interest rate swaps are being used to hedge the exposure to the cash flow variability in the value of the USD debt under the US Private Placement and are assessed as highly effective in offsetting changes in movements in the forward USD exchange rate. Hedge effectiveness is measured by comparing the change in the fair value of the hedged item and the hedging instrument respectively each quarter. Any difference represents ineffectiveness and is recorded in the statement of comprehensive income.

The principal amounts and periods of expiry of the cross currency swap contracts are as follows:

	2014		2013	
	AUD $m	USD $m	AUD $m	USD $m
One to five years	**94.0**	**100.0**	94.0	100.0
More than five years	**336.0**	**360.0**	336.0	360.0
Notional principal	**430.0**	**460.0**	430.0	460.0
Fixed interest rate range p.a.	**-**	**5.1% - 5.7%**	-	5.1% - 5.7%
Variable interest rate range p.a.	**5.6% - 5.8%**	**-**	5.7% - 5.9%	-

The terms and conditions in relation to interest rate and maturity of the cross currency swaps are similar to the terms and conditions of the underlying hedged Private Placement borrowings as set out in note 26.

(e) Financial instruments - forward currency contracts

Forward currency contracts meet the requirements to qualify for cash flow hedge accounting and are stated at fair value.

These contracts are being used to hedge the exposure to variability in the movement USD exchange rate arising from the Group's operations and are assessed as highly effective hedges as they are matched against known and committed payments. Any gain or loss on the hedged risk is taken directly to equity.

The notional amounts and periods of expiry of the foreign currency contracts are as follows:

	2014	2013
	$m	$m
Buy USD / sell AUD		
Less than one year	**7.7**	7.7
One to five years	**24.1**	29.7
More than five years	**-**	0.9
Notional principal	**31.8**	38.3
Average exchange rate (AUD/USD)	**0.92**	0.93

(f) Financial instruments - fair value hierarchy

There are various methods available in estimating the fair value of a financial instrument. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets.
Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

All of Echo's derivative financial instruments are valued using the Level 2 valuation techniques, being observable inputs. There have been no transfers between levels during the year.

36. Auditor's remuneration

	2014 $	2013 $
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- An audit or review of the financial report of the Company and any other entity in the consolidated group	**857,000**	933,550
- Other services in relation to the Company and any other entity in the consolidated group:		
- Assurance related	**80,000**	16,450
- Other non-audit services including taxation services	**355,807**	56,805
	1,292,807	1,006,805
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
- Assurance related services	**-**	7,000

The auditor of the Company and its controlled entities is Ernst & Young. From time to time, Ernst & Young provides other services to the Group, which are subject to strict corporate governance procedures encompassing the selection of service providers and the setting of their remuneration. The Chairman of the Audit Committee must approve any other services provided by Ernst & Young to the Group.

37. Commitments

	2014 $m	2013 $m
(a) Operating lease commitments [a b]		
Not later than one year	**10.5**	12.1
Later than one year but not later than five years	**31.6**	44.5
Later than five years	**69.8**	71.6
	111.9	128.2

a The Group leases property (including The Star property lease) under operating leases expiring between 1 to 79 years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or are subject to market rate review.

b Operating lease commitments include commitments in relation to the leasing of aircraft.

	2014 $m	2013 $m
(b) Other commitments [c]		
Not later than one year	**45.4**	-
Later than one year but not later than five years	**6.1**	-
Later than five years	**-**	-
	51.5	-

c On 24 December 2013, the Group entered into a purchase agreement for the construction of assets to be completed in the future. The Group paid AU$9.6 million (US$8.6 million) during the year and are committed to pay the above amounts during the next one to five years.

38. Contingent liabilities

Legal challenges

There are outstanding legal actions between the Company and its controlled entities and third parties as at 30 June 2014. The Group has notified its insurance carrier of all relevant litigation, and believes that any damages (other than exemplary damages) that may be awarded against the Group, in addition to its costs incurred in connection with the action, will be covered by its insurance policies where such policies are in place. Where there are no policies in place, provisions are made for known obligations where the existence of a liability is probable and can be reasonably quantified. As the outcomes of these actions remain uncertain, contingent liabilities exist for possible amounts eventually payable that are in excess of the amounts covered for by the insurance policies in place or of the amounts provided for.

Financial guarantees

Refer to note 34 for details of financial guarantees provided by the Group at the reporting date.

39. Assets and liabilities held for sale

On 24 January 2014, the Group entered into an agreement to sell its Jupiters Townsville complex to Colonial Leisure Group ("CLG") for $70 million. The transaction is for the sale of all the shares and units in Breakwater Island Limited and Breakwater Island Trust respectively. The sale of Jupiters Townsville is at an advanced stage and completion is expected to occur in the upcoming weeks, subject to all the necessary regulatory approvals being received.

The results of the Townsville operation for the year have been included in the results for the Group and are presented within the 'Jupiters' reportable segment in note 14.

(a) Impairment losses

There have been no impairment losses associated with the held for sale classification as the carrying value of the Townsville operation exceeds its recoverable amount less costs to sell.

(b) Assets and liabilities held for sale

The following assets and liabilities were reclassified as held for sale in relation to the Townsville operation as at 30 June 2014:

	Note	2014 $m
Assets		
Intangible assets	21	**1.7**
Property, plant and equipment	20	**62.6**
Inventories		**0.5**
Other current assets		**0.4**
Trade and other receivables		**0.4**
Cash and cash equivalents		**4.1**
Assets classified as held for sale		**69.7**
Liabilities		
Trade and other payables		**4.4**
Income tax payable		**0.2**
Provisions		**3.4**
Liabilities directly associated with the assets classified as held for sale		**8.0**
Net assets classified as held for sale		**61.7**

(c) Cumulative income or expenses included in other comprehensive income

There are no cumulative income or expenses included in other comprehensive income relating to the Townsville operations.

40. Subsequent events

Other than those events disclosed in the Directors' report or elsewhere in these financial statements, there have been no other significant events occurring after the statement of financial position date and up to the date of this report, which may materially affect either the Group's operations or results of those operations or the Group's state of affairs.

DIRECTORS' DECLARATION

In the opinion of the directors of Echo Entertainment Group Limited ('the Company'):

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001,* including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards and Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* .

Signed in accordance with a resolution of directors.

John O'Neill AO
Chairman

Sydney
13 August 2014

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Building a better working world

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Independent auditor's report to the members of Echo Entertainment Group Limited

Report on the financial report

We have audited the accompanying financial report of Echo Entertainment Group Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company Echo Entertainment Group Limited and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of Echo Entertainment Group Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Echo Entertainment Group Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

John Robinson
Partner

Sydney
13 August 2014

SHAREHOLDER INFORMATION
AS AT 1 SEPTEMBER 2014

ORDINARY SHARE CAPITAL

Echo Entertainment Group Limited has 825,672,730 fully paid ordinary shares on issue.

SHAREHOLDING RESTRICTIONS

Echo Entertainment's Constitution, as well as certain agreements entered into with the New South Wales Independent Liquor and Gaming Authority and the Queensland Office of Liquor and Gaming Regulation, contain certain restrictions prohibiting an individual from having a voting power of more than 10% in Echo Entertainment without the written consent of the New South Wales Independent Liquor and Gaming Authority and of the Queensland Minister. Echo Entertainment may refuse to register any transfer of shares which would contravene these shareholding restrictions or require divestiture of the shares that cause an individual to exceed the shareholding restrictions.

In July 2012, written consent was granted by the New South Wales Independent Liquor and Gaming Authority and the relevant Queensland Minister for Perpetual Investment Management Limited to increase its shareholding in Echo Entertainment from 10% up to a maximum of 15% of issued shares.

In May 2013, written consent was granted by the New South Wales Independent Liquor and Gaming Authority and the relevant Queensland Minister for Crown Resorts Limited to increase its potential voting power in Echo Entertainment from 10% up to an effective maximum of 23% (which may be adjusted in certain circumstances).

The application made by the Genting group of companies on 27 June 2012 for approval to acquire more than 10% voting power in Echo Entertainment is still pending approval by the casino regulators (as at 1 September 2014).

VOTING RIGHTS

All ordinary shares issued by Echo Entertainment Group Limited carry one vote per share. Performance options and performance rights do not carry any voting rights.

Gambling legislation in New South Wales and Queensland and Echo Entertainment's Constitution contain provisions regulating the exercise of voting rights by persons with prohibited shareholding interests, as well as the regulation of shareholding interests.

The relevant Minister has the power to request information to determine whether a person has a prohibited shareholding interest. If a person fails to furnish these details within the time specified or, in the opinion of the Minister, the information is false or misleading, then the Minister can declare the voting rights of those shares suspended.

Failure to comply with gambling legislation in New South Wales and Queensland or Echo Entertainment's Constitution, including the shareholder restrictions mentioned above, may result in suspension of voting rights.

SUBSTANTIAL SHAREHOLDERS

The following is a summary of the current substantial shareholders pursuant to notices lodged with ASX in accordance with section 671B of the *Corporations Act 2001*:

NAME	DATE OF INTEREST	NUMBER OF ORDINARY SHARES[1]	% OF ISSUED CAPITAL[2]
Genting Hong Kong Limited and its associates	14 June 2013	54,486,760	6.60%
The Goldman Sachs Group Inc., Goldman Sachs Holdings ANZ Pty Limited and their associated subsidiaries	16 April 2014	53,930,407	6.53%
Perpetual Limited and its subsidiaries (including Perpetual Investment Management Limited)	7 August 2014	87,085,457	10.55%
Commonwealth Bank of Australia and its related bodies corporate	13 August 2014	78,113,342	9.46%
National Australia Bank Limited and its associated entities	27 August 2014	49,049,528	5.941%

1. As disclosed in the last notice lodged with the ASX by the substantial shareholder.
2. The percentage set out in the notice lodged with the ASX is based on the total issued share capital of Echo Entertainment Group Limited at the date of interest.

SHAREHOLDER INFORMATION
AS AT 1 SEPTEMBER 2014

LESS THAN MARKETABLE PARCELS

There were 36,858 shareholders holding less than a marketable parcel of 159 ordinary shares (valued at $500 or less, based on a market price of $3.16 at the close of trading on 1 September 2014) and they hold a total of 3,230,505 ordinary shares.

TWENTY LARGEST REGISTERED SHAREHOLDERS – ORDINARY SHARES*

RANK	NAME	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1.	J P MORGAN NOMINEES AUSTRALIA LIMITED	144,640,483	17.52
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	115,617,801	14.00
3.	NATIONAL NOMINEES LIMITED	107,307,284	13.00
4.	CITICORP NOMINEES PTY LIMITED	82,806,126	10.03
5.	QUINAMBO NOMINEES PTY LIMITED	70,400,000	8.53
6.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	38,344,763	4.64
7.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PI POOLED A/C>	34,172,205	4.14
8.	BNP PARIBAS NOMS PTY LTD <DRP>	16,896,945	2.05
9.	NATIONAL NOMINEES LIMITED <DB A/C>	16,108,054	1.95
10.	UBS NOMINEES PTY LTD	11,621,207	1.41
11.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <GSAM A/C>	8,381,783	1.02
12.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PIIC A/C>	6,008,382	0.73
13.	AMP LIFE LIMITED	5,958,891	0.72
14.	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	5,720,214	0.69
15.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	4,772,367	0.58
16.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MBA A/C>	4,463,485	0.54
17.	NATIONAL NOMINEES LIMITED <N A/C>	3,351,000	0.41
18.	QIC LIMITED	2,796,407	0.34
19.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	2,580,267	0.31
20.	ARGO INVESTMENTS LIMITED	1,925,025	0.23
	Total of top 20 registered shareholders	**683,872,689**	**82.84**

* on a grouped basis

DISTRIBUTION OF SECURITIES HELD

	ORDINARY SHARES		PERFORMANCE RIGHTS[1]	
RANGE OF HOLDING	NO. OF HOLDERS	NO. OF SECURITIES	NO. OF HOLDERS	NO. OF SECURITIES
1 to 1,000	77,304	23,363,285	0	0
1,001 to 5,000	25,529	52,975,936	2	4,354
5,001 to 10,000	2,802	19,436,504	3	19,388
10,001 to 100,000	1,338	27,758,998	9	283,204
100,001 and Over	74	702,138,007	6	1,371,622
Total	**107,047**	**825,672,730**	**20**	**1,678,568**

1. Performance Rights were issued pursuant to Echo Entertainment's Long Term Performance Plan. Refer to the Remuneration Report for more information about Echo Entertainment's Long Term Performance Plan.

VOLUNTARY ESCROW

There are no securities under voluntary escrow.

SHARE BUY-BACKS

There is no current or planned buy-back of Echo Entertainment's shares.

ANNUAL REPORT

This Annual Report is available on-line from Echo Entertainment's website **www.echoentertainment.com.au**. Annual Reports will only be sent to those shareholders who have requested to receive a copy. Shareholders who no longer wish to receive a hard copy of the Annual Report or wish to receive the Annual Report electronically are encouraged to contact the share registry. This will assist with reducing the costs of production of the hard copy of the Annual Report.

ECHO WEBSITE

Echo Entertainment's website **www.echoentertainment.com.au** offers investors a wide range of information regarding its activities and performance, including Annual Reports, interim and full year financial results, webcasts of results and Annual General Meeting presentations, major news releases and other company statements.

SHAREHOLDER ENQUIRIES

Investors seeking information about their Echo Entertainment shares should contact Echo Entertainment's share registry. Investors should have their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) available to assist the share registry in responding to their enquiries.

SHAREHOLDER RELATIONS

Investors seeking more information about the Company are invited to contact Echo Entertainment's Shareholder Relations Team:

Address:	GPO Box 13348 George Street Post Shop Brisbane QLD 4003
Telephone:	+61 7 3228 0000
Facsimile:	+61 7 3228 0099
Email:	investor@echoent.com.au

SHARE REGISTRY

LINK MARKET SERVICES LIMITED

Address:	Level 12, 680 George Street Sydney NSW 2000
Postal address:	Echo Entertainment Group Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
Telephone:	+61 1300 880 923 (toll free within Australia)
Facsimile:	+61 2 9287 0303
E-mail:	echoentertainment@linkmarketservices.com.au
Website:	**www.linkmarketservices.com.au**

GENERAL ENQUIRIES

Investor information is available on Echo Entertainment's website **www.echoentertainment.com.au**, including major announcements, Annual Reports, and general company information.

COMPANY DIRECTORY

Registered Office

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Telephone: + 61 7 3228 0000
Facsimile: + 61 7 3228 0099
Email: investor@echoent.com.au

Website

www.echoentertainment.com.au

New South Wales Office

80 Pyrmont Street
Pyrmont NSW 2009
Telephone: + 61 2 9777 9000

Queensland Office

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Brisbane QLD 4000
Telephone: + 61 7 3228 0000

Stock Exchange Listing

Echo Entertainment's securities are quoted on the Australian Securities Exchange (ASX) under the share code "EGP".

The Star

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Telephone: + 61 2 9777 9000
www.star.com.au

Jupiters Hotel & Casino Gold Coast

Broadbeach Island
Gold Coast QLD 4218
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Telephone: + 61 7 5592 8100
www.jupitersgoldcoast.com.au

Treasury Casino & Hotel Brisbane

George Street
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Telephone: + 61 7 3306 8888
www.treasurybrisbane.com.au

Jupiters Townsville Hotel and Casino

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AUDITOR

Ernst & Young

ABOUT THIS ANNUAL REPORT

Currency

References to currency in this Annual Report are in Australian Dollars unless otherwise stated.

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Investment warning

This Annual Report may include forward looking statements and references which, by their very nature, involve inherent risks and uncertainties. These risks and uncertainties may be matters beyond Echo Entertainment's control and could cause actual results to vary (including materially) from those predicted.

Forward looking statements are not guarantees of future performance. Past performance of shares is not indicative of future performance and should not be relied upon as such. The value of investments and any income from them is not guaranteed and can fall as well as rise. Echo Entertainment recommends that investors make their own assessments and seek independent professional advice before making investment decisions.

Privacy

Echo Entertainment respects the privacy of its stakeholders. Echo Entertainment's Privacy Policy Statement is available on Echo Entertainment's website at **www.echoentertainment.com.au**.