

ECHO ENTERTAINMENT GROUP

ECHO ENTERTAINMENT GROUP LIMITED
ABN 85 149 629 023

ANNUAL GENERAL MEETING
THURSDAY 25 OCTOBER 2012 (10.00AM, GOLD COAST)

CHAIRMAN'S ADDRESS

This is Echo Entertainment Group Limited's second Annual General Meeting and my first as Chairman of the Board. I am pleased to be chairing this meeting from the new state-of-the-art Jupiters Theatre at Jupiters Hotel and Casino on the Gold Coast, a destination that has been at the heart of tourism and entertainment on the Gold Coast and Queensland for over 25 years.

The 2012 financial year marked the Company's first full year of operations after demerging from Tabcorp Holdings Limited in June 2011. It was a year of transition, challenge and significant major achievements.

(AGENDA)

This morning I will provide an overview of the 2012 financial year by discussing the key events that shaped the year for us, and by talking about the issues that will impact on the future of the company. As shown, the list of topics on the Agenda slide of the presentation include a recap of where we have come from and what we are today, the financial results, how we are currently trading and how we around the Board table think about ensuring that value is delivered to you as shareholders.

I will talk to the above points before handing over to Larry, who will provide further insight and colour into how the biggest capital investment Echo has ever undertaken and one of the largest tourism investments ever made in New South Wales – the expansion of The Star – is progressing. Larry will also touch on the operational management team that is taking the business forward and give more detail on the company's current trading.

After these two presentations we will then turn to the formal items of business.

Let me start with a brief look back at where we have come from.

(THE EMERGENCE OF ECHO ENTERTAINMENT GROUP)

More than 12 months on from the demerger, Echo has celebrated a number of key achievements in its first year, and weathered a few challenges.

The demerger was executed well, it was a major operational and IT project to separate Echo from Tabcorp. This separation is now completed, ahead of time and on budget. This is a good outcome for Echo, which has enabled us to turn our full attention very quickly from the mechanics of the demerger to running the business.

In our first year we also ran into numerous challenges that I want to quickly reflect on: First and foremost, the 2012 period was challenging for The Star. Earnings were impacted by periods of disruption and openings, as large portions of the redevelopment were completed and launched.

In addition, during this time, the company saw the departure of the Managing Director of The Star in February and subsequent sustained negative media coverage, culminating in the inquiry initiated by the New South Wales casino regulator. This inquiry spanned February to May 2012. The inquiry made no adverse findings against Echo or The Star and determined that serious allegations made publicly against the Sydney property were baseless. The report released by the New South Wales regulator found that the investigation into allegations against The Star's former Managing Director were conducted "promptly, properly and thoroughly" and that the company demonstrated a "positive culture which has systems in place for reporting sexual harassment, investigating claims and taking action commensurate with the findings of those investigations".

We have drawn a line in the sand. The inquiry and regulatory action are now behind us and both the Board and management team are looking forward, focusing on achieving operational excellence, and engaging with the Government to maximise the value of our investment and realise future economic benefits for New South Wales as one of the largest employers in the state.

The other notable event relating to last financial year I want to quickly touch on is the capital raising we undertook in June 2012. It took the form of a fully underwritten 1 for 5 accelerated renounceable entitlement offer of new ordinary shares at an offer price of \$3.30. The Entitlement Offer was successfully completed with strong demand from the company's institutional shareholders and with the retail tranche being well supported. The net proceeds of approximately \$443 million were used to repay debt and to strengthen the company's balance sheet.

So at the end of the first year, we are now an independent, well capitalised, pure-play casino company, with great licences in Australian tourism gateways.

Let me now spend a few minutes profiling the businesses and opportunities we see in Echo.

(ECHO ENTERTAINMENT GROUP TODAY)

As you know well, Echo Entertainment Group owns and manages 4 casinos on the East Coast of Australia – the Star in Sydney, Treasury Hotel and Casino in Brisbane, Jupiters Hotel and Casino at the Gold Coast and Jupiters Hotel and Casino in Townsville.

What stands out across all four properties is that we are in good locations that have growth potential, and that all our licences have a very long time to run. This is very valuable in a market where no new casino has been built since 1995.

The Star is the largest property in the group and has been the focus of our investment efforts to date.

(LAUNCHING THE STAR)

The Star was launched in spectacular fashion on the 15th of September 2011 and has quickly gained recognition locally, nationally and internationally.

The gaming experience for customers has been taken to a new level with the complete refurbishment of the Main Gaming Floor and the opening of exclusive VIP gaming venues atop two hotel towers.

The opening of multiple award winning, five star hotel The Darling, also added a luxury day spa and many luxurious suites.

The addition of the Events Centre at The Star will mark the completion of a transformational investment in Australia's largest city.

Already, The Star is receiving extensive accolades and prestigious awards, and I want to thank the team that has delivered this large development on time, on budget and to a world class quality standard.

I will leave it to Larry to discuss the transformation at The Star in much greater detail, so let me now turn to Queensland.

The most significant investment we undertook in Queensland in 2012 is all around us.

(LAUNCHING THE JUPITERS THEATRE)

The \$20 million refurbishment transformed the theatre into a state-of-the-art venue.

The theatre was re-opened in April 2012 by the then recently elected Queensland Premier, the Honourable Campbell Newman. The opening of the venue was the first stage of the proposed investment program in Queensland that I will now touch on.

(PROPOSED EXPANSION OF QUEENSLAND CASINOS)

In the 2011 financial year, an extensive investment into the Echo Queensland casino properties was announced. In the 2012 financial year, the majority of gaming changes sought in connection with the proposed investment were approved and initial areas of development such as this theatre were commenced. In addition, across Treasury Casino and Hotel Brisbane and Jupiters Townsville, new dining venues have been opened in the last two months, with more planned.

In an exciting development, the Newman Government announced that a number of sites would be made available for redevelopment. Echo supports the government's objective to reinvigorate the Brisbane CBD, provide much-needed tourism-infrastructure and stimulate visitation and tourism to the region. Echo has registered its interest and although it is early days in the process, looks forward to continuing discussions with government about how we can play a role in achieving this vision for Brisbane.

The development of an entertainment precinct, featuring luxury hotel accommodation, expanded and improved gaming facilities, signature restaurants with high profile chefs and additional banquet and function facilities would be a game-changer for tourism in Brisbane. There is clearly the potential and appetite to create world class destinations in Queensland to complement the investment at The Star.

(VIP BUSINESS PROFILE)

The international VIP business continued to grow strongly with normalised gross revenue up 56.6% to \$359.0m in the 2012 financial year. Actual win rate of 1.39% was below a 5 year trend of 1.60% and a rate of 1.97% in the 2011 financial year.

The benefit of investment in our international VIP business is evident in a number of areas. Investment in premium gaming areas and high quality restaurants has increased the appeal of our venue to international guests who are becoming increasingly discerning when choosing which properties to visit. Investment in VIP suites in The Darling and Astral Towers provides these guests with perhaps the most stunning high-end hotel suites in Australia.

We have grown our VIP market share rapidly from a standing start in less than eighteen months to a position where The Star has close to 30% of the Australasian International Rebate Business. International VIP business is an integral part of our growth strategy. The success we are having in Sydney, which Larry will speak to also, demonstrates that we now have a product that matches the best in Asia. It is also a terrific result for the NSW government, having generated \$47m in VIP tax payments over the last 24 months and growing rapidly.

In support of the expansion of this business, and in response to the problems experienced earlier in the year in the context of the SilkStar related write-offs, we have reviewed our account processes for premium players. We now have improved systems and processes in place, as well as a strengthened customer risk team that includes analysts in Asia.

Let me conclude the profiling of our business with some thoughts on the involvement that our properties and our staff have with their respective communities.

(COMMUNITY)

Obviously, the investments I have spoken about earlier create benefits for the community through increased tourism and stimulation of the local economies. The Echo properties also provided significant support to sporting teams and not for profit organisations in their local regions over the past 12 months.

More than 110 local charities and community organisations received close to \$100,000 through the award-winning Open Your Hearts program which operates in South East Queensland. I thank our team members, many of whom do amazing community work, for their dedication to their communities.

The Star makes a significant tax contribution to the NSW Government and local economy each year. In the 2012 financial year, The Star contributed over \$147 million in taxes to the State, including \$13.7 million to the Casino Community Benefit Levy. On average, local taxes paid by The Star have increased 11% compared to the prior year. In Queensland, more than \$80 million was contributed by the Echo properties to the Queensland government and local economy, up 1.8% on the prior year.

All this engagement in the community goes hand in hand with Echo's commitment to delivering enjoyable, recreational gambling experiences for patrons. This is reflected in our commitment to Responsible Gambling Code of Practices in both New South Wales and Queensland, the culture of our business and the ongoing initiatives to minimise potential harm from gambling activities.

All of Echo's casinos now offer patrons a voluntary pre-commitment solution with the choice to pre-set a limit on their spend.

At Echo properties, all team members receive comprehensive responsible gambling training. A team of Patron Liaison Managers and specifically trained Patron Liaison Officers provide assistance to patrons who may identify as having problems associated with their own or a significant other's gambling behaviour. This service is available on a 24/7 basis with over 140 Patron Liaison Officers across Echo's properties.

This commitment has been recognised most recently with Jupiters Gold Coast receiving the award for *Responsible Serving – Gambling* for the second time in the Queensland Hotel Association annual Awards for Excellence.

Let me now move on to a discussion of last year's financial results.

(FY12 FINANCIAL RESULTS OVERVIEW)

Echo Entertainment Group's first standalone full year result for the 2012 financial year illustrates a year of transition as The Star transformation gathers momentum. A soft consumer environment and periods of disruption produced a challenging environment for the properties across both New South Wales and Queensland.

Net profit after tax of \$42.2 million was not comparable to the prior year following the demerger from Tabcorp Holdings Limited. Statutory EBITDA (after significant items) was down 40% to \$265.9 million and on a normalised basis EBITDA of \$386.0 million was down 4.5% on the prior year.

Revenue growth in the international VIP business and the core business at The Star was offset by a number of one-off items. In the main these were, higher initial operating costs following the program of opening events at The Star, higher depreciation and amortisation as a result of capital expenditure undertaken at The Star and a lower win rate in the international VIP business in the second half. Significant items relating to the SilkStar liquidation and the cost optimisation program also impacted on the bottom line.

A four cent fully franked dividend was paid for the year, which was declared at the half year, and was in line with the company's target dividend payout ratio of 50% of net profit after tax.

All in all, while circumstances were challenging, the financial results were a disappointing outcome. As a result, no bonuses were paid to management for last financial year.

On a brighter note, based on current trading, the outlook for the next financial year is positive for Echo, despite the soft consumer environment. The business is well positioned for growth as The Star evolves as a complete entertainment destination on a world-class scale.

(UPDATE ON FY 13 YTD REVENUE GROWTH)

In the first 16 weeks' trading for the 2013 financial year to 21 October, total gross revenue for the group is up 12.9% on the prior period.

The Star is seeing positive revenue trends with total revenue up 27.5% over the prior year comparable period and 79.9% revenue growth in the international rebate business at The Star (or 21.1% on a normalised basis).

Queensland continues to be difficult, with revenues retreating on last year. This reflects both the soft environment, and the absence of large new facilities. Without the opportunity for a game-changing investment, our properties in Queensland cannot and will not perform better than the markets they operate in.

But all in all, we are pleased with the momentum for the Group, especially at The Star and in VIP.

I would like to turn now to the Board and changes we have recently experienced.

(CEO TRANSITION AND THE BOARD)

I would like to start by acknowledging the departure of our former Chairman, John Story, and to thank him for his efforts over the past years which saw Echo emerge from Tabcorp to become a leading Australian casino entertainment company.

On 25 September, the Board also accepted the resignation of Non-Executive Director Mr Brett Paton. I would like to thank Mr Paton for his contribution to the company over the past four years, in particular his contribution to the Audit Committee and most recently as the Non-Executive Director member leading the Due Diligence Committee for the capital raising conducted in June.

As the final piece of The Star's rebuild falls into place with the imminent opening of the Events Centre, we announced on 27 September that Larry Mullin would depart the company in January 2013. I would like to take this opportunity to commend Larry for delivering a stunning, world-class entertainment precinct to the city of Sydney that is already driving visitation to the region. With a clear vision of what needed to be achieved, Larry delivered a large, complex project on time and budget, while also building a team of skilled and globally experienced casino managers to lead each of our properties.

An international search for a new CEO is well progressed and the Board is confident of attracting a suitable, experienced senior executive to lead the next phase of Echo's development.

During the 2012 financial year, the Board welcomed Ms Anne Brennan and Mr John Redmond to the Board of Directors as Non-Executive Directors. I would like to pay particular thanks to Anne and John for their commitment, professionalism and tenacity throughout an eventful year.

We have also announced earlier this month that Ms Katie Lahey has been appointed as a Non-Executive Director, subject to regulatory approvals being obtained. Ms Lahey is currently Managing Director Australasia for global talent management consultants, Korn/Ferry International. Prior to her current role, Ms Lahey was Chief Executive of The Business Council Australia for 10 years. In addition to an extensive executive career Ms Lahey is an experienced board member with depth of experience in the retail, tourism and entertainment sectors. We look forward to welcoming Ms Lahey's contribution to the strategic direction and oversight of the Echo Entertainment Group business.

(STRATEGY)

With a challenging FY12 behind us, it is important and appropriate that I take this opportunity to reinforce the positive prospects for Echo and you, our shareholders.

I want you to also clearly understand the position of the Board in relation to growth opportunities and what is going to drive our thinking to create value for every single Echo shareholder.

The first point to make is that the Board fully appreciates the incredibly valuable casino licences we hold. In relation to Sydney, we have not done enough to highlight the strategic value of our exclusive casino licence. The message of what we have created in Sydney with The Star, and our position as the incumbent holder and operator of the sole casino licence in a city of 4 million people, with exclusivity extending for another 7 years to November 2019, was lost by the subsequent events over the past nine months.

In Sydney we are the only game in town for at least the next seven years and our licence extends until the year 2093. We operate the only casino in Australia's biggest and brightest city that is ideally placed to benefit from the burgeoning interest from the Asian VIP market. I can assure you that it is no coincidence that other major casino operators are talking more and more about Sydney. Sydney is the gateway to Australian tourism and we now have a product that is on par with the very best resort developments in Asia, North America and Europe.

The second point is that as Chairman of the Board I am determined that there be no more slip-ups or stumbles.

The third point is that operational excellence is our mantra. In rugby parlance the best form of defence is attack, and from the Board, to the executive management ranks and all of our over 8,000 employees, we are focused on running our entertainment complexes as well as possible, and getting all shareholders an appropriate return on the investments being made.

The final thought I would like to leave you with is that the Board and management are not sitting on their hands simply awaiting other parties to present business plans and growth opportunities to the company or to progress their own plans for competing properties in our territories. We have a strategic growth agenda of our own and well developed plans to drive our business forward. We believe that an industry structure with one casino in each major city is the right one to create the platform for truly distinctive developments that safeguard responsible gambling and provide a growing stream of tax revenue to governments as well as adequate returns for shareholders. We are progressing our work in a number of areas, and feel that there are tremendous opportunities in our key markets. We expect to be able to share our growth initiatives in a public forum with our investors and other stakeholders over the coming months. Of course any new initiative that we look at will need to demonstrably create value for all shareholders.

We note the investments of Crown and Genting in Echo. The Board believes their interest is a further demonstration of the inherent value in the licences and properties within the Echo stable.

I recently resigned as Managing Director and Chief Executive Officer of Australian Rugby Union Limited so 100 per cent of my attention is on Echo reaching its potential. I did not make this decision lightly, yet hopefully it shows the intent of the Board in making sure we execute against our plans.

The outlook for Echo is positive and along with my colleagues on the Board, I am confident in the strong, experienced operational management team in place to deliver maximum returns on our invested capital.

I would now like to ask Larry Mullin to address the meeting before I return to advise the formalities for the rest of the meeting.

CHIEF EXECUTIVE OFFICER'S ADDRESS

Thank you John, and welcome everyone.

More than 12 months after the demerger, Echo can celebrate a year of a number of achievements.

Most notably the successful launch of The Star has transformed our casino into Sydney's leading entertainment destination. This represents a strategic shift in our positioning. The completion of the Events Centre by the end of the year will further strengthen The Star's leading position in the market and bring to a conclusion one of the largest investments in tourism infrastructure in Australia today.

Let me talk a little about the transformation of The Star.

(TRANSFORMATION OF THE STAR)

The year saw the commissioning of a significant amount of new product at The Star including the complete refurbishment of The Star's Main Gaming Floor, the opening of Sovereign Lakes and Sovereign Springs – our exclusive new VIP gaming venues; and the opening of the Darling – Sydney's first five star hotel to open since the 2000 Olympics. Add to this our multiple award-winning restaurants and bars, the new harbour facing glass entrance and Sydney's newest international nightclub Marquee, and the result is a stunning world-class leisure and entertainment venue.

(THE STAR - SUCCESSIVE OPENINGS IN 2012)

The new product openings happened progressively over the course of the year keeping the team very busy. I would like to commend the entire team for their tireless efforts in executing a very successful opening of The Star. To bring a project of this scale in on-time and on budget is a great achievement and one the entire team should be very proud of.

(THE STAR – GAMING)

The gaming experience at The Star has been taken to a new level with a significant improvement in our product offering across all tiers of customers.

From the world class VIP offering with commanding views of the harbour and city skyline, to the new Oasis lounge for local high end players and the expanded and completely refurbished main gaming floor – The Star now offers some of the best gaming facilities of any venue in the world.

(THE STAR – SIGNATURE RESTAURANTS AND NIGHTLIFE)

The refurbishment has led to a significant expansion in our Food and Beverage offering.

The Star now boasts more than 20 restaurants, bars and cafes. Our new fine dining options include David Chang's Momofuku Seiobo, Black by Ezard from acclaimed Melbourne chef Teage Ezard, Chase Kojima's Sokyō and Stephano Manfredi's Milanese restaurant Balla. Completing this diverse culinary offering, The Century opened its doors in late July 2012.

Our guests are also spoiled for choice when it comes to nightlife and bars. Rock Lily is hitting all the right notes as The Star's live music venue and Cherry is the perfect

cocktail bar setting with its views of the city skyline. Marquee is now undoubtedly Sydney's premier nightclub and has changed the face of Sydney's nightlife scene.

(THE STAR – THE DARLING AND RETAIL)

A feature of The Star's new harbour side entrance is the upscale retail space which offers a range of food and dining outlets as well as several leading fashion brands, including Chanel, Gucci and Bottega Veneta.

And for visitors The Star's new 5 Star luxury hotel, The Darling, which was opened in October last year, has quickly made a big impression. Featuring a 16-room luxury Spa, the Darling has nearly 60 penthouses and suites among its 171 stylish rooms and brings the total rooms and suites at The Star to over 650 across three towers.

The Darling Penthouses were recently awarded the top prize in the inaugural Design Inn awards beating Crown Villas and Crystal Club as well as hotel competition from around Australia. At The Star we now have some of the premier facilities in the world to cater to international VIP customers.

Together these elements have created a new entertainment precinct. Think of it as a 'magnet for people' looking for a range of entertainment options, offering something for everyone, a choice among the best not only that Sydney but also the world has to offer.

(THE STAR – EVENTS CENTRE OPENING IN JANUARY 2013)

The final piece of The Star jigsaw – our 4000 person capacity Events Centre – has been designed to host A-list performers from around the world as well as domestic and international conferences, exhibitions and functions. The state-of-the-art multi-purpose venue is scheduled for completion at the end of the year and will be a shining jewel in The Star's transformation.

(THE STAR – POSITIVE RESPONSE TO OPENINGS/THE STAR -- AWARDS)

I'm pleased to report our new facilities and venues at The Star have been extremely well received with our restaurants and new hotel winning a host of awards and accolades. Momofuku Seiobo was recently given three chef's hats and was named Best New Restaurant of the Year at the Sydney Morning Herald's Good Food Guide Awards. Black and Balla were also awarded chef's hats while Balla was named among Conde Nast Traveller's hot 50 restaurants in the world for 2012.

In April this year, the Darling was awarded 'Best New Hotel Construction and Design 2012' as part of an international competition recognising the most outstanding hotel projects across the Asia Pacific.

Just earlier this week at The World Travel Awards held in Singapore The Star in Sydney was named Australasia's best casino resort, edging out competition from not only Crown but also other casinos in the region.

This massive transformation of The Star is now being recognised globally and we are well on the way to putting Sydney on the map as a major casino integrated resort destination.

(THE STAR – GAMING REVENUE GROWTH)

The redevelopment of The Star is now also starting to reap financial rewards. Revenue growth at The Star is tracking strongly, up 27.5% on an actual basis in the

Financial Year to 21 October 2012. Pleasingly we are now seeing solid growth across all major lines of business at The Star giving management confidence on the medium term growth profile of the asset and returns we will generate from the investment.

Now turning to Queensland:

(CONTINUING INVESTMENT IN QUEENSLAND)

The Chairman spoke of an exciting future ahead for our Queensland properties and today we can see a glimpse of that future in the form of the recently refurbished Jupiters Theatre, here on the Gold Coast. The \$20 million makeover was completed in April and was launched with shows by A-list performers such as Michael Bolton, Tony Bennett and Seal.

Other recent openings at Jupiters include Entwine – the Gold Coast’s finest new dining destination – and our new Italian restaurant Osteria Vivo.

At Treasury, we’ve opened Brisbane’s newest boutique nightlife venue, The Kitty, along with a new 24/7 dining venue, Kitchen at Treasury.

In September, Jupiters Townsville celebrated the opening of its new steakhouse restaurant Kobe.

(EXPERIENCED OPERATIONAL MANAGEMENT TEAM)

While this past year has not been without its challenges, I’m confident we now have in place a team of highly credentialed casino managers to lead each of our four properties.

Frederic Luvisutto, Managing Director of The Star, has more than 10 years global casino and hotel management experience and has done an exceptional job since joining the group in mid-2011 and becoming the MD of The Star earlier this year.

Geoff Hogg has worked in casinos in New Zealand and Australia for over 17 years and recently added management of Jupiters Townsville to his role of Managing Director of Treasury. Geoff has an intimate knowledge of the Queensland market and is a valuable member of the team.

Stephen Spence, our head of VIP Gaming, has over 11 years’ experience in casino operations and is doing a great job driving strong growth in that business and increasing Echo’s share of the lucrative high roller market.

I’d also like to welcome the newest member of the team, Aaron Gomes, who comes to Jupiters Gold Coast with a wealth of experience from the United States, including casinos in Las Vegas and Atlantic City. I am very pleased Aaron has chosen to join the Echo team and am confident he will re-energise the iconic positioning of this property.

As you know, following the completion of the Events Centre, I will be leaving the company early next year. I will do so knowing we have a tremendous management team in place, and that during my time at Echo we have re-defined our aspirations of what can be created as premium entertainment.

I will now return the meeting back to John O’Neill to proceed with the formal business on the agenda.