

ECHO ENTERTAINMENT GROUP

ECHO ENTERTAINMENT GROUP LIMITED
ACN 149 629 023

ANNUAL GENERAL MEETING
FRIDAY 8 NOVEMBER 2013 (9.30AM, SYDNEY)

CHAIRMAN'S ADDRESS

Ladies and gentlemen, welcome to just the third Annual General Meeting for this young company. It marks the second full year of independent operations, and my first full year in the Chair of Echo Entertainment Group.

Agenda

2013 was certainly an eventful year, and the ongoing rapid and dynamic evolution of our operating environments and markets continues to present significant opportunities – and challenges – for the company. Our Managing Director and CEO John Redmond and I are looking forward to sharing our perspectives on these with you this morning.

Specifically, I will provide an update on some organisational fundamentals, such as our Board and management team, as the “establishment phase” of the new company is completed, and a platform for Echo Entertainment Group’s future prosperity is established.

The Board fully recognises that the key to success is to deliver optimal operational and financial performance. Of course it is this that will drive shareholder value, and position the Group strongly for all future scenarios. This therefore continues to be the focus of attention for the Board and management, and John Redmond will provide some further detail in this regard.

What is apparent is that the future presents our company with a truly extraordinary range of very significant opportunities. We remain focused on prioritising effectively to enable us to take full advantage of them. Before I hand over to John, I will provide just a flavour of those opportunities.

John Redmond will speak in more detail to the company’s performance in FY13, and the areas on which we are focusing to drive ongoing improvement. And he will add his own perspective on our strategic landscape, from the front line of our activities in Sydney and Queensland.

Completing Echo’s “Establishment Phase” – Business Fundamentals

Some of you may recall my commitment to shareholders at last year’s meeting, that we would be “drawing a line in the sand”, and how determined I was that there be no more slip-ups or stumbles.

I am pleased to report that this commitment has been delivered and a number of fundamental measures set in place during the 2013 Financial Year.

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The Board has been refreshed, with Katie Lahey, whom we introduced last year, formally becoming a non-executive Director along with Richard Sheppard and then Gerard Bradley.

Katie's deep experience in the retail, tourism and entertainment sectors is complemented by Richard and Gerard's background, each with significant financial and commercial capability spanning the private and public sectors.

Katie is currently Chairman of Carnival Australia and has previously held long term Board positions with companies such as David Jones Limited, Hills Motorway Limited and Australia Post. Katie's executive career includes 10 years as the Chief Executive of The Business Council of Australia and she is currently the Managing Director of Korn/Ferry International.

Richard has had an extensive career in the banking and finance sector, with an executive career with Macquarie Group Limited spanning more than 30 years, including the role of Managing Director and Chief Executive Officer of Macquarie Bank Limited. Richard is currently Chairman of Macquarie Group Foundation and of Green State Power as well as a director of Dexus Property Group.

Gerard is currently the Chairman of Queensland Treasury Corporation 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 Australia and his previous non-executive Board memberships include Funds SA and Queensland Investment Corporation.

Board Committees have been reconstituted. The Board Audit committee (now chaired by Gerard Bradley) and Risk and Compliance Committee (chaired by Richard Sheppard) have been supplemented with the People, Culture and Social Responsibility Committee (chaired by Katie Lahey) that is now in place, together with the combined Remuneration and Nomination Committee, chaired by Anne Brennan.

At the same time we have been delighted to secure the services of John Redmond as the Group's Managing Director and Chief Executive Officer. John's industry credentials are second to none, including an executive management career spanning more than 25 years in the United States. Mr Redmond was Co-Chief Executive Officer of MGM Grand Inc., then Co-Chief Executive Officer of MGM Mirage and later held the position of President and CEO of MGM Grand Resorts. He is genuinely a heavy-weight in this sector, and the business is already seeing the benefit of his world-leading expertise, both strategically and operationally.

FY13 In Review

In the relatively short period since John took the reins in January this year, he has gone about "re-setting" the business, to more strongly position it to capitalise on our valuable licences in Sydney and Queensland, and to compete effectively in what is a rapidly-changing operating environment. His emphasis has been on repositioning our properties within the fabric of their locations; a major shift to more fact-based, customer-centric planning; and the maintenance of sustainable cost saving initiatives.

At the same time John led Echo's participation in the New South Wales Government's Unsolicited Proposal process with great energy and professionalism, in often challenging circumstances. What was put forward to the Government and people of New South Wales

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was visionary and exceeded the Board's expectations in many ways. It would have wonderfully linked the harbourside precincts of Pymont, Darling Harbour and Barangaroo. While ultimately not successful, the process delivered some opportunities for Echo, and we continue to work to capitalise on those to the greatest extent possible.

Furthermore, through strong and steady management, John is making significant progress already in just a few short months, despite the economic climate and soft retail environment in Australia generally during this time.

Overall in FY13, the Group's results were solid with NPAT of \$83.5 million, up 98% on the prior period and statutory EBITDA of \$335 million, up 26% on the prior period.

A final dividend of 2 cents per share was declared, taking full year dividends to 6 cents per share fully franked, above Echo's target payout ratio of 50% of statutory NPAT. This reflects the Board's confidence in the business' momentum and the benefits expected from the restructuring undertaken.

It has been pleasing to see the continuing strong growth in both volume and share of international VIP business, with FY13 normalised VIP business revenue increasing 26.9% (with actual revenue up 42.8%).

In fact, Echo Entertainment's increase to 34% share of the Australian and New Zealand VIP business market turnover in the second half of FY13 pushed Crown Resorts below 60% for the first time. Just five years ago, Crown held 80% of that market.

Significant growth (of 25.1%) in revenues from The Star's non-gaming business is also testament to the traction now being generated by the venue's high quality tourism and entertainment facilities, all of which became fully operational in FY13.

John will talk with more specificity about our performance, and the areas of priority attention going forward, but I might expand briefly on Echo's push to better integrate our properties in their locations and communities.

Attractive Licences Position Echo Entertainment Group for Growth

The future growth of this business is underpinned by the attractive licences we own. All of our casino licences are long dated licences which provide a strong base for investment. While part of the Tabcorp Holdings Limited group, the level of investment across the then casinos division did not effectively maximise the underlying potential that those licences afforded. One of the key drivers of the demerger and establishment of Echo Entertainment Group as a stand-alone pure play casino business was the realisation that this lack of investment was not maximising value for shareholders and a more dedicated and focused approach to investing in our assets was required.

We could not have moved faster in committing a significant investment upgrade in Sydney and our attention is now firmly on Queensland. With John Redmond at the helm, the Board's strategy on investment and the future for these valuable licences has evolved. John Redmond will talk more specifically to some of the exciting future growth opportunities for this company.

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Echo's properties occupy exclusive places in their cities, and to various extents have, and continue to play particular roles for those places and their communities. This year has seen a renewed emphasis on defining those roles, and a number of significant steps towards reinforcing them.

In terms of Echo's contribution to the Australian, New South Wales and Queensland economies, the impact is significant. Over \$350m in gaming taxes and levies paid in FY13 alone, significant investment in tourism infrastructure, international guests who visit and enjoy our establishments, often making multiple trips, and over 8000 staff employed, we can all be truly proud of the significant economic contribution this business has made to the local communities we operate in.

Echo Entertainment Group in the Community

Our corporate responsibility and community involvement spreads much wider than driving a purely economic contribution. In Sydney, The Star now enjoys a unique alignment with the signature events and institutions that the city and its visitors love. From Sydney's world-famous New Year's Eve celebrations, to the Sydney Festival (where The Star is now the Principal Partner), Chinese New Year, the Sydney Gay and Lesbian Mardi Gras, the Sydney Autumn Racing Carnival, Vivid Sydney, the Football Finals, Art & About, Good Food Month and the Festive Season in Sydney, The Star has established key relationships to support, extend and enhance these events, to help maximise the benefits they deliver to the city, the State and of course to The Star. The new Events Centre has played host to gala events for charity partners the Sydney Children's Hospital, the Thomas Kelly Youth Foundation and the Carbine Club. It's fair to say now more than ever that "if it's on in Sydney, it's on at The Star".

This very deliberate alignment with all the good things happening in Sydney is really only just beginning to crystallise, and a similar philosophy guides our approach to relationships in Queensland. With \$100 million now contributed to the Jupiters Casino Community Benefit Fund since its inception, Echo is continuing to progress new ways of bringing our assets and capabilities to bear on supporting Brisbane, the Gold Coast and Townsville in pursuing the aspirations of those cities and their communities.

Echo Entertainment Group's fresh philosophy and outlook, combined with the long local roots of our properties, will create unique opportunities in each of our cities. In partnership with governments and other stakeholders Echo is committed to investing to establish distinctive destinations that will drive tourism and promote economic growth, delivering benefits for our communities, our people and most importantly our shareholders.

Strategic Priorities

As I mentioned at the outset, the current outlook presents the business with an extraordinary range of opportunities.

In Queensland, the Newman Government's vision to revitalise Brisbane by redeveloping a significant precinct in the Central Business District through an integrated development presents exciting opportunities for transformational development for the city, and the region. Echo Entertainment's vision for Brisbane and Queensland is to deliver a place-defining city and tourism asset to Brisbane, as part of a holistic proposition for South East

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Queensland. The Treasury Casino and Hotel has reached its capacity, and its nature makes it ill-suited to compete in today's tourism and entertainment landscape. Furthermore the current Treasury facility is a unique heritage building with substantial value under an alternative use within a precinct-wide transformation.

Our plans would deliver the large scale tourism and entertainment proposition that can activate Brisbane and complete its offering as Australia's "new world city". We have been seeking an opportunity to re-purpose the heritage buildings housing the Treasury Casino and Hotel and relocate and enhance our gaming infrastructure within a new, large tourism and entertainment precinct. Echo Entertainment also has plans to deliver a complementary world-class development on the Gold Coast, to better enable Queensland to compete effectively as a region on the contemporary world stage. John Redmond will talk to this in more detail later in the presentation including giving all shareholders a sneak preview of some of our plans.

The dialogue with the Queensland Government has been open and constructive and we look forward to the commencement of the Expression of Interest process for the Brisbane CBD precinct later in the year as recently announced by the Government.

Meanwhile in Sydney, the prospective entry of Crown Resorts in 2019 could inevitably see the State's and the nation's gaming market further fragmented, with two quite distinct offerings operating in Sydney by the end of this decade.

Let me put that into context. We value exclusivity, we worked extremely hard to attempt to retain it, and were very disappointed to lose it. And while we in no way underestimate our competitors, we see a bright future for The Star beyond the end of 2019 when we face likely competition from Crown Sydney. Your Managing Director and Chief Executive Officer John Redmond achieved very significant success in Las Vegas, where competition is intense. Sydney is a tourism destination of global appeal that can support a very substantial integrated resort and gaming offering and at The Star we have a unique offering and platform to secure a strong share of a market that we think can continue to grow significantly.

While we will not be telegraphing details of our plans before time, it goes without saying that Echo Entertainment will be working to take full advantage of the opportunities presented by the State's anticipated reconfigured regulatory framework, tax and operating arrangements as well as the significant benefits of The Star's casino licence exclusivity over the next six years. As we have seen over the last twelve months, in this industry six years is a very long time! Rest assured that time will not be wasted.

I will now pass over to our Managing Director and Chief Executive Officer, John Redmond.

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MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S PRESENTATION

Introduction

Thank you John. This is my first Annual General Meeting as Managing Director and CEO of Echo Entertainment Group having commenced in the role January this year. Most of you know I joined the company's Board in FY12 as a non-executive director and when the opportunity to move into the Managing Director role came up I put my name forward as it was such a terrific and unique opportunity to lead the direction of a relatively new company.

For my presentation today, I will provide an overview of the financial results for FY13 and highlight some of the initiatives we have focused on since I started. I am pleased to say that a number of these initiatives are already driving improved performance in the early part of FY14.

I would then like to take some time to outline the future development opportunities for this company. Given our established licences, this is a very exciting time for Echo Entertainment with significant growth opportunities presenting themselves. Australian State Governments, like a number of jurisdictions around the world, are increasingly seeing the tourism and other economic benefits of large scale Integrated Resorts and are encouraging investment.

Slide 6 – FY13 Financial Results Overview

The FY13 year was a challenging one with soft underlying economic conditions in our core markets, significant cost restructuring undertaken and the Unsolicited Proposal submitted to the New South Wales Government requiring significant attention of management in the second half of the financial year. Despite this, Echo generated actual group revenue growth of 9.3% and EBITDA growth of 12.1% before significant items. Even adjusting for variations in win rate in the VIP business, normalised revenue rose 7.2% and EBITDA 1.4%.

Statutory NPAT for the group rose almost 98% on the prior period to \$83.5m, although the prior period was impacted by higher significant items and a lower VIP business win rate. FY13 NPAT after normalising for win rate and significant items was \$126.9m.

Analysing the key drivers of growth in FY13 shows that the VIP business had a very strong year and The Star generated solid growth, offset somewhat by a soft result in our Queensland properties.

Slide 7 – FY13 Key Achievements

A great deal of work was done in FY13 to prepare the business for improved financial performance in the future.

A significant cost optimisation program was implemented that is on track to generate in excess of \$60m of cost savings across the group in FY14. This program was required to restore the company's operating expenditure base to levels that are more sustainable in the longer term and deliver appropriate operating margins. The focus of the cost optimisation program has been on support and other non-customer facing areas to minimise any impact on the experience and service delivered to our customers.

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In parallel we also negotiated the Enterprise Agreement at The Star and a similar negotiation took place in Brisbane in the current period, both of which have achieved more sustainable cost bases and improved flexibility around our largest single business expenditure.

We also relaunched our loyalty program, Absolute Rewards, in June 2013 and are encouraged by the early response. We see Absolute Rewards, delivered by our customer facing team members, as a key marketing tool for our business and one that will be very important in driving revenue over time.

The VIP business also continued its strong momentum in FY13. We continue to gain share in the VIP business and I will talk more about this business later in the presentation.

These initiatives have all set up the business well going into FY14.

Slide 8 – Relaunch of Loyalty Program

Let me talk more about our relaunched group wide loyalty program, Absolute Rewards, because it is a key feature of driving future earnings. One of the early priorities I had when I entered into the role was to totally reconfigure the loyalty program. Through my professional career I have had wide exposure to the hospitality and airline industries and the aspirational nature of their rewards programs is something I knew could be replicated across the gaming and leisure industry. While this business has had loyalty programs in the past, they have historically been property specific and focused predominately on rewarding slot machine customers.

With the relaunch of Absolute Rewards we now have a property-wide and group-wide program where customers earn points and redeem points across the whole property and between properties. A loyalty program that rewards customers for spend across the whole property is critical to the success of our integrated resorts.

Given the relaunched program is still relatively new we will continue to communicate with our customers about the great rewards on offer, as well as refine and add benefits to the program.

Our goal is to make Absolute Rewards the most rewarding entertainment-focused loyalty program in Australia.

Slide 9 – Growth of International VIP Business

Our VIP business has been the standout success story at The Star. VIP business front money at the group level grew 35%, driven by The Star, with actual group VIP business revenue up 43%.

The VIP business has exhibited strong and consistent growth at The Star with a compound annual growth rate of almost 50% on actual gross revenue since FY10. Echo's share of the Australian and New Zealand international VIP business market has risen from 20% in FY10 to 34% in the second half of FY13.

While the top line growth was nothing less than exemplary, it is the quality of the business and overall earnings that are worth highlighting, including our scrutiny on credit and

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collections, an expansion in our international sales presence and much improved service levels.

At the end of FY13 total net trade receivables fell 43% to \$74m despite significant growth in revenue.

On all accounts the VIP business had an exceptional year in FY13 and we remain confident on the outlook for that business. A significant opportunity also exists for Echo in Queensland with targeted investment to drive materially larger VIP business revenue in both Brisbane and the Gold Coast. I will talk more about our plans in those markets shortly.

Slide 11 – Update on Group Year to Date Trading (Unaudited)

I will turn now to the group trading update. Trading for the start of FY14 has followed similar trends to FY13. Discretionary consumer spending remains relatively subdued in our core domestic market segments and this continues to impact revenue growth. Our domestic revenue growth has also been impacted by an increased focus on more profitable marketing spend so is not entirely comparable to the prior period where revenue had been boosted by marketing that didn't necessarily drive profit.

The VIP business has continued to see growth in front money in the first four months of the year, however the rate of growth has moderated significantly after a strong start to the year in July and August. It is not uncommon for the VIP business volumes to experience volatility from month to month and the overall momentum and full year outlook for the VIP business remains positive.

Despite the relatively soft domestic revenue growth, EBITDA has experienced marginal growth on the prior period as the benefits of the cost optimisation program and more efficient marketing through Absolute Rewards flow through. This is despite:

- the business absorbing the additional Government gaming levies imposed in Queensland and New South Wales which had a \$5million impact on first quarter earnings,
- a \$2million one-off payment associated with the Enterprise Agreement for the Treasury Brisbane property, the benefits of which will be realised in future periods,
- lower than expected hold percentage in private gaming areas, and
- short term impact from \$2 million jackpot in slots in October that was not in the prior period.

Slide 13 – Investments in Queensland

Let me now turn to some of the investment opportunities before the company.

In Queensland our investment plans are well developed and have been significantly extended and enhanced compared to those described as 'Project Icon'. We see significant growth opportunities for the company in both Brisbane and the Gold Coast. Short, medium and long-term plans have been developed for both properties. Our perpetual licences combined with our significant landholding in the Gold Coast and long-term leases in Brisbane, if coupled with the Government precinct, offer capacity for expansion. The scale of potential investments will ultimately be determined based on the operating conditions and other factors that permit Echo to generate an appropriate return on investment for our

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shareholders. Subject to this and further work, total investment in Queensland could exceed \$1.5billion.

We are encouraged by the vision displayed by the Newman Government to stimulate investment in Queensland, which has been coupled with a program of industry regulatory reform. We view the opportunity to transform our properties in Queensland into world class integrated resorts capable of competing with the best in the region as a significant opportunity for this company and a win-win for the people of Queensland. I have spent a significant amount of time in Queensland, including numerous meetings with key business and community stakeholders since starting my role in January as we recognise the importance of this investment to Echo and Queensland.

We have a well-developed vision to provide the Queensland Government with a solution for the whole of South East Queensland with investment that leverages the properties Echo already has in the State, converting them into world class integrated resorts with the smallest possible increase in gaming in the State.

With this period of significant investment opportunity before the company we are considering the future of Jupiters Townsville to the Echo group. While the recent performance of Jupiters Townsville has been positive the size and breadth of appeal of the Townsville market means more limited opportunity for the creation of a large-scale integrated resort. To date no decision has been made and a transaction would only take place if appropriate value is generated.

Slide 14 – Gold Coast Investment and Long-Term Vision

Providing more colour on our plans for investment in South East Queensland, I will start with the Gold Coast.

A master-planning exercise of the Jupiters Gold Coast site has been conducted and we have well advanced plans for investment, which include much needed enhancement of the existing complex and significant investment in new facilities to restore Jupiters Gold Coast to an iconic destination with international appeal. The large site we own at Jupiters provides ample capacity to invest and improve the appeal of Jupiters Gold Coast and to have a footprint and scale necessary to compete with the best in the world.

Our plans leverage the existing property and infrastructure at Jupiters, but bring it to a level that the Gold Coast can truly sell as a world class, must visit destination.

The investment and timing will be subject to the receipt of various approvals. Plans under consideration for investment in the near term include a new six-star hotel, significant expansion in food and beverage venues as well as new VIP gaming and private gaming room facilities. We have started the process of acquiring the relevant approvals with the aim of starting works by the second half of 2014. Details of the investment, including capital expenditure levels and timing, will be outlined once the requisite approvals are received.

Slide 15 – Gold Coast – Near Term Expansion

This slide shows our vision for the near term expansion of Jupiters Gold Coast, which we have been discussing with key stakeholders. The new six star hotel tower which you can see in this image would be not only the premier hotel in the Gold Coast but also in Australia. The

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tower would include VIP gaming salons to attract high rollers out of Asia, a market where we see significant potential opportunity for expansion in the Gold Coast given the position of our asset.

Slides 16 - 18 - Gold Coast – Six Star Hotel

As you can see this hotel design is competitive with the best available anywhere in Asia and when combined with the significant property enhancements would be a major drawcard for the Gold Coast.

A hotel like this looks even more beautiful at night.

Slide 19 - Gold Coast – New Bar

We have provided an image here of one of our new bar concepts, part of a significantly expanded and improved food and beverage offer.

Slide 20 - Gold Coast – Long Term Vision

The last image for the Gold Coast is a concept image of the long-term vision. As you can see the site we own and currently operate on provides significant capacity to continue to expand and add to the offering. This provides significant opportunity for future growth as demand develops.

Slide 21 –Investment Potential in Brisbane

Now turning to Brisbane. The Queensland Government announced in October it will initiate an Expression of Interest process for the redevelopment of the Government Precinct in Brisbane's CBD, expected to begin before the end of the calendar year. The core Government Precinct neighbours include Echo's current Treasury Casino and Hotel buildings as well as a number of important heritage buildings.

As mentioned, Echo plans to put forward a proposal that would transform the broader precinct, including our current properties, into a large-scale connected integrated resort and entertainment precinct. The proposal would enable the repurposing of the existing casino building and upgrade of the Treasury Hotel such that they could be enjoyed by the people of Brisbane and visitors alike, while preserving and improving the accessibility of the heritage elements of the precinct.

The investment timing will be driven by the site availability with an estimated start for construction in the 2017 calendar year and potential for completion in the later part of 2020. The capital expenditure profile, potential partnerships and funding structures will evolve once the EOI process commences.

We believe we are uniquely placed to deliver an integrated development that drives tourism, delivers on the vision of the Newman Government for the precinct and delivers the greatest economic benefits and lowest social cost for the people of Brisbane. We are extremely excited about the opportunity before us in Brisbane, and see this as a once in a lifetime opportunity and a very substantial opportunity for the shareholders of Echo Entertainment Group.

Slides 22 – 28 - Brisbane Images

As commencement of the Government's process in relation to the Government Precinct is pending, we propose at this time only to share with you concepts of what the refurbished and upgraded Treasury Casino and Hotel buildings could look like if we were to be successful. We look forward to being able to provide additional information in the future.

Starting with the current Treasury Hotel building we will look to restore the building to one of world's premier heritage hotels and a unique offer for the city of Brisbane. As can be seen from the photos the exterior would be improved and access to the hotel upgraded to create a truly 6 star experience.

The interiors of the hotel would be upgraded to a world class standard. The atrium lobby shown will be a must see destination which complements and celebrates the beautiful heritage building.

It is envisaged that the current casino building and current Treasury Hotel will be combined and transformed to a 6 Star hotel with unmatched event space and boutique high end retail.

Slide 29 – Sydney Opportunities

Finally, let me touch on The Star. As you can see all around you, The Star is now a world class entertainment destination due to the investments that have been made and were concluded on budget in January of this year. Considerable time and attention of management and the Board has been focused on developing the future strategy for the property. A number of opportunities to invest to drive better performance from the property have been identified.

We currently expect annual capital expenditure at The Star on average to approximate annual depreciation over the medium term as we position The Star to maximise the underlying market opportunity. Areas of investment currently proposed to be undertaken at The Star over the medium term include:

- Improvement and expansion of local private gaming rooms
- Re-investment and expansion in VIP gaming facilities
- Expansion in food and beverage offering – starting with a new buffet in 2HFY14
- Upgrade of the Astral Hotel and Residences and other refurbishment works

Concept images of the proposed refurbishment of Astral Hotel and Residences at The Star and new buffet are provided.

With the work undertaken under Project Star and these further medium term investments I am confident we will have a property that is very competitive.

In closing, I would like to acknowledge and thank the management team and all employees for their ongoing efforts in delivering on the company's priorities.

I will now hand back to John.