ECHO

ASX ANNOUNCEMENT

4 February 2015

HALF YEAR RESULTS ANNOUNCEMENT AND ACCOUNTS

Echo Entertainment Group Limited (***Echo***) provides the following documents in accordance with ASX Listing Rule 4.2A:

1. Media Release; and
2. Directors' Report and Financial Report for the half-year ended 31 December 2014.

Interim Dividend

The Directors have declared an interim dividend of 5 cents per share, fully franked at the company tax rate of 30%, to be paid on 11 March 2015.

The Record Date for the purpose of entitlement to the interim dividend will be 11 February 2015.

Dividend Reinvestment Plan

Echo's Dividend Reinvestment Plan (***DRP***) will operate for the interim dividend. There will be no discount and no underwriting applicable to the DRP. The price at which shares will be issued under the DRP for the interim dividend is the daily volume weighted average market price of Echo shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of ten business days beginning on the fourth business day after the Record Date.

Shareholders who may participate in the DRP are those with a registered address in Australia or New Zealand. To participate in the DRP for the interim dividend, DRP elections must be received by Echo's share registry (Link Market Services Limited) by the end of the business day following the Record Date (12 February 2015).

Information regarding the DRP can be found on Echo's website at **www.echoentertainment.com.au**.

Paula Martin
Group General Counsel & Company Secretary

ECHO
MEDIA RELEASE

04 February 2015

Echo Entertainment Group Limited (ASX: EGP) today announced its half year results for the period ended 31 December 2014[1]. Key highlights include:

- Statutory NPAT of $97.1 million, up 110.6% on the prior comparable period (pcp)
- Normalised[2] NPAT before significant items[3] of $112.6 million, up 77.7% on the pcp
- Reported EBITDA of $239.6 million, up 22.0% on the pcp
- Normalised EBITDA of $261.4 million, up 31.5% on the pcp driven by:
  - Normalised gross revenue of $1,160 million up 28.3% on the pcp
  - Domestic gross revenues of $824.4 million up 12.5% on the pcp
  - Normalised International VIP Rebate business gross revenue up 96.7% to $332.2 million with turnover of $23,212 million up 97.2% on the pcp
  - Operating expenses[4] of $455.6 million up 7.1% on the pcp, as a result of domestic and International VIP Rebate business volumes
- Interim dividend of 5 cents per share fully franked, up 25.0% on the pcp
- Strong credit risk management and collections performance, past due not impaired receivables[5] of $21.4 million, down 47.7% on prior period despite significant growth in the International VIP Rebate business
- Jupiters Townsville divestment completed for $70 million, one-off profit on sale of $8 million[6]
- Submitted detailed proposal for the Queen's Wharf Brisbane Project on 28 October 2014 along with partners in the Destination Brisbane Consortium (DBC).

Echo Entertainment Group Managing Director and CEO Matt Bekier said: "The business continued to build on the solid momentum established in the second half of FY2014, and delivered strong growth across both the domestic and International VIP Rebate businesses. It is pleasing we were able to finish the half year ahead of the guidance provided at the AGM of normalised EBITDA in the range of $245 million - $260 million.

The performance of The Star is predominantly responsible for the improvement in the group's earnings, with the $870 million refurbishment of the property that was completed at the end of 2011 now delivering on the Board's and management's expectations. The 12 month trailing EBITDA for

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[1] This media release should be read in conjunction with Echo Entertainment Group Limited's Half Year 2015 Results Presentation and Directors' Report and Financial Report for the half year ended 31 December 2014.

[2] 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 1.43% of actual turnover. FY2014 normalised results have been restated to a win rate of 1.43% on actual turnover to reflect a consistent win rate between periods.

[3] Significant items ($1.0 million) relate to the gain on the sale of Jupiters Townsville (a pre-tax gain of $8.0 million) and costs incurred in connection with the Queen's Wharf Brisbane competitive bid process ($9.0 million).

[4] Operating expenses exclude gaming taxes, levies and commissions and significant items.

[5] Reflects level of International VIP Rebate business receivables after provisioning and excluding unpresented cheques (returned cheques only) and credit not yet due.

[6] Jupiters Townsville sale was completed on 1 October 2014. 1H FY2015 earnings include Jupiters Townsville for 1 July 2014 to 30 September 2014 with pcp including a full six months of Jupiters Townsville earnings.

The Star is now in line with the target of $340 million normalised EBITDA set at the start of the redevelopment in 2009."

"The company has made progress on its priorities over the course of 1H FY2015. The Jupiters Gold Coast redevelopment is underway, with a new resort pool and restaurants completed in the period and all other development projects progressing to plan."

Chairman, John O'Neill AO, said "We have declared an interim dividend of 5 cents per share, up 25% on the prior period. On the company's strategic priority for Brisbane, in 1H FY2015 we submitted a compelling proposal for the Queen's Wharf Brisbane project with our partners as the Destination Brisbane Consortium and we remain committed to this project and excited about the opportunity presented through the Queen's Wharf site in Brisbane."

Performance overview

The drivers behind Echo Entertainment Group's results are the strong performance in the domestic business, increased volumes in the International VIP rebate business and solid expense containment. Particularly pleasing was the performance of the domestic business at The Star, where the expanded facilities continue to gain traction, with customers continuing to respond to the diverse product offering, new marketing initiatives and the rewards of the loyalty program.

Statutory revenue of $1,088 million was up 25.3% on the pcp.

Normalised gross revenues grew across the half year from $904 million in 1H FY2014 to $1,160 million in 1H FY2015 (up 28.3%). Revenue growth was driven by a combination of improved marketing, loyalty and sales, improved product offering and stronger macro-economic conditions in each of our markets.

Operating expenses of $455.6 million were up 7.1% on the pcp, due to the increased volumes experienced across the business. Significant items ($1.0 million) relate to the gain on the sale of Jupiters Townsville (a pre-tax gain of $8.0 million), offset by costs incurred in connection with the Queen's Wharf Brisbane competitive bid process ($9.0 million).

Depreciation and Amortisation expense of $78.0 million was up 7.7% reflecting the continuing capital investment in the group. Interest expense of $26.3 million was down 54.9% on the pcp as a result of lower overall net debt and the impact of the interest rate swap restructure conducted in December 2013.

Normalised EBITDA (excluding significant items) of $261.4 million was up 31.5% on the pcp, marginally higher than the guidance provided on 30 October 2014. EBITDA margin of 22.5% is up from 22.0% in the pcp with solid expense management offset by higher average gaming taxes, particularly at The Star, and a larger contribution from the lower margin International VIP Rebate business.

Normalised NPAT, excluding significant items, was $112.6 million, up 77.7% on the pcp.

Statutory NPAT was $97.1 million, up 110.6% on the pcp.

Statutory Earnings Per Share were 11.8 cents, up 110.7% on the pcp. An interim dividend per share of 5 cents fully franked was declared, up 25.0% on the pcp and reflecting a payout ratio of 42.5% of statutory NPAT.

Net debt was $505.4[7] million (30 June 2014 $634.7 million) with $410 million in undrawn facilities and an average drawn debt maturity of 4 years. Operating cash flow before interest and tax was $264.4 million (1H FY2014 $139.0 million) with 110.0% of EBITDA to cash conversion.

All segments contributed positively to the performance of Echo:

The Star

Normalised EBITDA was $183.3 million, up 37.7% (actual $160.8 million, up 19.5%) on the pcp. Normalised EBIT was $136.3 million, up 54.0% (actual $113.8 million, up 26.4%) on the pcp.

Overall revenue performance at The Star was strong with normalised gross revenue of $820.2 million up 38.8% on the pcp (actual $795.2 million, up 34.3%). Domestic gross gaming revenue was up 18.1% on the pcp with strong growth across both tables and slots. Non-gaming cash revenue was down on the prior period (down 2.2%) mainly as a result of the Absolute Rewards loyalty program and increased utilisation of complimentary rewards redemptions. Gaming taxes, levies, rebates and commissions of $353.7 million were up 69.8% on the pcp driven by increased volumes across the domestic and International VIP rebate gaming businesses as well as a higher average gaming tax rate at The Star. As a result of the strong gaming revenue performance The Star's average non-rebate gaming tax was 29.9%, up from 28.5% in the pcp, with a top marginal tax rate of 44.5%, up from 29.5% in the pcp. Operating expenditure of $280.7 million (up 12.5% on the pcp) reflects the increased activity across the business. EBITDA margin was broadly flat on pcp with solid operating expense management offset by the higher average gaming taxes and a larger contribution from the lower margin International VIP Rebate business.

Pleasingly, The Star is now performing in-line with the $340 million normalised EBITDA target set prior to the $870 million redevelopment. Master planning of The Star property to help underpin its next phase of growth is now underway.

Queensland casinos

Normalised EBITDA was $78.1 million, up 19.1% on the pcp (actual $79.7 million, up 29.0%). Normalised EBIT was $47.1 million, up 24.6% on the pcp (actual $47.8 million including significant items, up 40.4%).

Revenue performance for the Queensland business was solid with normalised gross revenue for the Queensland properties up 8.6% to $340.1 million (actual $341.9 million, up 10.6%) on the pcp.

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[7] Net debt is shown as interest bearing liabilities less cash and cash equivalents less net position of derivative financial instruments. Derivative financial instruments reflect the position of currency swaps entered into for the USPP debt and interest rate hedges.

The domestic gaming business saw growth across all main segments with combined growth of 15.2% on the pcp. Non-gaming revenue was impacted by increased utilisation of complimentary rewards redemptions, the sale of Jupiters Townsville, as well as disruption to both food and beverage and hotel revenues as the redevelopment of Jupiters Gold Coast progresses. Taxes, levies, rebates and commissions were up 22.3% on the pcp as a result of increased gaming volumes across the properties. Operating expenditure across the Queensland properties of $174.9 million was down 0.5% on the pcp. Normalised EBITDA margin expanded to 23.0%, up from 20.9% in the prior period as a result of a combination of strong revenue growth, particularly in electronic gaming, and strong expense management and the sale of Jupiters Townsville.

International VIP Rebate business

The results of the International VIP Rebate business are embedded in the segment results above. Normalised gross revenue of $332.2 million was up 96.7% (actual $309.1 million, up 86.1%) on the pcp. International VIP Rebate business customer front money was up 119.4% on the pcp to $2,022 million, the highest half year performance on record for the business. International VIP Rebate business turnover of $23,212 million was up 97.2% versus pcp, also a half year record. International VIP Rebate business actual win rate of 1.33% was below the pcp (1H FY2014 1.41%). Gross trade receivables (before provisions) of $119.0 million were up 25.5% from $94.8 million at 30 June 2014 reflecting the growth in volume experienced in the International VIP Rebate business. Net receivables past due not impaired were $21.4 million at 31 December 2014, down from $40.9 million at 30 June 2014, despite a significant expansion in the business. This reflects a strong performance on credit risk management and collections as well as a conservative policy on provisioning for bad and doubtful debts.

Trading update and outlook for 2H FY2015

Domestic gaming revenues have continued to be solid in the early part of 2H FY2015, with volumes consistent with those experienced in 1H FY2015. The timing of Chinese New Year makes comparison of 2H FY2015 YTD revenues with the prior period difficult. The International VIP Rebate business has generated volumes in-line with the company's expectations for January.

Managing Director and Chief Executive Officer, Matt Bekier said: "The momentum built in 1H FY2015 continues to flow through to the start of 2H FY2015. The domestic gaming business is performing well on the back of continued investment in product and marketing initiatives.

Our priorities for this financial year remain unchanged. First, we want to continue to grow earnings across the Group through a focus on operations. Second, we need to deliver on the initial stages of the capital program to substantially expand and redevelop the Jupiters Gold Coast property. And third, we seek to work with the Queensland Government and our consortium partners on advancing our proposal for the development of Queen's Wharf Brisbane."

The full 2015 financial year result may be impacted by a number of factors (which may be material in nature) including general macro-economic conditions, potential hold and win rate volatility in the private gaming room and International VIP Rebate business, level of debt or provisions, success of the company's marketing programs and any uncertainty related to the regulatory environment.

For more information:

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Harry Theodore, Head of Strategy, Investor Relations and Group Reporting, 02 9657 8040

Media: Peter Brookes, Citadel, 02 9290 3033

Echo Entertainment Group full year results to 31 December 2014

Statutory	
Statutory revenue	$1,087.6 million, up 25.3%
EBITDA	$239.6 million, up 22.0%
EBIT	$161.6 million, up 30.3%
NPAT	$97.1 million, up 110.6%
Earnings Per Share	11.8 cents, up 110.7%
Normalised (Underlying)	
Gross Revenue	$1,160.2 million, up 28.3%
- The Star	$820.2 million, up 38.8%
- Queensland	$340.1 million, up 8.6%
EBITDA	$261.4 million, up 31.5%
- The Star	$183.3 million, up 37.7%
- Queensland	$78.1 million, up 19.1%
EBIT	$183.4 million, up 45.2%
- The Star	$136.3 million, up 54.0%
- Queensland	$47.1 million, up 24.6%
NPAT	$112.6 million, up 77.7%
Dividend per share	
Interim dividend per share (fully franked)	5.0 cents
Balance sheet	
Gross Debt	$797.0 million
Net Debt[7]	$505.4 million
Net Debt/EBITDA (actual)	1.2x (based on 12 month trailing EBITDA)

Echo Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: EGP

and its controlled entities

Directors' report and financial report

for the half year ended 31 December 2014

Contents

For the half year ended 31 December 2014

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 half year ended 31 December 2014.

1. Principal activities

The principal activities of the Group during the half 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 half year ended 31 December 2014 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	Chairman and Non-Executive Director
Matt Bekier	Managing Director and Chief Executive Officer
Gerard Bradley	Non-Executive Director
Katie Lahey AM	Non-Executive Director
Richard Sheppard	Non-Executive Director
Sally Pitkin (i)	Non-Executive Director
Gregory Hayes (ii)	Proposed Non-Executive Director subject to the receipt of all necessary regulatory approvals
Anne Brennan (iii)	Deputy Chairman and Non-Executive Director

(i) On 31 July 2014, the Company announced the proposed appointment of Sally Pitkin as a Non-Executive Director subject to regulatory approvals being obtained. Sally Pitkin commenced as a Non-Executive Director on 19 December 2014 after all necessary regulatory approvals were obtained.

(ii) On 19 November 2014, the Company announced the proposed appointment of Gregory Hayes as a Non-Executive Director, subject to regulatory approvals being obtained.

(iii) Ceased as Deputy Chairman and Non-Executive Director on 31 October 2014 following the 2014 Annual General Meeting.

3. Financial results and review of operations

Net profit after tax of the Group for the half year ended 31 December 2014 was $97.1 million, 110.6% above the previous corresponding period (***pcp***). The drivers behind the results are a combination of strong performance in the domestic business, as well as significantly increased volumes in the International VIP Rebate business for the period.

Revenue was $1,087.6 million, up 25.3% on the pcp, with the majority of the revenue growth generated in the domestic gaming businesses. Domestic gross revenue was up 12.5% on the pcp, driven by growth across electronic gaming and table games. International VIP Rebate actual gross revenue of $309.1 million was up 86.1% (normalised gross revenue of $332.2 million was up 96.7%), driven by increased volumes over the period.

Profit before net finance costs and income tax expense (EBIT) was $161.6 million, up 30.3% on the pcp.

The Group comprises the following three operating segments:

- The Star (Sydney);
- Jupiters (Gold Coast); and
- Treasury (Brisbane).

The activities and results for these operations are discussed below.

3.1. The Star, Sydney

Gross revenue was $795.2 million, up 34.3% on the pcp and EBIT was $113.8 million, up 26.4% on the pcp.

Overall revenue performance at The Star was strong. Domestic gross gaming revenue was up 18.1% on the pcp with strong growth across both electronic gaming and table games. Non-gaming cash revenue was down 2.2% on the pcp, attributed to the traction of the Absolute Rewards program and increased utilisation of complimentary rewards redemptions. Gaming taxes, levies, rebates and commissions were up 69.8% on the pcp as a result of increased volumes across the domestic and the International VIP Rebate business driving an increase in the marginal tax rate and junket commissions respectively. Operating expenditure of $280.7 million was up 12.5% on the pcp due to increased activity across the business.

NSW licences
The Star's casino licence continues until 2093 and includes exclusivity arrangements with the New South Wales Government that support the operation of a single casino in New South Wales until November 2019. On 8 July 2014 the Independent Liquor and Gaming Authority (***ILGA***) issued a restricted gaming licence to Crown to operate a restricted gaming facility at Barangaroo South (Crown Sydney Hotel Resort) from November 2019 onwards.

The Group is committed to maximising its return on assets and its competitive position both in the short and long term.

3.2. Queensland

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

Jupiters gross revenue was $178.1 million up 4.1% on the pcp and EBIT was $17.9 million up 18.5% on the pcp (excluding Jupiters Townsville, EBIT was $15.9 million, 31.4% above restated pcp).

Treasury's gross revenue was $163.8 million up 18.8% on the pcp and EBIT was $30.9 million up 63.5% on the pcp.

The Queensland properties' result was driven by an increase in revenues from electronic gaming and table games. The impact of the loyalty program and marketing initiatives, as well as operational changes introduced in the second half of the previous financial year following regulatory changes, were drivers behind this growth. Non-gaming revenue was lower due to increased utilisation of complimentary rewards redemptions as well as disruption to both food and beverage and hotel revenues as the redevelopment of Jupiters Gold Coast progresses. Gaming taxes, levies, rebates and commissions were up 22.3% on the pcp as a result of increased gaming volumes across the properties. Operating expenditure of $174.9 million was down 0.5% on the pcp (excluding Jupiters Townsville, operating expenditure was 6.0% up on the pcp, driven by activity).

The Group also operated Jupiters Townsville and had an interest in and managed the Townsville Entertainment and Convention Centre until the completion of the sale of Jupiters Townsville to Colonial Leisure Group on 1 October 2014 (as announced to the Australian Securities Exchange on the same date).

Queensland licences
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.

3.3. International VIP Rebate business

The results of the International VIP Rebate business are embedded in the segment results above. Normalised gross revenue of $332.2 million was up 96.7% (actual $309.1 million, up 86.1%) on the pcp. International VIP Rebate customer front money was up 119.4% on the pcp to $2,022.0 million. The actual win rate of 1.33% was below the pcp of 1.41%. Despite record volumes in the International VIP Rebate business, receivables were well contained. Net trade receivables excluding unpresented cheques and credit not yet due (returned cheques only) were $21.4 million, down 47.7% compared to 30 June 2014.

3.4. Queen's Wharf Brisbane Development

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 for which additional casino licences may be awarded.

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 partnered with shortlisted participants and pre-eminent Hong Kong-based organisations, 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 the Destination Brisbane Consortium joint venture for the competitive bid process for the Queen's Wharf Brisbane development. Refer to the ASX announcement released on 23 June 2014 for details of the strategic joint venture for Queen's Wharf Brisbane development project.

On 28 October 2014, the Destination Brisbane Consortium submitted its detailed proposal for an Integrated Resort at Queen's Wharf Brisbane, in accordance with the Queensland Government's interactive tender process timetable. A snapshot of Destination Brisbane Consortium's proposed plans was released to the public by the Queensland Government on 22 December 2014.

4. Earnings per share (EPS)

Basic EPS for the period was 11.8 cents (31 December 2013: 5.6 cents), 110.7% above the pcp.

5. Dividends

5.1. Interim Dividend

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

Since the end of the half year ended 31 December 2014, the Directors have declared an interim dividend of 5 cents per ordinary share, fully franked (December 2013: 4 cents). The aggregate amount of the interim dividend expected to be paid on 11 March 2015 out of retained earnings at 31 December 2014, but not recognised as a liability at the end of the half year, is approximately $41.3 million.

5.2. Dividend Reinvestment Plan (DRP)

The Company's DRP is in operation for the interim dividend. The last date for receipt of election notices to enable participation in the interim dividend is 12 February 2015. 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 fourth business day after the Record Date (11 February 2015). Shares allocated under the DRP will rank equally with the Company's existing fully paid ordinary shares.

6. Significant events after the end of the half year

Other than those events that have already been disclosed in this report or elsewhere in the financial report including note 12, there have been no other significant events occurring after 31 December 2014 and up to the date of this report that have materially affected or may materially affect the Group's operations, the results of those operations or the Group's state of affairs.

7. Rounding of amounts

Echo Entertainment Group Limited is a company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. 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.

8. 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 review of the financial report for the half year ended 31 December 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
4 February 2015

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

In relation to our review of the financial report of Echo Entertainment Group Limited for the half-year ended 31 December 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

John Robinson
Partner
4 February 2015

Consolidated statement of comprehensive income

For the half year ended 31 December 2014

	Note	**December 2014 $m**	December 2013 $m
Revenue	3	**1,087.6**	867.8
Other income	5	**10.9**	1.1
Government taxes and levies		**(227.0)**	(180.8)
Commissions and fees		**(164.5)**	(65.2)
Employment costs		**(283.7)**	(260.0)
Depreciation and amortisation		**(78.0)**	(72.4)
Cost of sales		**(40.7)**	(38.8)
Property costs		**(38.6)**	(37.9)
Advertising and promotions		**(36.3)**	(35.4)
Other expenses	5	**(68.1)**	(54.4)
Profit before net finance costs and income tax expense		**161.6**	124.0
Net finance costs	4, 5	**(26.3)**	(58.5)
Profit before income tax		**135.3**	65.5
Income tax expense		**(38.2)**	(19.4)
Net profit after tax		**97.1**	46.1
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		**(1.7)**	17.5
Total comprehensive income for the period		**95.4**	63.6
Earnings per share:			
Basic and diluted earnings per share		**11.8 cents**	5.6 cents
Dividends per share:			
Fully franked interim dividend per share	6	**5 cents**	4 cents

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

Consolidated statement of financial position

As at 31 December 2014

	Note	December 2014 $m	June 2014 $m
ASSETS			
Cash and cash equivalents		**196.6**	144.9
Trade and other receivables		**116.2**	87.1
Inventories		**7.9**	6.5
Income tax receivable		**-**	11.7
Derivative financial instruments	8	**7.9**	2.9
Other assets	9	**96.2**	21.7
Assets classified as held for sale	10	**-**	69.7
Total current assets		**424.8**	344.5
Property, plant and equipment		**1,911.1**	1,911.1
Intangible assets		**1,838.3**	1,845.8
Derivative financial instruments	8	**165.5**	86.7
Other assets	9	**18.2**	30.1
Total non current assets		**3,933.1**	3,873.7
TOTAL ASSETS		**4,357.9**	4,218.2
LIABILITIES			
Trade and other payables		**212.1**	154.7
Interest bearing liabilities		**150.0**	-
Income tax payable		**20.6**	-
Provisions		**54.1**	51.7
Derivative financial instruments	8	**15.1**	14.7
Other liabilities		**26.6**	16.2
Liabilities directly associated with assets as held for sale	10	**-**	8.0
Total current liabilities		**478.5**	245.3
Interest bearing liabilities		**647.0**	803.1
Deferred tax liabilities		**164.7**	177.9
Provisions		**10.2**	8.9
Derivative financial instruments	8	**63.3**	51.4
Total non current liabilities		**885.2**	1,041.3
TOTAL LIABILITIES		**1,363.7**	1,286.6
NET ASSETS		**2,994.2**	2,931.6
EQUITY			
Share capital		**2,580.5**	2,580.5
Retained earnings		**431.4**	367.3
Reserves		**(17.7)**	(16.2)
TOTAL EQUITY		**2,994.2**	2,931.6

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

Consolidated statement of cash flows

For the half year ended 31 December 2014

	Note	**December 2014 $m**	December 2013 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**1,118.4**	851.9
Payments to suppliers, service providers and employees		**(607.9)**	(522.9)
Payment of government levies, gaming taxes and GST		**(246.1)**	(190.0)
Interest received		**1.3**	2.5
Income tax paid		**(18.6)**	(25.8)
Net cash inflow from operating activities		**247.1**	115.7
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(74.5)**	(61.7)
Net cash proceeds on sale of subsidiary	10	**67.5**	-
Increase in other assets	9	**(52.2)**	(9.6)
Net cash (outflow) from investing activities		**(59.2)**	(71.3)
Cash flows from financing activities			
Proceeds from interest bearing liabilities		**40.0**	150.0
Repayment of interest bearing liabilities		**(120.0)**	(250.0)
Repayment of derivative financial instruments		**-**	(22.6)
Dividends paid	6	**(33.0)**	(16.4)
Finance costs		**(27.3)**	(43.9)
Net cash (outflow) from financing activities		**(140.3)**	(182.9)
Net increase / (decrease) in cash and cash equivalents		**47.6**	(138.5)
Cash and cash equivalents at beginning of the financial year		**144.9**	265.5
Net cash and cash equivalents classified as assets held for sale at the beginning of the financial year		**4.1**	-
Cash and cash equivalents at end of the period		**196.6**	127.0

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

Consolidated statement of changes in equity

For the half year ended 31 December 2014

	Note	Ordinary shares $m	Retained earnings $m	Hedging reserve $m	Share based payment reserves $m	Total equity $m
2014						
Balance at 1 July 2014		**2,580.5**	**367.3**	**(18.0)**	**1.8**	**2,931.6**
Profit for the period		**-**	**97.1**	**-**	**-**	**97.1**
Other comprehensive loss		**-**	**-**	**(1.7)**	**-**	**(1.7)**
Total comprehensive income		**-**	**97.1**	**(1.7)**	**-**	**95.4**
Dividends provided for or paid	6	**-**	**(33.0)**	**-**	**-**	**(33.0)**
Employee share based payments		**-**	**-**	**-**	**0.2**	**0.2**
Balance at 31 December 2014		**2,580.5**	**431.4**	**(19.7)**	**2.0**	**2,994.2**
2013						
Balance at 1 July 2013		2,580.5	310.5	(29.5)	1.1	2,862.6
Profit for the period		-	46.1	-	-	46.1
Accumulated losses reclassified to income statement		-	-	17.4	-	17.4
Other comprehensive income		-	-	0.1	-	0.1
Total comprehensive income		-	46.1	17.5	-	63.6
Dividends provided for or paid	6	-	(16.4)	-	-	(16.4)
Employee share based payments		-	-	-	0.5	0.5
Balance at 31 December 2013		2,580.5	340.2	(12.0)	1.6	2,910.3

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 whose shares are publicly traded on the Australian Securities Exchange ('ASX'). The financial report of the Company for the half year ended 31 December 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 half year financial report was authorised for issue on 4 February 2015 in accordance with a resolution of the directors.

2. Significant accounting policies

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

Basis of preparation of half year report
The principal accounting policies adopted in the preparation of this half year financial report are consistent with those applied in the annual financial report for the year ended 30 June 2014, except for new and amended standards which became applicable and are listed below.

The half year financial report has been prepared in accordance with the Australian Accounting Standard AASB 134 Interim financial reporting and the *Corporations Act 2001* .

The half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited annual report for the year ended 30 June 2014, and any public announcements made by the Company during the interim reporting period in accordance with its continuous disclosure obligations under the ASX listing rules.

Changes in accounting policies and disclosures
The Group has adopted the following new and amended accounting standards, which are applicable for the period ended 31 December 2014:

AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
Interpretation 21	Levies
Annual Improvements	Annual Improvements to IFRSs 2010–2012 Cycle
Annual Improvements	Annual Improvements to IFRSs 2011–2013 Cycle
AASB 1031	Materiality
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

The adoption of the above standards did not have any material effect on the financial position or performance of the Group.

	December 2014 $m	December 2013 $m
3. Revenue		
Gross revenue	**1,137.1**	901.3
Player rebates and promotional allowances	**(49.5)**	(33.5)
	1,087.6	867.8
4. Net finance costs		
Finance costs	**(27.6)**	(60.8)
Finance income	**1.3**	2.3
Net finance costs [a]	**(26.3)**	(58.5)

a Net finance costs for the half year ended 31 December 2013 include significant items of $22.2 million (refer to note 5).

5. Significant items

	December 2014 $m	December 2013 $m
Profit before income tax is stated after charging the following significant items:		
Gain on sale of Jupiters Townsville [a]	**(8.0)**	-
Queen's Wharf Brisbane process [b]	**9.0**	-
Finance costs related to debt and derivative restructuring activities [c]	**-**	22.2
Net significant items	**1.0**	22.2

a Other income includes the gain on sale of Jupiters Townsville (refer to note 10).

b Other expenses include costs of $9.0 million relating to the Queen's Wharf Brisbane process, including master planning, architects, civil, financial, legal, consortium set up, communications, bid production and other administration costs.

c Finance costs for the half year ended 31 December 2013 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.

6. Dividends

	December 2014 $m	December 2013 $m
Dividends declared and paid during the half year on ordinary shares:		
Dividend paid during the half year in respect of the year ended 30 June [a]	**33.0**	16.4

a A final dividend of 4 cents per share fully franked for the year ended 30 June 2014 (2013: 2 cents) was declared on 13 August 2014 and paid on 30 September 2014 (2013: declared on 22 August 2013 and paid on 9 October 2013).

	December 2014 $m	December 2013 $m
Dividends declared after the end of the half year:		
Interim dividend declared for the half year ended 31 December [b]	**41.3**	33.0

b Since the end of the half year, the directors have declared an interim dividend of 5 cents per ordinary share (31 December 2013: 4 cents), fully franked. The aggregate amount is expected to be paid on 11 March 2015 out of retained earnings at 31 December 2014, but not recognised as a liability at the end of the year.

7. 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 and the Chief Financial Officer, for decision making regarding resource allocation and performance assessment.

The Group has three reportable segments:

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

Jupiters (Gold Coast) Comprises Jupiters' casino operations (Gold Coast), including hotels, theatre, restaurants and bars and the casino operations in Townsville until 1 October 2014 (refer to note 10).

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

	The Star $m	Jupiters [a] $m	Treasury $m	Total $m
For the half year ended 31 December 2014				
Gross revenues - VIP [b c]	**296.9**	**11.6**	**0.6**	**309.1**
Gross revenues - external [b c]	**498.3**	**166.5**	**163.2**	**828.0**
Segment revenue	**795.2**	**178.1**	**163.8**	**1,137.1**
Segment profit before net finance costs and income tax expense (excluding significant items)	**113.8**	**17.9**	**30.9**	**162.6**
Depreciation and amortisation	**47.0**	**18.6**	**12.4**	**78.0**
Capital expenditure	**25.1**	**44.4**	**5.3**	**74.8**

	The Star $m	Jupiters $m	Treasury $m	Total $m
For the half year ended 31 December 2013				
Gross revenues - VIP [b c]	159.2	6.8	0.1	166.1
Gross revenues - external [b c]	433.1	164.3	137.8	735.2
Segment revenue	592.3	171.1	137.9	901.3
Segment profit before net finance costs and income tax expense (excluding significant items)	90.0	15.1	18.9	124.0
Depreciation and amortisation	44.6	16.0	11.8	72.4
Capital expenditure	27.5	18.4	15.2	61.1

a For the period ended 30 September 2014, the 'Jupiters' segment included the result of Jupiters Townsville operations. The Group sold its Jupiters Townsville complex on 1 October 2014 (refer to note 10).
b Gross revenue is presented as the gross gaming win before player rebates and promotional allowances.
c Segment revenue is presented on an actual basis.

	December 2014 $m	December 2013 $m
Reconciliation of reportable segment profit to profit before income tax		
Segment profit before net finance costs and income tax (excluding significant items)	**162.6**	124.0
Significant items (refer to note 5)	**(1.0)**	(22.2)
Unallocated items:		
- net finance costs (excluding significant items)	**(26.3)**	(36.3)
Profit before income tax	**135.3**	65.5

8. Derivative financial instruments

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.

	December 2014 $m	June 2014 $m
Current assets		
Cross currency swaps	**7.1**	2.7
Forward currency contracts	**0.8**	0.2
	7.9	2.9
Non current assets		
Cross currency swaps	**162.4**	85.7
Forward currency contracts	**3.1**	1.0
	165.5	86.7
Current liabilities		
Interest rate swaps	**15.1**	14.5
Forward currency contracts	**-**	0.2
	15.1	14.7
Non current liabilities		
Interest rate swaps	**63.3**	51.2
Forward currency contracts	**-**	0.2
	63.3	51.4
Net financial assets	**95.0**	**23.5**

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 the Group's derivative financial instruments are valued using the Level 2 valuation techniques, being observable inputs. There have been no transfers between levels during the period.

9. Other assets

	December 2014 $m	June 2014 $m
Current		
Prepayments [a]	**30.4**	17.2
Rental paid in advance	**0.1**	0.3
Other assets [b]	**65.7**	4.2
	96.2	21.7
Non current		
Prepayments	**0.1**	0.1
Rental paid in advance	**10.2**	10.2
Other assets	**7.9**	19.8
	18.2	30.1

Other assets above are shown net of impairment of nil (June 2014: nil).

a Current prepayments include prepaid gaming taxes of $18.9 million (June 2014: $7.6 million).

b Other current assets comprise an amount of $61.8 million (June 2014: other non current assets $9.6 million) relating to the construction in progress of an asset to be sold and leased back by the Group upon completion and within the next 12 months. $52.2 million was paid during the half year ended 31 December 2014 (June 2014: $9.6 million).

10. Completion of the sale of Jupiters Townsville

On 1 October 2014, the Group sold its Jupiters Townsville complex to Colonial Leisure Group ('CLG') for $70.0 million. The transaction was for the sale of all the shares and units in Breakwater Island Limited and Breakwater Island Trust respectively. The net carrying value of the assets and liabilities transferred was $61.8 million. The assets and liabilities classified as held for sale in the consolidated statement of financial position as at 30 June 2014 were $69.7 million and $8.0 million respectively. The gain on sale, net of transaction costs, was $8.0 million and has been recognised within other income in the consolidated statement of comprehensive income and disclosed as a significant item (refer to note 5).

The net cash inflow disclosed in the consolidated statement of cash flows of $67.5 million is the net proceeds on sale and was used to repay debt. The result of the Townsville operations for the three month period ended 30 September 2014 has been included in the 'Jupiters' reportable segment in note 7.

11. Contingent liabilities and commitments

At 31 December 2014 the outstanding commitment in relation to the construction of assets (refer note 9 above) was $7.0 million (USD5.7 million) due within the next 12 months. The Group is also committed to pay $3.6 million in the next 12 months and $5.5 million in the following two to five year period for construction and related costs in connection with the Jupiters Gold Coast redevelopment project.

There have been no other changes to the Group’s contingencies and commitments communicated in its 30 June 2014 financial report.

12. Subsequent events

Since 31 December 2014, the directors have declared a dividend of 5 cents per ordinary share. The total amount of the dividend is approximately $41.3 million. This has not been provided for in the 31 December 2014 financial statements (refer to note 6).

Other than those events disclosed in the Directors' report or elsewhere in these half year 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'):

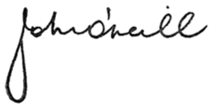
(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001* , including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* ; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



John O'Neill AO
Chairman
Sydney
4 February 2015

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To the members of Echo Entertainment Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Echo Entertainment Group Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Echo Entertainment Group Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Echo Entertainment Group Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

John Robinson
Partner
Sydney
4 February 2015