

# ECHO

ANNUAL GENERAL MEETING – WEDNESDAY 4 NOVEMBER 2015



| T H E | S T A R |



ECHO ENTERTAINMENT GROUP LIMITED  
ACN 149 629 023

# ECHO

2015 ANNUAL GENERAL MEETING – WEDNESDAY 4 NOVEMBER 2015

JOHN O'NEILL AO – CHAIRMAN

# OUR PROPERTIES



*The Star, Sydney*



*Jupiters Hotel & Casino, Gold Coast*



*Treasury Casino & Hotel, Brisbane*

- Significant investment underway and planned:
  - The Star, Sydney
  - Jupiters Hotel & Casino, Gold Coast
  - Treasury Casino & Hotel, Brisbane
- Strong balance sheet and capital expenditure plans have us positioned for further growth

# THE 2015 FINANCIAL YEAR

- Echo well positioned for future growth
- Broad based growth across the company
- Statutory NPAT \$169 million, up 59% on FY14
- Total dividends of 11c per share, fully franked, up 38% on FY14
- Dividend policy set at 50% of NPAT to allow for further future investment in our properties

# OUR BOARD OF DIRECTORS



**John O'Neill AO**  
Chairman and  
Non Executive  
Director



**Matt Bekier**  
Managing  
Director and  
Chief Executive  
Officer



**Katie Lahey AM**  
Non Executive  
Director



**Richard  
Sheppard**  
Non Executive  
Director



**Gerard Bradley**  
Non Executive  
Director



**Sally Pitkin**  
Non Executive  
Director



**Greg Hayes**  
Non Executive  
Director

# INVESTMENT AND COMMUNITIES

- \$345 million investment at Jupiters Hotel & Casino continues
- Job creation and economic stimulus for the Gold Coast
- Further development in Sydney and Brisbane to provide positive community outcomes
- New partnerships in FY15 including:
  - 2018 Commonwealth Games
  - NSW Rugby League
  - Queensland Rugby League
  - Vivid Sydney





# ECONOMIC CONTRIBUTIONS

- 61% of pre-tax profits paid to Governments in FY15
- \$540m paid in taxes and levies to all levels of Government
- 22 million visitors through properties in South East Queensland and Sydney
- More than 8,000 team members employed
- Further capital expenditure for The Star and transformation in Brisbane confirmed



# QUEEN'S WHARF BRISBANE

- Destination Brisbane Consortium selected as the preferred proponent for the Queen's Wharf Brisbane development



*All images are design concept only*



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# ECHO

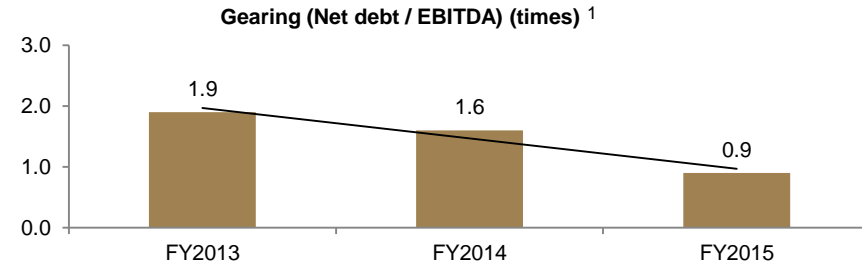
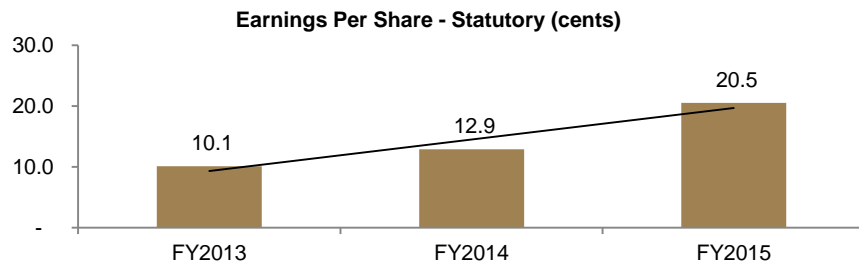
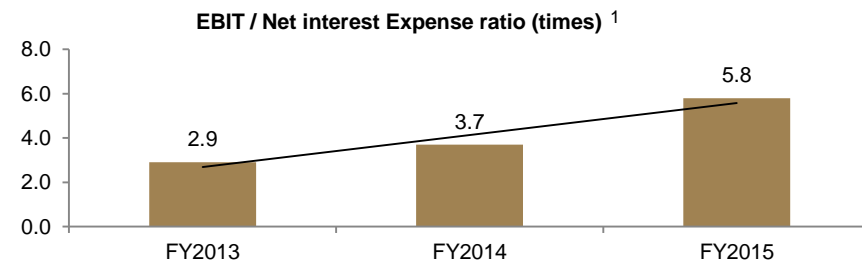
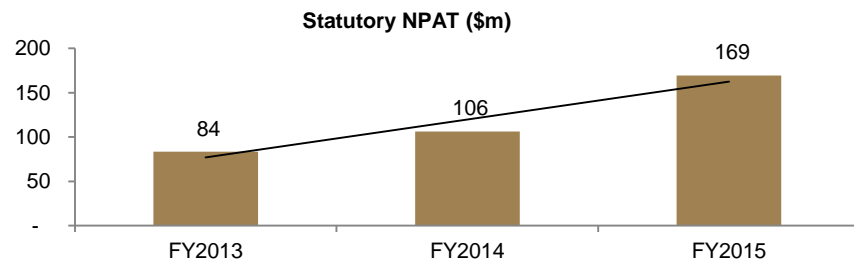
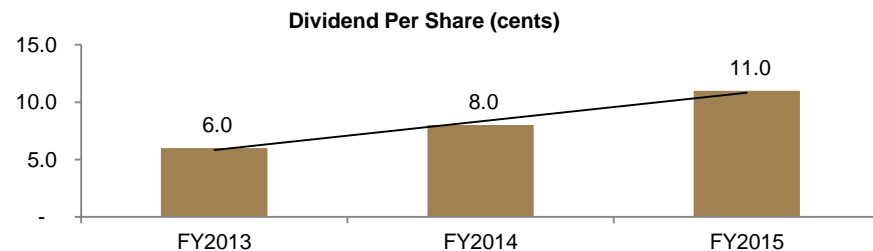
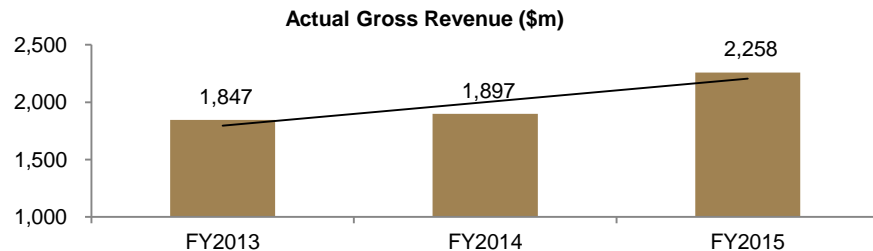
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MATT BEKIER – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

# 2015 FULL YEAR FINANCIAL RESULTS

- Statutory EBITDA of \$451 million, up 17% on FY14
- Normalised EBITDA of \$521 million, up 24% on FY14
- Statutory NPAT of \$169 million, up 59% on FY14
- Actual gross revenue of \$2.26 billion, up 19% on FY14
- International VIP Rebate business turnover of \$46 billion in FY15
- International VIP Rebate business actual revenue of \$588.4 million up 48.4% on FY14

# FINANCIAL TRENDS



Note: <sup>1</sup> Based on 12 months trailing actual

Earnings Per Share (EPS) calculated on the basis of weighted average number of shares of 825.7m

# TEAM AND COMMUNITY

We support and participate in the communities in which we operate and the events that resonate in those cities

- More than 8,000 team members
- More than 320 team members were enrolled in accredited training programs
- FY15 initiatives included:
  - Queensland Hotel & Hospitality School in partnership with TAFE Queensland
  - Women in MBA program with Macquarie Graduate School of Management



# TEAM AND COMMUNITY

We support and participate in the communities in which we operate and the events that resonate in those cities

- \$13m to charities, community groups and funding partnerships
- 21 years of support for Surf Life Saving Queensland
- \$3m over three years to Ronald McDonald House





# TEAM AND COMMUNITY

We support and participate in the communities in which we operate and the events that resonate in those cities

- Funded more than 50 gambling research projects since 1995
- More than 300 responsible gambling liaison officers
- Won two CitySwitch sustainability awards



# TOURISM OPPORTUNITY

Rising incomes in China a key driver of increasing outbound travel

- International visitation from Asia forecast to grow to 3.5m by 2020
- Australia a desirable location as affluent Chinese middle class seek to travel to more exotic locations further from home
- China forecast to contribute 40% of total inbound tourism expenditure from 2013 to 2023
- Investment in tourism infrastructure is crucial especially in the high end accommodation category

Source: Boston Consulting Group, McKinsey & Company and Hurun Report Chinese Luxury Consumer Survey 2014

# JUPITERS GOLD COAST DEVELOPMENT

The first phases of the \$345m redevelopment have already been delivered, with phase 2 of the expansion and refresh underway

- Estimated capex for FY16 of \$100m – \$125m including:
  - New VIP gaming salons
  - Expansion of the food and beverage offering
  - New VIP suite hotel works
  - Main gaming floor refresh
  - External arrival experience and lighting
  - Hotel refurbishment works



*All images are design concept only*

# THE STAR SYDNEY DEVELOPMENT

Approximately \$500m to be invested in The Star over the next 5 years

- Estimated capex for FY16 of \$150m – \$175m including:
  - The Darling VIP gaming salons
  - Buffet restaurant refurbishment
  - Astral Tower & Residences refurbishment
  - Main gaming floor and Oasis gaming room expansion



*All images are design concept only*

# THE STAR SYDNEY DEVELOPMENT

The Star continues to receive wide-ranging recognition

- 33 industry awards during FY15 most notably:
  - David Chang's Momofuku Seiōbo was awarded Three Chef's Hats, Three Glasses, Three Stars and Best Restaurant Bar and was also included in the Australian Financial Review's list of Australia's Top Restaurants 2015
- 8 industry people awards during FY15 including:
  - Concierge of the Year
  - Chef of the Year
  - Best Venue Team (Events Centre)



# QUEEN'S WHARF BRISBANE DEVELOPMENT

Creating a world class integrated resort with local spirit, partnering with Brisbane and Queensland

- 8,000+ new Queensland jobs
- \$1.69 billion annual increase in tourism
- 1.39 additional tourist visitors per year
- \$4 billion boost to gross state product
- Brisbane's first six-star hotel, as well as four internationally-recognised hotel brands
- 12 football fields of public event space
- Establishment of a world class hospitality training institute



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# REBRANDING

We have a transformational opportunity

- Considerable investments across our properties
- Time is right to move forward with a more unified brand
- Leverage these great developments more cohesively
- Proposed new company name The Star Entertainment Group Limited
- Allow seamless transition over time to properties' rebranding

# TRADING UPDATE – TO 31 OCTOBER 2015

## GROUP FINANCIAL YEAR TO DATE TRADING (UNAUDITED)

- Experiencing good demand in all properties in the FY16 YTD
- Across the group, domestic gaming revenue (excluding International VIP Rebate) is up 10.3% on the pcp
- Total Domestic Business, including non-gaming but excluding International VIP Rebate, is up 8.7% on the pcp
- International VIP Rebate business volumes stabilising following very strong growth period in FY15, although impacted by an abnormally low win rate
  - Normalised<sup>1</sup> International VIP Rebate revenue down 8.1% on the pcp
  - Actual International VIP Rebate revenue down 33.8% on the pcp, with a win rate of 1.0% experienced in the FY16 YTD

<sup>1</sup> Normalised results reflect the underlying performance of the business as they remove the inherent volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.43% of actual turnover.

# PRIORITIES

For the next 12 months:

1. Continue to improve earnings across the Group
2. Deliver on the capital program for the Jupiters Gold Coast property redevelopment
3. Commence and deliver the first stages of The Star masterplan strategy
4. Continue to evolve the brand and loyalty program
5. Begin implementation of our guest service excellence program
6. Work with the Queensland Government and our consortium partners to progress the Queen's Wharf Brisbane project

ECHO ENTERTAINMENT GROUP