ECHO

ASX ANNOUNCEMENT

12 August 2015

FULL 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', Remuneration and Financial Report for the year ended 30 June 2015.

Final Dividend

The Directors have declared a final dividend of 6 cents per share, fully franked at the company tax rate of 30%, to be paid on 16 September 2015.

The Record Date for the purpose of entitlement to the final dividend will be 19 August 2015.

Dividend Reinvestment Plan

Echo's Dividend Reinvestment Plan (***DRP***) will operate for the final 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 final 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 final 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 (20 August 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

12 August 2015

Echo Entertainment Group Limited (ASX: EGP) today announced its full year results for the period ended 30 June 2015[1]. Key highlights include:

- Statutory NPAT of $169 million, up 59.3% on the prior comparable period **(pcp)**
- Normalised[2] NPAT before significant items[3] of $219 million, up 52.2% on the pcp
- Reported EBITDA of $451 million (including significant items), up 16.5% on the pcp
- Normalised EBITDA of $521 million, up 24.1% on the pcp driven by:
    - Normalised gross revenue of $2,331 million up 20.6% on the pcp
    - Domestic gaming revenues of $1,418 million up 14.6% on the pcp
    - Normalised International VIP Rebate business gross revenue up 53.0% to $662 million with turnover of $46,238 million, up 53.5% on the pcp
    - Operating expenses[4] of $922 million up 6.4% on the pcp, following the strong domestic and International VIP Rebate business volumes
- Strong credit risk management and collections performance, net International VIP Rebate business receivables[5] of $16 million, down 60.4% on prior period despite significant growth in International VIP Rebate business
- Final dividend of 6 cents per share fully franked
- Echo, along with its partners in the Destination Brisbane Consortium **(DBC)**, Chow Tai Fook Enterprises and Far East Consortium, on 20 July 2015 was selected as the preferred proponent for the Queen's Wharf Brisbane development
- Jupiters Townsville divestment completed for $70m, gain on sale of $8 million[6]

Chairman, John O'Neill AO, said "FY2015 has been a pleasing year for Echo with good results across the Group and progress made on all strategic priorities. We have declared total dividends of 11 cents per share for the financial year, up 37.5% on the prior period, reflecting the improved performance and financial position of the company.

"I welcome the Queensland Government's decision to progress the Destination Brisbane Consortium's proposal for the delivery of its vision for Queen's Wharf Brisbane. This exciting partnership with the Queensland Government to develop and operate arguably the most significant

[1] This media release should be read in conjunction with Echo Entertainment Group Limited's Full Year 2015 Results Presentation and Directors' Report and Financial Report for the full year ended 30 June 2015.

[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% to reflect a consistent win rate between periods.

[3] Significant operating expense items ($3.7 million) relate to the net of: 1) Gain on the sale of Jupiters Townsville (a pre-tax gain of $8.0m); 2) Costs incurred in connection with the Queen's Wharf Brisbane bid process ($11.7m).

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

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

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

new placemaking project in the history of the Brisbane CBD is an important strategic step for Echo and secures the company's position in the Brisbane market for the long-term.

"We look forward to progressing the development of this truly once in a generation opportunity and delivering on the substantial economic and other benefits it will present for Queensland, Echo and its consortium partners."

Performance overview

Every segment within Echo Entertainment Group's business contributed to earnings growth in FY2015.

Statutory revenue of $2,140 million was up 18.5% on the pcp, with the majority of the revenue growth generated in the domestic gaming businesses. Normalised revenues grew 20.6% for the year to $2,331 million for FY2015, up from $1,933 million in FY2014. Revenue growth was driven by a combination of improved marketing, loyalty program and sales activity, improved product offering and stronger macro-economic conditions in each of the Group's markets.

Operating expenses of $922 million were up 6.4% on the pcp, as a result of the increased volumes experienced across the Group. Significant operating expense items ($3.7 million) relate to the gain on the sale of Jupiters Townsville (a pre-tax gain of $8.0m) offset by costs incurred in connection with the Queen's Wharf Brisbane bid process ($11.7 million).

Depreciation and Amortisation expense of $164 million was up 12.4% reflecting the continuing capital investment in the Group, as well as acceleration of depreciation of some assets as the masterplanning and works continue at The Star Sydney and Jupiters Gold Coast. Finance costs of $50 million were down 43.5% on the pcp as a result of lower overall net debt and the impact of the partial interest rate swap restructure conducted in FY2014.

Normalised EBITDA (excluding significant items) of $521 million was up 24.1% on the pcp. EBITDA margin of 22.3% is up from 21.7% in the pcp as a result of fixed cost leverage across the Group, offset by higher average gaming taxes at The Star and a larger contribution from the lower margin International VIP Rebate business.

Normalised NPAT, excluding significant items, was $219 million, up 52.2% on the pcp.

Statutory Net Profit After Tax (NPAT) was $169 million, up 59.3% on the pcp.

Statutory Earnings Per Share were 20.5 cents, up 58.9% on the pcp. A final dividend per share of 6 cents fully franked was declared, taking the full year dividend to 11 cents, up 37.5% on the pcp and reflecting a payout ratio of 53.6% of statutory NPAT. Net debt[7] was $400 million (30 June 2014 $635 million) with $500 million in undrawn facilities and an average drawn debt maturity of 4.3

[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.

years. Operating cash flow before interest and tax was $507 million (FY2014 $357 million) with an improved EBITDA to cash conversion ratio of 112%.

The Star

Normalised EBITDA was $356 million, up 25.5% (actual $268 million, up 2.9%) on the pcp.

Revenue performance at The Star was strong with normalised gross revenue of $1,639 million up 25.7% on the pcp (actual $1,541 million, up 20.7%). Domestic gross gaming revenue was up 17.7% on the pcp with strong growth across both tables and slots, up 20.1% and 13.0% respectively on the pcp. Electronic gaming machine market share (to Q3 FY2015) reached a record high of 9.2%. Non-gaming cash revenue was down 0.3% on the pcp as a result of increased complimentary rewards redemptions through the Absolute Rewards loyalty program (gross non-gaming revenue up 11.4% on the pcp). Taxes, levies, rebates and commissions of $697 million were up 40.9% on the pcp driven by increased volumes across the domestic and International VIP Rebate businesses as well as a higher average gaming tax rate at The Star. The Star's average non-rebate tax and levies was 31.4%, up from 28.9% in the pcp (top marginal tax rate of 50.0%), equivalent to an incremental increase of $21 million. Operating expenditure of $576 million (up 10.3% on the pcp) reflects the increased activity across the business. Normalised EBITDA margin was broadly flat on prior period with strong revenues offset by higher expenses, higher average gaming taxes and a larger contribution from the lower margin International VIP Rebate business.

Queensland casinos (Jupiters Gold Coast and Treasury Brisbane)

Normalised EBITDA was $165 million, up 21.5% on the pcp (actual $187 million, up 47.1%).

Queensland revenue performance for FY2015 was good with normalised gross revenue up 9.9% to $692 million (actual $717 million, up 15.5%) on the pcp. The domestic gaming business saw growth in all main segments of the business with combined growth of 9.9% on the pcp. Non-gaming revenue was impacted by disruption as a result of the Jupiters Gold Coast development works, increased complimentary rewards redemptions and the sale of Jupiters Townsville. Taxes, levies, rebates and commissions were up 23.5% on the pcp for the Queensland business driven by increased gaming volumes. Operating expenditure of $346 million across the Queensland properties was up 0.5% on the pcp. Normalised EBITDA margin of 23.8% for FY2015 (21.5% for FY2014) was the result of good revenue growth across the domestic and International VIP Rebate businesses, as well as good expense management throughout the year.

International VIP Rebate business

The results of the International VIP Rebate business are embedded in the segment results above. Normalised gross revenue of $662 million was up 53.0% (actual $588 million, up 48.4%) on the pcp. International VIP Rebate business customer front money was up 64.3% on the pcp to $3,668 million, the highest on record for the business. International VIP Rebate business turnover of $46 billion was up 53.5% versus pcp, also a record. International VIP Rebate business actual win rate of 1.27% (FY2014 1.32%) was below the pcp and normalised rate of 1.43%. Past due not impaired receivables of $16 million were down from $41 million in June 2014 despite significantly increased International VIP Rebate business volumes, reflecting a strong credit risk management and collections performance as well as a conservative policy on provisioning for bad and doubtful debts. Gross trade receivables (before provisions) of $108 million were up 13.5% from the $95 million at 30 June 2014 due to player activity late in the year.

Trading update and outlook for 1H FY2016

Domestic gaming revenues in July 2015 continue to benefit from the momentum built over the course of FY2015. Gross revenue, excluding International VIP Rebate business is showing more moderate growth on the pcp in July as comparables become more difficult. Disruption from capital investment works across the gaming and non-gaming business will impact revenues and earnings as works progress at The Star and Jupiters Gold Coast throughout FY2016. The International VIP Rebate business performance year to date is tracking in line with management's expectations.

Capital expenditure for FY2016 is expected to be in the range of $275 million - $325 million, excluding any Queen's Wharf Brisbane project related payments, with the majority of growth and maintenance activities occurring at The Star and Jupiters Gold Coast.

Managing Director and Chief Executive Officer, Matt Bekier said: "The financial year is off to a reasonable start with FY2016 continuing to benefit from momentum built up over FY2015.

Echo has the following five priorities for the financial year 2016: First to continue to improve earnings across the Group. Second, to deliver on the capital program for the Jupiters Gold Coast property redevelopment. Third is to commence and deliver the first stages of The Star masterplan strategy. Fourth, continue to evolve the brand and loyalty program strategy. And fifth, to work with the Queensland Government and our consortium partners to progress the Queen's Wharf Brisbane project."

The full 2016 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:

Financial analysts:	Chad Barton, Chief Financial Officer, 02 9657 9140
	Harry Theodore, Head of Strategy, Investor Relations and Group Reporting, 02 9657 8040
Media:	Peter Jenkins, Head of Media Communications, 02 9657 9288

ECHO

MEDIA RELEASE

Echo Entertainment Group full year results to 30 June 2015	
Statutory	
Statutory revenue	$2,140.3 million, up 18.5%
EBITDA	$450.8 million, up 16.5%
EBIT	$287.1 million, up 18.9%
NPAT	$169.3 million, up 59.3%
Earnings Per Share	20.5 cents, up 58.9%
Normalised (Underlying)	
Revenue	$2,331.0 million, up 20.6%
- The Star	$1,639.2 million, up 25.7%
- Queensland	$691.8 million, up 9.9%
EBITDA	$520.7 million, up 24.1%
- The Star	$356.0 million, up 25.5%
- Queensland	$164.7 million, up 21.5%
EBIT	$357.0 million, up 30.4%
- The Star	$257.4 million, up 32.8%
- Queensland	$99.5 million, up 24.8%
NPAT	$219.3 million, up 52.2%
Dividend per share	
Final dividend (fully franked)	6 cents
Full year dividends (fully franked)	11 cents
Balance sheet	
Gross Debt	$744.2 million
Net Debt	$400.3 million
Net Debt/EBITDA[8] (actual)	0.9x (based on 12 month trailing EBITDA)

[8] EBITDA excludes significant items

Echo Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: EGP

and its controlled entities

Directors', Remuneration and Financial report

for the year ended 30 June 2015

Contents

For the year ended 30 June 2015

ECHO

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 2015.

1. Directors

The names and titles of the Company's Directors in office during the financial year ended 30 June 2015 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
Greg Hayes (i)	Non-Executive Director
Katie Lahey AM	Non-Executive Director
Sally Pitkin (ii)	Non-Executive Director
Richard Sheppard	Non-Executive Director
Former	
Anne Brennan (iii)	Deputy Chairman and Non-Executive Director

(i) On 19 November 2014, the Company announced the proposed appointment of Greg Hayes as a Non-Executive Director, subject to regulatory approvals being obtained. Greg Hayes commenced as a Non-Executive Director on 24 April 2015.

(ii) 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.

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

2. Operating and Financial Review

The Operating and Financial Review for the year ended 30 June 2015 has been designed to provide shareholders with a clear and concise overview of the Group's operations, financial position, business strategies and prospects. The review also discusses the impact of key transactions and events that have taken place during the reporting period and material business risks faced by the business, to allow shareholders to make an informed assessment of the results and future prospects of the Group. The review complements the financial report and has been prepared in accordance with the guidance set out in ASIC's Regulatory Guide 247.

2.1. Principal activities

The principal activities of the entities within the Group are gaming, entertainment and hospitality.

Echo Entertainment Group Limited owns and operates The Star in Sydney, Treasury Casino & Hotel Brisbane and Jupiters Hotel & Casino Gold Coast. The Group also manages the Gold Coast Convention and Exhibition Centre on behalf of the Queensland Government and operated Jupiters Townsville for the first three months of the year.

2.2. Business strategies

The key strategic priorities for the Group as outlined in the FY2014 Annual Report are to:

- 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 Rebate business;
- 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.

The Group has made good progress on all these key strategic priorities during the year, with:

- Improvement in operating performance across all properties;
- Success in the Queen's Wharf Brisbane (***QWB***) bid process;
- Execution of the initial stages of the Jupiters Gold Coast expansion project, including;
    - Redevelopment of the pool area, new "Cucina Vivo" and "Kiyomi" restaurants and infrastructure upgrades; and
    - Commencement of the Level 21 International VIP Rebate gaming salons, existing hotel room refurbishments, atrium works and resort landscaping, lighting and customer arrival upgrades.
- Commencement of The Star Sydney masterplan to define the future strategic investment program;
- Improvement in staff engagement across all properties and segments of the business;
- Completion of the Jupiters Townsville sale;
- Stable leadership team with additional senior leaders recruited in gaming, sales, marketing and corporate affairs; and
- Review of brand, marketing and partnerships portfolio completed.

Looking forward into FY2016, the focus will be on the following key strategic priorities:

- Continue to improve earnings across the Group through a focus on operations and improved efficiency;
- Deliver on the next stage of the Jupiters Gold Coast redevelopment with an estimated capital spend of between $100-$125 million in FY2016, including:
    - Continued hotel room renovations;
    - Additional VIP gaming salons;
    - Stage 1 main gaming floor refurbishment;
    - Commencement of the new hotel tower; and
    - Further expansion of food and beverage experiences.
- Deliver on the first stages of The Star masterplan with an estimated capital spend of between $150-$175 million in FY2016, including:
    - Expansion and refurbishment of the main gaming floor and Oasis gaming levels, including new gaming areas with restaurants and bars;
    - Refurbishment of the buffet;
    - Expansion of VIP gaming salons; and
    - Astral Tower and Residences refurbishment of rooms, access ways and lobbies.
- Continue to enhance the brand and loyalty program strategy, with a number of improvements planned in FY2016;
- Implement the new Service Culture Program to improve guest experience; and
- Work with the Queensland Government and our consortium partners to progress the QWB project.

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.

2.3. Group performance

Every segment within the Group's business contributed to earnings growth in the year ended 30 June 2015.

Revenue of $2,140.3 million was up 18.5% on the previous corresponding period (***pcp***), with the majority of the revenue growth generated in the domestic gaming businesses. Normalised[1] revenues grew 20.6% for the year to $2,331.0 million, up from $1,933.4 million in the pcp. Revenue growth was driven by a combination of improved marketing, loyalty program and sales activity, improved product offering and stronger macro-economic conditions in each of the Group's markets.

Operating expenses of $926.0 million were up 6.8% on the pcp, as a result of the increased volumes experienced across the Group. Significant operating expense items ($3.7 million) relate to the gain on the sale of Jupiters Townsville (a pre-tax gain of $8.0m) offset by costs incurred in connection with the QWB bid process ($11.7 million).

Depreciation and Amortisation expense of $163.7 million was up 12.4% reflecting the continuing capital investment in the Group, as well as acceleration of depreciation of some assets as the masterplanning and works continue at The Star Sydney and Jupiters Gold Coast. Finance costs of $49.9 million were down 43.5% on the

[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 1.43% of actual turnover. FY14 normalised results have been restated to a win rate of 1.43% to reflect a consistent win rate between periods.

pcp as a result of lower overall net debt and the impact of the partial interest rate swap restructure conducted in the prior year.

EBITDA of $450.8 million was up 16.5% on the pcp. Normalised EBITDA (excluding significant items) of $520.7 million was up 24.1% on the pcp. EBITDA margin of 22.3% is up from 21.7% in the pcp as the result of fixed cost leverage across the Group offset by higher average gaming taxes, particularly at The Star, and a larger contribution from the lower margin International VIP Rebate business.

Net profit after tax (***NPAT***) was $169.3 million, 59.3% above the pcp. Normalised NPAT, excluding significant items, was $219.3 million, up 52.2% on the pcp.

Earnings per Share (***EPS***) was 20.5 cents, up 58.9% on the pcp. A final dividend per share of 6 cents fully franked was declared, totalling 11 cents per share for the year, up 37.5% on the pcp and reflecting a payout ratio of 53.6% of statutory NPAT for the year ended 30 June 2015.

2.4. Group financial position

The Group's net assets increased by 3.5% compared with the previous year.

Net debt[2] was $400.3 million (30 June 2014: $634.7 million) with $500.0 million in undrawn facilities and an average drawn debt maturity of 4.3 years. Operating cash flow before interest and tax was $506.5 million (30 June 2014: $356.6 million) with an improved EBITDA to cash conversion ratio of 112% (30 June 2014: 92%).

Past due not impaired receivables of $16.2 million were down from $40.9 million in the pcp despite significantly increased International VIP Rebate business volumes, reflecting a strong credit and collections performance as well as a conservative policy on provisioning for bad and doubtful debts. Bad debt expense for the period was $17.9 million, down 23.2% on pcp.

Trade and other payables of $233.9 million were up 51.2% as a result of higher gaming related payables, representing players' funds deposited and chips in circulation at year end, due to the increased gaming volumes.

2.5. Segment operations

The Group comprises the following three operating segments:

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

Refer to note A1 for more details of the financial performance of the Company's operating segments. The activities and drivers of the results for these operations are discussed below.

The Star, Sydney

Gross revenue was $1,541.1 million, up 20.7% on the pcp and EBITDA was $267.7 million, up 2.9% on the pcp. Normalised EBITDA was $356 million, up 25.5% on the pcp.

Revenue performance at The Star was strong with normalised gross revenue of $1,639.2 million up 25.7% on the pcp. Domestic gross gaming revenue was up 17.7% on the pcp with strong growth across both tables and slots, up 20.1% and 13.0% respectively. Electronic gaming machine market share (to Q3 FY2015) reached a record high of 9.2%. Non-gaming cash revenue was down 0.3% on the pcp, as a result of increased complimentary rewards redemptions through the Absolute Rewards loyalty program (gross non-gaming revenue up 11.4% on the pcp). Taxes, levies, rebates and commissions of $697.0 million were up 40.9% on the pcp driven by increased volumes across the domestic and International VIP Rebate businesses as well as a higher average gaming tax rate at The Star. The Star's average non-rebate tax and levies were 31.4%, up from 28.9% in the pcp (top marginal tax rate of 50.0%), equivalent to an incremental increase of $21.0 million. Operating expenditure of $576.4 million (up 10.3% on the pcp) reflects the increased activity across the business. Normalised EBITDA margin was broadly flat on prior period with strong revenues offset by higher expenses, higher average gaming taxes and a larger contribution from the lower margin International VIP Rebate business.

The Star is one of the main partners to the Sydney Festival and Vivid Sydney and a sponsor of the Sydney Swans and New South Wales Rugby League (NSW Blues). The Star also contributed to various charities during the period.

[2] 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.

Queensland (Jupiters Gold Coast and Treasury Brisbane)

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.

Queensland gross revenue was $716.5 million up 15.5% on the pcp and EBITDA[3] was $186.9 million, up 47.1% on the pcp (excluding Jupiters Townsville, EBITDA was $184.9 million, up 50.6% on the restated pcp).

Queensland revenue performance for FY2015 was good with normalised gross revenue up 9.9% to $691.8 million on the pcp. The domestic gaming business saw growth in all main segments of the business with combined growth of 9.9% on the pcp. Non-gaming revenue was impacted by disruption as a result of the Jupiters Gold Coast development works, increased complimentary rewards redemptions and the sale of Jupiters Townsville. Taxes, levies, rebates and commissions were up 23.5% on the pcp for the Queensland business driven by increased gaming volumes. Operating expenditure of $345.8 million across the Queensland properties was up 0.5% on the pcp (excluding Jupiters Townsville that was sold during the period (refer note D5), operating expenditure was up 10.8% on the restated pcp, driven by activity). Normalised EBITDA margin of 23.8% for FY2015 (21.5% for FY2014) was the result of good revenue growth across the domestic and International VIP Rebate businesses, as well as good expense management throughout the year.

Treasury Hotel was a sponsor of the Brisbane Festival and Queensland Rugby League (Queensland Maroons) during the year. The Queensland properties also contribute to various charities and not-for-profit organisations including Ronald McDonald House and Surf Life Saving Queensland.

International VIP Rebate business

The results of the International VIP Rebate business are embedded in the segment results above. Normalised gross revenue of $661.8 million was up 53.0% (actual $588.4 million, up 48.4%) on the pcp. International VIP Rebate business customer front money was up 64.3% on the pcp to $3,668 million, the highest on record for the business. International VIP Rebate business turnover of $46 billion was up 53.5% versus pcp, also a record. International VIP Rebate business actual win rate of 1.27% was below the pcp of 1.32% and normalised rate of 1.43%.

2.6. Significant changes in the state of affairs and future developments

Significant changes in the state of affairs

Other than those stated within this report, there were no significant changes in the state of affairs of the Group during the financial year. The section below discusses the impact of key transactions and events that have taken place during the reporting period.

Treasury Brisbane

The Group currently holds a perpetual casino licence in Queensland that is attached to the lease of the current Treasury site that expires in 2070.

On 20 July 2015, Destination Brisbane Consortium (***DBC***) was selected by the Queensland Government as the preferred proponent for the Queen's Wharf Brisbane development. The Company has partnered with pre-eminent Hong Kong-based organisations Chow Tai Fook Enterprises Limited and Far East Consortium (Australia) Pty Limited, a wholly owned subsidiary of Far East Consortium International Limited, to form the DBC joint venture for the QWB project. Destination Brisbane Consortium is now continuing to work with the Queensland Government to finalise the relevant project documents.

Following the announcement of DBC as preferred proponent, the existing licence and lease terms will need to be reviewed in conjunction with the broader QWB strategy and precinct requirements. The Group will make required disclosures as the project progresses.

Jupiters Gold Coast

The Group currently holds a perpetual casino licence to operate the Jupiters Hotel and Casino on the Gold Coast. The Group owns Broadbeach Island on which the casino is currently built and is in the process of a major redevelopment of the property. The Group has previously announced a commitment of $345 million in capital spend to upgrade and develop the facilities including the construction of a new six-star hotel tower expected to be completed in time for the Commonwealth Games to be hosted on the Gold Coast in 2018. Progress on the redevelopment project includes the commencement of the development of Level 21 VIP gaming salons, existing

[3] Segment result excludes significant items of $8.0 million gain on sale of Jupiters Townsville and $11.7 million costs in connection with the QWB bid process.

hotel room refurbishment, the opening of the redeveloped pool area, Italian restaurant "Cucina Vivo" and Japanese restaurant "Kiyomi".

The Group also continues to manage the Gold Coast Convention and Exhibition Centre adjacent to the casino.

Jupiters Townsville

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 (refer to note D5 of the financial report).

The Star, Sydney

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 NSW until November 2019.

The Group is committed to maximising its return on assets and its competitive position both in the short and long term, and has instigated an upgrade of its current casino facilities. Capital expenditure in the current year was $120 million, including a new open-air piazza-style dining experience "Pizzaperta", redevelopment of the Sovereign Room slots and dining experience, expansion of the Level 17 VIP gaming salons and Astral Tower and Residences refurbishment. Further investment of approximately $500 million in capital expenditure has been planned for the next one to five years.

On 8 July 2014 the Independent Liquor and Gaming Authority (***ILGA***) issued a restricted gaming licence to a competitor to operate a restricted gaming facility at Barangaroo South (Crown Sydney Hotel Resort) from November 2019 onwards. The development of the Crown Sydney Hotel Resort (Crown Sydney) is subject to 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.

Shareholder Activity – 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.

2.7. Risk management

The Group's approach to risk management is to identify and manage risks so that business activities are in line 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.

The main business risks affecting the Group are set out below. The Group may also face a range of other risks from time to time in conducting its business activities. While it aims to manage risks in order to avoid adverse impacts on its financial standing, some risks are outside the control of the Group.

Macro-economic risks to consumer discretionary expenditure

Fluctuations in Australian retail petrol prices, interest rates and weakness in the global economy, are examples of risks likely to impact on consumer confidence and which could adversely impact the Group's ability to achieve sales growth. The Group regularly analyses these risks to assist in business planning and capital management.

Regulatory changes (for example, changes to state gaming taxes)

The Group operates in a highly regulated environment subject to extensive government regulation in which failure to comply with changes to applicable laws and regulations (such as casino operating standards, taxation, disclosure requirements, and the Privacy Act) could impact on the Group's financial performance and brand reputation.

A material breach of internal processes may result in violation of existing regulations which could also impact the Group's ability to maintain required licences or approvals. Changes in laws or regulations or the manner of their interpretation or enforcement could impact the Group's financial performance and restrict its ability to operate or execute its strategies.

The Risk and Compliance Committee monitors management's Governance, Risk, Compliance and Legal teams' provision of business advice and compliance training. Board reporting and continuous disclosure processes are also in place.

Geo-political changes

Laws and regulations to ensure that gaming activity is free of corruption exist world-wide. The Company acknowledges that a change in government policy (either local or overseas) may impact the Group's operations. This political risk increases in jurisdictions where there is significant opposition to gaming. The Company has established a comprehensive regulatory assurance function and governance framework to ensure that it continues to monitor the regulations and environments in the jurisdictions in which it operates, and to monitor adherence to internal processes to ensure compliance with existing regulations.

People management risks

Safety is a high priority at the Company to ensure the well-being of all of its team members and guests. The large number of team members and high rates of visitation to our properties creates a significant safety exposure. Failure to manage safety could have a negative effect on the Group's reputation and performance. The Company conducts regular detailed risk assessments and education sessions for its employees. The People, Culture and Social Responsibility Committee and in-house Legal and Assurance teams provide crucial business advice and training in legislation and compliance. Board reporting and continuous disclosure processes are also in place.

Responsible gambling

The Group's responsible gambling policy and programs are an integral part of day-to-day business operations. Responsible gambling programs developed by the Group are aimed at minimising the potential for harm associated with gambling and ensuring individuals make informed decisions about their participation. The Group is committed to best practice as a fundamental platform to the provision of safe, socially responsible and supportive gambling and entertainment environments. Board oversight of the company's responsible gambling initiatives and practices is provided by the People, Culture and Social Responsibility Committee.

Capital risk

The Group is currently undergoing significant expansion and redevelopment programs across its properties that are designed to transform them into leading integrated entertainment and casino resorts. In respect of such expansion projects, the estimated capital expenditure is subject to market prices and changes of scope. Interruptions on project sites due to industrial disputes, work stoppages, accidents or by weather and other natural disasters may also impact adversely on the timing or capital expenditure of such projects. Certain of these projects may be subject to the Group obtaining the relevant regulatory, council and other planning and development approvals. It cannot be said with certainty that the financial impact of any such events could be mitigated either fully or partially or by insurance.

2.8. Environmental regulation and performance

The Group is committed to leadership of energy and waste reduction in the entertainment sector and increasing its sustainability performance in the communities in which it operates. The Group's vision for sustainability is to demonstrate clear evidence of its environmental values, activities and commitments embedded throughout the organisation, so that the sustainability program evolves with the product offer.

A materiality assessment was conducted during the year to identify the key material environmental impacts of energy consumption, water use, carbon emissions and waste generation from the Group's 24/7 operations. These material impacts are managed through the Group's Environment and Sustainability Strategy.

The Group's five year Environment and Sustainability Strategy is aligned to the business strategy, incorporating a range of objectives, projects and programs to ensure continuous improvement in environmental management. Management reports annually to the Board People, Culture and Social Responsibility Committee on the Company's delivery of its commitments under the five year Environment and Sustainability Strategy on six focus areas (Governance, Our Team Members, Our Stakeholders, Our Suppliers, Our Environment and Our Communities) and reports the Group's performance on the Company's website.

The Group identifies and manages sustainability risks across the company by focusing efforts on material impacts and has set targets to manage performance. To support the delivery of these targets, the Group audited over 90% of its total energy consumption within the year to identify opportunities for energy and water savings. Additionally, the Group implemented Sustainable Design Guidelines, challenging the business and suppliers to achieve greener buildings through the refurbishment and development processes by specifying energy efficient technologies and best practice water and waste management.

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. The Company's Environment and Sustainability Strategy, Objectives and Targets and Sustainable Design Guidelines can be found on the Company's website.

3 Earnings per share (EPS)

Basic EPS for the financial year was 20.5 cents (2014: 12.9 cents), 58.9% above the pcp as a result of the improved operational performance at both The Star and the Queensland properties. EPS is disclosed in note F3 of the financial report.

4 Dividends

4.1 Dividend payout

The Company's target dividend payout ratio is 50% of statutory NPAT.

An interim dividend of 5 cents per share (fully franked) was paid on 11 March 2015.

A final dividend per share of 6 cents fully franked was declared, totalling 11 cents per share for the year, up 37.5% on the pcp and reflecting a payout ratio of 53.6% of statutory NPAT for the year ended 30 June 2015.

4.2 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 20 August 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 (19 August 2015). Shares allocated under the DRP will rank equally with the Company's existing fully paid ordinary shares.

5 Significant events after the end of the financial year

On 20 July 2015, Destination Brisbane Consortium was selected by the Queensland Government as the preferred proponent for the Queen's Wharf Brisbane development. Destination Brisbane Consortium is now continuing to work with the Queensland Government to finalise the relevant project documentation. Refer to section 2.6 for details of the Destination Brisbane Consortium.

Other than those events that have already been disclosed in this report or elsewhere in the financial report, there have been no other significant events occurring after 30 June 2015 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.

6 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.

Current Directors	
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* **Experience:** 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. **Special Responsibilities:** Mr O'Neill is chairman of the Board and an ex-officio member of all Board committees. **Directorships of other Australian listed companies held during the last 3 years:** Nil

Matt Bekier	**Managing Director and Chief Executive Officer** (from 11 April 2014); **Executive Director** (from 2 March 2011) *Master of Economics and Commerce; PhD in Finance* **Experience:** 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. **Special Responsibilities:** Nil **Directorships of other Australian Listed companies held during the last 3 years:** Nil
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* **Experience:** 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. **Special Responsibilities:** • Chair of the Audit Committee • Member of the Risk and Compliance Committee • Member of the Remuneration Committee • Member of the Investment and Capital Expenditure Review Committee **Directorships of other Australian listed companies held during the last 3 years:** Nil

Greg Hayes(i)	**Non-Executive Director** (from 24 April 2015) *Master of Applied Finance; Graduate Diploma in Accounting; Bachelor of Arts; Advanced Management Programme (Harvard Business School, Massachusetts); Member of Institute of Chartered Accountants.* **Experience:** Greg Hayes is an experienced executive and director having worked across a range of industries including energy, infrastructure and logistics. Mr Hayes brings to the Board skills and experience in the areas of strategy, finance, mergers and acquisitions, and strategic risk management, in particular in listed companies with global operations. Mr Hayes was previously Chief Financial Officer and Executive Director of Brambles Limited, Chief Executive Officer & Group Managing Director of Tenix Pty Ltd, Chief Financial Officer and later interim CEO of the Australian Gaslight Company (AGL), CFO Australia and New Zealand of Westfield Holdings, and Executive General Manager, Finance of Southcorp Limited. **Special Responsibilities:** • Member of the Audit Committee • Member of the Risk and Compliance Committee • Member of the People, Culture and Social Responsibility Committee • Member of the Investment and Capital Expenditure Committee **Directorships of other Australian listed companies held during the last 3 years:** • Incitec Pivot Limited (October 2014 to present)
Katie Lahey AM	**Non-Executive Director** (from 1 March 2013) *Bachelor of Arts (1st Class Honours); Master of Business Administration* **Experience:** 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 Chair of Tourism & Transport Forum and the Executive Chairman Australasia for Korn Ferry International. She is also a member of the Australian Brandenburg Orchestra. Ms Lahey was previously the Chair of Carnival Australia and a member of the boards of David Jones Limited, Australia Council Major Performing Arts, Hills Motorway Limited, Australia Post and Garvan Research Foundation. **Special Responsibilities:** • Chair of the People, Culture and Social Responsibility Committee • Member of the Risk and Compliance Committee • Member of the Remuneration Committee **Directorships of other Australian listed companies held during the last 3 years:** • David Jones Limited (October 1995 to June 2012)

(i) Appointed as a Non-Executive Director on 24 April 2015.

Sally Pitkin[(ii)]	**Non-Executive Director** (from 19 December 2014) *Doctor of Philosophy (Governance); Master of Laws; Bachelor of Laws; Fellow of the Australian Institute of Company Directors* **Experience:** Sally Pitkin is a Queensland based company director and lawyer with extensive corporate experience and over 18 years' experience as a non-executive director and board member across a wide range of industries in the private and public sectors. Dr Pitkin is the President of the Queensland Division of the Australian Institute of Company Directors and a Member of the National Board; and a Non-Executive Director of the Committee for Economic Development of Australia. She is a member of the External Advisory Board of the Australian Securities and Investments Commission. Dr Pitkin currently holds various board roles and previously held Non-Executive Director positions with Aristocrat Leisure Limited and Australian Leisure and Hospitality Group. **Special Responsibilities:** • Chair of the Remuneration Committee • Member of the Audit Committee • Member of the People, Culture and Social Responsibility Committee **Directorships of other Australian listed companies held during the last 3 years:** • Super Retail Group Limited (1 July 2010 to present) • Billabong International Limited (28 February 2012 to present) • IPH Limited (September 2014 to present)
Richard Sheppard	**Non-Executive Director** (from 1 March 2013) *Bachelor of Economics (1st Class Honours); Fellow of the Australian Institute of Company Directors* **Experience:** 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 a Non-Executive Director of Dexus Property Group and Snowy Hydro Limited. He is also Treasurer of the Bradman Foundation. **Special Responsibilities:** • Chair of the Risk and Compliance Committee • Chair of the Investment & Capital Expenditure Review Committee • Member of the Audit Committee • Member of the People, Culture & Social Responsibility Committee (to 31 December 2014) **Directorships of other Australian listed companies held during the last 3 years:** • Dexus Property Group (January 2012 to present)

(ii) Appointed as a Non-Executive Director on 19 December 2014.

Former Director	
Anne Brennan[iii]	**Deputy Chairman** (from 14 June 2013 to 31 October 2014); **Non-Executive Director** (from 23 March 2012 to 31 October 2014) *Bachelor of Commerce; Fellow of the Australian Institute of Chartered Accountants; Fellow of the Australian Institute of Company Directors* **Experience:** Anne Brennan has extensive chartered accounting experience, including at Partner level, across three major accounting firms. More recently Ms Brennan held financial executive positions including Chief Financial Officer at CSR Limited and Finance Director at the Coates Group. **Special Responsibilities:** • Chair of the Remuneration and Nomination Committee • Member of the Audit Committee • Member of the People, Culture and Social Responsibility Committee **Directorships of other Australian listed companies held during the last 3 years:** • Myer Holdings Limited (September 2009 to present) • Charter Hall Group (October 2010 to present) • Nufarm Limited (February 2011 to present) • Argo Investments Limited (September 2011 to present)

(iii) Ceased as Deputy Chairman and non-Executive Director on 31 October 2014.

7 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[iv]	353,403	776,234
Gerard Bradley	20,000	Nil
Greg Hayes[i]	Nil	Nil
Katie Lahey AM	11,836	Nil
Sally Pitkin[ii]	26,900	Nil
Richard Sheppard	50,000	Nil
Former		
Anne Brennan [iii]	10,000	Nil

(i) Appointed as a Non-Executive Director on 24 April 2015.
(ii) Appointed as a Non-Executive Director on 19 December 2014.
(iii) Ceased as Deputy Chairman and Non-Executive Director on 31 October 2014. The number of Echo Entertainment Group Limited securities disclosed above was applicable at the time of cessation.
(iv) 122,550 Ordinary Shares held by Matt Bekier are subject to a holding lock that ends on 15 September 2015.

8 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. Ms Martin is a member of the Queensland Law Society, Australian Corporate Lawyers Association and a member of the Governance Institute of Australia.

9 Board and Committee meeting attendance

During the financial year ended 30 June 2015 the Company held 13 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		Remuner-ation Committee		People, Culture & Social Responsibi-lity Committee		Investment & Capital Expenditure Review Committee	
Current	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
John O'Neill AO	13	13	4	4	4	4	5	5	4	4	5	5
Matt Bekier(i)	13	13	0	0	0	0	0	0	0	0	0	0
Gerard Bradley	13	13	4	4	4	4	5	5	0	0	4	5
Greg Hayes(ii)	6	2	2	1	2	1	1	0	2	1	2	1
Katie Lahey AM	12	13	0	0	4	4	5	5	4	4	0	0
Sally Pitkin(iii)	8	5	2	2	1	0	2	3	2	2	0	0
Richard Sheppard	13	13	4	4	4	4	0	0	2	2	5	5
Former												
Anne Brennan (iv)	4	7	1	1	0	0	2	2	1	1	0	0

A – Number of meetings attended as a Director or observer

B – Maximum number of meetings available for attendance following appointment as a Director

(i) The Managing Director and Chief Executive Officer is not a member of any Board Committee but may attend Board Committee meetings upon invitation, however this attendance is not recorded here.

(ii) Appointed as a Non-Executive Director on 24 April 2015.

(iii) Appointed as a Non-Executive Director on 19 December 2014.

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

Details of the functions and memberships of the Committees of the Board and the terms of reference for each Board Committee are available from the Corporate Governance section of the Group's website.

10 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, 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.

11 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 2015. 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 (Cth)*. 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 Chair 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.

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	40
Other non-audit services including taxation services	86
Total of all non-audit and other services	**126**

Amounts paid or payable by the Company for audit and non-audit services are disclosed in note F11 of the financial report.

12 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.

13 Auditor's independence declaration

Attached is a copy of the auditor's independence declaration provided under section 307C of the *Corporations Act 2001 (Cth)* in relation to the audit of the financial report for the year ended 30 June 2015. 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
12 August 2015

Building a better
working world

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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 2015, 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
12 August 2015

ECHO

Echo Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: EGP

and its controlled entities

Remuneration Report (audited)

for the year ended 30 June 2015

Introduction from the Remuneration Committee Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for FY15.

The Company's Reward Strategy is designed to attract, motivate and retain the talent necessary to run the business and drive behaviour that aligns with the creation of sustainable shareholder value.

The FY14 Remuneration Report received positive shareholder support at the 2014 AGM, with a vote in favour of 98.29%.

The Company has not made significant changes to the remuneration structure for FY15 as it considers the Reward Strategy and framework to be appropriate.

*The performance of the business in FY15 was above expectations; financially, Net Profit after Tax (NPAT) of $169.3m was 59.3% up on the prior comparable period (**pcp**) (Normalised NPAT of $219.3m was up 52.2%) resulting in a full year dividend to shareholders of 11 cents per share, up 37.5% on the pcp.*

The Company also completed the sale of Jupiters Townsville Casino during the year resulting in a gain of $8.0m before tax. On 20 July 2015, the Company together with its consortium partners (collectively referred to as the "Destination Brisbane Consortium") was selected as the preferred proponent for the redevelopment of Queen's Wharf in Brisbane, including an integrated resort and casino.

Based on these superior outcomes for FY15, bonuses were awarded to Executives and employees across the group, demonstrating the Company's philosophy to reward individuals for exceptional performance. For Executives, one-third of their bonus entitlements are delivered in the form of Restricted Shares that are subject to a one year retention period and clawback provisions.

Rights granted in FY12 were tested on 20 September 2014 (FY15) and did not vest as the Company's TSR performance was below the testing threshold. As a result these grants lapsed and no shares were issued to participants.

To strengthen alignment of individual interests to that of shareholders, the Company has introduced minimum shareholding policies for all KMP effective from FY16. Details of the policies and current shareholdings of Executives and NEDs respectively are set out in Section 8 of this report.

The Company is currently reviewing remuneration for all of its Executives for FY16 relative to comparable ASX-listed organisations and industry peers.

We look forward to your continued support throughout FY16 and welcome your feedback on our Remuneration Report for FY15.

Yours sincerely,

Sally Pitkin

Remuneration Committee Chair

The Directors of Echo Entertainment Group Limited (***Echo*** or the ***Company***) have approved this Remuneration 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 2015.

This Remuneration Report outlines the remuneration arrangements for Key Management Personnel (***KMP***) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent. This report has been prepared in accordance with the requirements of the *Corporations Act 2001(Cth)* (the ***Corporations Act***) and its regulations. The information has been audited as required by section 308(3C) of the Corporations Act where indicated.

For purposes of this report, the term ***'Executives'*** includes the executive director (Managing Director and Chief Executive Officer) and senior executives (Chief Financial Officer and Property Managing Directors - The Star and Queensland), and excludes Non-Executive Directors ***(NEDs)***.

This Remuneration Report is comprised of the following sections:

1. Key Management Personnel

The names and titles of the Company's KMP are set out below. KMP were in office for the entire duration of the financial year, unless otherwise stated. There have been no changes to KMP since the end of the financial year.

Non-Executive Directors

Current	
John O'Neill AO	Chairman and Non-Executive Director
Gerard Bradley	Non-Executive Director
Greg Hayes (i)	Non-Executive Director
Katie Lahey AM	Non-Executive Director
Sally Pitkin (ii)	Non-Executive Director
Richard Sheppard	Non-Executive Director
Former	
Anne Brennan (iii)	Deputy Chairman and Non-Executive Director

(i) On 19 November 2014, the Company announced the proposed appointment of Greg Hayes as a Non-Executive Director subject to regulatory approvals being obtained. Greg Hayes commenced as a Non-Executive Director on 24 April 2015.

(ii) 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.

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

Executives

Current	
Matt Bekier	Managing Director and Chief Executive Officer
Chad Barton	Chief Financial Officer
Greg Hawkins (iv)	Managing Director, The Star
Geoff Hogg	Managing Director, Queensland

(iv) Greg Hawkins commenced as Managing Director, The Star on 1 September 2014.

2. Remuneration Governance

The Remuneration 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.

According to the Remuneration Committee Terms of Reference, the majority of Committee members must be independent non-executive directors and the Chair of the Committee must be an independent non-executive director. Currently all members of the Remuneration Committee (including the Chair of the Committee) are independent non-executive directors.

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 Executives, taking into account comparable ASX-listed organisations with similar market capitalisation (range 50% to 200% of Echo's market capitalisation) as well as appropriate industry peers;
- Reviewing and recommending to the Board the terms and conditions of reward programs for Executives including performance-based payments;
- Reviewing and recommending to the Board, the remuneration of the Chairman and NEDs taking into account the level of fees paid to Board members of comparable ASX-listed organisations, determined based on similar market capitalisation (range 50% to 200% of Echo's market capitalisation) as well as appropriate industry peers;
- Engaging a remuneration consultant on remuneration matters when required; and
- Agreeing benchmarks against which annual salary reviews are evaluated.

Use of remuneration advisors

The Committee seeks external advice from time to time to ensure it is fully informed when making remuneration decisions. Remuneration advisors are engaged by, and report directly to, the Committee.

During FY15, Echo appointed PricewaterhouseCoopers (***PwC***) as external remuneration consultants. No remuneration recommendations as defined by the Corporations Act were provided during FY15.

PwC provided advice relating to the Company's Reward Strategy and general benchmarking.

*Remuneration Report approval at 2014 Annual General Meeting (**AGM**)*

The FY14 Remuneration Report received positive shareholder support at the 2014 AGM, with a vote of 98.29% in favour.

3. Remuneration Strategy and Programs

The remuneration strategy at Echo is designed to support a high performance culture, achieve superior performance and as a result, sustainable value for shareholders. The reward programs are designed to promote individual accountability and entrepreneurship in employees.

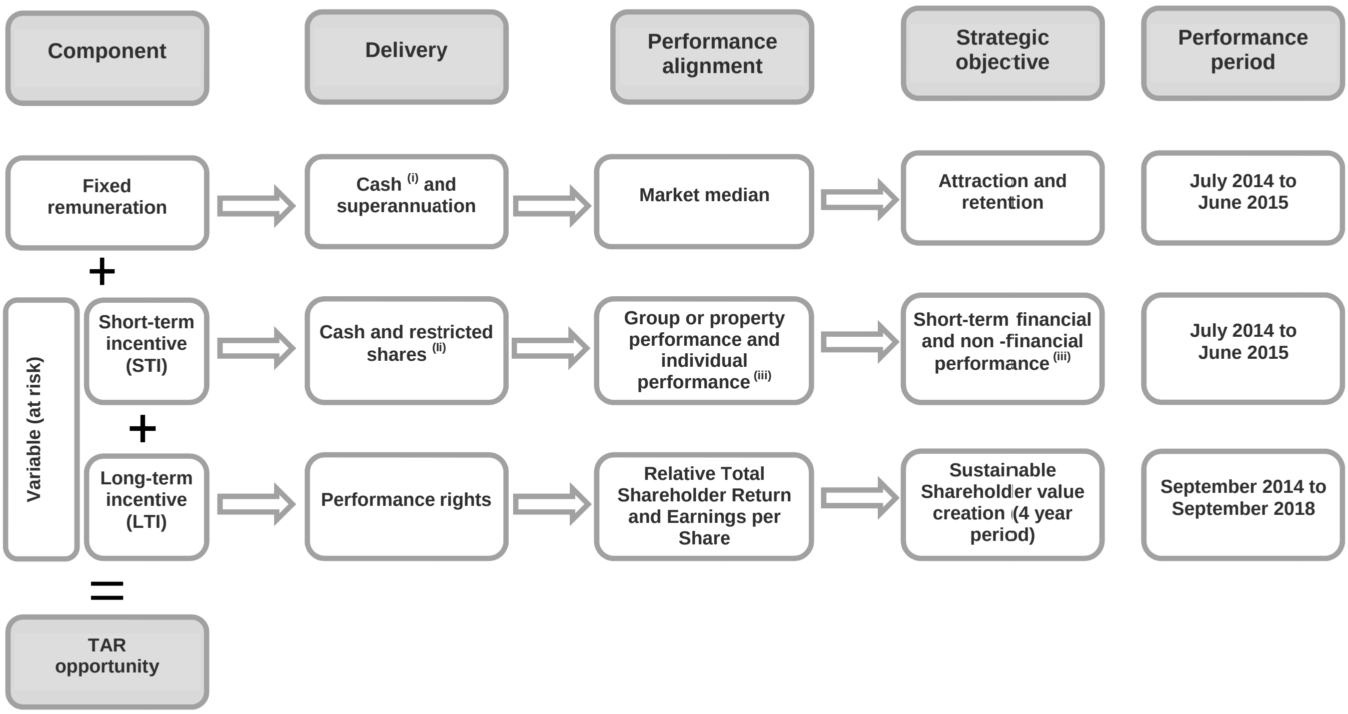
To achieve these objectives, the reward principles are shaped around:

1. being market competitive in order to attract and retain high performing individuals (fixed remuneration). Fixed remuneration is set taking into account the level of remuneration paid to Executives of comparable ASX-listed organisations, determined based on similar market capitalisation and appropriate industry peers.

2. paying for performance behaviours (variable – at risk pay) that drive sustainable value for shareholders. Balanced scorecards are used to focus individuals on targets that support the Company's key operational and strategic priorities.

The figure below illustrates how components of Executives' Total Annual Reward (***TAR***) opportunity are linked to strategic objectives.

Figure 1: Components of Executive TAR Opportunity



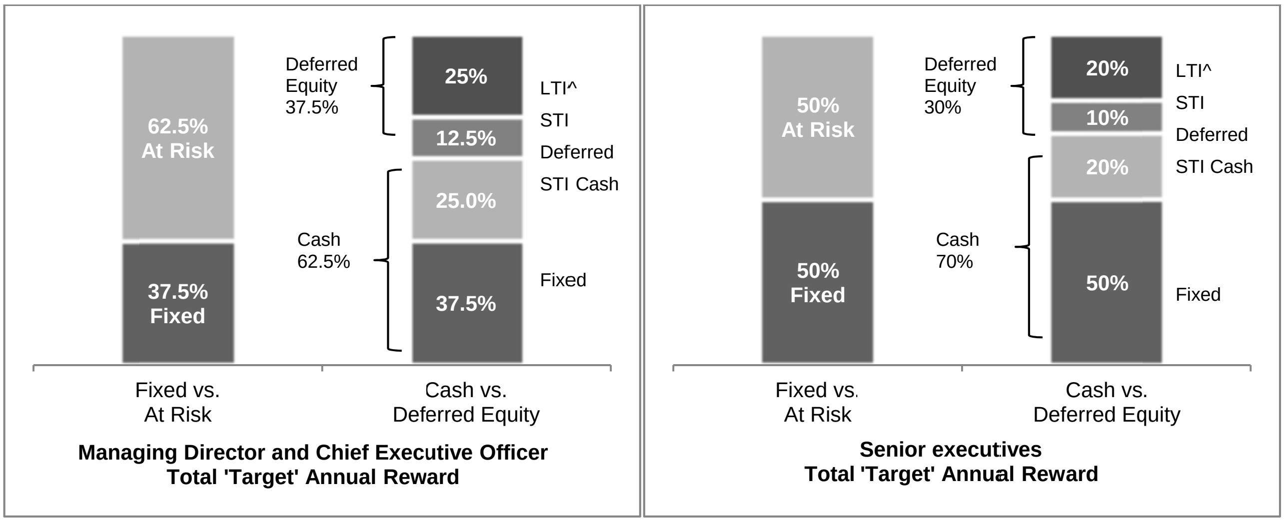
(i) Employees may voluntarily elect to salary sacrifice for additional superannuation contributions and motor vehicle novated leases (from fixed remuneration component only).
(ii) A mandatory one-third of the Executives' short-term incentive award is deferred into shares which are subject to a holding lock for a period of twelve months.
(iii) Metrics used to assess financial performance include Normalised NPAT and EBITDA. Non-financial measures include Guest Satisfaction, Employment Engagement, Work, Health & Safety and Regulatory Compliance scores.

Target remuneration pay mix between short and long-term performance

Echo balances the level of fixed versus variable remuneration based on the industry's market for talent, the views of shareholders and the need for effective reward mechanisms to connect short and long-term performance against the Company's strategic objectives.

The figure below illustrates the remuneration mix for the Managing Director and Chief Executive Officer and senior executives (Chief Financial Officer and Property Managing Directors – The Star and Queensland) respectively.

Figure 2: Remuneration mix for FY15



^ LTI refers to the intended annual grant value.

1. 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 to level of remuneration paid to Executives of comparable ASX-listed organisations, determined based on similar market capitalisation (range 50% to 200% of Echo's market capitalisation) as well as appropriate industry peers; and
- level of international and domestic gaming knowledge, skills and experience of the individual.

2. 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 Long Term Performance Plan (***LTPP***).

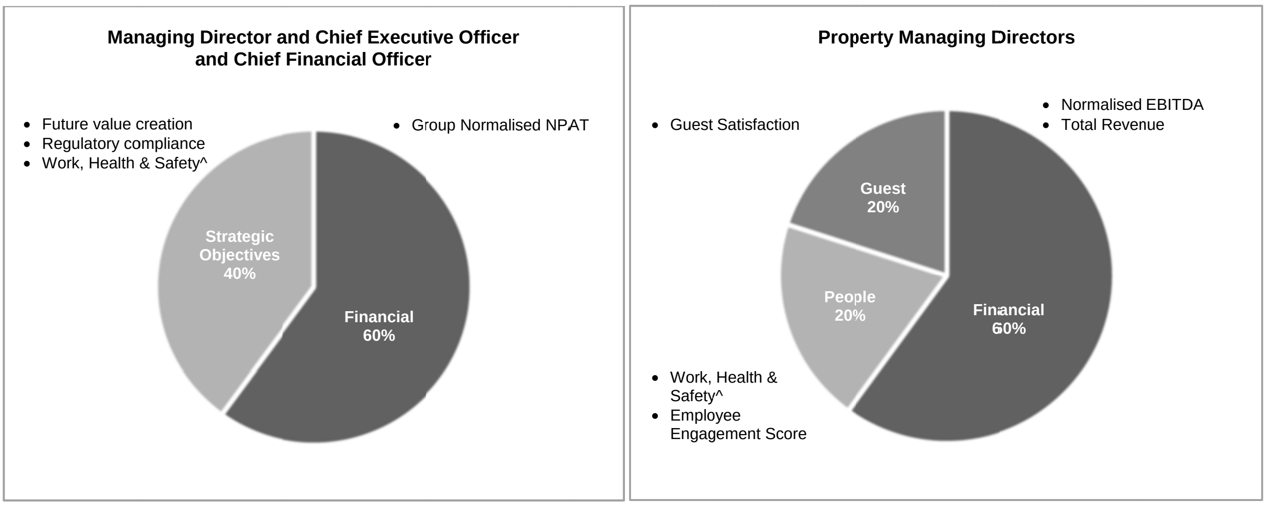
2.1 Short Term Performance Plan

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

Table 1: Key design features of the plan

Purpose	To motivate, assess and reward Executives based on their short-term (twelve month) contribution to the Company and property/team results.
Gateway	Normalised[1] NPAT of the Group 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 being 100% of budget. The Board may use its discretion to make payments to reward for significant non-financial performance.
Pool size	The pool is determined by the Board through an assessment of: 1. Group's performance (Normalised NPAT) 2. Property performance (Normalised EBITDA) 3. Other non-financial and strategic objectives
Incentive opportunity levels	Opportunities are based on the Executive's incentive target as per their employment contract. The payment range available is 0%-150% of the Executive's incentive target.
Payment calculation	Individual performance is determined by using a weighted scorecard of measures (Figure 3) to arrive at a performance rating. Performance ratings link to payment ranges as follows: • 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 shares for a period of twelve months. These shares are forfeited in the event that the Executive voluntarily terminates from the Company. Executives are entitled to receive dividends and have voting rights during the restriction period, however they are unable to vote on remuneration resolutions at the AGM.
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 found to be fraudulent, dishonest or in breach of the Company's Code of Conduct (e.g. misconduct). This provision may extend up to the prior three financial years of STPP payments.

Figure 3: Weighted Scorecard



^External providers were engaged to report on Work, Health & Safety which comprises Total Recordable Injury Frequency Rate (TRIFR), Lost Time Injury Frequency Rate (LTIFR) and Workers Compensation indicators.

[1] *Normalised results reflect the underlying performance of the business as they remove the inherent volatility of the International VIP Rebate business and exclude significant items that are considered by their nature and size unusual or not in the ordinary course of business.*

2.2 Long Term Performance Plan

The LTPP is principally designed to reward Executives for their contributions to sustainable shareholder value creation. Equity awards are granted annually and may vest after four years (subject to performance). Performance is measured at the test date against two criteria – Relative Total Shareholder Return (***TSR***) and Earnings per Share (***EPS***).

Table 2: Key design features of the plan

<table>
<tr><td>Type of equity award</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 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 rowspan="2">Vesting conditions (hurdles)</td><td>TSR (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.</td><td>EPS (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>FY15 EPS target</u>: EPS Growth to FY18

The EPS target is set by the Board at the beginning of the performance period by reference to a Board approved long range plan.

Echo will disclose the actual EPS target on a retrospective basis to ensure that the Company's competitive position is not undermined.</td></tr>
<tr><td><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><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 tested on the fourth anniversary of the grant and are not subject to retesting.

When the performance rights vest, Echo shares are automatically 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>

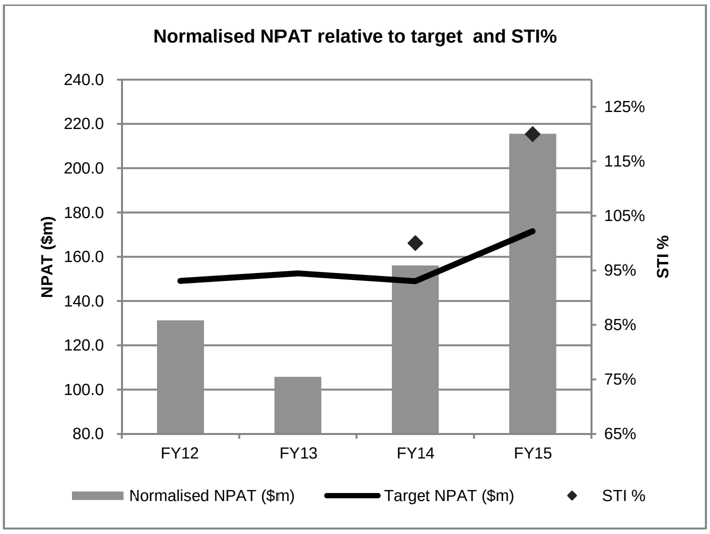
4. Executive Performance and Reward Outcomes

Group performance and its link to STI

The financial performance measure driving STI payment outcomes is Normalised NPAT of the Group.

The following chart shows Echo's reported Normalised NPAT relative to target over the prior four year period (the Company was incorporated on 2 March 2011 and has been listed on the ASX since 6 June 2011) and the percentage STI paid (no STI was paid in FY12 and FY13 respectively as targets were not achieved).

Figure 4: Normalised NPAT relative to target and percentage STI paid



In determining whether incentives would be paid, the Board first considered the Group's Normalised NPAT performance against budget. Based on the achievement of results above budget, the Board approved the creation of an 'above target' incentive pool.

Executives were then assessed against their weighted scorecards that are based on the Group's key operational and strategic priorities, and behaviours for the full financial year to determine their individual STI outcomes. Based on the achievement of these, STI awards were made. Two-thirds of the STI awards are paid in cash and one-third in restricted shares.

Table 3: FY15 Group Key Performance Indicators

Category	Key performance indicator	Commentary	Overall Rating
Normalised NPAT performance	• Deliver to or above budget	• The Group delivered a solid result for FY15. Normalised NPAT was 52.2% above pcp and ahead of budget.	Above Target
Business unit performance	• Deliver earnings to or above budget • Deliver capital works within scope, timing and budget	• All business units delivered revenues and EBITDA above the pcp and ahead of budget • Redevelopment works progressing in line with expectations.	Above Target
Customer, Stakeholder and Sustainability performance	• Design and implement guest service system (refers to a comprehensive system geared towards creating sustainable service culture) • Enhance customer loyalty program and branding across the Group • Deliver results that are within the Group's risk framework appetite • Strengthen external stakeholder relationships • Embed sustainable operational practices across the Group	• Guest service system developed and implemented • Customer Loyalty Program and Branding rollout on track • No material compliance or risk breaches • Reportable incidents within tolerance levels • Steady progress with stakeholder relationships • Sustainable energy consumption and reporting framework in place and tracking in accordance with targets • Group recycling rate has increased significantly over the last 2 financial years • Winner NSW & National 'New Signatory of the Year' award - National CitySwitch Program.	Above Target
People and Safety performance	• Employee Engagement on or above target • Work, Health & Safety scores to be on or better than target (comprises TRIFR, LTIFR and Workers Compensation indicators)	• Overall engagement scores well ahead of last year and above targets • Safety scores overall were slightly below expectations	On Target
Strategic priorities	• Develop strategy in light of increased competition in Sydney • Submit compelling QWB development proposal • Execute the sale of Jupiters Townsville	• The Star master redevelopment plan well progressed • Echo and its consortium partners announced as preferred proponent for QWB development • Sale of Jupiters Townsville completed in October 2014	Above Target

Table 4: FY15 STI Awards

Details	Matt Bekier Managing Director and Chief Executive Officer	Chad Barton Chief Financial Officer	Greg Hawkins Managing Director, The Star	Geoff Hogg Managing Director, Queensland
STI award as % of target	140%	120%	115%	144%
Total award $	$2,100,000	$468,000	$687,354	$432,000
Cash $	$1,400,000	$312,000	$458,236	$288,000
Restricted shares $	$700,000	$156,000	$229,118	$144,000

Group performance and its link to LTI

LTI grants and vesting outcomes

Performance rights granted in FY12 were tested in September 2014 however did not meet the minimum vesting thresholds and therefore lapsed.

There are no performance rights due for testing in September 2015 as the Company changed from a three year vesting period to four years in FY13. The next test date for performance rights granted in FY13 will be in September 2016.

The table below summarises the number of performance rights held by Executives at the end of the financial year.

Table 5: Performance rights by grant held by Executives at 30 June 2015

Executive	FY12 Grant	FY13 Grant	FY14 Grant	FY15 Grant	Total performance rights lapsed	Total performance rights retained
Matt Bekier	232,558	227,272	196,850	352,112	(232,558)	**776,234**
Chad Barton	-	-	-	91,549	-	**91,549**
Greg Hawkins	-	-	-	169,014	-	**169,014**
Geoff Hogg	48,090	63,636	62,992	70,422	(48,090)	**197,050**
Total performance rights	**280,648**	**290,908**	**259,842**	**683,097**	**(280,648)**	**1,233,847**

The table below summarises details of performance rights issued to date.

Table 6: Details of performance rights issued to date

Detail	FY12 Grant	FY13 Grant	FY14 Grant	FY15 Grant
Grant date	20 Sep 2011	19 Sep 2012	1 Oct 2013	26 Sep 2014
Test date	20 Sep 2014	19 Sep 2016	1 Oct 2017	26 Sep 2018
Vesting hurdle(s)	TSR	TSR	TSR & EPS	TSR & EPS
Test result	0% vested	N/A	N/A	N/A

Table 7: Statutory key performance indicators over the last four years

The table outlines the link between the Company's performance and shareholder returns. Only four years of performance is shown as the Company was incorporated on 2 March 2011 and has been listed on the ASX since 6 June 2011.

Performance metric	2012	2013	2014	2015
Statutory NPAT	$42.2m	$83.5m	$106.3m	$169.3m
EPS	5.9c	10.1c	12.9c	20.5c
Full year dividend (fully franked, cents per share)	4.0c	6.0c	8.0c	11.0c
Share price at year end	$4.28	$3.06	$3.14	$4.36
Increase/(decrease) in share price	N/A	(29%)	+3%	+39%

5. Executive Remuneration

Table 8: Statutory Executive Remuneration

Executive	Financial year	Short-term			Long-term	Post-Employment	Charge for share based allocations		Total remuneration $	Performance related %	Other (vi) $
		Salary & fees (i) $	Bonus (ii) $	Non-monetary benefits (iii) $	Long service leave $	Superannuation (iv) $	Performance rights (v) $	Restricted shares (ii) $			
Matt Bekier	**2015**	**1,458,462**	**1,400,000**	**1,049**	**24,999**	**30,000**	**385,668**	**700,000**	**4,000,178**	**62%**	**-**
	2014	1,060,584	780,000	4,302	102,679	17,775	365,854	390,000	2,721,194	56%	-
Chad Barton	**2015**	**655,206**	**312,000**	**1,049**	**10,831**	**24,783**	**42,055**	**156,000**	**1,201,924**	**42%**	**-**
	2014	56,658	-	-	860	1,481	-	-	58,999	0%	-
Greg Hawkins	**2015**	**1,000,137**	**458,236**	**384,091**	**16,601**	**34,953**	**77,641**	**229,118**	**2,200,777**	**35%**	**-**
	2014	-	-	-	-	-	-	-	-	-	400,000
Geoff Hogg	**2015**	**496,595**	**288,000**	**4,925**	**8,330**	**18,783**	**99,003**	**144,000**	**1,059,636**	**50%**	**-**
	2014	413,029	196,000	-	30,997	17,775	93,204	98,000	849,005	46%	-
John Redmond (vii)	**2015**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
	2014	1,943,385	-	418,984	(2,823)	15,545	(125,000)	-	2,250,091	0%	-
Frederic Luvisutto (vii)	**2015**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
	2014	462,844	-	227,216	(7,497)	10,369	(89,315)	-	603,617	0%	-
Aaron Gomes (vii)	**2015**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
	2014	536,067	-	60,093	(1,395)	20,737	(24,965)	-	590,537	0%	489,153
TOTAL FY15		**3,610,400**	**2,458,236**	**391,114**	**60,761**	**108,519**	**604,367**	**1,229,118**	**8,462,515**		**-**
TOTAL FY14		**4,472,567**	**976,000**	**710,595**	**122,821**	**83,682**	**219,778**	**488,000**	**7,073,443**		**889,153**

(i) Comprises salary, salary sacrificed benefits (including motor vehicle novated leases) and annual leave expense.
(ii) Represents STPP award delivered as two-thirds cash award and one-third restricted shares. For accounting purposes, the charge relating to the grant of restricted shares is recognised as a share based payment expense in the income statement over the vesting period.
(iii) Comprises car parking, accommodation, airfares, travel costs, relocation expenses, living away from home benefits and taxation services where applicable. Mr Hawkins received relocation reimbursement and benefits (flights, accommodation, initial setup costs) to support his relocation to New South Wales.
(iv) Comprises superannuation contributions per Superannuation Guarantee legislation and salary sacrificed superannuation.
(v) Represents the fair value of share based payments expensed by Echo in relation to LTPP awards and includes reversal of previously recognised remuneration on cessation of employment where performance rights are forfeited.
(vi) Other payments represent the sign-on payment received by Mr Hawkins on acceptance of role as Managing Director, The Star and the redundancy payment received by Mr Gomes inclusive of termination benefits and statutory entitlements. The total payment was assessed to be under the Terminations Cap as per the Corporations Act, hence shareholder approval was not required.
(vii) Executives active in FY14 are included for comparative purposes: Mr Redmond ceased 1 May 2014, Mr Luvisutto ceased 24 January 2014, Mr Gomes ceased 28 May 2014.

The table below summarises the Executives' remuneration for FY15 and shows how bonuses for FY15 are delivered in terms of cash and shares. The table also illustrates that no vesting occurred during the year for awards made under the Long Term Performance Plan as performance hurdles were not met.

(Figures presented below are based on awards made in respect of FY15 performance and differ to the statutory remuneration based on Australian Accounting Standard principles).

Table 9: Remuneration outcomes for the year ended 30 June 2015 – Executives

Executive	Fixed pay Cash $	Short-term incentives		Long-term incentives vested during the year (ii) $	Total remuneration $	Long-term incentives lapsed during the year (iii) $
		Cash $	Shares (i) $			
Matt Bekier	1,500,000	1,400,000	700,000	-	**3,600,000**	(500,000)
Chad Barton	650,000	312,000	156,000	-	**1,118,000**	-
Greg Hawkins (iv)	1,000,000	458,236	229,118	-	**1,687,354**	-
Geoff Hogg	500,000	288,000	144,000	-	**932,000**	(103,395)
TOTAL FY15	**3,650,000**	**2,458,236**	**1,229,118**	**-**	**7,337,354**	**(603,395)**

(i) Executives received one-third of their short-term incentives in the form of Restricted Shares that vest in September 2016. Restricted Shares are subject to retention and clawback provisions.

(ii) Performance rights granted in FY12 were tested during the year and did not vest as the Company's Relative Total Shareholder Return performance was below the minimum vesting threshold.

(iii) Value of performance rights granted in FY12 and lapsed in FY15 as vesting threshold was not met.

(iv) Greg Hawkins commenced as Managing Director, The Star on 1 September 2014.

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6. Executive Contracts

Remuneration arrangements for Executives are formalised in employment agreements. The following table sets out details of contracts with Executives.

Table 10: Executive Employment Contracts

Contract Details	Matt Bekier Managing Director and Chief Executive Officer	Chad Barton Chief Financial Officer	Greg Hawkins Managing Director, The Star	Geoff Hogg Managing Director, Queensland
Fixed remuneration	$1,500,000	$650,000	$1,200,000	$500,000
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	$390,000	$720,000	$300,000
Long-term incentive (annual grant value)	$1,000,000	$260,000	$480,000	$200,000
Total Target Annual Reward	**$4,000,000**	**$1,300,000**	**$2,400,000**	**$1,000,000**
Non-monetary benefits	N/A	N/A	N/A	N/A
Other benefits	N/A	N/A	N/A	N/A
Notice by the Executive	12 months	6 months	9 months	6 months
Notice by the Company	12 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.	9 months
Restraint (i)	12 months	Notice period or 6 months following the notice of termination by the Company for any reason.	12 months	12 months
Non solicitation	12 months	12 months	12 months	12 months
Contract duration	Open ended	Open ended	Open ended	Open ended

(i) Exclusion from being engaged in any business or activity in Australia which competes with or is substantially similar to the business of Echo.

7. NED Remuneration

Remuneration Policy

- NEDs receive a Board fee and Committee fee for participation as Chair or Member in each Committee.
- NEDs do not receive any performance or incentive payments and are not eligible to participate in any of Echo's reward programs. This policy aligns with the principle that NEDs act independently and impartially.
- Board fees are not paid to the Managing Director and Chief Executive Officer. Executives do not receive fees for directorships of any subsidiaries.

NED Fees

The aggregate fees payable to 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 and does not intend to seek any change to this limit at the 2015 AGM.

Board and Committee fees effective from 1 January 2015 are shown in the table below. There are no planned changes to fees in FY16.

Table 11: Annual NED Fees (inclusive of superannuation)

	Board (i)	Audit	Risk & Compliance	Remuneration (ii)	People, Culture & Social Responsibility	Investment & Capital Expenditure Review (iii)
Chair	$475,000	$35,000	$30,000	$30,000	$30,000	$30,000
Member	$150,000	$17,500	$15,000	$15,000	$15,000	$15,000

(i) Deputy Chair fee of $25,000 was paid to Anne Brennan in addition to the Board member fee. This fee was removed upon her resignation.
(ii) Chair fee of $35,000 and Member fee of $17,500 was applicable to 31 December 2014 for the previously combined Remuneration & Nomination Committee. From 1 January 2015, the committee relinquished responsibility for all nomination related matters to the Board and changed its name to the Remuneration Committee.
(iii) New committee effective from 1 January 2015.

Echo remunerates NEDs for the full month of fees irrespective of their commencement date. Observer fees are paid where NED appointment is subject to regulatory approvals being obtained. Observer fees are equivalent to applicable Board and Committee fees.

Table 12: NED Remuneration

NED	Financial year	Board and Committee Fees $	Superannuation (ii) $	Total $
John O'Neill AO	**2015**	**440,000**	**35,000**	**475,000**
	2014	440,000	35,000	475,000
Gerard Bradley	**2015**	**204,967**	**18,783**	**223,750**
	2014	196,411	18,172	214,583
Greg Hayes (i)	**2015**	**108,447**	**10,303**	**118,750**
	2014	N/A	N/A	N/A
Katie Lahey AM	**2015**	**192,922**	**18,328**	**211,250**
	2014	194,482	18,018	212,500
Sally Pitkin (i)	**2015**	**146,309**	**13,899**	**160,208**
	2014	N/A	N/A	N/A
Richard Sheppard	**2015**	**201,390**	**18,610**	**220,000**
	2014	194,482	18,018	212,500
Anne Brennan	**2015**	**74,572**	**6,261**	**80,833**
	2014	227,642	17,775	245,417
TOTAL FY15	**2015**	**1,368,607**	**121,184**	**1,489,791**
TOTAL FY14	**2014**	**1,253,017**	**106,983**	**1,360,000**

(i) No fees were paid in FY14 as these NEDs joined the board during FY15.
(ii) Comprises superannuation contributions per Superannuation Guarantee legislation and salary sacrificed superannuation

8. Other information

8.1. KMP shareholdings

To align the interests of the Board and Executives with the interests of shareholders generally, the Board has approved minimum shareholding policies that apply to all KMP.

Minimum Shareholding Policy for Executives

Executives who are classified as KMP are encouraged to progressively acquire shares over a five year period from the date of their appointment (for new Executives), or within five years from the date of commencement of the policy (for existing Executives).

The Managing Director and Chief Executive Officer is encouraged to acquire and hold a minimum number of shares which is of equal value to 150% of one year's base salary at the time of his unconditional appointment.

Other Executives who are classified as KMP are encouraged to acquire and hold a minimum number of shares which is of equal value to 100% of one year's base salary at the time of their unconditional appointment.

Direct and indirect holdings in shares or performance rights will each count towards the minimum shareholding target.

Minimum Shareholding Policy for NEDs

NEDs are encouraged to hold shares of equal value to their respective annual base fees applicable at the time of their unconditional appointment.

The shares are to be acquired progressively over three years from the date of their unconditional appointment (for new directors), or within three years from the date of commencement of the policy (for existing directors).

Direct and indirect holdings will both count towards the minimum shareholding target.

The tables below show the number of shares and performance rights held by KMP at the beginning and end of the financial year.

Table 13: Shares held by NEDs at 30 June 2015

NED	Balance at start of the year	Number acquired	Number divested	Balance at the end of the year
John O'Neil AO	46,120	-	-	**46,120**
Gerard Bradley	20,000	-	-	**20,000**
Greg Hayes	-	-	-	**-**
Katie Lahey AM	7,142	4,694	-	**11,836**
Sally Pitkin	-	26,900	-	**26,900**
Richard Sheppard	50,000	-	-	**50,000**
Anne Brennan (i)	10,000	-	-	**10,000**
Total ordinary shares	**133,262**	**31,594**	**-**	**164,856**

(i) Represents shares held on cessation as a director

Table 14: Shares and Performance Rights held by Executives at 30 June 2015

Executive	Holding	Balance at start of the year	Acquired or granted as compensation	Disposed of or lapsed during the year	Balance at the end of the year
Matt Bekier	Performance Rights	656,680	352,112	(232,558)	**776,234**
	Ordinary Shares	225,739	5,114	-	**230,853**
	Restricted Shares	-	122,550	-	**122,550**
Chad Barton	Performance Rights	-	91,549	-	**91,549**
	Ordinary Shares	-	-	-	**-**
	Restricted Shares	-	-	-	**-**
Greg Hawkins	Performance Rights	-	169,014	-	**169,014**
	Ordinary Shares	-	-	-	**-**
	Restricted Shares	-	-	-	**-**

Executive	Holding	Balance at start of the year	Acquired or granted as compensation	Disposed of or lapsed during the year	Balance at the end of the year
Geoff Hogg	Performance Rights	174,718	70,422	(48,090)	**197,050**
	Ordinary Shares	30,579	-	-	**30,579**
	Restricted Shares	-	30,794	-	**30,794**

Restricted shares are subject to a holding lock that ends on 15 September 2015.

8.2. Loans and other transactions with KMP

There have been no loans or other transactions with KMP during the year.

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8.3. Variable Remuneration

Table 15: Variable Remuneration

		STI				LTI								
Executive	**Financial year**	**Cash award $**	**Restricted share grant $**	**As a % of total remuneration**	**STI not achieved as a % of target (ii)**	**Number of performance rights granted**	**Face value of performance rights granted $**	**Face value per right at grant date $**	**Grant date**	**Test date**	**As a % of total remuneration (iii)**	**Number of performance rights vested**	**Number of performance rights lapsed (iv)**	**Number of performance rights forfeited (v)**
Matt Bekier	**2015**	**1,400,000**	**700,000**	**52%**	**0%**	**352,112**	**1,000,000**	**2.84**	**26/09/2014**	**26/09/2018**	**10%**	**-**	**(232,558)**	**-**
	2014	780,000	390,000	43%	0%	196,850	499,998	2.54	1/10/2013	1/10/2017	13%	-	-	-
Chad Barton	**2015**	**312,000**	**156,000**	**39%**	**0%**	**91,549**	**260,000**	**2.84**	**26/09/2014**	**26/09/2018**	**4%**	**-**	**-**	**-**
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Greg Hawkins	**2015**	**458,236**	**229,118**	**31%**	**0%**	**169,014**	**480,000**	**2.84**	**26/09/2014**	**26/09/2018**	**4%**	**-**	**-**	**-**
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Geoff Hogg	**2015**	**288,000**	**144,000**	**41%**	**0%**	**70,422**	**200,000**	**2.84**	**26/09/2014**	**26/09/2018**	**9%**	**-**	**(48,090)**	**-**
	2014	196,000	98,000	35%	0%	62,992	160,000	2.54	1/10/2013	1/10/2017	11%	-	-	-
John Redmond (i)	**2015**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
	2014	-	-	0%	100%	590,551	1,500,000	2.54	1/10/2013	1/10/2017	0%	-	-	(590,551)
Frederic Luvisutto (i)	**2015**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
	2014	-	-	0%	100%	110,236	279,999	2.54	1/10/2013	1/10/2017	0%	-	-	(266,862)
Aaron Gomes (i)	**2015**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
	2014	-	-	0%	100%	70,866	180,000	2.54	1/10/2013	1/10/2017	0%	-	-	(131,388)
Total FY15		**2,458,236**	**1,229,118**			**683,097**	**1,940,000**					**-**	**(280,648)**	**-**
Total FY14		**976,000**	**488,000**			**1,031,495**	**2,619,997**					**-**	**-**	**(988,801)**

(i) Executives active in FY14 are included for comparative purposes: Mr Redmond ceased 1 May 2014, Mr Luvisutto ceased 24 January 2014, Mr Gomes ceased 28 May 2014.
(ii) Maximum opportunity available is 150% of the Executives' target incentive level.
(iii) Percentage calculation based on accounting LTI expense and total remuneration as reported in Table 8.
(iv) Performance rights granted in FY12 were tested in September 2014 and resulted in no vesting of performance rights.
(v) Represents the cumulative number of performance rights forfeited during the year due to cessation of employment.

Echo Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: EGP

and its controlled entities

Financial report

for the year ended 30 June 2015

ECHO

Consolidated income statement

For the year ended 30 June 2015

	Note	2015 $m	2014 $m
Revenue	A2	**2,140.3**	1,805.7
Other income/(expenses)	A3	**10.1**	(0.1)
Government taxes and levies	A3	**(473.5)**	(382.0)
Commissions and fees		**(290.0)**	(169.7)
Employment costs	A3	**(570.4)**	(530.9)
Depreciation and amortisation	A4	**(163.7)**	(145.6)
Cost of sales	A3	**(79.5)**	(77.0)
Property costs		**(79.6)**	(78.1)
Advertising and promotions		**(82.0)**	(66.9)
Other expenses		**(124.6)**	(113.9)
Earnings before interest and tax (EBIT)		**287.1**	241.5
Net finance costs	A5	**(49.9)**	(88.3)
Profit before income tax (PBT)	A3	**237.2**	153.2
Income tax expense	F2	**(67.9)**	(46.9)
Net profit after tax (NPAT)		**169.3**	106.3
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	F1	**8.0**	11.5
Total comprehensive income for the period		**177.3**	117.8
Earnings per share:			
Basic and diluted earnings per share	F3	**20.5 cents**	12.9 cents
Dividends per share:			
Fully franked dividend per share	A6	**11 cents**	8 cents

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

Consolidated balance sheet

For the year ended 30 June 2015

ECHO

	Note	2015 $m	2014 $m
ASSETS			
Cash and cash equivalents	B1	**196.6**	144.9
Trade and other receivables	B2	**110.5**	87.1
Inventories		**7.3**	6.5
Income tax receivable	F2	**-**	11.7
Derivative financial instruments	B3	**12.1**	2.9
Other assets	F4	**26.2**	21.7
Assets classified as held for sale	D5	**-**	69.7
Total current assets		**352.7**	344.5
Property, plant and equipment	B4	**1,974.2**	1,911.1
Intangible assets	B5	**1,840.0**	1,845.8
Derivative financial instruments	B3	**207.4**	86.7
Other assets	F4	**17.1**	30.1
Total non current assets		**4,038.7**	3,873.7
TOTAL ASSETS		**4,391.4**	4,218.2
LIABILITIES			
Trade and other payables	F5	**233.9**	154.7
Income tax payable	F2	**39.8**	-
Provisions	F6	**55.2**	51.7
Derivative financial instruments	B3	**16.7**	14.7
Other liabilities	F7	**21.2**	16.2
Liabilities directly associated with assets as held for sale	D5	**-**	8.0
Total current liabilities		**366.8**	245.3
Interest bearing liabilities	B7	**744.2**	803.1
Deferred tax liabilities	F2	**174.8**	177.9
Provisions	F6	**14.7**	8.9
Derivative financial instruments	B3	**55.5**	51.4
Total non current liabilities		**989.2**	1,041.3
TOTAL LIABILITIES		**1,356.0**	1,286.6
NET ASSETS		**3,035.4**	2,931.6
EQUITY			
Share capital	F8	**2,580.5**	2,580.5
Retained earnings		**462.3**	367.3
Reserves	F8	**(7.4)**	(16.2)
TOTAL EQUITY		**3,035.4**	2,931.6

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

ECHO

Consolidated statement of cash flows

For the year ended 30 June 2015

	Note	2015 $m	2014 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**2,174.5**	1,800.0
Payments to suppliers, service providers and employees		**(1,202.4)**	(1,057.8)
Payment of government levies, gaming taxes and GST		**(465.6)**	(385.6)
Interest received		**2.3**	3.3
Income tax paid		**(23.3)**	(44.6)
Net cash inflow from operating activities	F9	**485.5**	315.3
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(207.7)**	(110.0)
Net cash proceeds on sale of subsidiary	D5	**67.5**	-
Increase in other assets		**-**	(9.6)
Net cash (outflow) used in investing activities		**(140.2)**	(119.6)
Cash flows from financing activities			
Proceeds from interest bearing liabilities	B7	**40.0**	150.0
Repayment of interest bearing liabilities	B7	**(210.0)**	(315.0)
Repayment of derivative financial instruments		**-**	(22.6)
Dividends paid	A6	**(74.3)**	(49.5)
Finance costs		**(53.4)**	(75.1)
Net cash (outflow) from financing activities		**(297.7)**	(312.2)
Net increase/(decrease) in cash and cash equivalents		**47.6**	(116.5)
Cash and cash equivalents at beginning of the year		**144.9**	265.5
Net cash and cash equivalents relating to assets held for sale		**4.1**	(4.1)
Cash and cash equivalents at end of the year		**196.6**	144.9

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 2015

ECHO

	Note	Ordinary shares $m	Retained earnings $m	Hedging reserve $m	Share based payment reserves $m	Total equity $m
2015						
Balance at 1 July 2014		**2,580.5**	**367.3**	**(18.0)**	**1.8**	**2,931.6**
Profit for the year		**-**	**169.3**	**-**	**-**	**169.3**
Other comprehensive loss	F1	**-**	**-**	**8.0**	**-**	**8.0**
Total comprehensive income		**-**	**169.3**	**8.0**	**-**	**177.3**
Dividends provided for or paid	A6	**-**	**(74.3)**	**-**	**-**	**(74.3)**
Employee share based payments	F10	**-**	**-**	**-**	**0.8**	**0.8**
Balance at 30 June 2015		**2,580.5**	**462.3**	**(10.0)**	**2.6**	**3,035.4**
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 transferred to income statement on termination of interest rate swaps	F1	-	-	17.4	-	17.4
Other comprehensive loss	F1	-	-	(5.9)	-	(5.9)
Total comprehensive income		-	106.3	11.5	-	117.8
Dividends paid	A6	-	(49.5)	-	-	(49.5)
Employee share based payments	F10	-	-	-	0.7	0.7
Balance at 30 June 2014		2,580.5	367.3	(18.0)	1.8	2,931.6

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

Please refer to the Operating Financial Review (OFR) within the Directors' report for details of the key transactions during the year.

Contents

A Key income statement disclosures

A1 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, including hotels, apartment complex, night club, restaurants and bars.
Jupiters (Gold Coast)	Comprises Jupiters' casino operations at the Gold Coast, including hotel, theatre, restaurants and bars, as well as the casino operations and hotel at Jupiters Townsville until 1 October 2014 (refer to note D5).
Treasury (Brisbane)	Comprises Treasury's casino operations, including hotel, restaurants and bars.

	The Star $m	Jupiters [a] $m	Treasury $m	Total $m
2015				
Gross revenues - VIP [b c]	**517.9**	**68.9**	**1.6**	**588.4**
Gross revenues - external [b c]	**1,023.2**	**324.4**	**321.6**	**1,669.2**
Segment revenue	**1,541.1**	**393.3**	**323.2**	**2,257.6**
Segment profit before income tax expense and net finance costs (EBIT excluding significant items)	**169.1**	**60.5**	**61.2**	**290.8**
Depreciation and amortisation	**98.5**	**38.0**	**27.2**	**163.7**
Capital expenditure	**119.9**	**75.5**	**30.4**	**225.8**

	The Star $m	Jupiters $m	Treasury $m	Total $m
2014				
Gross revenues/(loss) - VIP [b c]	388.6	8.2	(0.3)	396.5
Gross revenues - external [b c]	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 (EBIT excluding significant items)	170.2	27.7	43.6	241.5
Depreciation and amortisation	89.8	30.4	25.4	145.6
Capital expenditure	45.7	35.9	29.7	111.3

a For the period ended 30 September 2014, the 'Jupiters' segment included the result of Jupiters Townsville operations, including EBIT of $2.0 million (total year 2014: $4.3 million). The Group sold its Jupiters Townsville complex on 1 October 2014 (refer to note D5).
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.

	2015 $m	2014 $m
Reconciliation of reportable segment profit to profit before income tax		
Segment profit before net finance costs and income tax (excluding significant items)	**290.8**	241.5
Significant items (refer to note A7)	**(3.7)**	(22.2)
Unallocated items:		
- net finance costs (excluding significant items)	**(49.9)**	(66.1)
Profit before income tax	**237.2**	**153.2**

A2 Revenue

	2015 $m	2014 $m
Gaming	**2,006.5**	1,633.7
Non-gaming and other	**251.1**	263.7
Total gross revenue	**2,257.6**	1,897.4
Player rebates and promotional allowances	**(117.3)**	(91.7)
	2,140.3	1,805.7

Statutory revenue up $334.6m or 18.5% on the prior comparative period (*pcp*) with the majority of the revenue growth generated in the domestic gaming businesses. Non-gaming cash revenue was down 6.0% on the pcp, as a result of increased complimentary rewards redemptions through the Absolute Rewards program (gross non-gaming revenue up 5.1% on the pcp).

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. Revenue comprises non-gaming revenue and 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 reduced for expected breakage, is treated as deferred revenue (refer to note F7). Revenue from the award credits is recognised in the income statement when the award is redeemed or expires.

A3 Expenses

Profit before income tax is stated after charging the following expenses and significant items:

	2015 $m	2014 $m
Other income/(expenses)		
Net foreign exchange gain/(loss)	**2.3**	(0.1)
Gain on sale of Jupiters Townsville (refer to note D5)	**8.0**	-
Other	**(0.2)**	-
	10.1	(0.1)
Government taxes and levies (including gaming GST):		
New South Wales	**321.2**	250.4
Queensland	**152.3**	131.6
	473.5	382.0

Government taxes and levies up $91.5m or 24.0% on the pcp driven by increased volumes across the domestic and International VIP Rebate gaming business as well as a higher average gaming tax rate at The Star.

	2015 $m	2014 $m
Employment costs:		
Salaries, wages, bonuses and other benefits	**532.1**	494.7
Defined contribution plan expense (superannuation guarantee charges)	**37.5**	35.5
Share based payments expense (refer to note F10)	**0.8**	0.7
	570.4	530.9
Cost of inventories recognised as an expense during the year	**79.5**	77.0
Bad and doubtful debts expense (refer to note B2)	**17.9**	23.3
Operating lease charges	**15.6**	11.3
Significant items (refer to note A7)	**3.7**	22.2

A4 Depreciation and amortisation

	2015 $m	2014 $m
Property, plant and equipment (refer to note B4)	**140.1**	123.7
Intangible assets (refer to note B5)	**22.4**	20.9
Other	**1.2**	1.0
	163.7	145.6

Depreciation and amortisation expense of $163.7 million was up 12.4% on the pcp reflecting the continuing capital investment in the group, as well as acceleration of depreciation of some assets as the masterplanning and works continue at The Star Sydney and Jupiters Gold Coast.

Depreciation is calculated on the straight line method. The principal useful lives over which the assets are depreciated are as follows (for further details of the useful lives of intangible assets refer to note B5):

Freehold and leasehold buildings	10 - 95 years
Leasehold improvements	4 - 75 years
Plant and equipment	5 - 20 years
Software	3 - 10 years
Licences	Until expiry

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.

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

A5 Net finance costs

	2015 $m	2014 $m
Interest paid on borrowings	**47.0**	63.3
Capitalised to property, plant and equipment and intangible assets (refer to notes B4 and B5)	**-**	(1.2)
Finance costs related to debt and derivative restructuring activities (refer to note A7)	**-**	22.2
Other finance costs	**5.1**	7.1
Finance costs	**52.1**	91.4
Finance income	**(2.2)**	(3.1)
Net finance costs recognised in profit and loss	**49.9**	88.3

Net finance costs of $49.9 million were down 43.5% on the pcp as a result of lower overall net debt and the impact of the partial interest rate swap restructure conducted in the prior year.

A6 Dividends

	2015 Cents per share	2014 Cents per share
Dividends per share		
Interim dividend	**5.0** [b]	**4.0**
Final dividend	**6.0** [c]	**4.0** [a]
Total dividend	**11.0**	**8.0**

	2015 $m	2014 $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 2014 [a]	**33.0**	16.5
Interim dividend paid during the year in respect of the half year ended 31 December 2014 [b]	**41.3**	33.0
	74.3	49.5

a A final dividend of 4 cents per share fully franked for the year ended 30 June 2014 was declared on 12 August 2014 and paid on 30 September 2014.

b An interim dividend of 5 cents per share fully franked for the half year ended 31 December 2014 was declared on 3 February 2015 and paid on 11 March 2015.

	2015 $m	2014 $m
Dividends declared after balance date		
Final dividend declared for the year ended 30 June 2015 [c]	**49.5**	33.0

c Since the end of the financial year, the Directors have declared a final dividend of 6 cents per ordinary share (2014: 4 cents), fully franked. The aggregate amount is expected to be paid on 16 September 2015 out of retained earnings at 30 June 2015, but not recognised as a liability at the end of the year.

	2015 $m	2014 $m
Franking credit balance		
Amount of franking credits available to shareholders	**19.1**	27.5

A final dividend per share of 6 cents fully franked was declared, totalling 11 cents per share for the year, up 37.5% on the pcp and reflecting the improved performance and financial position of the Company.

A7 Significant items

Profit before income tax is stated after charging the following significant items:

	2015 $m	2014 $m
Gain on sale of Jupiters Townsville [a]	**(8.0)**	**-**
Queen's Wharf Brisbane process [b]	**11.7**	**-**
Finance costs related to debt and derivative restructuring activities [c]	**-**	22.2
Net significant items	**3.7**	22.2

a Other income includes the gain on sale of Jupiters Townsville (refer to note D5).

b Costs 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 year ended 30 June 2014 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.

Significant operating expense items ($3.7 million) relate to the gain on the sale of Jupiters Townsville (a pre-tax gain of $8.0m) offset by costs incurred in connection with the Queen's Wharf Brisbane competitive bid process ($11.7 million).

Significant items are determined by management based on their nature and size. They 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.

B Key balance sheet disclosures
Assets

	2015 $m	2014 $m
B1 Cash and cash equivalents		
Cash on hand and in banks	**96.2**	88.4
Short term deposits, maturing within 30 days	**100.4**	56.5
	196.6	144.9

B2 Trade and other receivables

	2015 $m	2014 $m
Trade receivables [a]	**107.6**	94.8
Less provision for impairment	**(9.4)**	(18.3)
Net trade receivables	**98.2**	76.5
Other receivables	**12.3**	10.6
	110.5	87.1

a Includes patron cheques not deposited of $77.9 million (2014: $30.9 million).

Past due not impaired receivables of $16.2 million were down from $40.9 million in the pcp despite significantly increased International VIP Rebate business volumes, reflecting a strong credit and collections performance as well as a conservative policy on provisioning for bad and doubtful debts.

(i) Provision for bad and doubtful debts reconciliation

	2015 $m	2014 $m
Balance at beginning of year	**(18.3)**	(41.2)
Increase in bad and doubtful debts [b]	**(17.9)**	(23.3)
Less amounts written off during the year	**26.8**	46.2
Balance at end of year	**(9.4)**	(18.3)

b These amounts are included in other expenses in the income statement (refer to note A3).

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

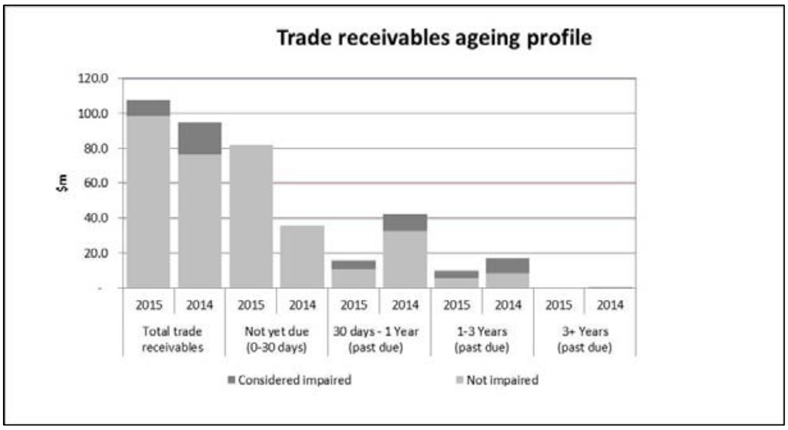
(ii) Ageing of trade and other receivables

Trade receivables	0 - 30 days $m	30 days - 1 year $m	1 - 3 years $m	3 years + $m	Total $m
2015					
Not yet due	**82.0**	**-**	**-**	**-**	**82.0**
Past due not impaired	**-**	**10.5**	**5.7**	**-**	**16.2**
Considered impaired	**-**	**5.3**	**4.1**	**-**	**9.4**
	82.0	**15.8**	**9.8**	**-**	**107.6**
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

Other receivables

Other receivables are not past due or considered impaired. It is expected that these balances will be received as they fall due.

The chart below provides comparison of the ageing of trade receivables and amounts considered impaired as at 30 June 2015 and 30 June 2014 respectively.



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.

B3 Derivative financial instruments

	2015 $m	2014 $m
Current assets		
Cross currency swaps	**10.4**	2.7
Forward currency contracts	**1.7**	0.2
	12.1	2.9
Non current assets		
Cross currency swaps	**203.7**	85.7
Forward currency contracts	**3.7**	1.0
	207.4	86.7
Current liabilities		
Interest rate swaps	**16.7**	14.5
Forward currency contracts	**-**	0.2
	16.7	14.7
Non current liabilities		
Interest rate swaps	**55.5**	51.2
Forward currency contracts	**-**	0.2
	55.5	51.4
Net financial assets	**147.3**	23.5

Net derivative assets up $123.8 million due to an increase in the value of the cross currency swap used to hedge the USPP loan as a result of a reduction in value of the AUD vs USD exchange rate.

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.

Refer to note E2 for additional financial instruments disclosure.

ECHO

B4 Property, plant and equipment

	Note	Freehold land $m	Freehold and leasehold buildings $m	Leasehold improve-ments $m	Plant and equipment $m	Total $m
2015						
Cost						
Opening balance at beginning of the year		**81.5**	**1,568.4**	**271.6**	**739.6**	**2,661.1**
Additions		**-**	**69.4**	**5.1**	**130.2**	**204.7**
Disposals / reclassification / transfer [b]		**-**	**(15.2)**	**(1.6)**	**(24.6)**	**(41.4)**
Closing balance at end of the year [a]		**81.5**	**1,622.6**	**275.1**	**845.2**	**2,824.4**
Accumulated depreciation						
Opening balance at beginning of the year		**-**	**226.5**	**70.5**	**452.9**	**749.9**
Depreciation expense	A4	**-**	**51.8**	**10.1**	**78.2**	**140.1**
Disposals		**-**	**(13.8)**	**(1.4)**	**(24.6)**	**(39.8)**
Closing balance at end of the year		**-**	**264.5**	**79.2**	**506.5**	**850.2**
Carrying amount						
Opening balance at beginning of the year		**81.5**	**1,341.9**	**201.1**	**286.6**	**1,911.1**
Closing balance at end of the year		**81.5**	**1,358.1**	**195.9**	**338.7**	**1,974.2**
2014						
Cost						
Opening balance at beginning of the year		104.4	1,593.3	269.6	718.3	2,685.6
Additions		-	22.2	4.9	57.0	84.1
Disposals / reclassification / transfer [b]		-	(0.4)	(1.9)	9.4	7.1
Transferred to assets held for sale	D5	(22.9)	(46.7)	-	(45.2)	(114.8)
Closing balance at end of the year [a]		81.5	1,568.4	271.6	739.6	2,661.1
Accumulated depreciation						
Opening balance at beginning of the year		-	207.0	61.8	410.6	679.4
Depreciation expense	A4	-	38.1	9.7	75.9	123.7
Disposals		-	-	-	-	-
Transferred to assets held for sale	D5	-	(18.6)	-	(33.6)	(52.2)
Closing balance at end of the year		-	226.5	70.5	452.9	749.9
Carrying amount						
Opening balance at beginning of the year		104.4	1,386.3	207.8	307.7	2,006.2
Closing balance at end of the year		81.5	1,341.9	201.1	286.6	1,911.1

	2015 $m	2014 $m
a Includes capital works in progress of:		
Buildings - at cost	**23.2**	25.0
Leasehold improvements - at cost	**1.3**	1.5
Plant and equipment - at cost	**76.7**	6.5
Total capital works in progress	**101.2**	33.0

b Includes reclassifications of $0.2 million to intangibles - software (2014: $7.1 million) (refer to note B5)

Additions of $204.7 million, up 143.4% on the pcp consisting predominantly of growth and maintenance activities at Jupiters Gold Coast and The Star.

Property, plant and equipment is composed of the following assets:
- Freehold land - Jupiters Gold Coast property;
- Freehold and leasehold buildings - Brisbane Treasury and The Star properties;
- Leasehold improvements - Brisbane Treasury property; and
- Plant and equipment - operational and other equipment, including non current consumables.

Asset useful lives and residual values

For accounting policy on depreciation and useful lives of property, plant and equipment refer to note A4.

Capital works in progress

Major ongoing projects include the refurbishment at The Star and expansion and the refurbishment at Jupiters Gold Coast. Minor refurbishment is also undertaken at the Brisbane Treasury property.

Impairment

Refer to note B6 for details of the accounting policy and key assumptions included in the impairment calculation.

B5 Intangible assets

	Note	Goodwill $m	The Star and Treasury casino licences $m	The Star casino concessions $m	Software [a] $m	Other $m	Total $m
2015							
Cost							
Opening balance at beginning of the year		**1,442.2**	**294.7**	**100.0**	**130.1**	**20.1**	**1,987.1**
Additions		**-**	**-**	**-**	**14.0**	**7.1**	**21.1**
Disposals / reclassification / transfer [b]		**-**	**-**	**-**	**(4.7)**	**-**	**(4.7)**
Closing balance at end of the year		**1,442.2**	**294.7**	**100.0**	**139.4**	**27.2**	**2,003.5**
Accumulated amortisation							
Opening balance at beginning of the year		**-**	**56.5**	**14.5**	**66.4**	**3.9**	**141.3**
Amortisation expense	A4	**-**	**3.2**	**2.9**	**16.0**	**0.3**	**22.4**
Disposals		**-**	**-**	**-**	**(0.2)**	**-**	**(0.2)**
Closing balance at end of the year		**-**	**59.7**	**17.4**	**82.2**	**4.2**	**163.5**
Carrying amount							
Opening balance at beginning of the year		**1,442.2**	**238.2**	**85.5**	**63.7**	**16.2**	**1,845.8**
Closing balance at end of the year		**1,442.2**	**235.0**	**82.6**	**57.2**	**23.0**	**1,840.0**
2014							
Cost							
Opening balance at beginning of the year		1,443.7	294.7	100.0	111.4	20.1	1,969.9
Additions		-	-	-	27.2	-	27.2
Disposals / reclassification / transfer [b]		-	-	-	(7.1)	-	(7.1)
Transferred to assets held for sale	D5	(1.5)	-	-	(1.4)	-	(2.9)
Closing balance at end of the year		1,442.2	294.7	100.0	130.1	20.1	1,987.1
Accumulated amortisation							
Opening balance at beginning of the year		-	53.3	11.6	53.2	3.5	121.6
Amortisation expense	A4	-	3.2	2.9	14.4	0.4	20.9
Transferred to assets held for sale	D5	-	-	-	(1.2)	-	(1.2)
Closing balance at end of the year		-	56.5	14.5	66.4	3.9	141.3
Carrying amount							
Opening balance at beginning of the year		1,443.7	241.4	88.4	58.2	16.6	1,848.3
Closing balance at end of the year		1,442.2	238.2	85.5	63.7	16.2	1,845.8

a Includes capital works in progress of $5.4 million (2014: $6.5 million).

b Includes reclassifications of $0.2 million from property, plant and equipment (2014: $7.1 million) (refer to note B4)

Intangible asset additions relate predominately to software, as the Group progresses its strategic priority to maximise value from technology, including further enhancing gaming and loyalty experience and delivering integrated and new IT platforms.

Asset useful lives and residual values

Intangible assets are amortised using the straight line method as follows:

- The Star casino licence is amortised from its date of issue until expiry in 2093 and Treasury casino licence over the remaining life of the lease to which the licence is linked, which expires in 2070.
- The Star casino concessions granted by the New South Wales government include effective casino exclusivity and product concessions in New South Wales which are amortised over the period of expected benefits, which is until 2019 and 2093 respectively.
- Software is amortised over useful lives of three to ten years.
- Other assets include 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.

Goodwill and impairment testing

Goodwill is assessed for impairment on an annual basis and is carried at cost less accumulated impairment losses. Refer to note B6 for accounting policy on asset impairment and details of key assumptions included in the impairment calculation.

B6 Impairment testing and 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	Total carrying amount $m
2015	1,013.5	165.5	263.2	1,442.2
2014	1,013.5	165.5	263.2	1,442.2

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 of disposal', which is calculated using the discounted cash flow approach. This approach utilises cash flow forecasts that represent a market participant's view of the future cash flows that would arise from operating and developing the Group's assets. These cash flows are principally based upon Board approved business plans for a five-year period, together with longer term projections and approved capital investment plans, extrapolated using an implied terminal growth rate of 2.5% (2014: 2.5%). These cash flows are then discounted using a relevant long term post tax discount rate specific to each cash generating unit, ranging between 9.0% to 9.4% (2014: 9.6% to 9.8%).

No impairment recognised in any of the Cash Generating Units at 30 June 2015. The performance of the Group’s domestic gaming business was good throughout the year, whilst the International VIP Rebate business produced its highest results on record, providing a strong base for the forecasted cash flows.

Key assumptions

The fair value measurement is valued using level 3 valuation techniques (refer to note E2 (vi) for details of the levels). The following describes the key assumptions on which management based its cash flow projections when determining 'fair value less costs of disposal' to undertake impairment testing of goodwill:

i. Cash flow forecasts

The cash flow forecasts are based upon Board approved business plans for a five-year period, together with longer term projections and 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 changes

Queensland

On 28 October 2014, the Company, along with partners in the Destination Brisbane Consortium (***DBC***), submitted a detailed proposal for the Queen’s Wharf Brisbane project. On 20 July 2015, DBC was selected as the preferred proponent for the Queen’s Wharf development. The scope of the development is still subject to the execution of binding documentation with the Queensland Government. As the Queen’s Wharf Brisbane development progresses and further details of the scope, nature and timing of the development become known, management will incorporate these factors into the impairment testing of the Treasury Brisbane cash generating unit.

New South Wales

There have been no significant changes in the status of Crown Resorts Limited’s (***Crown's***) development at Barangaroo since the previous impairment test. The development of the Crown Sydney Hotel Resort (***Crown Sydney***) is subject to the finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease. The expected impact of Crown Sydney has been taken into consideration in determining the recoverable amount of The Star's cash generating unit at 30 June 2015. As further details of the final scope and timing of the proposed gaming facility become known, management will continue to consider the impact that this may have on the cash generating unit's carrying value.

v. Sensitivities

The key estimates and assumptions used to determine the 'fair value less costs of disposal' 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, assumptions or regulatory environments may result in a cash generating unit's carrying value exceeding its recoverable value, requiring an impairment charge to be recognised.

For Jupiters Gold Coast, management considers a 3.7% decline (FY14: 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 $83.1 million (FY14: $140.0 million) being recognised.

For The Star, the impact of Crown Sydney on the projected earnings and cash generating unit's carrying value has been assessed, taking into consideration the expected increase in competition as well as the expected increase in market size. A reasonably possible change in any of the assumptions used does not result in an impairment charge at 30 June 2015, however management will continue to monitor the assumptions with regards to the expected impact of Crown Sydney on The Star's cash generating unit's carrying value.

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.

Liabilities

	2015 $m	2014 $m
B7 Interest bearing liabilities		
Non current		
Bank loans - unsecured [a]	**146.2**	316.1
Private placement - US dollar [b]	**598.0**	487.0
	744.2	803.1

a Bank loans - unsecured

Syndicated revolving facility

The Group repaid $170.0 million of the drawn syndicated revolving facility (***SFA***) by reducing its cash holdings, using the proceeds on the sale of Jupiters Townsville and cash generated from operating activities. The terms of the existing SFA tranche A and tranche B were extended by 24 months and 12 months respectively, with minor changes made to the terms of the facility.

2015

Type	Facility amount $m	Unutilised at 30 June $m	Maturity date
Syndicated revolving facility - tranche A	250.0	250.0	July 2018
Syndicated revolving facility - tranche B	250.0	250.0	July 2019
	500.0	500.0	

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	

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 20 June 2015, the Group rolled over its working capital facility. This working capital facility has been executed on the same terms and conditions as the existing syndicated revolving facility agreement.

2015

Type	Facility amount $m	Unutilised at 30 June $m	Maturity date
Working capital facility	150.0	-	January 2017
	150.0	-	

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.

2015/2014

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 E2.

Financial Risk Management

As a result of US Private Placement (***USPP***) borrowings, the Group is exposed to the foreign currency risk through the movements in USD/AUD exchange rate. The Group has entered into cross currency swaps in order to hedge this exposure. As at 30 June 2015, 100% of the USPP borrowings balance of US$460.0 million is hedged.

The Group is also exposed to the interest rate risk as a result of bank loans and USPP borrowings. To hedge against this risk, the Group has entered into interest rate swaps. As at 30 June 2015, out of the total bank loans and USPP borrowings repayable balance, 74.1% has been hedged against the interest rate risk. Further details about the Group's exposure to interest rate and foreign currency movements are provided in notes E1 and E2.

The Group fully repaid the $170.0 million drawn syndicated revolving facility during the year, resulting in available undrawn bank facilities of $500.0 million at year end and an average drawn debt maturity of 4.3 years.

Net debt was $400.3 million, down 36.9% on the pcp with gearing levels reduced to 0.9x at 30 June 2015 compared to 1.6x at 30 June 2014.

C Commitments, contingencies and subsequent events

C1 Commitments

	2015 $m	2014 $m
(i) Operating lease commitments[a b]		
Not later than one year	**12.3**	11.0
Later than one year but not later than five years	**26.8**	33.5
Later than five years	**82.1**	84.1
	121.2	128.6

a The Group leases property (including The Star and Treasury Brisbane property leases) under operating leases expiring between 1 to 78 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. Operating lease commitments also include commitments in relation to the leasing of aircraft.

b Comparatives have been restated.

	2015 $m	2014 $m
(ii) Other commitments[c]		
Not later than one year	**45.7**	45.4
Later than one year but not later than five years	**18.1**	6.1
Later than five years	**-**	-
	63.8	51.5

c Other commitments as at 30 June 2015 include capital construction and related costs in connection with the Jupiters Gold Coast refurbishment and redevelopment at The Star.

Commitments include operating lease commitments for The Star and Treasury Brisbane properties, as well as capital commitments in relation to the redevelopment at Jupiters Gold Coast and investment in The Star, both of which are well underway.

C2 Contingent liabilities

Legal challenges
There are outstanding legal actions between the Company and its controlled entities and third parties as at 30 June 2015. 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 E1 for details of financial guarantees provided by the Group at the reporting date.

C3 Subsequent events

On 20 July 2015, Destination Brisbane Consortium was selected by the Queensland Government as the preferred proponent for the Queen's Wharf Development. The Company has partnered with pre-eminent Hong Kong-based organisations Chow Tai Fook Enterprises Limited and Far East Consortium (Australia) Pty Limited, a wholly owned subsidiary of Far East Consortium International Limited, to form the Destination Brisbane Consortium joint venture for the Queen's Wharf Brisbane Project. Destination Brisbane Consortium is now continuing to work with the Queensland Government to finalise the relevant project documents.

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.

The Company, along with partners in the Destination Brisbane Consortium, on 20 July 2015 was selected as the preferred proponent for the Queen's Wharf Brisbane development.

D Group structure

D1 Related party disclosure

(i) Parent entity

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

(ii) 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 G. 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 at 30 June 2015 %	Equity interest at 30 June 2014 %
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 Limited	a b	Australia	ordinary shares	**100.0**	100.0
Star City Entertainment Pty Limited	a	Australia	ordinary shares	**100.0**	100.0
Sydney Harbour Casino Properties Pty Limited	a b	Australia	ordinary shares	**100.0**	100.0
Sydney Harbour Apartments Pty Limited	a	Australia	ordinary shares	**100.0**	100.0
Star City Investments Pty Limited	a	Australia	ordinary shares	**100.0**	100.0
Star City Share Plan Company Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Jupiters Limited		Australia	ordinary shares	**100.0**	100.0
Breakwater Island Limited	c	Australia	ordinary shares	**0.0**	100.0
Breakwater Island Trust	c	Australia	units	**0.0**	100.0
Jupiters Custodian Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Jupiters Trust		Australia	units	**100.0**	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	d	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) Trading Co. Ltd	d	China	ordinary shares	**100.0**	100.0
EEI Services (Hong Kong) Limited		Hong Kong	ordinary shares	**100.0**	100.0
EEI C&C Services Pte Ltd		Singapore	ordinary shares	**100.0**	100.0
Echo Entertainment RTO Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment Finance Limited		Australia	ordinary shares	**100.0**	100.0
Destination Brisbane Pty Ltd	e	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		Australia	ordinary shares	**100.0**	100.0

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 D3).

b These companies have provided a charge over their assets and undertakings as explained in note E1.

c The shares and units in these entities were sold during the year (refer to note D5).

d This company's financial year end is 31 December.

e Formerly Echo Entertainment International Pty Ltd.

(iii) Transactions with controlled entities

Echo Entertainment Group Limited

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

- loans of $32.8 million were advanced by controlled entities (2014: the Company repaid loans of $56.9 million); and
- income tax and GST paid on behalf of controlled entities of $154.4 million (2014: $166.0 million).

The amount receivable by the Company from controlled entities at year end is $118.4 million (2014: $85.6 million). All the transactions were undertaken on normal commercial terms and conditions.

D2 Parent entity disclosures

Echo Entertainment Group Limited, the parent entity of the Group, was incorporated on 2 March 2011.	2015 $m	2014 $m
Result of the parent entity		
Profit/(loss) for the period	**51.3**	(1.6)
Total comprehensive income/(loss) for the period[a]	**51.3**	(1.6)

a Since the end of the financial year, the Company has declared a final dividend of 6 cents per ordinary share (2014: 4 cents), which is expected to be paid on 16 September 2015 out of retained earnings at 30 June 2015 to its shareholders (refer to note A6).

	2015 $m	2014 $m
Financial position of the parent entity		
Current assets	**1,152.5**	1,127.1
Non current assets	**2,590.5**	2,590.6
Total assets	**3,743.0**	3,717.7
Current liabilities	**60.2**	12.9
Non current liabilities	**1,030.9**	1,030.6
Total liabilities	**1,091.1**	1,043.5
Net assets	**2,651.9**	2,674.2
Total equity of the parent entity		
Issued capital	**2,580.5**	2,580.5
Retained earnings	**68.9**	91.9
Share based payments benefits reserve	**2.5**	1.8
Total equity	**2,651.9**	2,674.2

Contingent liabilities

There were no contingent liabilities for the parent entity at 30 June 2015 (2014: 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 2015 (2014: 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 2015, the carrying amount included in current liabilities at 30 June 2015 was nil (2014: nil), and the maximum amount of these guarantees was $121.2 million (2014: $124.7 million) (refer to note E1). 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.

D3 Deed of cross guarantee

Star City Holdings Limited, The Star Pty Limited, Star City Entertainment Pty Limited, Sydney Harbour Casino Properties Pty Limited, Sydney Harbour Apartments Pty Limited and Star City Investments Pty Limited 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'.

D3 Deed of cross guarantee (continued)

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 2015 of the closed group consisting of Star City Holdings Limited, The Star Pty Limited, Star City Entertainment Pty Limited, Sydney Harbour Casino Properties Pty Limited, Sydney Harbour Apartments Pty Limited, and Star City Investments Pty Limited.

Consolidated statement of comprehensive income

	2015 $m	2014 $m
Revenue	**1,443.6**	1,197.1
Other income/(expenses)	**1.4**	(0.5)
Government taxes and levies	**(321.2)**	(250.4)
Commissions and fees	**(280.2)**	(164.1)
Employment costs	**(314.2)**	(280.7)
Depreciation, amortisation and impairment	**(93.7)**	(84.9)
Cost of sales	**(42.9)**	(38.8)
Property costs	**(54.1)**	(49.4)
Advertising and promotions	**(47.2)**	(39.5)
Other expenses	**(147.7)**	(166.2)
Profit before net finance costs and income tax	**143.8**	122.6
Net finance costs	-	-
Profit before income tax	**143.8**	122.6
Income tax expense	**(47.4)**	(42.0)
Net profit after tax	**96.4**	80.6
Total comprehensive income for the year	**96.4**	80.6
Summary of movements in consolidated accumulated profit/(loss)		
Accumulated (loss) at the beginning of the financial year	**(15.3)**	(95.9)
Profit for the year	**96.4**	80.6
Dividends paid	**(36.0)**	-
Accumulated profit/(loss) at the end of the financial year	**45.1**	(15.3)

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2015 of the closed group consisting of Star City Holdings Limited, The Star Pty Limited, Star City Entertainment Pty Limited, Sydney Harbour Casino Properties Pty Limited, Sydney Harbour Apartments Pty Limited, and Star City Investments Pty Limited.

	2015 $m	2014 $m
ASSETS		
Cash assets	**46.8**	53.2
Trade and other receivables	**101.0**	80.9
Inventories	**4.9**	4.4
Other	**8.4**	6.2
Total current assets	**161.1**	144.7
Property, plant and equipment	**1,194.8**	1,210.4
Intangible assets	**300.7**	307.1
Other assets	**13.9**	15.2
Total non current assets	**1,509.4**	1,532.7
TOTAL ASSETS	**1,670.5**	1,677.4
LIABILITIES		
Trade and other payables	**383.9**	452.6
Provisions	**33.4**	32.2
Other liabilities	**11.8**	9.3
Total current liabilities	**429.1**	494.1
Deferred tax liabilities	**50.6**	53.9
Provisions	**5.8**	4.8
Total non current liabilities	**56.4**	58.7
TOTAL LIABILITIES	**485.5**	552.8
NET ASSETS	**1,185.0**	1,124.6
EQUITY		
Issued capital	**1,139.9**	1,139.9
Retained earnings	**45.1**	(15.3)
TOTAL EQUITY	**1,185.0**	1,124.6

D4 Key Management Personnel disclosures

	2015 $000	2014 $000
Compensation of Key Management Personnel		
Short term	**7,828**	7,412
Long term	**290**	313
Share based payments	**1,833**	708
Termination benefits	**-**	489
Total compensation	**9,951**	8,922

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.

D5 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 A7).

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 segment result of Jupiters Townsville for the three month period ended 30 September 2014 has been included in the 'Jupiters' reportable segment in note A1.

The following assets and liabilities were reclassified as held for sale in relation to Jupiters Townsville as at 30 June 2014:

Assets	Note	2015 $m	2014 $m
Property, plant and equipment	B4	-	62.6
Intangible assets	B5	-	1.7
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

E Risk management

E1 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 G.

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 2015 after taking into account the effect of interest rate swaps, approximately 74.1% (2014: 60.0%) 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 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 E2.

E1 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 (2014: 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 D1 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.

Guarantees and indemnities
The controlled entities denoted (b) in note D1 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 Entertainment 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 $121.2 million (2014: $124.7 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 2015, the Group's debt facilities that will mature in less than one year is nil (2014: nil). The next debt maturity is the working capital facility of $150 million in January 2017. This represents 14% of total debt and is within the Group's policy.

Refer to notes B7 and E2 for maturity of financial liabilities.

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

(i) Non-derivative financial instruments

	2015			2014		
	< 1 year $m	1 - 5 years $m	> 5 years $m	< 1 year $m	1 - 5 years $m	> 5 years $m
Financial assets						
Cash assets	**96.2**	**-**	**-**	88.4	-	-
Short term deposits	**100.4**	**-**	**-**	56.5	-	-
Net trade and other receivables	**110.5**	**-**	**-**	87.1	-	-
	307.1	**-**	**-**	232.0	-	-
Financial liabilities						
Trade creditors and accrued expenses	**233.9**	**-**	**-**	152.5	-	-
Bank loans - unsecured	**4.7**	**150.2**	**-**	13.1	328.2	-
Private placement - US dollar	**33.3**	**256.5**	**521.2**	27.1	209.1	424.9
	271.9	**406.7**	**521.2**	192.7	537.3	424.9
Net inflow/(outflow)	**35.2**	**(406.7)**	**(521.2)**	39.3	(537.3)	(424.9)

(ii) Derivative financial instruments

	2015			2014		
	< 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	**9.3**	**35.0**	**14.2**	11.5	43.6	17.7
Cross currency swaps - receive USD fixed	**33.3**	**256.5**	**521.2**	27.1	209.1	424.9
Forward currency contract - receive USD fixed	**9.2**	**19.7**	**-**	7.5	23.6	-
	51.8	**311.2**	**535.4**	46.1	276.3	442.6

	2015			2014		
	< 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**	26.8	101.4	41.4
Cross currency swaps - pay AUD floating	**22.5**	**179.2**	**370.8**	24.8	187.7	374.3
Forward currency contract - pay AUD fixed	**7.7**	**16.4**	**-**	7.7	24.1	-
	57.0	**297.0**	**412.2**	59.3	313.2	415.7
Net inflow/(outflow)	**(5.2)**	**14.25**	**123.2**	(13.2)	(36.9)	26.9

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.

E1 Financial risk management objectives and policies (continued)

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:

2015	Net profit after tax higher/ (lower) $m	Other comprehensive income higher/ (lower) $m
AUD		
+ 0.5% (50 basis points)	**(0.3)**	**8.3**
- 0.5% (50 basis points)	**0.3**	**(8.5)**
USD		
+ 0.5% (50 basis points)	**-**	**(11.8)**
- 0.25% (25 basis points)	**-**	**6.0**

2014	Net profit after tax higher/ (lower) $m	Other comprehensive 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

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) 2015 $m	Other comprehensive income higher/ (lower) 2015 $m	Net profit after tax higher/ (lower) 2014 $m	Other comprehensive income higher/ (lower) 2014 $m
AUD/USD + 10 cents	**-**	**(10.1)**	-	(7.6)
AUD/USD - 10 cents	**-**	**13.2**	-	9.3

E1 Financial risk management objectives and policies (continued)

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.

E2 Additional financial instruments disclosure

(i) 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.

(ii) Interest rate risk

The Group had the following classes of financial assets and financial liabilities exposed to floating interest rate risk:

	2015 $m	2014 $m
Financial assets		
Cash assets	**22.6**	25.0
Short term deposits	**100.4**	56.5
Total financial assets	**123.0**	81.5
Financial liabilities		
Bank loans - unsecured [a]	**150.0**	320.0
USPP cross currency swaps	**430.0**	430.0
Derivatives [b]	**(430.0)**	(430.0)
Total financial liabilities	**150.0**	320.0

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.

(iii) 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:

Less than one year	**-**	-
One to five years	**94.0**	94.0
More than five years	**336.0**	336.0
Notional principal	**430.0**	430.0
Fixed interest rate range p.a.	**6.0% - 7.3%**	6.0% - 7.3%
Variable interest rate range p.a.	**2.2%**	2.7%

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.

E2 Additional financial instruments disclosure (continued)

(iv) 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:

	2015		2014	
	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.	**5.1% - 5.3%**	**-**	5.6% - 5.8%	-

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 US Private Placement borrowings as set out in note B7.

(v) 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:

	2015 $m	2014 $m
Buy USD / sell AUD		
Less than one year	**7.7**	7.7
One to five years	**16.4**	24.1
More than five years	**-**	-
Notional principal	**24.1**	31.8
Average exchange rate (AUD/USD)	**0.92**	0.92

(vi) 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 year.

ECHO

F Other disclosures

F1 Other comprehensive income

	2015 $m	2014 $m
Net gain/(loss) on cash flow hedges	**122.3**	(9.3)
Hedge reserve written off on interest rate swap termination[a]	**-**	17.4
Transfer of hedging reserve to the statement of comprehensive income[b]	**(110.8)**	8.3
Tax on above items recognised in other comprehensive income	**(3.5)**	(4.9)
	8.0	11.5

a As part of the financing restructure that took place during the year ended 30 June 2014, 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.

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

F2 Income tax

(i) Income tax expense

	2015 $m	2014 $m
The major components of income tax expense are:		
Current tax (expense)	**(75.6)**	(33.7)
Adjustments in respect of current income tax of previous years	**1.1**	(0.6)
Deferred income tax expense	**6.6**	(12.6)
Income tax expense reported in the statement of comprehensive income	**(67.9)**	(46.9)
Aggregate of current and deferred tax relating to items charged or credited to equity:		
Current tax (expense)/benefit reported in equity	**-**	-
Deferred tax (expense) reported in equity	**(3.5)**	(4.9)
Income tax (expense) reported in equity	**(3.5)**	(4.9)

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:

	2015 $m	2014 $m
Accounting profit before income tax expense	**237.2**	153.2
At the Group's statutory income tax rate of 30%	**(71.2)**	(46.0)
- Non assessable gain on sale	**2.4**	-
- Recognition/derecognition of temporary differences	**(1.6)**	(1.9)
- Research & Development tax offset	**3.1**	2.1
- Recognition of tax losses	**0.6**	0.6
- Other items	**(1.2)**	(1.7)
Aggregate income tax expense	**(67.9)**	(46.9)
Effective tax rate	**28.6%**	30.6%

(ii) Deferred tax balances

The balance comprises temporary differences attributable to:

2015	Balance 1 July 2014 $m	Recognised in the statement of comprehens-ive income $m	Recognised directly in equity $m	Balance 30 June 2015 $m
Employee provisions	**15.3**	**1.7**	**-**	**17.0**
Other provisions and accruals	**8.3**	**6.4**	**-**	**14.7**
Allowance for doubtful debts	**5.4**	**(2.5)**	**-**	**2.9**
Unrealised financial liablities	**37.3**	**32.8**	**2.2**	**72.3**
Other	**10.3**	**(0.7)**	**-**	**9.6**
	76.6	**37.7**	**2.2**	**116.5**
Intangible assets	**(74.1)**	**1.4**	**-**	**(72.7)**
Property, plant and equipment	**(137.3)**	**2.2**	**-**	**(135.1)**
Unrealised financial assets	**(26.9)**	**(33.2)**	**(5.7)**	**(65.8)**
Other	**(16.2)**	**(1.5)**	**-**	**(17.7)**
	(254.5)	**(31.1)**	**(5.7)**	**(291.3)**
Deferred tax assets set off	**76.6**	**37.7**	**2.2**	**116.5**
Net deferred tax liabilities	**(177.9)**	**6.6**	**(3.5)**	**(174.8)**

ECHO

F2 Income tax (continued)

2014	Balance 1 July 2013 $m	Recognised in the statement of comprehensive income $m	Recognised directly in equity $m	Balance 30 June 2014 $m
Employee provisions	15.2	0.1	-	15.3
Other provisions and accruals	9.3	(1.0)	-	8.3
Allowance for doubtful debts	12.3	(6.9)	-	5.4
Unrealised financial liablities	46.4	(5.0)	(4.1)	37.3
Other	6.9	3.4	-	10.3
	90.1	(9.4)	(4.1)	76.6
Intangible assets	(73.8)	(0.3)	-	(74.1)
Property, plant and equipment	(132.9)	(4.4)	-	(137.3)
Unrealised financial assets	(28.6)	2.5	(0.8)	(26.9)
Other	(15.2)	(1.0)	-	(16.2)
	(250.5)	(3.2)	(0.8)	(254.5)
Deferred tax assets set off	90.1	(9.4)	(4.1)	76.6
Net deferred tax liabilities	(160.4)	(12.6)	(4.9)	(177.9)

Certain deferred tax comparatives have been restated to conform to current year presentation. There is no net impact to the statement of comprehensive income.

(iii) Tax consolidation

Effective 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 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 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.

(iv) Income tax payable

The balance of income tax payable is the net of current tax and tax instalments/refunds during the year. A current tax liability arises where current tax exceed tax instalments paid and a current tax receivable arises where tax instalments paid exceed current tax.

The income tax (payable)/receivable balance is attributable to:

2015	(Payable)/ receivable 1 July 2014 $m	(Increase)/ decrease in tax payable $m	Tax instalment paid/(refund) $m	(Under)/over $m	Other $m	(Payable)/ receivable 30 June 2015 $m
Tax consolidated group - year ended 30 June 2015	**-**	**(75.6)**	**33.8**	**-**	**-**	**(41.8)**
Tax consolidated group - year ended 30 June 2014[a]	**9.1**	**1.9**	**(10.6)**	**1.1**	**0.2**	**1.7**
Prior years[a]	**2.6**	**(1.8)**	**-**	**-**	**(0.5)**	**0.3**
Total Australia	**11.7**	**(75.5)**	**23.2**	**1.1**	**(0.3)**	**(39.8)**
Overseas subsidiaries	**-**	**(0.1)**	**0.1**	**-**	**-**	**-**
Total	**11.7**	**(75.6)**	**23.3**	**1.1**	**(0.3)**	**(39.8)**

a Changes in tax payable relating to amendments to the income tax returns following the application of tax consolidation tax cost setting process.

2014	(Payable)/ receivable 1 July 2013 $m	(Increase)/ decrease in tax payable $m	Tax instalment paid/(refund) $m	(Under)/over $m	Other $m	(Payable)/ receivable 30 June 2014 $m
Tax consolidated group - year ended 30 June 2014	-	(39.7)	48.8	-	-	9.1
Prior years	1.3	6.0	(4.2)	(0.6)	0.1	2.6
Total Australia	1.3	(33.7)	44.6	(0.6)	0.1	11.7
Overseas subsidiaries	-	-	-	-	-	-
Total	1.3	(33.7)	44.6	(0.6)	0.1	11.7

F3 Earnings per share

	2015 $m	2014 $m
Net profit after tax attributable to ordinary shareholders	**169.3**	106.3
Basic and diluted earnings per share (cents per share)	**20.5**	12.9

	2015 Number	2014 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares issued	**825,672,730**	825,672,730

F4 Other assets

	2015 $m	2014 $m
Current		
Prepayments	**21.6**	17.2
Rental paid in advance	**0.3**	0.3
Other assets	**4.3**	4.2
	26.2	21.7
Non current		
Rental paid in advance	**10.1**	10.2
Other assets	**7.0**	19.9
	17.1	30.1

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

F5 Trade and other payables

	2015 $m	2014 $m
Trade creditors and accrued expenses	**231.9**	152.5
Interest payable	**2.0**	2.2
	233.9	154.7

Trade and other payables of $233.9 million were up 51.2%, predominately relating to higher gaming related payables, representing players' funds deposited and chips in circulation at year end, due to the increased gaming activity.

F6 Provisions

	2015 $m	2014 $m
Current		
Employee benefits	**46.0**	39.9
Workers' compensation	**9.2**	11.8
	55.2	51.7
Non current		
Employee benefits	**10.9**	8.9
Other	**3.8**	-
	14.7	8.9

Reconciliation

Reconciliations of each class of provision, except for employee benefits, at the end of each financial year are set out below:

	Workers' compensation (current) $m	Other (non-current) $m
2015		
Carrying amount at beginning of the year	**11.8**	**-**
Provisions made during the year	**-**	**3.8**
Provisions utilised during the year	**(2.6)**	**-**
Carrying amount at end of the year	**9.2**	**3.8**
2014		
Carrying amount at beginning of the year	15.8	-
Provisions made during the year	0.1	-
Provisions utilised during the year	(2.9)	-
Amounts transferred to liabilities held for sale	(1.2)	-
Carrying amount at end of the year	11.8	-

Nature and timing of provisions

Workers' compensation

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. The timing of when these costs will be incurred is uncertain.

F7 Other liabilities (current)

	2015 $m	2014 $m
Customer loyalty deferred revenue [a]	**18.4**	13.5
Other deferred revenue	**2.8**	2.7
	21.2	16.2

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.

F8 Share capital and reserves

(i) Share capital

	2015 $m	2014 $m
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.

	2015 Number of shares	2014 Number of shares
Movements in ordinary share capital		
Balance at beginning and end of year	**825,672,730**	825,672,730

(ii) Reserves

	2015 $m	2014 $m
Hedging reserve [a]	**(10.0)**	(18.0)
Share based payments reserve [b]	**2.6**	1.8
	(7.4)	(16.2)

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 F10 for further details on these plans.

(iii) 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 2015 USD/AUD spot rate of 1.3026 (2014: 1.0618), after adjusting for cash and cash equivalents and derivative financial instruments.

The Group's capital management also aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest bearing loans and borrowings in the current period. Other than the banking covenants referred to in note B7, the Group is not subject to externally imposed capital requirements.

	2015 $m	2014 $m
Gross Debt	**744.2**	803.1
Net Debt [a]	**400.3**	634.7
EBITDA [b]	**454.5**	387.1
Gearing ratio	**0.9x**	1.6x

a Net debt is stated after adjusting for cash and cash equivalents less net position of derivative financial instruments. Comparative Net Debt has been restated to conform to current year presentation.

b EBITDA is stated before significant items.

F9 Reconciliation of net profit after tax to net cash inflow from operations

		2015 $m	2014 $m
Net profit after tax		**169.3**	106.3
Non cash items and items dealt with separately:			
- Depreciation and amortisation	A4	**163.7**	145.6
- Employee share based payments expense	F10	**0.8**	0.7
- Unrealised foreign exchange (gains)/losses		**(2.1)**	0.6
- Bad and doubtful debt expense	A3	**17.9**	23.3
Items classified as investing/financing activities:			
- Finance costs	A5	**52.1**	91.4
- Gain on sale of Jupiters Townsville	D5	**(8.0)**	-
- Other		**0.1**	-
Cash generated by operations before working capital changes		**393.8**	367.9
Working capital changes			
- (Increase) in trade and other receivables and other assets		**(40.2)**	(33.0)
- (Increase)/decrease in inventories		**(0.8)**	0.1
- Increase/(decrease) in trade and other payables, accruals and provisions		**88.1**	(22.0)
- Increase in tax provisions		**44.6**	2.3
Net cash inflow from operating activities		**485.5**	315.3

Certain comparatives have been restated to conform to current year presentation. There is no net impact to the net cash inflow from operating activities.

Operating cash flow before interest and tax was $506.5 million, up 42.0% on the pcp, with 112% EBITDA to cash conversion ratio.

F10 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 $0.8 million (2014: $0.7 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.

2015 Grant date	**Balance at start of year**	**Granted during the year**	**Forfeited during the year**	**Lapsed during the year** [a]	**Vested during the year**	**Balance at end of year**
20 September 2011	**516,573**	**-**	**-**	**516,573**	**-**	**-**
19 September 2012	**629,931**	**-**	**89,348**	**-**	**-**	**540,583**
1 October 2013	**532,064**	**-**	**70,866**	**-**	**-**	**461,198**
26 September 2014	**-**	**895,208**	**-**	**-**	**-**	**895,208**
	1,678,568	**895,208**	**160,214**	**516,573**	**-**	**1,896,989**

2014 Grant date	Balance at start of year	Granted during the year	Forfeited during the year	Lapsed 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

The grants of 20 September 2011 and 19 September 2012 included market-based hurdles. Grants from 1 October 2013 includes a market based hurdle and an EPS component. The Performance Rights have been independently valued. 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.

a Rights granted on 20 September 2011 were tested on 20 September 2014 and did not vest. The TSR percentile rank for the Company was 20.6% and TSR was -7.36%; as a result these grants lapsed and no shares were issued to participants.

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
26 September 2014	26 September 2018	3.31	27.00%	2.90%	2.88%	2.45

F11 Auditor's remuneration

	2015 $	2014 $
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	**869,000**	857,000
- Other services in relation to the Company and any other entity in the consolidated group:		
- Assurance related	**40,300**	80,000
- Other non-audit services including taxation services	**86,000**	355,807
	995,300	1,292,807
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
- Assurance related services	**-**	-

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.

G Accounting policies and corporate information

Significant accounting policies are contained within the financial statement notes to which they relate and are not detailed in this section.

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 2015 comprises the Company and its controlled entities (collectively referred to as ***the Group***). The registered office is Echo Entertainment Group Limited, Level 3, 159 William Street, Brisbane QLD 4000.

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 12 August 2015.

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 and elsewhere in this report. 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".

Significant accounting judgements, estimates and assumptions
Preparation of the financial statements in conformity with Australian Accounting Standards and IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

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 (refer notes A4 and B5);
- Impairment of assets (refer note B6);
- Valuation of derivatives and other financial instruments (refer note B3);
- Provision for impairment of trade receivables (refer note B2);
- Significant items (refer note A7); and
- Provisions (refer note F6).

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.

Changes in accounting policies and disclosures
The Group has adopted the following new and amended accounting standards, which became applicable from 1 July 2014:

Reference	Title
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
Interpretation 21	Levies
AASB 2013-3	Amendment to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
AASB 2013-4	Amendment To Australian Accounting Standards-Novation Of Derivatives and Continuation Of Hedge Accounting (AASB 139)
AASB 1031	Materiality
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
AASB 2014-1 Part A-Annual Improvements 2010-2012	Annual Improvements to IFRSs 2010-2012 Cycle
AASB 2014-1 Part A-Annual Improvements 2011-2013	Annual Improvements to IFRSs 2011-2013 Cycle

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 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 in future years:

Reference	Title	Application date
AASB 9	Financial Instruments	1 January 2018
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016
AASB 15	Revenue from Contracts with Customers	1 January 2017
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016
AASB 2015-2	Amendments to Australian Accounting Standards-Disclosure Initiative: Amendments to AASB 101	1 January 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	1 July 2015

G Accounting policies and corporate information (continued)

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.

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.

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.

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

Refer to notes A4 and B4 for further details of the accounting policy, including useful lives of 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.

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.

G Accounting policies and corporate information (continued)

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 described in note B5.

Software

Costs associated with developing or maintaining computer software programs 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).

Casino licenses and concessions

Refer to note B5 for details and accounting policy.

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 of disposal 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 B6 for further details of key assumptions included in the impairment calculation.

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.

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 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 rates attached to bonds with sufficiently long maturities 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 E2 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.

G Accounting policies and corporate information (continued)

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.

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.

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.

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 2015 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 G; 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
12 August 2015

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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 2015, 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 G, 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 2015 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 G.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

John Robinson
Partner

Sydney
12 August 2015