

**ASX RELEASE**
**9 May 2013**
**Market Update**

Donaco International Limited (ASX:DNA) provides the following market update in advance of its Extraordinary General Meeting to be held tomorrow, Friday 10 May 2013.

**Strong First Quarter Results at Lao Cai**

Trading at the Lao Cai International Hotel, the Company's flagship property, was very strong in the first quarter of calendar 2013.

The Lao Cai International Hotel is a successful boutique casino in northern Vietnam, located on the border of Yunnan Province, China (which has a population of approximately 46 million people).

Results for the three months to March 2013, based on unaudited management accounts, are as follows:

	<b>Jan-Mar 2012 US\$</b>	<b>Jan-Mar 2013 US\$</b>	<b>Variance US\$</b>	<b>% Increase</b>
Revenue	2,746,107	3,896,807	1,150,700	41.9%
Gross Profit	2,595,841	3,727,001	1,131,160	43.6%
Net Profit after Tax	1,462,722	2,166,511	703,789	48.1%

The majority of the increase in revenue was due to increased visitation, as a result of improved marketing strategies, but also due to the improvements in infrastructure (including roads) on both the Chinese and Vietnamese sides of the border. A secondary reason for the increase in revenue was a slight improvement in the monthly win rate for the March 2013 quarter, compared to the previous corresponding quarter.

The Company is not providing guidance for the full year results for the combined Group to 30 June 2013. However it should be noted that the full year results will be impacted by a number of one-off factors, including non-recurring costs relating to the merger and relisting of the Company on 1 February 2013.

**Fastest Growing Company Award**

Donaco is also pleased to announce that the Lao Cai International Hotel has been named one of the fastest-growing enterprises in Vietnam.

The Vietnam Fast 500 Award is administered by the Vietnam Report Joint Stock Company and the VietnamNet online newspaper. It lists the enterprises with the highest rate of growth in the country. The 2012 series is the third year in which the awards have been announced.

The Lao Cai International Hotel was ranked number 106 in the list of fastest-growing enterprises in 2012.

Managing Director of Donaco, Mr Joey Lim, said "The Lao Cai International Hotel has been operating successfully for more than 10 years now, under a very strong Business to Government collaboration with

Lao Cai Province in Vietnam. As shown by our first quarter results, and this recent award, there is still plenty of growth in the business, driven by the strong economic growth and fundamentals of China.

“With our 400-room expansion well underway, and now underpinned by our recent successful \$25 million capital raising, we expect to be in an excellent position to capture more of this growth in the years ahead.”

### **Update on New Hotel and Casino Construction Project**

The construction of the new Lao Cai hotel and casino continues at pace. Nine floors of the new hotel have now been completed, with the full height of 12 floors to be finished by the end of June 2013. Mechanical and electrical work has commenced, and has already been completed in the basement level.

The photograph below shows the current state of the project.



Management is targeting to open at least 100 hotel rooms (of the 428 total rooms in the property), and also to open the main gaming floor, in time for Chinese New Year in early February 2014.

### **For further information:**

Ben Reichel  
Director & Company Secretary  
Phone: + 61 412 040 281



---

## **ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)**

Donaco International Limited operates leisure, entertainment and associated technology businesses across the Asia Pacific region.

Our flagship business is the Lao Cai International Hotel, a successful boutique casino in northern Vietnam. The Lao Cai International Hotel was established in 2002, and is located on the border with Yunnan Province, China. Donaco operates the business and owns a 75% interest, in a joint venture with the Government of Vietnam.

The Lao Cai International Hotel is the first fully licensed table gaming business in Vietnam. The property is currently being expanded from a 3-star 34 room hotel, to a brand new resort complex with 428 hotel rooms.

Donaco also owns and operates the TAB Active TV wagering service in Australia, in partnership with all major TAB operators (Tabcorp Holdings Limited, Tatts Limited and Racing and Wagering WA). We also own and operate the Way2Bet online and mobile wagering portal, whose customers include all major corporate bookmakers in Australia.

To learn more about Donaco visit [www.donacointernational.com](http://www.donacointernational.com)

---

