

ECHO

ASX ANNOUNCEMENT

4 February 2015

HALF YEAR RESULTS PRESENTATION

Attached is the presentation regarding the financial results of Echo Entertainment Group Limited (**Echo**) for the half year ended 31 December 2014, to be presented by Matt Bekier, Managing Director and Chief Executive Officer, and Chad Barton, Chief Financial Officer.

The presentation and a link to an audio webcast of the presentation will be available on Echo's website at www.echoentertainment.com.au from 10:00am (Sydney time) today.

The information contained in this announcement should be read in conjunction with today's announcement of Echo's half year results.

Paula Martin
Group General Counsel & Company Secretary

ECHO ENTERTAINMENT GROUP



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WWW.ECHOENTERTAINMENT.COM.AU

ECHO

HALF YEAR 2015 RESULTS PRESENTATION

04 FEBRUARY 2015

ECHO ENTERTAINMENT GROUP

ECHO ENTERTAINMENT GROUP LIMITED (ASX: EGP)

BASIS OF PREPARATION AND NON-IFRS INFORMATION

- Information in this presentation is provided as at the date of the presentation unless specified otherwise. It should be read in conjunction with Echo Entertainment Group Limited's financial report for the half year ended 31 December 2014 and other disclosures made via the Australian Securities Exchange
- Echo Entertainment Group results are reported under International Financial Reporting Standards (IFRS). This presentation may include certain non-IFRS measures including normalised results, which are used internally by management to assess the performance of the business
- Non-IFRS measures and current trading 2H FY2015 results to date have not been subject to audit or review
- 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% on actual turnover. 1H FY2014 normalised results have been restated to a win rate of 1.43% on actual turnover to reflect a consistent win rate between periods
- Normalised EBIT (Underlying Earnings) and Normalised EBITDA are calculated based on normalised gross revenue and normalised taxes. Significant items are excluded from the normalised results
- Queensland results referred to in this presentation relate to the Jupiters and Treasury segments as reported in the statutory accounts

DISCLAIMER

- This presentation is prepared for information purposes only and does not take into consideration any individual investor's circumstances. Echo Entertainment Group recommends investors make their own assessments and seek independent professional advice before making investment decisions
- This presentation 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 Group'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 information in this presentation is provided for illustration purposes only. It is not indicative of future performance and should not be relied upon as such
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ECHO ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

MATT BEKIER – CEO

2. FINANCIALS

CHAD BARTON – CFO

3. OUTLOOK AND PRIORITIES

MATT BEKIER – CEO

4. Q&A

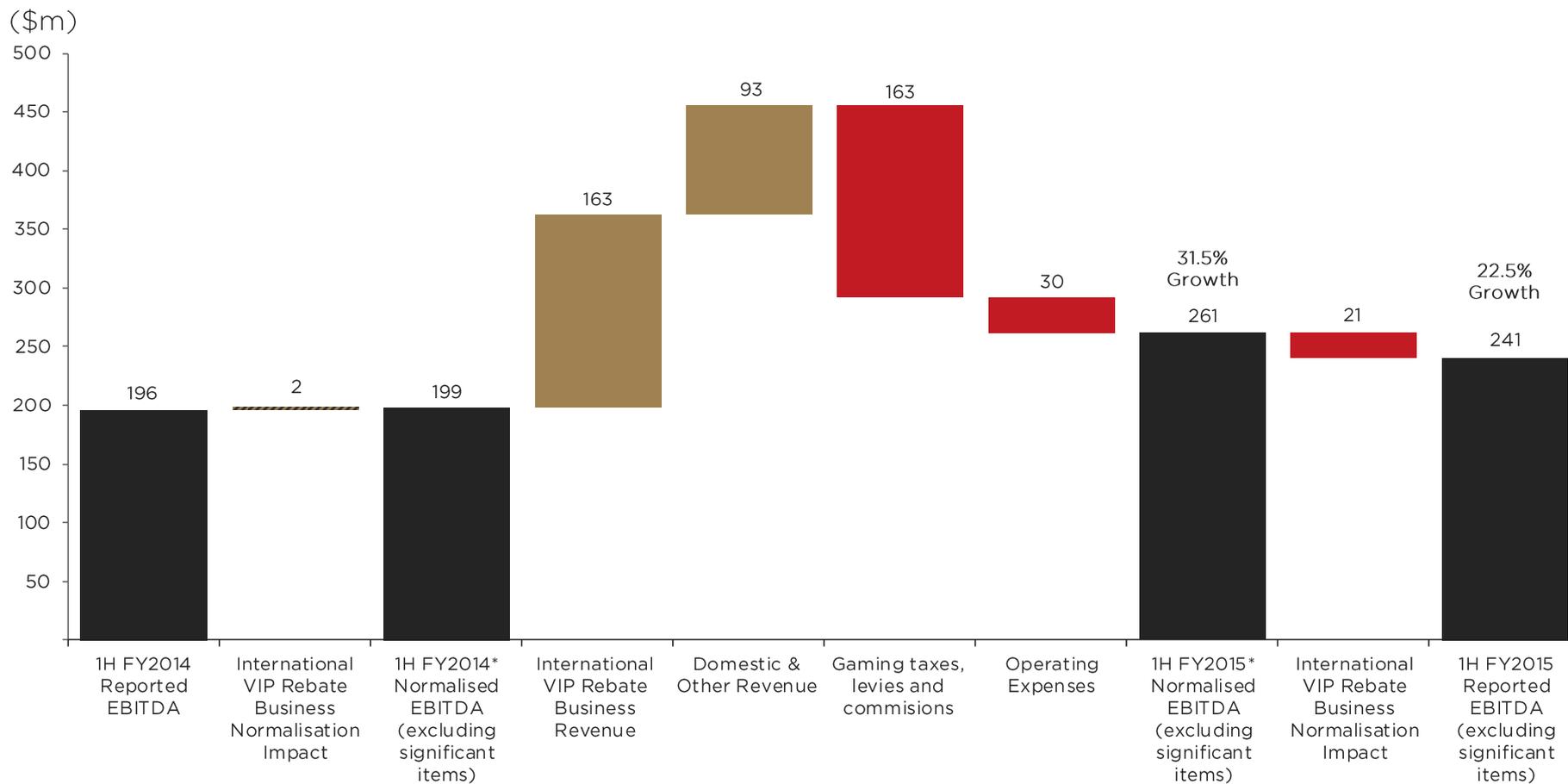
OVERVIEW

HALF YEAR FY2015 RESULTS

- Actual gross revenue for 1H FY2015 of \$1,137m up 26.2% (1H FY2015 normalised gross revenue of \$1,160m up 28.3%) on pcp driven by strong domestic and International VIP Rebate business revenues
 - Tables (MGF and PGR) up 17.7% across the group
 - Slots up 16.3%
 - International VIP Rebate business up 86.1% (normalised up 96.7%)
 - Non-gaming cash revenue down 7.2% (gross revenue including complimentaries up 6.7%)
- Actual EBITDA (excluding significant items) of \$241m up 22.5% and normalised EBITDA of \$261m up 31.5% on pcp. Result ahead of normalised EBITDA guidance of \$245m-\$260m provided in October 2014
- Statutory NPAT of \$97m up 110.6% (Normalised NPAT of \$113m up 77.7%) on pcp reflecting a strong operating performance and lower interest expense as debt has reduced
- Operating cost growth of 7.1% reflects significant increase in activity across the business
- Interim dividend per share of 5 cents fully franked declared, up 25.0% per share on pcp
- The Star normalised 12 month trailing EBITDA in-line with the target of \$340m provided at the start of the redevelopment in 2009
- Jupiters Townsville sale completed on 1 October 2014 for \$70m sale price
- Continued progress on all key strategic priorities during 1H FY2015 – continued solid momentum into 2H FY2015

OVERVIEW

KEY DRIVERS OF HALF YEAR FY2015 RESULTS



* Note: 1H FY2014 and 1H FY2015 results normalised for an International VIP Rebate business win rate of 1.43% on actual turnover

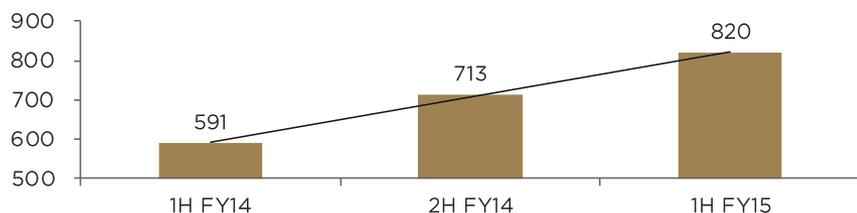
OVERVIEW

KEY DRIVERS – THE STAR SYDNEY

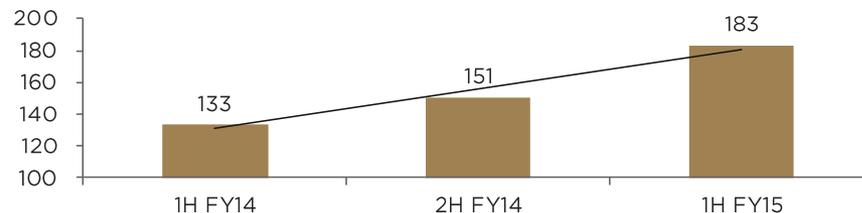
Strong half with normalised gross revenue of \$820m up 38.8% versus pcp (actual gross revenue of \$795m up 34.3% versus pcp). Normalised EBITDA up 37.7% versus pcp (actual EBITDA growth of 19.5% versus pcp):

- MGF and PGR (excluding International VIP Rebate business) up 19.4% versus pcp as a result of increased volume and hold. Volume growth driven by targeted marketing campaigns, increased visitation and unique member activity
- MTGM business continues its strong performance with revenues of \$43m up 23.5% versus pcp
- Slots performance strong throughout the period with revenue of \$142m up 16.3% versus pcp as a result of improved macro conditions, optimised product offering, jackpot strategy and the Absolute Rewards loyalty program
- International VIP Rebate business customer front money of \$1.9bn up 124.1% versus pcp with significant activity levels throughout the period. Good credit risk management and collection performance
- Non-gaming cash revenue reduction (down 2.2% versus pcp) as a result of the traction of the Absolute Rewards loyalty program and increased utilisation of complimentary rewards redemptions (gross revenue up 12.8% versus pcp)
- Operating costs of \$281m up 12.5% for the period versus pcp as a result of increased volumes
- 1H FY2015 average non-rebate gaming tax rate of 29.9% (top marginal tax rate of 44.5%) versus 28.5% in 1H FY2014 (top marginal tax rate of 29.5%) - \$6m EBITDA impact from the increase in tax rate

Normalised Gross Revenue (\$m)



Normalised EBITDA (\$m)



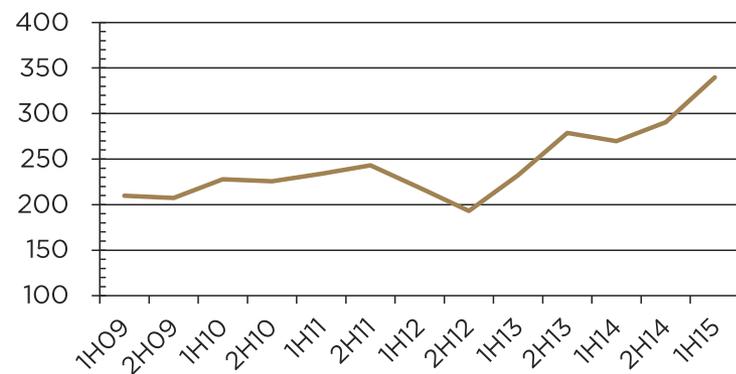
OVERVIEW

THE STAR SYDNEY

- The significant investment in The Star Sydney is continuing to deliver as momentum in both the domestic and International VIP Rebate business continues to flow through
- The reinvestment program at The Star saw the following works undertaken in 1H FY2015 as the property evolves and continues to be refined:
 - Opening of the redeveloped Sovereign slots and dining areas
 - Opening of “Pizzaperta”, The Star’s new open-air piazza-style dining experience
 - Commencement of the redevelopment and expansion of the Level 17 VIP gaming salons
 - Commencement of the Astral Residences apartment refurbishment
- Master planning exercise which will define investment program at The Star Sydney underway

* Note:
 1H FY2014 normalised results have been restated to a win rate of 1.43% on actual turnover to reflect a consistent win rate between periods. Additionally, the results have been adjusted to exclude the ILGA levy imposed in 2014 which was not in place at the time the target was set for the purpose of comparison, all other periods are as reported

The Star Sydney
 Rolling 12 Months Normalised EBITDA (\$m)*



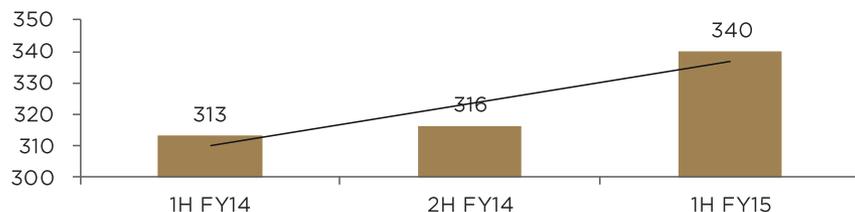
OVERVIEW

KEY DRIVERS – QUEENSLAND

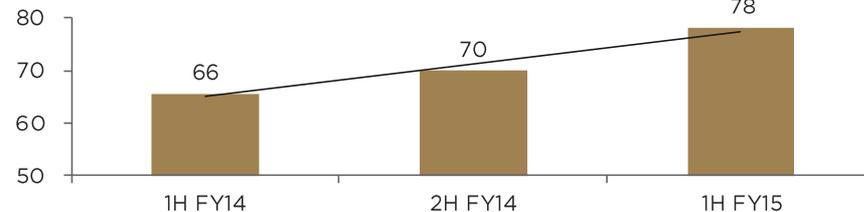
Queensland properties solid with normalised gross revenue of \$340m up 8.6% versus pcp (actual gross revenue of \$342m up 10.6% versus pcp) and normalised EBITDA up 19.1% versus pcp (actual EBITDA growth of 29.0% versus pcp):

- MGF and PGR (excluding International VIP Rebate business) revenues up 13.7% versus pcp as a result of increased visitation and the Absolute Rewards loyalty program
- MTGM business performing well with revenues up 58.4% versus pcp as additional units are rolled-out following MTGM reclassification. Significant long-term growth potential
- Slots with strong revenue up 16.3% versus pcp as Echo leverages the modernisation of the regulatory environment on EGMs in Queensland and impact of the Absolute Rewards loyalty program
- International VIP Rebate business customer front money of \$119m up 64.1% versus pcp albeit on a low base. Development works in the International VIP Rebate business space planned to commence in 2H FY2015 at Jupiters Gold Coast will create greater focus on this segment of the business
- Non-gaming business cash revenue down 13.0% versus pcp as a result of increased utilisation of complimentary rewards redemptions through the Absolute Rewards loyalty program, disruption in non-gaming facilities throughout the period at Jupiters Gold Coast and impact of Jupiters Townsville sale*
- Operating costs tightly managed across the Queensland properties, down 0.5% versus pcp, also due to the sale of Jupiters Townsville*

Normalised Gross Revenue (\$m)



Normalised EBITDA (\$m)



* Note: 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

OVERVIEW

JUPITERS GOLD COAST

The \$345m expansion and refresh of Jupiters Gold Coast to restore the property's competitiveness within the region is well underway

- 1H FY2015 saw the following works undertaken:
 - Opening of redeveloped pool area
 - Opening of the redeveloped Italian restaurant “Cucina Vivo”
 - Opening of the Japanese restaurant “Kiyomi”
 - Commencement of the exterior façade upgrade
- 2H FY2015 is currently scheduled to see the following works commence:
 - Level 21 VIP gaming salons
 - Existing hotel room refurbishments
 - Atrium works
 - Exterior lighting and signage upgrades
 - Resort landscaping, lighting and customer arrival upgrades
 - Initial construction works for the new hotel
 - Further expansion of F&B offerings



OVERVIEW

QUEEN'S WHARF BRISBANE



Submitted detailed proposal for the Queen's Wharf Brisbane Project on the 28th of October 2014 along with partners in the Destination Brisbane Consortium (DBC)

Key features of DBC's plans for the Queen's Wharf precinct include:

- 5 new premium hotel brands, including the world renowned Ritz-Carlton and Rosewood brands
- 50 restaurants and bars
- Dozens of unique attractions
- The spectacular feature Sky Deck
- Infinity resort pool overlooking the Brisbane river and Southbank
- A new Lyric Theatre at QPAC
- Riverfront moonlight cinema
- 12 football fields of public event space
- New Queensland hotel & hospitality school
- One casino with the relocation of the existing casino if successful
- Relocation and expansion of head office functions to Queensland if successful

A summary of DBC's plans can be found at www.destinationbrisbaneconsortium.com.au

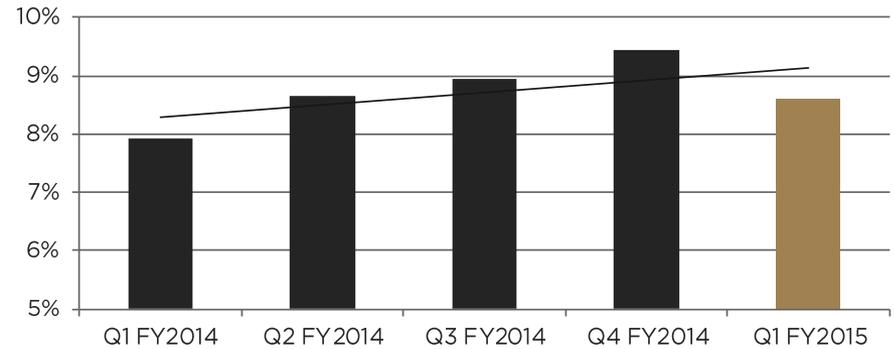


OVERVIEW

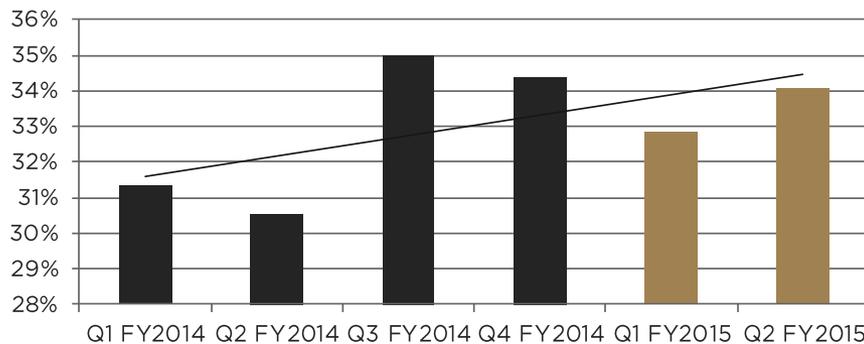
EGM MARKET SHARE

- EGM market share for the 1H FY2015 period has increased versus pcp at all properties
- The Star market share for Q1 FY2015 was 8.6% versus 7.9% in Q1 FY2014 (Q2 FY2015 market data not currently available)
- Queensland market share for 1H FY2015 was 28.7% versus 26.1% in 1H FY2014, with both properties performing ahead of pcp
- Main drivers of market share improvements are the traction of Absolute Rewards loyalty program, jackpots and product strategy, the expanded sales team across the group, as well as leveraging the modernisation of regulatory environment in Queensland

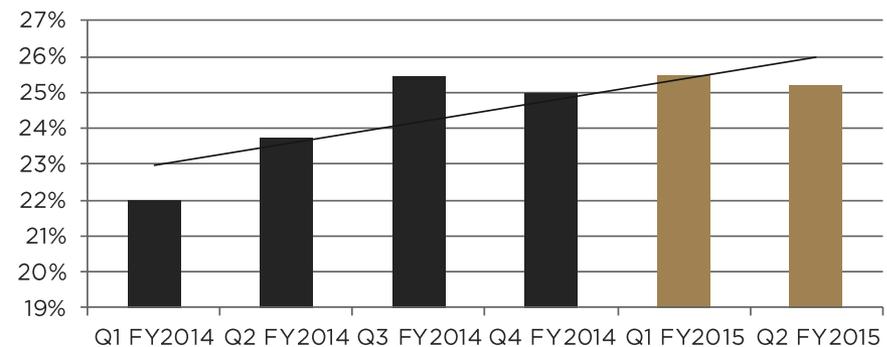
The Star Sydney



Jupiters Gold Coast



Treasury Brisbane



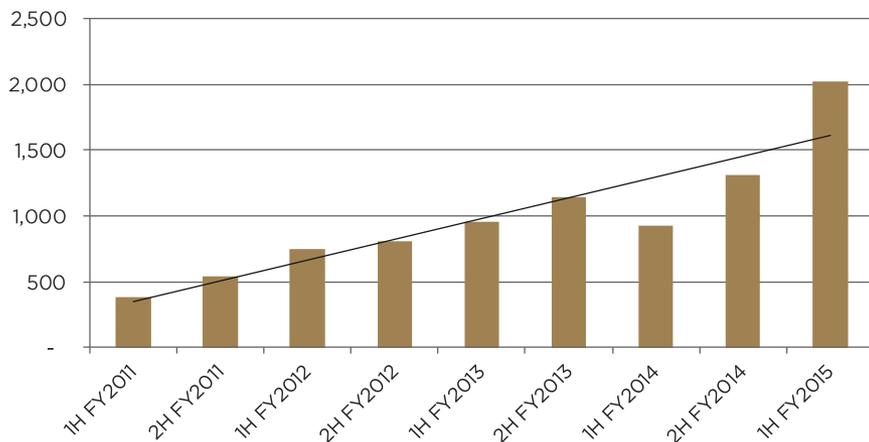
Source: Independent Liquor and Gaming Authority – NSW Government, Office of Liquor and Gaming Regulation – Queensland Government and Echo Entertainment Group data
 Note: Market share data for The Star is inclusive of both slots and MTGMs. Market share data for Queensland properties is inclusive of both slots and MTGMs, however excludes Rapid product

OVERVIEW

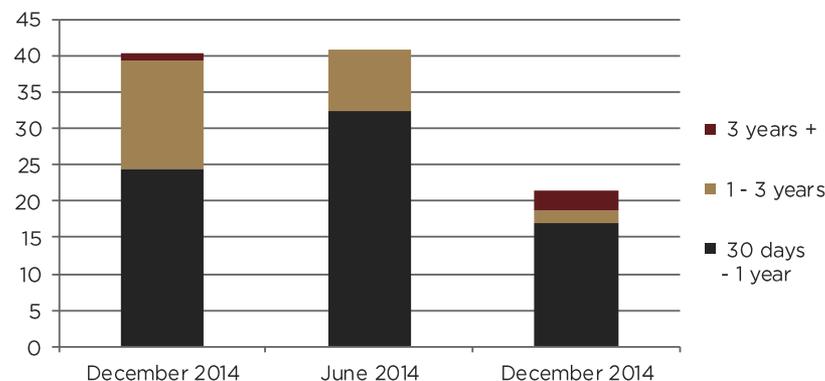
INTERNATIONAL VIP REBATE BUSINESS PERFORMANCE

- Normalised gross revenue of \$332m up 96.7% (actual gross revenue of \$309m up 86.1%) versus pcp
- International VIP Rebate business customer front money of \$2,022m up 119.4% versus pcp, the highest half year performance on record driven predominantly by the junket business
- Junket business represented 84% of actual turnover in 1H FY2015 (66% in 1H FY2014) resulting in average commissions rising to 0.84% of actual turnover (0.80% in 1H FY2014)
- Commissions negatively impacted by high win rate on junket revenue share agreements - \$4m impact in 1H FY2015 versus theoretical win rate
- International VIP Rebate business turnover of \$23.2bn was up 97.2% versus pcp, also the highest half year performance on record
- Actual win rate of 1.33% below prior period of 1.41% and normalised rate of 1.43%
- Receivables past due not impaired of \$21m down from \$41m at 30 June 2014*

International VIP Rebate Business Customer Front Money (\$m)



Net International VIP Rebate Business Receivables (\$m)*



* Note: Net trade receivables based on receivables excluding 0-30 days

OVERVIEW

SOLID PROGRESS – DELIVERING TO PLAN

- Solid, stable leadership in place and strengthened operational capability

- Progress made during 1H FY2015 on all key strategic priorities:
 - Improved operational performance at both The Star and Queensland properties
 - Filled all key roles
 - Executing Jupiters Gold Coast expansion project
 - Participated in the Queen’s Wharf Brisbane competitive bid process – formed The Destination Brisbane Consortium and submitted formal proposal for the development of Queen’s Wharf Brisbane
 - Commenced master planning to define investment program at The Star property
 - Completed the Jupiters Townsville sale

- Business Transformation Program established, spanning brand, guest experience, property master planning, partnerships, and marketing and communications

- Loyalty program “Absolute Rewards” in place and maintaining momentum – further upgrade of program taking place to maximise effectiveness

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FINANCIALS

ECHO GROUP PROFIT AND LOSS

| (\$m) | 1H FY2014 Actual | 1H FY2015 Actual | Growth % |
|--------------------------------------------|---------------------|---------------------|---------------|
| Gross Revenue ¹ | 901.3 | 1,137.1 | 26.2% |
| Variable contribution | 621.7 | 696.2 | 12.0% |
| Operating expenditure | (425.3) | (455.6) | (7.1%) |
| EBITDA (before sig items) | 196.4 | 240.6 | 22.5% |
| Depreciation and amortisation | (72.4) | (78.0) | (7.7%) |
| EBIT (before significant items) | 124.0 | 162.6 | 31.1% |
| Net interest | 58.5 | 26.3 | 54.9% |
| Tax (before sig items) ³ | 19.4 | 38.4 | (97.9%) |
| NPAT (before sig items) | 46.1 | 97.8 | 112.2% |
| Significant Items (after tax) ⁴ | - | (0.7) | |
| Statutory NPAT | 46.1 | 97.1 | 110.6% |
| Earnings Per Share (cents) | 5.6 | 11.8 | 110.7% |
| Total dividend per share (cents) | 4.0 | 5.0 | 25.0% |

| 1H FY2014 Normalised ² | 1H FY2015 Normalised ² | Growth % |
|--------------------------------------|--------------------------------------|--------------|
| 904.1 | 1,160.2 | 28.3% |
| 624.1 | 717.0 | 14.9% |
| (425.3) | (455.6) | (7.1%) |
| 198.7 | 261.4 | 31.5% |
| (72.4) | (78.0) | (7.7%) |
| 126.3 | 183.4 | 45.2% |
| 36.3 | 26.3 | 27.4% |
| 26.7 | 44.4 | (66.4%) |
| 63.4 | 112.6 | 77.7% |

Note:

- Revenue is shown as the net gaming win, but gross of rebates and commissions paid to players and third parties
- 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% on actual turnover. 1H FY2014 normalised results have been restated to a win rate of 1.43% on actual turnover to reflect a consistent win rate between periods
- Tax before significant items is calculated for actual and normalised purposes based on the statutory effective tax rate paid in the period (1H FY2015 28.2%, 1H FY2014 29.6%)
- 1H FY2015 significant items include the gain on the sale of Jupiters Townsville (a pre-tax gain of \$8.0m) and the costs incurred in connection with the Queen's Wharf Brisbane competitive bid process (\$9.0m)

FINANCIALS

BALANCE SHEET AND DIVIDEND

| \$m | June 2014 | December 2014 |
|--------------------------------------------------------------|----------------|----------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 144.9 | 196.6 |
| Trade and other receivables | 87.1 | 116.2 |
| Inventories | 6.5 | 7.9 |
| Income tax receivable | 11.7 | - |
| Derivative financial instruments | 2.9 | 7.9 |
| Other assets | 21.7 | 96.2 |
| Assets classified as held for sale | 69.7 | - |
| Total current assets | 344.5 | 424.8 |
| Non current assets | | |
| Property, plant and equipment | 1,911.1 | 1,911.0 |
| Intangible assets | 1,845.8 | 1,838.3 |
| Derivative financial instruments | 86.7 | 165.5 |
| Other assets | 30.1 | 18.2 |
| Total Non current assets | 3,873.7 | 3,933.0 |
| TOTAL ASSETS | 4,218.2 | 4,357.8 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 154.7 | 212.0 |
| Interest bearing liabilities | - | 150.0 |
| Income tax payable | - | 20.6 |
| Provisions | 51.7 | 54.1 |
| Derivative financial instruments | 14.7 | 15.1 |
| Other liabilities | 16.2 | 26.6 |
| Liabilities directly associated with assets as held for sale | 8.0 | - |
| Total current liabilities | 245.3 | 478.4 |
| Non current liabilities | | |
| Interest bearing liabilities | 803.1 | 647.0 |
| Deferred tax liabilities | 177.9 | 164.7 |
| Provisions | 8.9 | 10.2 |
| Derivative financial instruments | 51.4 | 63.3 |
| Total non current liabilities | 1,041.3 | 885.2 |
| TOTAL LIABILITIES | 1,286.6 | 1,363.6 |
| NET ASSETS | 2,931.6 | 2,994.2 |
| EQUITY | | |
| Share capital | 2,580.5 | 2,580.5 |
| Retained earnings | 367.3 | 431.4 |
| Reserves | (16.2) | (17.7) |
| TOTAL EQUITY | 2,931.6 | 2,994.2 |

- 1H FY2015 net debt of \$505m reduced by \$129m from 30 June 2014*
- Cash conversion of EBITDA 110.0%
- Trade and other receivables of \$116m up from \$87m at 30 June 2014
- Included in trade and other receivables International VIP Rebate business receivables past due not impaired of \$21m down from \$41m in June 2014 – ageing profile improved significantly
- Current liabilities of \$150m reflects working capital facility to be refinanced in 2H FY2015
- Gearing levels conservative with actual trailing net debt to EBITDA of 1.2x
- Derivative asset of \$165m reflects value of currency swaps on USPP debt
- Available debt facilities headroom – undrawn \$410m

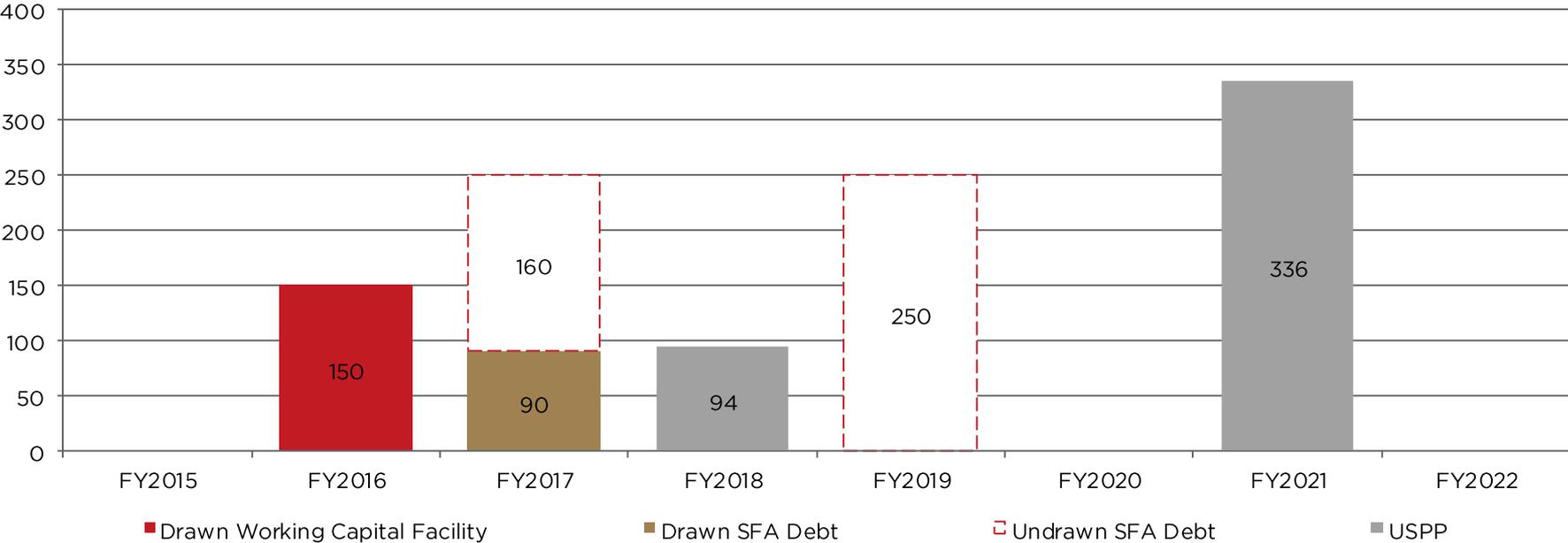
* Net debt shown as interest bearing liabilities less cash and cash equivalents less the net impact of derivatives financial instruments

FINANCIALS

ECHO FUNDING

- 1H FY2015 net debt of \$505m (June 2014 \$635m)*
- Undrawn bank facilities of \$410m and average drawn debt maturity of 4.0 years
- 1H FY2015 statutory net finance costs of \$26m (1H FY2014 statutory net finance costs were \$59m including costs of \$22m associated with the closing out of certain out of the money interest rate swaps and costs relating to restructure of debt facilities)
- FY2015 statutory net finance costs expected to be around \$50m-\$55m on consistent interest rate (prior estimate for FY2015 statutory net finance costs was \$55m-\$60m)

Echo Debt Maturity Profile 31 December 2014 (\$m)



* Net debt shown as interest bearing liabilities less cash and cash equivalents less the net impact of derivatives financial instruments

FINANCIALS

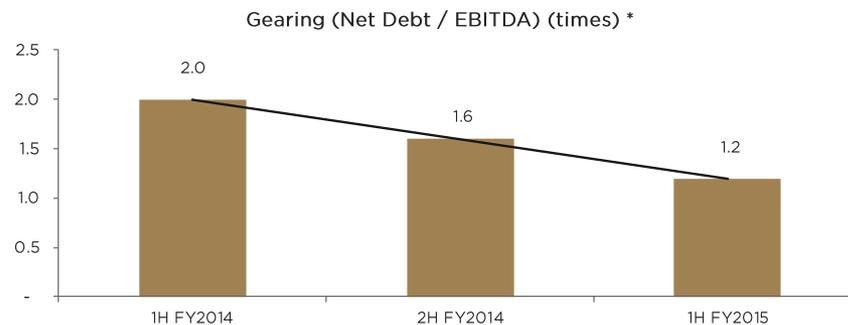
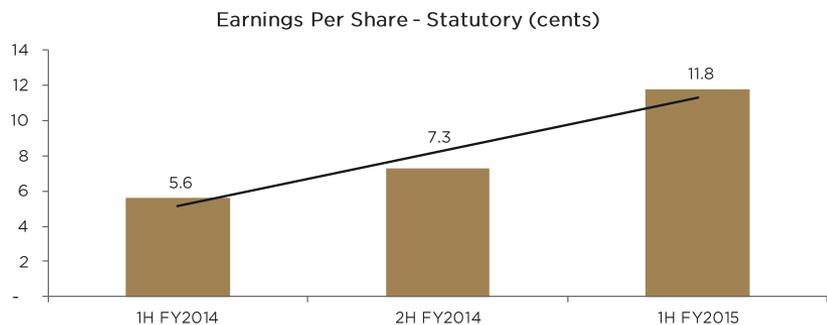
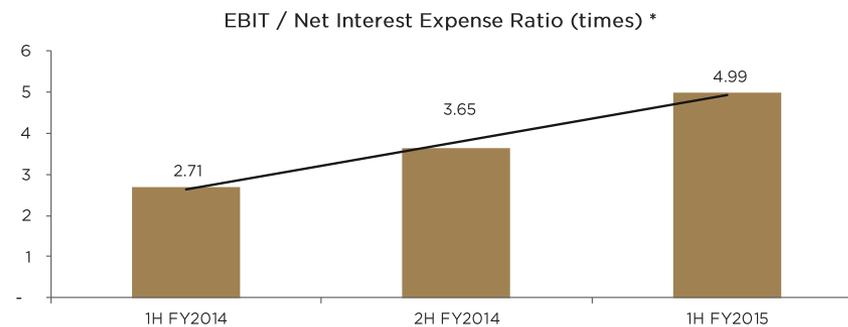
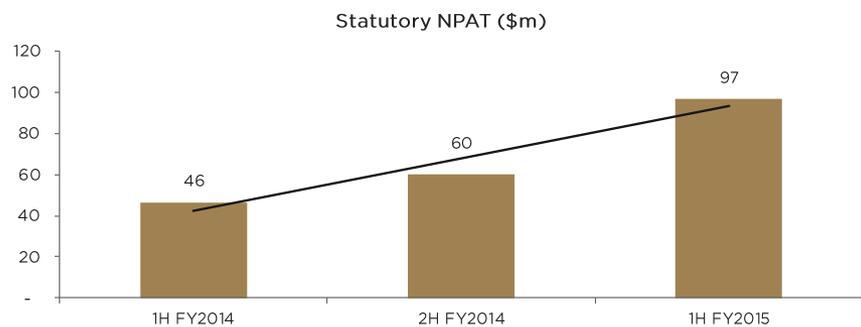
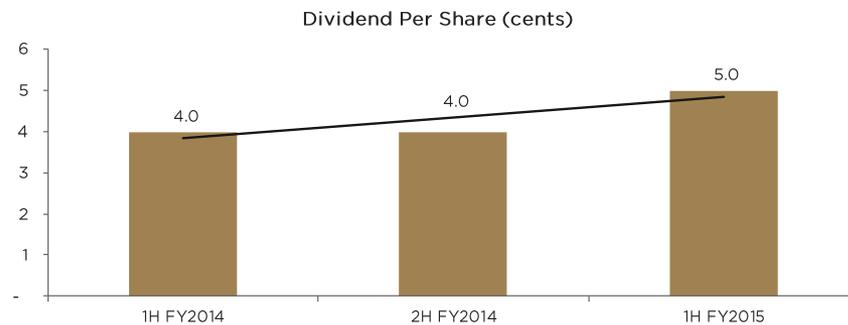
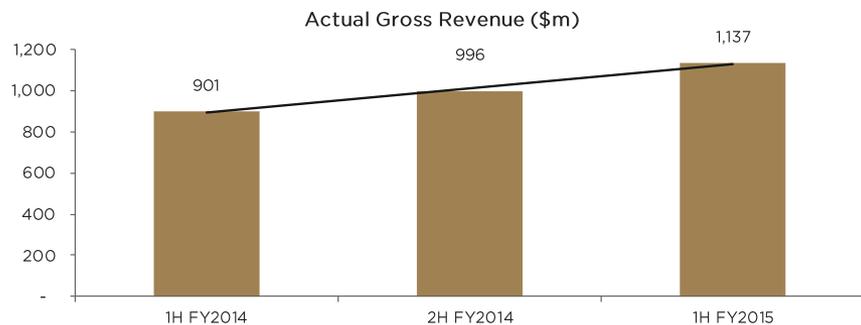
CAPITAL EXPENDITURE

- 1H FY2015 capital expenditure of \$75m up \$14m on pcp consisting predominantly of growth and maintenance activities at Jupiters Gold Coast and The Star Sydney

- FY2015 capital expenditure expected to be between \$200m-\$250m largely consisting of:
 - Jupiters Gold Coast
 - Commencement of the Level 21 VIP gaming salons, existing hotel room refurbishment and atrium works
 - Commencement of the exterior lighting and signage upgrades, resort landscaping, lighting and customer arrival upgrades
 - Commence initial construction works for the new hotel
 - Further expansion of the F&B offering
 - The Star Sydney
 - Completion of the expansion of the Level 17 VIP gaming salons
 - Commencement of the Astral Tower & Residences refurbishment, including the lobby
 - Further expansion of the F&B offering

- D&A of \$78.0m for 1H FY2015, with expected D&A of \$150m-\$160m for FY2015

FINANCIALS METRICS



Note: Earnings Per Share (EPS) calculated on the basis of weighted average number of shares of 825.7m

* Based on 12 months trailing actual

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OUTLOOK AND PRIORITIES

TRADING UPDATE AND STRATEGIC PRIORITIES

- Domestic gaming volumes 2H FY2015 YTD consistent with level experienced in 1H FY2015
- 2H FY2015 YTD revenue growth comparison to prior period difficult given timing of Chinese New Year
- International VIP Rebate business volumes in January tracking in line with internal forecasts
- Strategic priorities for FY2015
 - Continue to drive earnings across the group through a focus on operations
 - Deliver on the initial stages of the capital program to substantially expand and redevelop the Jupiters Gold Coast property
 - Work with the Queensland Government and our consortium partners on evaluation of the development of Queen's Wharf Brisbane

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ECHO ENTERTAINMENT GROUP

APPENDIX

| | |
|-----------------------------------------------|---------|
| THE STAR AND QUEENSLAND RESULTS - ACTUAL | PAGE 24 |
| THE STAR AND QUEENSLAND RESULTS - NORMALISED | PAGE 25 |
| OPERATIONAL BENCHMARKS | PAGE 26 |
| JUPITERS TOWNSVILLE | PAGE 27 |
| CASH COLLECTION RATIO | PAGE 28 |
| INTERNATIONAL VIP REBATE BUSINESS RECEIVABLES | PAGE 29 |
| GLOSSARY | PAGE 30 |

APPENDIX

THE STAR AND QUEENSLAND RESULTS-ACTUAL

| Actual \$m | The Star | | | QLD | | | Total | | |
|--------------------------------------|-----------|-----------|-----------------|-----------|-----------|-----------------|-----------|-----------|-----------------|
| | 1H FY2014 | 1H FY2015 | fav/ (unfav) | 1H FY2014 | 1H FY2015 | fav/ (unfav) | 1H FY2014 | 1H FY2015 | fav/ (unfav) |
| Slots | 122.3 | 142.2 | 16.3% | 136.7 | 159.1 | 16.3% | 259.0 | 301.3 | 16.3% |
| Table Games | 236.5 | 282.3 | 19.4% | 99.9 | 113.5 | 13.7% | 336.3 | 395.8 | 17.7% |
| <i>Main Gaming Floor</i> | 182.5 | 190.8 | 4.5% | 71.8 | 74.2 | 3.5% | 254.2 | 265.0 | 4.2% |
| <i>PGR</i> | 54.0 | 91.5 | 69.6% | 28.1 | 39.3 | 39.6% | 82.1 | 130.8 | 59.3% |
| Non-Gaming | 73.6 | 71.9 | (2.2%) | 63.6 | 55.3 | (13.0%) | 137.2 | 127.3 | (7.2%) |
| Total Domestic | 432.3 | 496.4 | 14.8% | 300.2 | 327.9 | 9.2% | 732.6 | 824.4 | 12.5% |
| International VIP Rebate (Gross) | 159.2 | 296.9 | 86.5% | 6.9 | 12.2 | 76.4% | 166.1 | 309.1 | 86.1% |
| Other Revenue | 0.8 | 1.9 | 138.4% | 2.0 | 1.8 | (10.3%) | 2.7 | 3.7 | 35.7% |
| Total Gross Revenue | 592.3 | 795.2 | 34.3% | 309.1 | 341.9 | 10.6% | 901.3 | 1,137.1 | 26.2% |
| Gaming taxes, levies and commissions | (208.3) | (353.7) | (69.8%) | (71.3) | (87.2) | (22.3%) | (279.6) | (440.9) | (57.7%) |
| Operating expenses | (249.4) | (280.7) | (12.5%) | (175.9) | (174.9) | 0.5% | (425.3) | (455.6) | (7.1%) |
| EBITDA | 134.6 | 160.8 | 19.5% | 61.8 | 79.7 | 29.0% | 196.4 | 240.6 | 22.5% |
| Depreciation and Amortisation | (44.6) | (47.0) | (5.4%) | (27.8) | (31.0) | (11.5%) | (72.4) | (78.0) | (7.7%) |
| EBIT | 90.0 | 113.8 | 26.4% | 34.0 | 48.8 | 43.5% | 124.0 | 162.6 | 31.1% |
| Statutory Reconciliation | | | | | | | | | |
| Significant Items | - | - | | - | (1.0) | | - | (1.0) | |
| Statutory EBIT | 90.0 | 113.8 | 26.4% | 34.0 | 47.8 | 40.4% | 124.0 | 161.6 | 30.3% |
| Net interest expense (income) | | | | | | | 58.5 | 26.3 | 54.9% |
| Tax | | | | | | | 19.4 | 38.2 | (96.7%) |
| Statutory NPAT | | | | | | | 46.1 | 97.1 | 110.6% |
| EBITDA/Revenue % | 22.7% | 20.2% | | 20.0% | 23.3% | | 21.8% | 21.2% | |
| VIP Rebate Front Money A\$m | 849.1 | 1,902.8 | 124.1% | 72.6 | 119.2 | 64.1% | 921.8 | 2,022.0 | 119.4% |
| VIP Rebate Turnover A\$m | 10,991.0 | 22,483.8 | 104.6% | 779.8 | 728.4 | (6.6%) | 11,770.8 | 23,212.2 | 97.2% |
| VIP Rebate Win rate | 1.45% | 1.32% | | 0.89% | 1.68% | | 1.41% | 1.33% | |

Note: 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

APPENDIX

THE STAR AND QUEENSLAND RESULTS-NORMALISED

| Normalised* \$m | The Star | | | QLD | | | Total | | |
|--------------------------------------|-----------|-----------|-----------------|-----------|-----------|-----------------|-----------|-----------|-----------------|
| | 1H FY2014 | 1H FY2015 | fav/ (unfav) | 1H FY2014 | 1H FY2015 | fav/ (unfav) | 1H FY2014 | 1H FY2015 | fav/ (unfav) |
| Slots | 122.3 | 142.2 | 16.3% | 136.7 | 159.1 | 16.3% | 259.0 | 301.3 | 16.3% |
| Table Games | 236.5 | 282.3 | 19.4% | 99.9 | 113.5 | 13.7% | 336.3 | 395.8 | 17.7% |
| <i>Main Gaming Floor</i> | 182.5 | 190.8 | 4.5% | 71.8 | 74.2 | 3.5% | 254.2 | 265.0 | 4.2% |
| <i>PGR</i> | 54.0 | 91.5 | 69.6% | 28.1 | 39.3 | 39.6% | 82.1 | 130.8 | 59.3% |
| Non-Gaming | 73.6 | 71.9 | (2.2%) | 63.6 | 55.3 | (13.0%) | 137.2 | 127.3 | (7.2%) |
| Total Domestic | 432.3 | 496.4 | 14.8% | 300.2 | 327.9 | 9.2% | 732.6 | 824.4 | 12.5% |
| VIP Rebate (Gross)* | 157.7 | 321.8 | 104.1% | 11.2 | 10.4 | (6.6%) | 168.9 | 332.2 | 96.7% |
| Other Revenue | 0.8 | 1.9 | 138.4% | 2.0 | 1.8 | (10.3%) | 2.7 | 3.7 | 35.7% |
| Total Gross Revenue | 590.8 | 820.2 | 38.8% | 313.3 | 340.1 | 8.6% | 904.1 | 1,160.2 | 28.3% |
| Gaming taxes, levies and commissions | (208.3) | (356.2) | (71.0%) | (71.8) | (87.1) | (21.3%) | (280.0) | (443.2) | (58.3%) |
| Operating expenses | (249.4) | (280.7) | (12.5%) | (175.9) | (174.9) | 0.5% | (425.3) | (455.6) | (7.1%) |
| Normalised EBITDA | 133.1 | 183.3 | 37.7% | 65.6 | 78.1 | 19.1% | 198.7 | 261.4 | 31.5% |
| Depreciation and Amortisation | (44.6) | (47.0) | (5.4%) | (27.8) | (31.0) | (11.5%) | (72.4) | (78.0) | (7.7%) |
| Normalised EBIT | 88.5 | 136.3 | 54.0% | 37.8 | 47.1 | 24.6% | 126.3 | 183.4 | 45.2% |
| Net interest expense (income) | | | | | | | 36.3 | 26.3 | 27.4% |
| Tax | | | | | | | 26.7 | 44.4 | (66.7%) |
| Normalised NPAT | | | | | | | 63.4 | 112.6 | 77.7% |
| EBITDA/Revenue % | 22.5% | 22.3% | | 20.9% | 23.0% | | 22.0% | 22.5% | |
| VIP Rebate Front Money N\$m | 849.1 | 1,902.8 | 124.1% | 72.6 | 119.2 | 64.1% | 921.8 | 2,022.0 | 119.4% |
| VIP Rebate Turnover N\$m | 10,991.0 | 22,483.8 | 104.6% | 779.8 | 728.4 | (6.6%) | 11,770.8 | 23,212.2 | 97.2% |
| VIP Win rate | 1.43% | 1.43% | | 1.43% | 1.43% | | 1.43% | 1.43% | |

Note: 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

* 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% on actual turnover. 1H FY2014 normalised results have been restated to a win rate of 1.43% on actual turnover to reflect a consistent win rate between periods

APPENDIX

OPERATIONAL BENCHMARKS

| Operational Benchmarks | The Star | | QLD Casinos | |
|------------------------------------------------------|--------------|--------------|--------------|--------------|
| | 1H FY2014 | 1H FY2015 | 1H FY2014 | 1H FY2015 |
| Slots | | | | |
| Revenue (\$m) | 122 | 142 | 137 | 159 |
| NMR/machine/day | 449 | 520 | 230 | 272 |
| MTGMs | | | | |
| Revenue (\$m) | 35 | 43 | 6 | 9 |
| NMR/machine/day | 385 | 534 | 330 | 285 |
| Table Games (Excl Rebate & MTGMs) | | | | |
| Revenue (\$m) | 197 | 230 | 94 | 104 |
| Hold % | 17% | 18% | 17% | 17% |
| International VIP Rebate business (Actual) | | | | |
| Front Money (\$m) | 849 | 1,903 | 73 | 119 |
| Turnover (\$m) | 10,991 | 22,484 | 780 | 728 |
| Turns | 12.9 | 11.8 | 10.7 | 6.1 |
| Win rate | 1.45% | 1.32% | 0.89% | 1.68% |
| Hotels | | | | |
| Occupancy | 85% | 87% | 86% | 89% |
| Cash Revenue (\$m) | 20 | 16 | 19 | 16 |
| Average Cash Rate | 267 | 280 | 173 | 184 |
| Restaurants | | | | |
| Cash Revenue (\$m) | 19 | 19 | 19 | 16 |
| Gross Revenue (\$m) | 26 | 29 | 28 | 28 |
| Bars | | | | |
| Cash Revenue (\$m) | 19 | 22 | 14 | 13 |
| Gross Revenue (\$m) | 32 | 41 | 25 | 25 |
| Actual EBITDA/Revenue % (Excl Significant items) | 22.7% | 20.2% | 20.0% | 23.3% |
| Normalised EBITDA/Revenue % (Excl Significant items) | 22.5% | 22.3% | 20.9% | 23.0% |
| Employee Costs/Revenue % (Excl Significant items) | 23.9% | 19.4% | 34.3% | 29.5% |

Comment

- Domestic gaming business shows continued solid momentum across the group:
 - Slots up 16.3% and MTGMs up 28.4% versus pcp across the group driven by the traction of Absolute Rewards loyalty program, jackpots, product strategy and leveraging modernisation of regulatory environment in Queensland. Additional MTGM product rolled out in Queensland post the reclassification
 - Table games (excluding Rebate & MTGMs) up 14.4% as a result of improved holds and volume
- International VIP Rebate business showing strong growth with record turnover and customer front money for the period
- Non-gaming cash revenues (down 7.2% versus pcp) as a result of the traction of the Absolute Rewards loyalty program and increased utilisation of complimentary rewards redemptions (gross revenue up 6.7% versus pcp)
 - Improved cash rate on hotel rooms more than offset by increased complimentaries
- Employee costs as a percentage (%) of revenue declining, demonstrating solid cost controls

APPENDIX

JUPITERS TOWNSVILLE

Jupiters Townsville sale was completed on 1 October 2014. 1H FY2015 earnings include Jupiters Townsville earnings from 1 July 2014 to 30 September 2014 with 1H F20Y14 including a full six months of Jupiters Townsville earnings

| Actual \$m | Townsville | | Townsville | |
|--------------------------------------|------------|------------|------------|---------|
| | 1H FY2014 | 1H FY2015* | FY2014 | FY2015 |
| Slots | 12.2 | 6.0 | 23.4 | 6.0 |
| Table Games | 5.6 | 2.5 | 10.0 | 2.5 |
| <i>Main Gaming Floor</i> | 5.3 | 2.4 | 9.5 | 2.4 |
| <i>PGR</i> | 0.3 | 0.1 | 0.5 | 0.1 |
| Non-Gaming | 11.5 | 5.3 | 20.0 | 5.3 |
| Total Domestic | 29.3 | 13.8 | 53.4 | 13.8 |
| International VIP Rebate (Gross) | - | - | - | - |
| Other Revenue | 0.1 | 0.1 | 0.2 | 0.1 |
| Total Gross Revenue | 29.4 | 13.9 | 53.7 | 13.9 |
| Gaming taxes, levies and commissions | (3.0) | (1.5) | (5.3) | (1.5) |
| Operating expenses | (20.7) | (10.4) | (40.3) | (10.4) |
| EBITDA | 5.7 | 2.0 | 8.0 | 2.0 |
| Depreciation and Amortisation | (2.8) | 0.0 | (3.6) | 0.0 |
| EBIT | 2.9 | 2.0 | 4.3 | 2.0 |

APPENDIX

CASH COLLECTION RATIO

| Category \$m | Dec-13 | Dec-14 |
|---------------------------------------------------------------------------|---------|---------|
| Cash flows from operating activities before interest and income tax | | |
| Net cash receipts in the course of operations | 851.9 | 1,118.4 |
| Payments to suppliers, service providers and employees | (522.9) | (607.9) |
| Payment of government levies, gaming taxes and GST | (190.0) | (246.1) |
| Net cash inflows from operating activities before interest and income tax | 139.0 | 264.4 |
| Profit before net finance costs and income tax | 124.0 | 161.6 |
| Add back depreciation and amortisation | 72.4 | 78.0 |
| EBITDA | 196.4 | 239.6 |
| Cash collection | 71% | 110% |

APPENDIX

INTERNATIONAL VIP REBATE BUSINESS RECEIVABLES

| International VIP Rebate Business Receivables (Before provisions) | 0 - 30 days | 30 days - 1 year | 1 - 3 years | 3 years + | Total |
|-------------------------------------------------------------------|-------------|------------------|-------------|------------|--------------|
| December 2014 (\$m) | | | | | |
| Not yet due | 72.6 | - | - | - | 72.6 |
| Past due not impaired | - | 16.9 | 1.7 | 2.8 | 21.4 |
| Considered impaired | - | 7.6 | 13.2 | 4.2 | 25.0 |
| Total | 72.6 | 24.5 | 14.9 | 7.0 | 119.0 |
| June 2014 (\$m) | | | | | |
| 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 |
| Total | 35.6 | 42.1 | 17.0 | 0.1 | 94.8 |

- Increase in trade receivables driven by cheques received not yet due
- Past due not impaired receivables of \$21.4m down from \$40.9m in June 2014 despite significantly increased International VIP Rebate business volumes
- Reduced receivables exposure demonstrates improved credit risk management & collection processes and benefits of more conservative provisioning policy adopted in FY2013

APPENDIX GLOSSARY

| Term | Definition |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAGR | Compound Annual Growth Rate |
| Capital expenditure (capex) | Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes investments in associates and equity acquisitions |
| Customer front money | Deposits of funds at the casino cage that the player intends to use as security for casino play. Front money deposits enable a player to draw upon funds by signing markers at the table games up to the amount of the deposit |
| D&A | Depreciation & Amortisation |
| EGM | Electronic gaming machine – includes both slots and MTGMs |
| F&B | Food and Beverage |
| MGF | Main gaming floor |
| MTGM | Multi-terminal gaming machine or electronic table game |
| NMR | Net revenue per machine |
| Normalised revenue | 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 |
| pcp | Prior comparable period |
| PGR | Private gaming room |
| Rebate | International VIP Rebate Business and Domestic Rebate Business |
| Significant items | Significant items are items of income or expense which are, either individually or in aggregate, material to Echo and: <ul style="list-style-type: none"> ➤ Outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or ➤ Part of the ordinary activities of the business but unusual due to their size and nature |