



13 August 2014

ANNOUNCEMENT TO THE MARKET
FULL YEAR RESULTS PRESENTATION

Attached is a presentation regarding Echo Entertainment Group Limited's (**Echo**) full year results for the financial year ended 30 June 2014 to be presented by Matt Bekier, Managing Director and Chief Executive Officer and Chad Barton, Chief Financial Officer.

This presentation and a link to an audio webcast of the presentation will be available on Echo's website at **www.echoentertainment.com.au** from 11:00am (Sydney time) today.

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

Paula Martin
Group General Counsel & Company Secretary

ECHO ENTERTAINMENT GROUP



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WWW.ECHOENTERTAINMENT.COM.AU

ECHO

FULL YEAR 2014 RESULTS PRESENTATION

13 AUGUST 2014

ECHO ENTERTAINMENT GROUP

ECHO ENTERTAINMENT GROUP LIMITED (ASX: EGP)

BASIS OF PREPARATION AND NON-IFRS INFORMATION

- Information in this presentation is provided as at the date of the presentation unless specified otherwise. It should be read in conjunction with Echo Entertainment Group Limited's financial report for the full year ended 30 June 2014 and other disclosures made via the Australian Securities Exchange
- Echo Entertainment Group results are reported under International Financial Reporting Standards (IFRS). This presentation may include certain non-IFRS measures including normalised results, which are used internally by management to assess the performance of the business
- Non-IFRS measures and current trading 1H FY15 results to date have not been subject to audit or review
- Normalised results reflect the underlying performance of the business as they remove the inherent volatility of the international VIP Rebate business. Normalised results are adjusted using an average win rate of 1.62% and average number of turns of front money of 13 times based on the 5 year average to the end of FY13. Normalisation rates applied to the FY14 results are consistent with FY13 rates
- Normalised EBIT (Underlying Earnings) and Normalised EBITDA are calculated based on normalised gross revenue and corresponding normalised commission and rebate expenses and taxes. Significant items are excluded from the normalised results
- Queensland results referred to in this presentation relate to the Jupiters and Treasury segments as reported in the statutory accounts

DISCLAIMER

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ECHO ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

MATT BEKIER – CEO

2. FINANCIALS

CHAD BARTON – CFO

3. OUTLOOK AND PRIORITIES

MATT BEKIER – CEO

4. Q&A

OVERVIEW

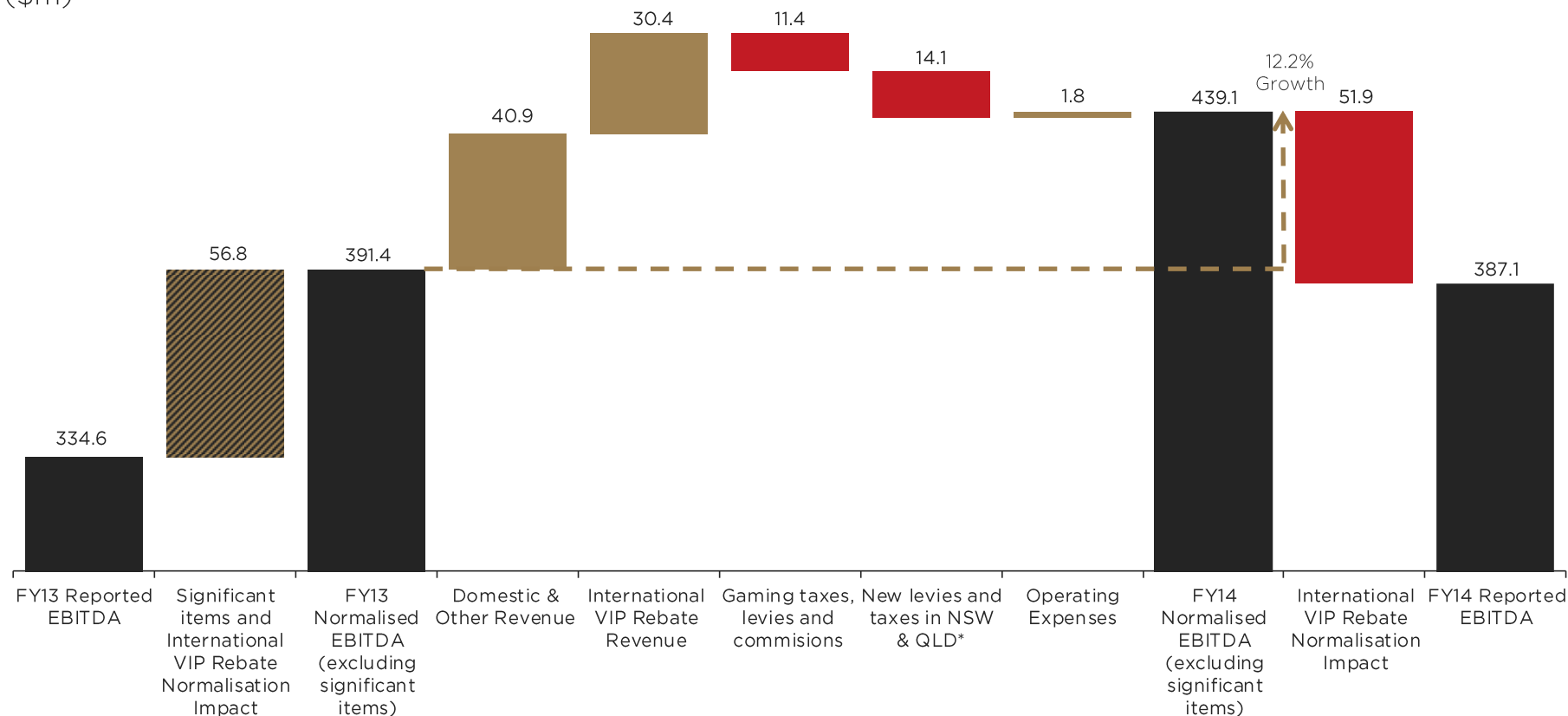
FY14 RESULTS

- Statutory NPAT of \$106.3m up 27.3% (Normalised NPAT of \$158.2m up 24.6%) on pcp reflecting stronger 2H FY14 performance
- Actual EBITDA of \$387.1m up 15.7% and normalised EBITDA (excluding significant items) of \$439.1m up 12.2% on pcp. Result driven through solid performance of the domestic gaming business, largely in the second half of the year, and a continued focus on expenses (includes additional Government levies of \$14.1m in NSW & QLD)
- Actual gross revenue for FY14 of \$1,897.4m up 2.7% (FY14 normalised gross revenue of \$1,973.1m up 3.8%), 2H FY14 up 13.8% (normalised FY14 up 12.8%) on pcp driven by:
 - Tables (MGF and PGR) up 0.5% across the group (2H FY14 up 9.4% on pcp)
 - Slots up 5.1% (2H FY14 up 13.6% on pcp)
 - International VIP Rebate up 2.5% (normalised up 6.9%, 2H FY14 up 21.8% on pcp)
 - Non-gaming up 4.2% (2H FY14 up 2.0% on pcp)
- The cost reduction program initiated in April 2012 continued to flow through with operating expenses of \$866.9m in line with guidance of \$870.0m and flat on pcp despite volume growth
- Final dividend per share of 4 cents fully franked declared, giving a total dividend of 8 cents per share or 62% of statutory NPAT (54% of statutory NPAT excluding significant items), up 33% per share from prior year

OVERVIEW

KEY DRIVERS OF FY14 RESULTS

(\$m)



* New levies and taxes in NSW & QLD relate to the ILGA Supervisory Levy in NSW (\$6.8m) and the Special Gaming Levy in Queensland (\$7.3m)

OVERVIEW

TURNAROUND CONTINUING TO PLAN

- Relunched loyalty program “Absolute Rewards” in place and gaining momentum
- Strengthened and expanded domestic and local sales teams driving benefits
- Queensland benefiting from the new regulatory environment on EGMs (TITO, non-Qcom product, EGM note denominations)
- Cost optimisation program completed with Echo exceeding guidance released to the market at FY13 results of “below \$900m” and in line with recent guidance of \$870 million
- Key appointments made to put solid, stable leadership in place and strengthen operational capability:
 - Gregory Hawkins – Managing Director - The Star Sydney (commencing 1 September 2014)
 - Chad Barton – Chief Financial Officer
 - Geoff Parmenter – Executive General Manager Group Marketing & Corporate Affairs
 - Richard Howarth – General Manager Marketing & Sales - The Star Sydney
 - Josef Seidler – Group Property Development Director
 - James Dymock – General Manager Brand & Customer Culture Transformation
 - Michael Hodgson – Group Manager Partnerships
- Simplification of organisational structures in Queensland with Geoff Hogg assuming Managing Director QLD role
- Progress made on all FY14 key strategic priorities:
 - Improve operational performance at both The Star and Queensland properties
 - Gold Coast expansion underway
 - Queen’s Wharf Brisbane Development Process – shortlisted and formed The Destination Brisbane Consortium
 - Capital Options Review

OVERVIEW

LOYALTY PROGRAM AND MARKETING PRIORITIES

- Effective rewards program established – focus now on refining and adding benefits
- Relaunched loyalty program “Absolute Rewards” (implemented in June 2013) continues to grow and deliver benefits across the group after its first full year, particularly in 2H FY14 with customer incentives, rewards and recognition better aligned to value-delivery and spend across the group
- Combination of loyalty program and expanded and strengthened salesforce driving revenue improvements in 2H FY14 – focus in FY15 is to build further
- Re-configuration of group marketing function and resources to support overall marketing strategy complete
- Targeted research based approach to marketing to drive trial, loyalty and conversion has been implemented across the group and will continue to be refined
- Key sponsorships and strategic partnerships in FY14 include:
 - Brisbane Festival
 - Asia Pacific Screen Awards
 - Australian Badminton Open 2014
 - Sydney Festival 2014
 - VIVID SYDNEY 2014
 - Hyundai Fan Park Sydney
 - Sporting partnerships – Sydney Swans / GWS / NRL Grand Final
 - Commonwealth Games 2014

OVERVIEW

KEY DRIVERS OF FY14 RESULTS

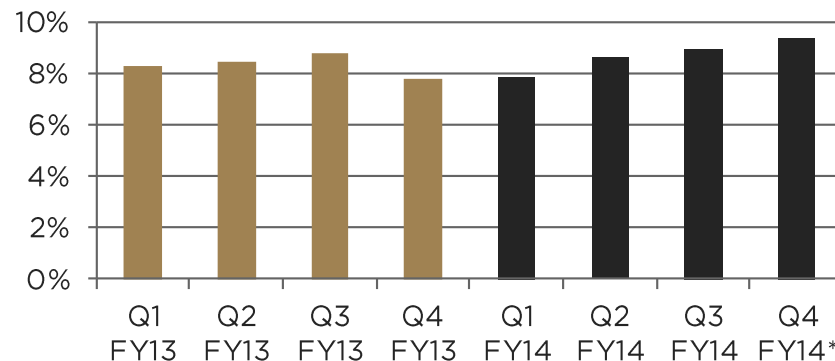
Normalised \$m	The Star			Comments	QLD			Comments
	2H13	1H14	2H14		2H13	1H14	2H14	
Slots	118.0	122.3	133.3	Slots revenue steadily increasing period on period as The Star increases market share in the region	133.6	136.7	152.5	Slots growth in 2H FY14 driven by new EGM concessions (TITO, non-Qcom product, EGM note denominations), loyalty program and domestic marketing efforts
MGF & PGR	220.0	236.5	255.0	MGF & PGR growth over the period the result of increased tables activity and the growth in MTGM product	105.5	99.9	101.1	MGF & PGR business across the period largely flat, the result of a tough consumer environment and some win rate softness
Non-Gaming & Other	60.5	74.4	67.3	Non-gaming revenue driven through new product gaining traction and the leveraging of the Events Centre	59.3	65.5	56.5	Non-gaming business continues to be impacted by lack of new attractions and consumer environmental factors
Total Domestic & Other	398.6	433.1	455.6		298.3	302.1	310.0	
International VIP Rebate (Gross)	208.1	179.0	259.7	VIP Rebate business in 2H FY14 was the largest turnover period on record, aided by a more consistent flow of business	20.1	15.3	18.1	VIP Rebate business in Queensland is static with underlying market potential unlikely to be realised until post investment
Total Gross Revenue	606.6	612.2	715.4		318.5	317.5	328.2	
Gaming taxes, levies and commissions	(241.5)	(220.0)	(286.1)	Increases primarily driven by revenue growth across the business, as well as additional levies (\$6.8m)	(78.9)	(74.0)	(87.1)	Gaming taxes, levies and commissions in-line with revenues over the period, except for the additional levy in Brisbane (\$7.3m)
Operating expenses Opex % Gross Revenue	(242.0) 39.9%	(249.4) 40.7%	(273.2) 38.2%	Operating expenses as a percentage of revenue continue to fall as operational efficiencies increase across the business	(181.2) 56.9%	(175.9) 55.4%	(168.3) 51.3%	Operating expenses well contained over the period with costs decreasing period on period as a result of operational efficiency
EBITDA	123.1	142.8	156.0		58.3	67.5	72.7	
EBITDA/Revenue %	20.3%	23.3%	21.8%		18.3%	21.3%	22.2%	

OVERVIEW

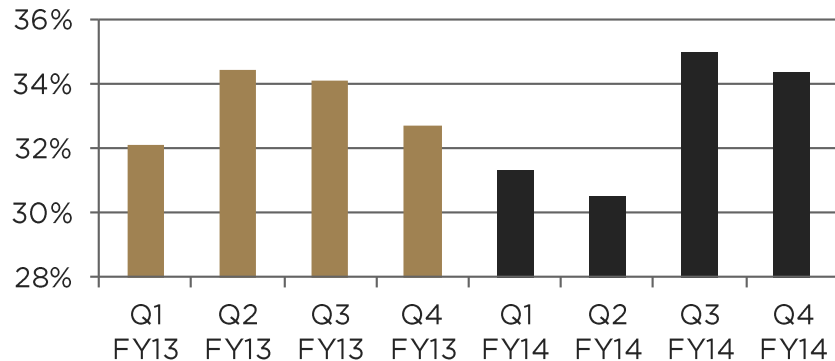
EGM MARKET SHARE

- EGM market share has increased across all major properties in 2H FY14
- The Star market share of 9.4% in Q4 FY14 (7.9% in Q4 FY13)
 - Q4 FY14 market share improvements driven by loyalty program, expanded sales team and jackpot strategy
 - No concession changes in Sydney in FY14
- Gold Coast and Brisbane market of share of 29.1% in 2H FY14 (2H FY13 27.6%)
 - Loyalty program having an impact
 - Improvement in revenue and market share with concessions rolled out over the year

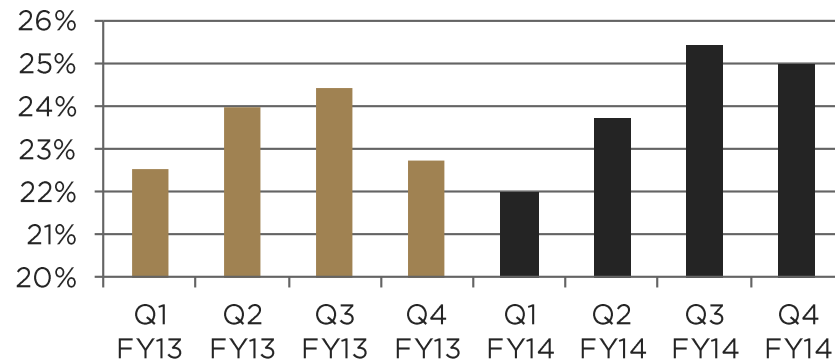
The Star Sydney



Jupiters Gold Coast



Treasury Brisbane



Source: Independent Liquor and Gaming Authority – NSW Government, Office of Liquor and Gaming Regulation – Queensland Government and Echo Entertainment Group data

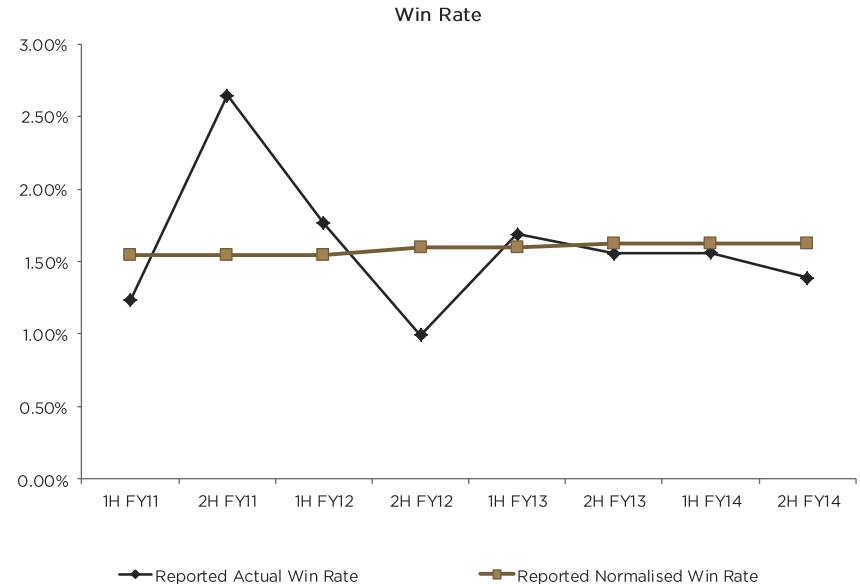
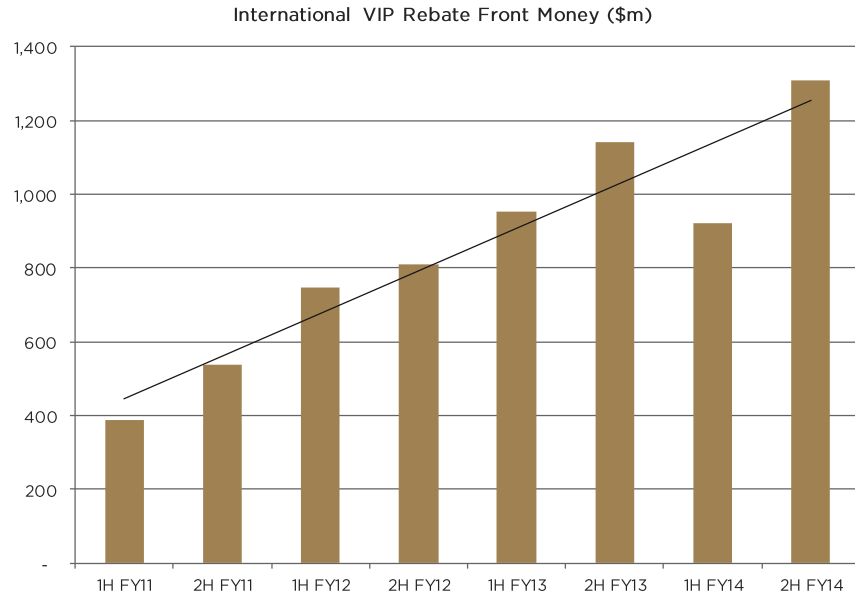
* Q4 FY14 for The Star is based on preliminary data and could be subject to change

Note: Market share data for The Star data is inclusive of both Slots and MTGMs. Market share data for Queensland properties is inclusive of both Slots and MTGMs, however excludes Rapid product

OVERVIEW

INTERNATIONAL VIP REBATE BUSINESS PERFORMANCE

- International VIP Rebate front money up 6.5% to \$2,232.0m
- Growth patchy over the period – weakness in Q2 FY14 partly offset in 2H FY14
- Normalised gross revenue up 6.9% to \$472.2m (actual gross revenue up 2.5% to \$396.5m)
- Actual win rate of 1.45% below prior period of 1.62% and normalised rate of 1.62%
- Turns of 12.2 times lower than historic average – although 2H FY14 turns closer to normalised levels (13.0 times)
- Net trade receivables of \$76.5m up from \$74.3m at 30 June 2013



OVERVIEW

INTERNATIONAL VIP REBATE – NORMALISATION

- Updated approach aimed at simplifying the normalisation process and reporting of estimated underlying revenues which is more comparable with domestic peers and to more closely approximate normalised results with the actual win rate experienced over the last 7 years:
 - Adopt real turnover measurement (including bets placed where the outcome is a tie)
 - Adopt a fixed win rate of 1.43% to estimated revenues
- Back-testing of the revised normalisation approach provides best accuracy over the last 7 years: cumulative variance to actual International VIP Rebate revenue of less than 0.3%
- New approach to apply for FY15 results

INTERNATIONAL VIP REBATE REVENUE - NORMALISATION (\$m)	FY08	FY 09	FY10	FY11	FY12	FY13	FY14	FY08-FY14		
								Cumulative Error	Average	
								\$	%	\$
Historical numbers								Total Period		
Actual International VIP Rebate revenue as reported	167	188	129	279	271	387	397	1,817		
New normalisation approach										
Normalised International VIP Rebate revenue under new approach at 1.43% win	147	166	168	217	305	377	431	1,811		
Normalised variance to historical actual International VIP Rebate revenue	(20)	(22)	39	(61)	35	(10)	34	(6)	(0.3%)	(1)

Note:
International VIP Rebate revenue excludes domestic rebate revenues as reported historically (prior to FY13)

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FINANCIALS

ECHO GROUP FINANCIALS

(\$m)	FY13 Actual	FY14 Actual	Growth %
Gross Revenue ¹	1,846.8	1,897.4	2.7%
Variable contribution	1,241.6	1,254.0	1.0%
Operating expenditure	(868.7)	(866.9)	0.2%
EBITDA (before sig items)	372.9	387.1	3.8%
Depreciation and amortisation	(146.0)	(145.6)	0.3%
EBIT (before significant items)	226.9	241.5	6.4%
Net interest	79.4	66.1	16.8%
Tax (before sig items) ³	34.8	53.5	(54.0%)
NPAT (before sig items)	112.7	121.9	8.1%
Significant Items (after tax) ⁴	(29.2)	(15.5)	46.5%
Statutory NPAT	83.5	106.3	27.3%
Earnings Per Share (cents)	10.1	12.9	27.7%
Total dividend per share (cents)	6.0	8.0	33.3%

FY13 Normalised ²	FY14 Normalised ²	Growth %
1,901.8	1,973.1	3.8%
1,260.1	1,306.0	3.6%
(868.7)	(866.9)	0.2%
391.4	439.1	12.2%
(146.0)	(145.6)	0.3%
245.5	293.4	19.5%
79.4	66.1	16.8%
39.2	69.1	(76.4%)
126.9	158.2	24.6%

Note:

- 1 Revenue is shown as the net gaming win, but gross of rebates and commissions paid to players and third parties
- 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 1.62% and average number of turns of front money of 13 times based on the 5 year average to the end of FY13. Normalisation rates applied to the FY14 results are consistent with FY13 rates
- 3 Tax before significant items is calculated for actual and normalised purposes based on the statutory effective tax rate paid in the period (FY14 30.6%, FY13 23.6%)
- 4 FY14 significant items include finance related costs associated with the close out of a number of Echo's out-of-the-money interest rate swaps and the restructure of lending arrangements. FY13 significant items include costs associated with the approved restructuring plan, including termination payments, legal and consulting fees

FINANCIALS

BALANCE SHEET AND DIVIDEND

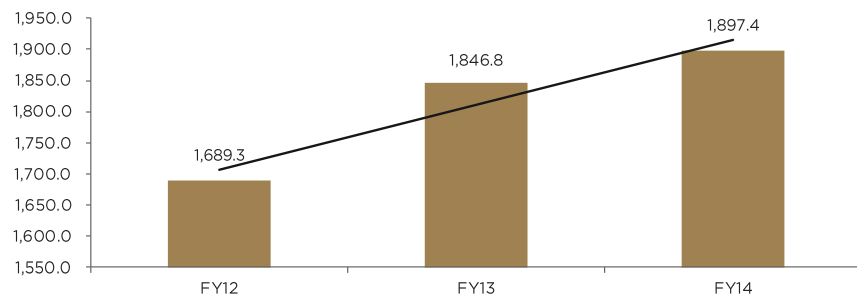
\$m	30 June 2013	30 June 2014
ASSETS		
Current Assets		
Cash and cash equivalents	265.5	144.9
Trade and other receivables	84.8	87.1
Inventories	7.2	6.5
Income tax receivable	1.3	11.7
Derivative financial instruments	3.4	2.9
Other assets	14.7	21.7
Assets classified as held for sale	-	69.7
Total current assets	376.9	344.5
Non current assets		
Property, plant and equipment	2,006.2	1,911.1
Intangible assets	1,848.3	1,845.8
Derivative financial instruments	91.8	86.7
Other assets	22.4	30.1
Total Non current assets	3,968.7	3,873.7
TOTAL ASSETS	4,345.6	4,218.2
LIABILITIES		
Current liabilities		
Trade and other payables	184.0	154.7
Provisions	58.5	51.7
Derivative financial instruments	30.3	14.7
Other liabilities	11.4	16.2
Liabilities directly associated with assets as held for sale	-	8.0
Total current liabilities	284.2	245.3
Non current liabilities		
Interest bearing liabilities	972.8	803.1
Deferred tax liabilities	160.4	177.9
Provisions	8.0	8.9
Derivative financial instruments	57.6	51.4
Total non current liabilities	1,198.8	1,041.3
TOTAL LIABILITIES	1,483.0	1,286.6
NET ASSETS	2,862.6	2,931.6
EQUITY		
Share capital	2,580.5	2,580.5
Retained earnings	310.5	367.3
Reserves	(28.4)	(16.2)
TOTAL EQUITY	2,862.6	2,931.6

- FY14 net debt of \$658.2m reduced by \$49.1m (FY13 \$707.3m)
- Overall cash balance has reduced following pay down of debt and closing out of interest rate swaps
- Cash conversion of EBITDA 92%
- Net trade receivables of \$76.5m up from \$74.3m at 30 June 2013 – ageing profile improved significantly
- Net assets classified as held for sale relate to Jupiters Townsville (\$61.7m)

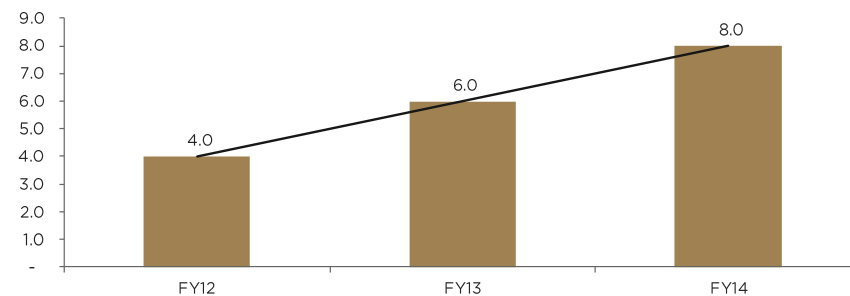
FINANCIALS

METRICS

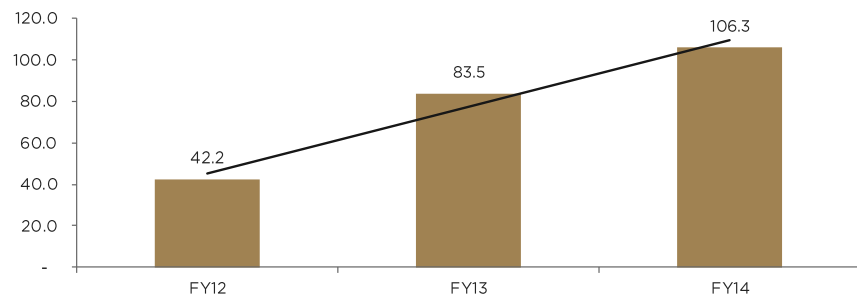
Actual Gross Revenue (\$m)



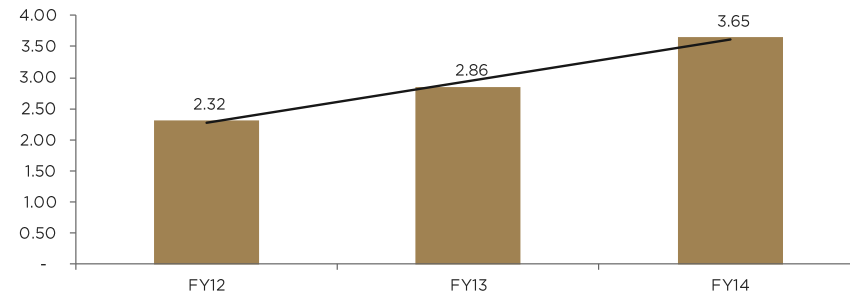
Dividend Per Share (cents)



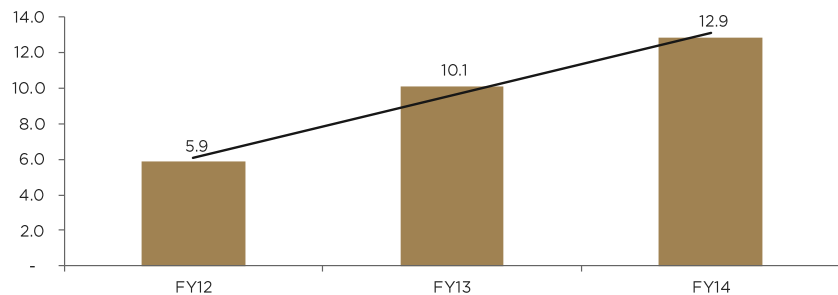
Statutory NPAT (\$m)



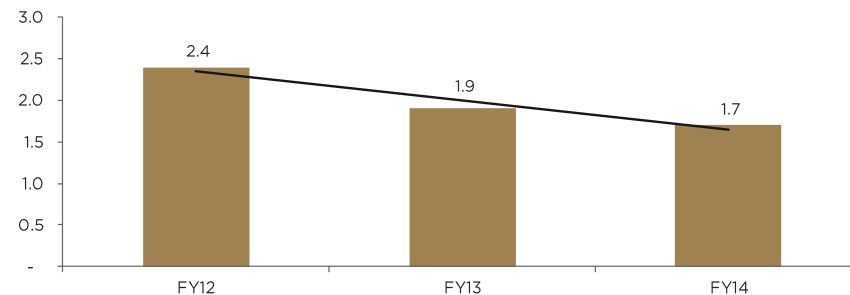
EBIT / Net Interest Expense Ratio (times)



Earnings Per Share - Statutory (cents)



Gearing (Net Debt / EBITDA) (times)



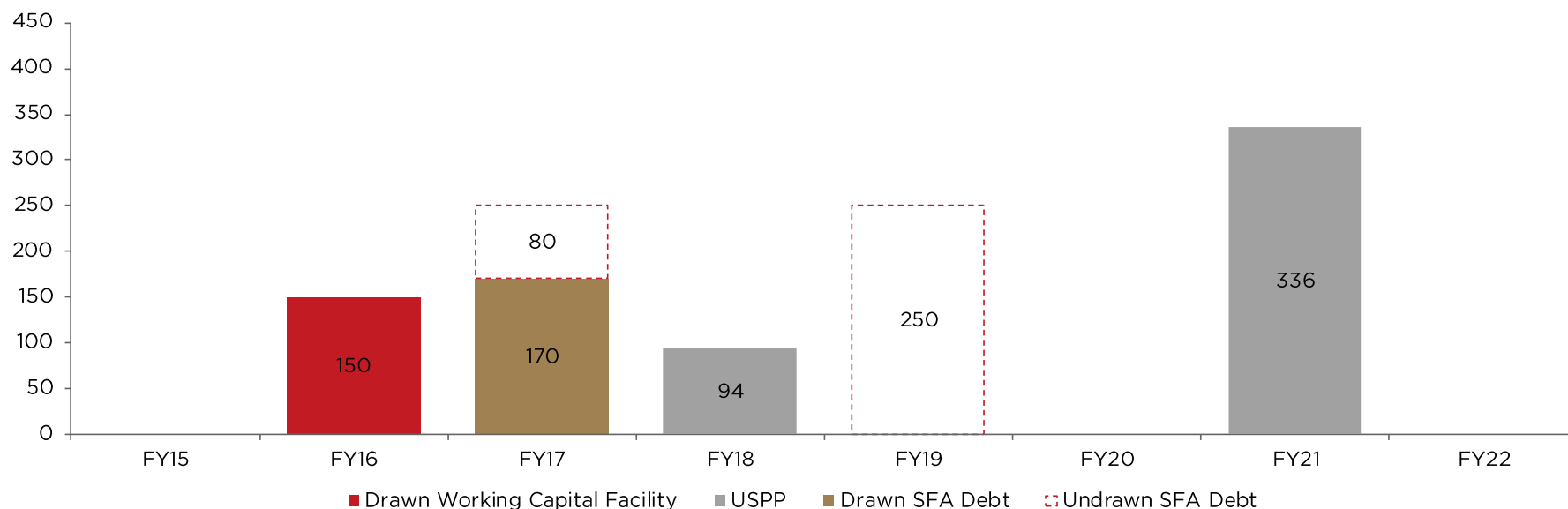
Note:
Earnings Per Share (EPS) calculated on the basis of weighed average number of shares of: FY12 720.1m / FY13 825.7m / FY14 825.7m

FINANCIALS

ECHO FUNDING

- FY14 Net debt of \$658.2m (FY13 \$707.3m)
- Undrawn bank facilities of \$330m and average drawn debt maturity of 4.3 years
- FY14 statutory net finance costs of \$88.3m includes costs of \$22.2m associated with the closing out of certain out of the money interest rate swaps and costs relating to restructure of debt facilities
- Close out of hedges were undertaken in 1H FY14 to reduce future interest expense and provide additional balance sheet flexibility
- FY15 statutory net finance costs expected to be around \$55m-\$60m on consistent interest rate

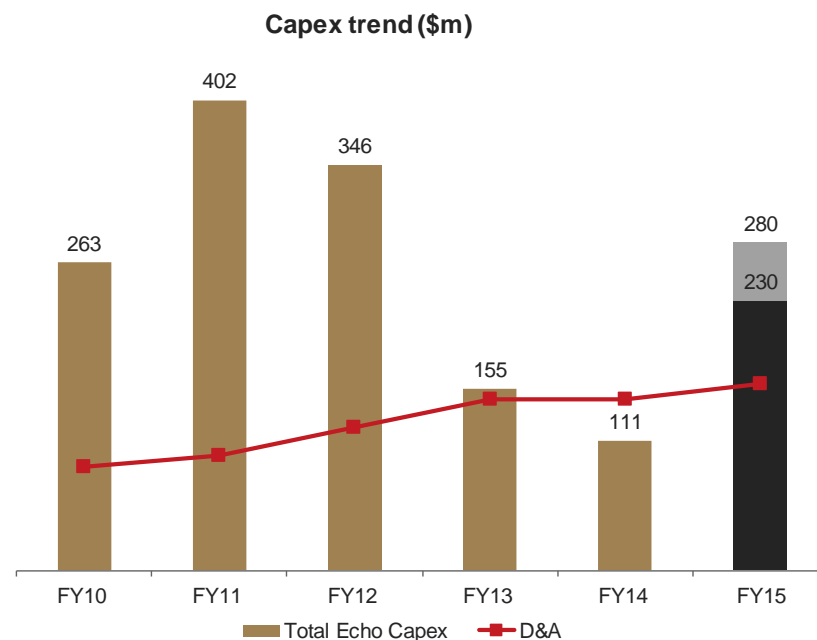
Echo Debt Maturity Profile 30 June 2014 (\$m)



FINANCIALS

CAPITAL EXPENDITURE

- FY14 capital expenditure predominantly around maintenance activities and electronic gaming in Queensland to leverage new concessions (TITO, new gaming system, new machines and games)
- FY14 capex of \$111m down \$44m on pcp with capex levels down post Project Star completion and below D&A
- D&A of \$145.6m for FY14, with expected D&A of \$150-\$160m for FY15
- FY15 capital expenditure expected to be between \$230m-\$280m largely consisting of:
 - Jupiters Gold Coast
 - New Japanese and Italian restaurants and bars
 - Exterior façade works on the existing hotel and complex
 - Pool upgrade
 - Commencement of room upgrades
 - Commencement of construction of the new hotel tower
 - The Star Sydney
 - Refurbishment of the Astral Tower & Residences
 - Expansion of domestic and international VIP Rebate gaming areas
 - Additional restaurants & bars



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OUTLOOK AND PRIORITIES

TRADING UPDATE AND STRATEGIC PRIORITIES

- FY15 YTD revenue growth broad based with all major properties delivering revenue growth at levels consistent with 2H FY14, as the momentum built in 2H FY14 carries forward into the new financial year. Expenses continue to be in line with expectations for FY15 YTD. Lower interest costs following debt restructure in 1H FY14 to assist NPAT growth
- Strategic priorities for FY15
 - Drive earnings across the group
 - Continue with the momentum demonstrated in 2H FY14 through FY15
 - Execute on incremental investment plans underway to further improve The Star's customer proposition
 - Leverage strengthened leadership team
 - Focus on marketing, customer service and improvement in processes/systems across the group
 - Gold Coast Expansion
 - Deliver Jupiters Gold Coast expansion project and restore the property's competitiveness in the region
 - Leverage modernisation of regulatory environment to support investment returns at the property
 - Queen's Wharf Brisbane Development Process
 - Consortium established with partners (CTF & FEC) who bring significant relevant tourism reach and complementary capabilities
 - Given the confidential nature of the bid process there is limited ability to provide information while engaged in the process
 - Bids to be lodged by end of October 2014 with winning bid to be selected in early 2015 by the Queensland Government

Notes:

The 2015 financial year result will be impacted by a number of factors (which may be material in nature) which include general macro-economic conditions, potential win rate volatility in the international VIP Rebate business, level of debtor provisions in the international VIP Rebate business, success of the company's marketing programs and the impact of any regulatory changes

FY15 comparative numbers will be impacted by the sale of Townsville (FY14 EBITDA \$8.0m) and the new normalisation methodology for international VIP Rebate earnings (see page 25)

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4. Q&A

ECHO ENTERTAINMENT GROUP

APPENDIX

THE STAR AND QUEENSLAND RESULTS – ACTUAL	PAGE 22
THE STAR AND QUEENSLAND RESULTS – NORMALISED	PAGE 23
OPERATIONAL BENCHMARKS	PAGE 24
INTERNATIONAL VIP REBATE – NORMALISATION	PAGE 25
INTERNATIONAL VIP REBATE – NORMALISATION FY14 RESTATED	PAGE 26
INTERNATIONAL VIP REBATE – NORMALISATION HISTORICALLY RESTATED	PAGE 27
CASH COLLECTION RATIO	PAGE 28
RECEIVABLES AGING	PAGE 29
GLOSSARY	PAGE 30

APPENDIX

THE STAR AND QUEENSLAND RESULTS-ACTUAL

Actual \$m	The Star			QLD			Total		
	FY13	FY14	fav/ (unfav)	FY13	FY14	fav/ (unfav)	FY13	FY14	fav/ (unfav)
Slots	242.1	255.6	5.6%	276.2	289.2	4.7%	518.2	544.9	5.1%
Main Gaming Floor	347.0	362.1	4.4%	145.1	143.5	(1.1%)	492.1	505.6	2.7%
PGR	127.6	129.3	1.3%	69.0	57.5	(16.7%)	196.6	186.8	(5.0%)
Non-Gaming	121.1	138.3	14.2%	125.0	118.4	(5.3%)	246.2	256.7	4.2%
Total Domestic	837.9	885.4	5.7%	615.3	608.6	(1.1%)	1,453.2	1,494.0	2.8%
International VIP Rebate (Gross)	362.0	388.6	7.3%	24.8	8.0	(67.9%)	386.8	396.5	2.5%
Other Revenue	3.2	3.3	2.4%	3.6	3.6	1.5%	6.8	7.0	2.7%
Total Gross Revenue	1,203.1	1,277.3	6.2%	643.7	620.1	(3.7%)	1,846.8	1,897.4	2.7%
Gaming taxes, levies and commissions	(454.0)	(494.6)	(8.9%)	(151.2)	(148.8)	1.6%	(605.2)	(643.4)	(6.3%)
Operating expenses	(498.5)	(522.6)	(4.8%)	(370.2)	(344.2)	7.0%	(868.7)	(866.9)	0.2%
EBITDA	250.6	260.1	3.8%	122.3	127.1	3.9%	372.9	387.1	3.8%
Depreciation and Amortisation	(94.6)	(89.8)	5.1%	(51.4)	(55.8)	(8.6%)	(146.0)	(145.6)	0.3%
EBIT	156.0	170.2	9.1%	70.9	71.3	0.5%	226.9	241.5	6.4%
Statutory Reconciliation									
Significant Items	(29.6)	-	(100.0%)	(8.7)	-	(100.0%)	(38.3)	-	(100.0%)
Statutory EBIT	126.4	170.2	34.7%	62.2	71.3	14.6%	188.6	241.5	28.0%
Net interest expense (income)							79.4	88.3	(11.2%)
Tax							25.7	46.9	(82.2%)
Statutory NPAT							83.5	106.3	27.3%
EBITDA/Revenue %	20.8%	20.4%		19.0%	20.5%		20.2%	20.4%	
VIP Rebate Front Money A\$m	1,908.0	2,073.5	8.7%	187.4	158.6	(15.4%)	2,095.4	2,232.0	6.5%
VIP Rebate Turnover A\$m	21,958.4	26,161.8	19.1%	1,879.5	1,107.4	(41.1%)	23,837.9	27,269.2	14.4%
VIP Rebate Win rate	1.65%	1.49%		1.32%	0.72%		1.62%	1.45%	

APPENDIX

THE STAR AND QUEENSLAND RESULTS-NORMALISED

Normalised*	The Star			QLD			Total		
\$m	FY13	FY14	fav/ (unfav)	FY13	FY14	fav/ (unfav)	FY13	FY14	fav/ (unfav)
Slots	242.1	255.6	5.6%	276.2	289.2	4.7%	518.2	544.9	5.1%
Main Gaming Floor	347.0	362.1	4.4%	145.1	143.5	(1.1%)	492.1	505.6	2.7%
PGR	127.6	129.3	1.3%	69.0	57.5	(16.7%)	196.6	186.8	(5.0%)
Non-Gaming	121.1	138.3	14.2%	125.0	118.4	(5.3%)	246.2	256.7	4.2%
Total Domestic	837.9	885.4	5.7%	615.3	608.6	(1.1%)	1,453.2	1,494.0	2.8%
International VIP Rebate (Gross)*	402.3	438.8	9.1%	39.5	33.4	(15.4%)	441.8	472.2	6.9%
Other Revenue	3.2	3.3	2.4%	3.6	3.6	1.5%	6.8	7.0	2.7%
Total Gross Revenue	1,243.4	1,327.5	6.8%	658.4	645.6	(1.9%)	1,901.8	1,973.1	3.8%
Gaming taxes, levies and commissions	(484.6)	(506.1)	(4.4%)	(157.0)	(161.1)	(2.6%)	(641.7)	(667.1)	(4.0%)
Operating expenses	(498.5)	(522.6)	(4.8%)	(370.2)	(344.2)	7.0%	(868.7)	(866.9)	0.2%
Normalised EBITDA	260.3	298.8	14.8%	131.1	140.3	7.0%	391.4	439.1	12.2%
Depreciation and Amortisation	(94.6)	(89.8)	5.1%	(51.4)	(55.8)	(8.6%)	(146.0)	(145.6)	0.3%
Normalised EBIT	165.7	208.9	26.1%	79.7	84.4	5.9%	245.5	293.4	19.5%
Net interest expense (income)	-	-	-	-	-	-	79.4	66.1	16.7%
Tax	-	-	-	-	-	-	39.2	69.1	(76.4%)
Normalised NPAT	-	-	-	-	-	-	126.9	158.2	24.6%
EBITDA/Revenue %	20.9%	22.5%	-	19.9%	21.7%	-	20.6%	22.3%	-
VIP Rebate Front Money A\$m	1,908.0	2,073.5	8.7%	187.4	158.6	(15.4%)	2,095.4	2,232.0	6.5%
VIP Rebate Turnover N\$m	24,895.1	27,054.4	8.7%	2,445.4	2,068.9	(15.4%)	27,340.5	29,123.3	6.5%
VIP Win rate	1.62%	1.62%	-	1.62%	1.62%	-	1.62%	1.62%	-

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

APPENDIX

OPERATIONAL BENCHMARKS

Operational Benchmarks	The Star		QLD Casinos	
	FY13	FY14	FY13	FY14
Slots				
Revenue (\$m)	241	255	276	289
NMR/machine/day	443	471	242	239
MTGMs				
Revenue (\$m)	65	72	9	12
NMR/machine/day	345	410	305	346
Table Games (Excl Rebate & MTGMs)				
Revenue (\$m)	409	419	205	189
Hold %	4,228 21%	4,717 17%	2,836 20%	2,960 16%
International VIP Rebate (Actual)				
Front Money (\$m)	1,908	2,074	187	159
Turnover (\$m)	21,958	26,162	1,880	1,107
Turns	11.5	12.6	10.0	7.0
Win rate	1.65%	1.48%	1.32%	0.72%
Hotels				
Occupancy	91%	88%	89%	86%
Cash Revenue (\$m)	30	37	35	36
Average Cash Rate	283	263	171	170
Restaurants				
Cash Revenue (\$m)	36	36	39	37
Gross Revenue (\$m)	51	52	61	58
Bars				
Cash Revenue (\$m)	39	38	31	27
Gross Revenue (\$m)	68	69	53	49
Actual EBITDA/Revenue % (Excl Significant items)	21%	21%	19%	20%
Normalised EBITDA/Revenue % (Excl Significant items)	21%	23%	20%	22%
Employee Costs/Revenue % (Excl Significant items)	24%	22%	33%	33%

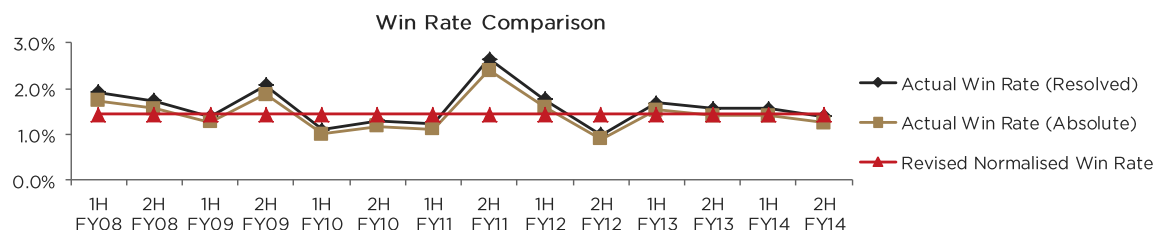
Comment

- MTGM product shows continued solid momentum across the group
- Domestic table games business performance soft – impacted by combination of lower volumes and lower hold in PGRs
- Hotel cash revenue continues to gain traction as the group increases its focus on cash occupancy
- EBITDA margin improvement a result of cost reduction program and continued focus on optimal expense controls

APPENDIX

INTERNATIONAL VIP REBATE – NORMALISATION

- New approach to the reporting of international VIP Rebate results and normalisation of those results to apply for FY15 results
- Updated approach aimed at simplifying the normalisation process and reporting of turnover on a more comparable basis with Echo's domestic peers
- Key changes to normalising earnings for the international VIP Rebate business for FY15:
 - **Change to reported actual turnover to include turnover on bets placed where the outcome is a tie** – actual turnover including tie bets (“absolute actual turnover”) is 2.21 times non-negotiable turnover (or 10.5% higher than resolved actual turnover) based on the probability of a tie in the game of Baccarat
 - **Reduce complexity by removal of the process of normalising turnover** – given the increased size of the international VIP Rebate business this step is no longer required to smooth out international VIP Rebate earnings
 - **Normalising international VIP Rebate revenues by applying a “normal win rate” of 1.43% to absolute actual turnover in the period** – Echo believes this win rate is a fair normal win rate assumption based on long term trends experienced in the international VIP Rebate Business
 - **Back-testing of the revised normalisation approach provides best accuracy over the last 7 years:** average variance to result less than 0.3% of net revenue
- The “normal win rate” will not be updated based on a 5 year rolling average – Echo will monitor win rate trends in the international VIP business as well as customer behaviours that impact win rates over time and update the win rate if a view is formed that this is no longer an appropriate normal win rate for the business



Rolling Average Win Rate	Win Rate (Resolved)	Win Rate (Absolute)
4 Years	1.60%	1.45%
5 Years	1.56%	1.41%
6 Years	1.57%	1.42%
7 Years	1.59%	1.44%

Note: Win rate reflects actual win, adjusted for player disputes

APPENDIX

INTERNATIONAL VIP REBATE

NORMALISATION FY14 RESTATED

Normalised*	The Star			QLD			Echo Group		
\$m	1H FY14	2H FY14	Total FY14	1H FY14	2H FY14	Total FY14	1H FY14	2H FY14	Total FY14
Slots	122.3	133.3	255.6	136.7	152.5	289.2	259.0	285.8	544.9
Main Gaming Floor	182.5	179.7	362.1	71.8	71.7	143.5	254.2	251.4	505.6
PGR	54.0	75.4	129.3	28.1	29.3	57.5	82.1	104.7	186.8
Non-Gaming	73.6	64.7	138.3	63.6	54.8	118.4	137.2	119.5	256.7
Total Domestic	432.3	453.1	885.4	300.2	308.4	608.6	732.6	761.4	1,494.0
International VIP Rebate (Gross)*	157.2	256.2	413.4	11.2	6.3	17.5	168.3	262.6	430.9
Other Revenue	0.8	2.5	3.3	2.0	1.7	3.6	2.7	4.3	7.0
Total Gross Revenue	590.8	712.9	1,303.7	313.3	316.4	629.7	904.1	1,029.3	1,933.4
Gaming taxes, levies and commissions	(205.1)	(292.3)	(497.4)	(71.8)	(78.0)	(149.8)	(280.0)	(367.1)	(647.1)
Operating expenses	(249.4)	(273.2)	(522.6)	(175.9)	(168.3)	(344.2)	(425.3)	(441.5)	(866.9)
Normalised EBITDA	136.3	147.4	283.7	65.6	70.0	135.6	198.7	220.6	419.4
Depreciation and Amortisation	(44.6)	(45.2)	(89.8)	(27.8)	(28.0)	(55.8)	(72.4)	(73.3)	(145.6)
Normalised EBIT	91.7	102.2	193.8	37.8	41.9	79.8	126.3	147.4	273.7
Net interest expense (income)							36.3	29.8	66.1
Tax							26.7	36.9	63.5
Normalised NPAT							63.4	80.7	144.1
EBITDA/Revenue %	23.1%	20.7%	21.8%	20.9%	22.1%	21.5%	22.0%	21.4%	21.7%
VIP Rebate Front Money N\$m	849.1	1,224.3	2,073.5	72.6	85.9	158.6	921.8	1,310.2	2,232.0
VIP Rebate Turnover N\$m	10,991.0	17,917.7	28,908.8	779.8	444.0	1,223.7	11,770.8	18,361.7	30,132.5
VIP Win rate	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%

* Refer updated normalised international VIP Rebate revenue methodology on Slide 25 of this presentation

APPENDIX

INTERNATIONAL VIP REBATE

NORMALISATION HISTORICALLY RESTATED

Normalised*	The Star			QLD			Total		
\$m	FY12	FY13	FY14	FY12	FY13	FY14	FY12	FY13	FY14
Slots	239.4	242.1	255.6	283.2	276.2	289.2	522.6	518.2	544.9
Main Gaming Floor	328.7	347.0	362.1	140.9	145.1	143.5	469.6	492.1	505.6
PGR	125.9	127.6	129.3	67.5	69.0	57.5	193.4	196.6	186.8
Non-Gaming	96.8	121.1	138.3	124.4	125.0	118.4	221.2	246.2	256.7
Total Domestic	790.8	837.9	885.4	616.0	615.3	608.6	1,406.8	1,453.2	1,494.0
International VIP Rebate (Gross)*	268.7	347.0	413.4	36.7	29.7	17.5	305.4	376.7	430.9
Other Revenue	6.4	3.2	3.3	5.2	3.6	3.6	11.6	6.8	7.0
Total Gross Revenue	1,065.9	1,188.1	1,303.7	657.9	648.6	629.7	1,723.9	1,836.7	1,933.4
Gaming taxes, levies and commissions	(386.7)	(455.2)	(497.4)	(152.5)	(155.7)	(149.8)	(532.8)	(604.2)	(647.1)
Operating expenses	(456.7)	(498.5)	(522.6)	(370.8)	(370.2)	(344.2)	(827.5)	(868.7)	(866.9)
Normalised EBITDA	222.6	234.4	283.7	134.6	122.7	135.6	363.6	363.8	419.4
Depreciation and Amortisation	(77.0)	(94.6)	(89.8)	(37.7)	(51.4)	(55.8)	(114.7)	(146.0)	(145.6)
Normalised EBIT	145.6	139.8	193.8	96.9	71.3	79.8	248.9	217.8	273.7
Net interest expense (income)							93.9	79.4	66.1
Tax							23.8	32.7	63.5
Normalised NPAT							131.3	105.8	144.1
EBITDA/Revenue %	20.9%	19.7%	21.8%	20.5%	18.9%	21.5%	21.1%	19.8%	21.7%
VIP Rebate Front Money N\$m	1,354.1	1,908.0	2,073.5	202.5	187.4	158.6	1,556.7	2,095.4	2,232.0
VIP Rebate Turnover N\$m	18,789.1	24,264.0	28,908.8	2,568.6	2,076.9	1,223.7	21,357.7	26,340.9	30,132.5
VIP Win rate	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%

* Refer updated normalised international VIP Rebate revenue methodology on Slide 25 of this presentation

APPENDIX

CASH COLLECTION RATIO

Category \$m	Jun-12	Jun-13	Jun-14
Cash flows from operating activities before interest and income tax			
Net cash receipts in the course of operations	1,643.6	1,757.4	1,800.0
Payments to suppliers, service providers and employees	(1,046.9)	(982.2)	(1,057.8)
Payment of government levies, gaming taxes and GST	(359.4)	(381.3)	(385.6)
Net cash inflows from operating activities before interest and income tax	237.3	393.9	356.6
 Profit before net finance costs and income tax	 143.8	 188.6	 241.5
Add back depreciation and amortisation	(122.1)	(146.0)	(145.6)
EBITDA	265.9	334.6	387.1
 Cash collection	 89%	 118%	 92%

APPENDIX

TRADE RECEIVABLES

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

APPENDIX

GLOSSARY

Term	Definition
CAGR	Compound Annual Growth Rate
Capital expenditure (capex)	Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes investments in associates and equity acquisitions. It is shown gross of any fixed asset disposals proceeds
Customer front money	Deposits of funds at the casino cage that the player intends to use as security for casino play. Front money deposits enable a player to draw upon funds by signing markers at the table games up to the amount of the deposit
EGM	Electronic gaming machine – includes both slots and MTGMs
F&B	Food and Beverage
MGF	Main gaming floor
MTGM	Multi-terminal gaming machine or electronic table game
NMR	Net revenue per machine
Normalised revenue	Normalised revenue is calculated using an average win rate and average number of turns of front money experienced over the last 5 years in international VIP Rebate business, calculated on a rolling basis ending 30 June unless otherwise stated
pcp	Prior comparable period
PGR	Private gaming room
Rebate	International Rebate Business and Domestic Rebate Business
Significant items	Significant items are items of income or expense which are, either individually or in aggregate, material to Echo and: <ul style="list-style-type: none"> ➤ Outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or ➤ Part of the ordinary activities of the business but unusual due to their size and nature
International VIP Rebate	International Rebate Business