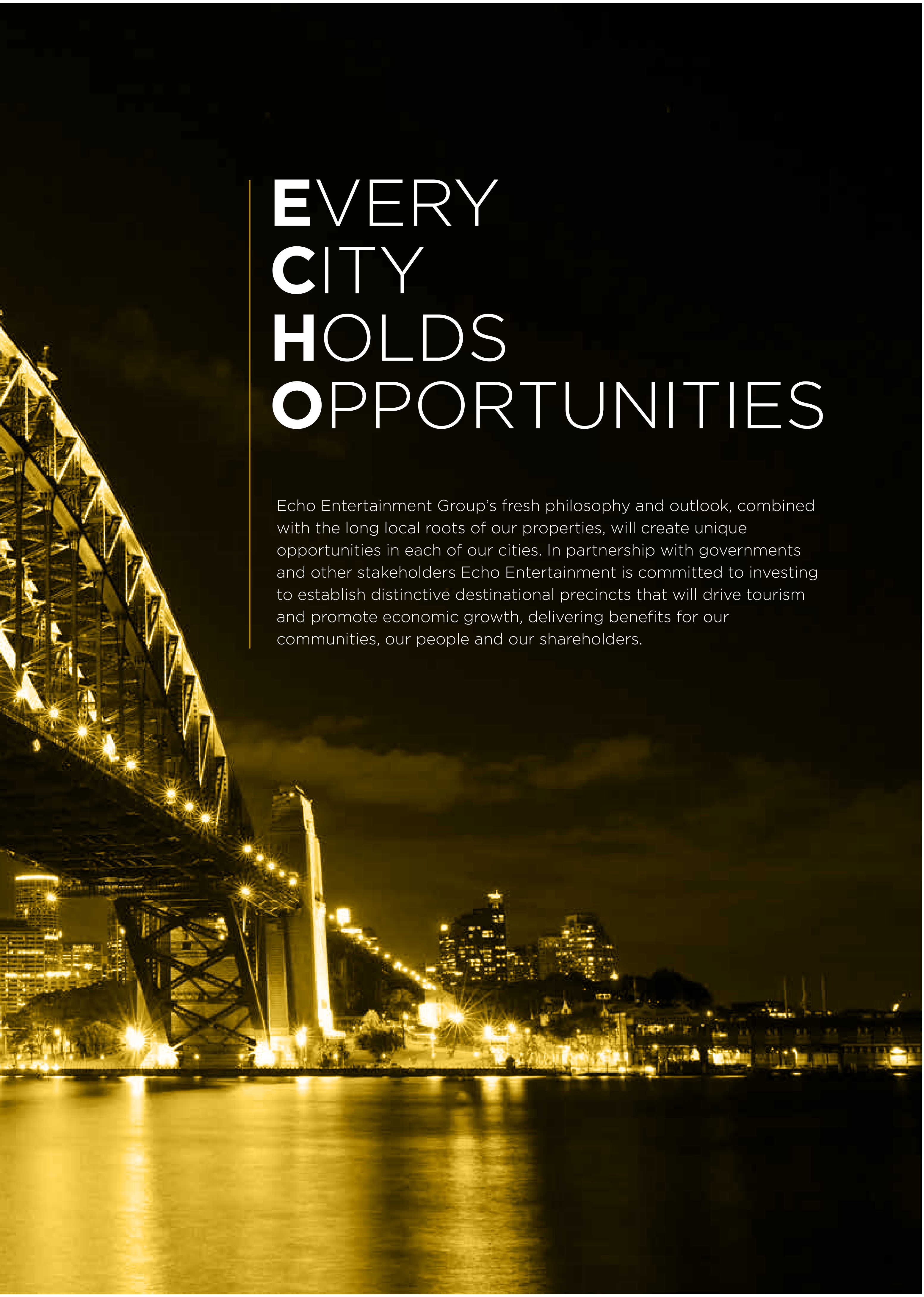
ECHO

ECHO ENTERTAINMENT GROUP

EVERY CITY HOLDS OPPORTUNITIES

ANNUAL REPORT 2013



EVERY
CITY
HOLDS
OPPORTUNITIES

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 Entertainment is committed to investing to establish distinctive destinational precincts that will drive tourism and promote economic growth, delivering benefits for our communities, our people and our shareholders.

IN JUST ITS SECOND YEAR, ECHO ENTERTAINMENT GROUP HAS DELIVERED FUNDAMENTAL CHANGE TO ESTABLISH A PLATFORM FOR GROWTH AND SUCCESS. FROM THE ANNOUNCEMENT OF NEW SENIOR LEADERSHIP TO THE FINALISATION OF THE $870 MILLION INVESTMENT IN THE STAR, IN THE 2013 FINANCIAL YEAR ECHO ENTERTAINMENT GROUP LAID THE FOUNDATIONS FOR ITS FUTURE PROSPERITY.

Echo Entertainment Group Limited
ACN 149 629 023

ANNUAL GENERAL MEETING

The Annual General Meeting of Echo Entertainment Group Limited will be held on Friday 8 November 2013 at the Event Centre, The Star, Level 3, 80 Pyrmont Street, Pyrmont, New South Wales.

ECHO ENTERTAINMENT GROUP

THE STAR

TREASURY
CASINO & HOTEL
BRISBANE

Jupiters
HOTEL & CASINO
GOLD COAST

Jupiters
TOWNSVILLE

gold coast | convention and exhibition centre

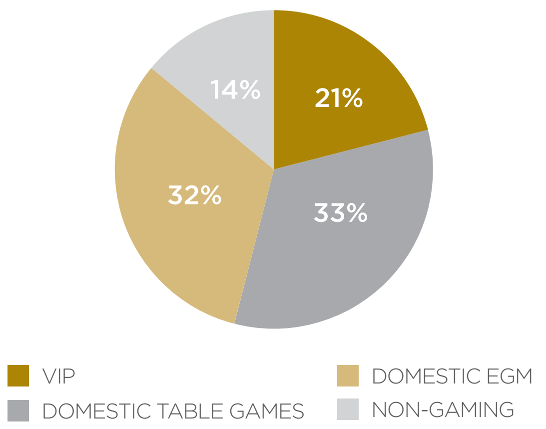
TOWNSVILLE
ENTERTAINMENT
& CONVENTION CENTRE

ABSOLUTE
REWARDS

PERFORMANCE

HIGHLIGHTS

FY13 ACTUAL REVENUE PERCENTAGE



IMPLEMENTATION OF
COST OPTIMISATION PROGRAM

$60 MILLION

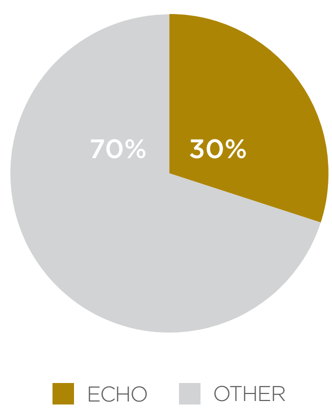
OF COST SAVINGS BY FY14

EBITDA GROWTH

$40 MILLION

FY13 VS FY12 ACTUAL
(BEFORE SIGNIFICANT ITEMS)

FY13 ACTUAL VIP TURNOVER
AUSTRALIA AND NEW ZEALAND MARKET SHARE



MORE THAN
$358 MILLION
PAID IN GAMING TAXES &
LEVIES TO GOVERNMENT IN FY13

MORE THAN
$155 MILLION
OF CAPITAL INVESTED
IN PROPERTY UPGRADES IN FY13

IN EXCESS OF
18 MILLION VISITORS
WELCOMED TO OUR PROPERTIES IN FY13

$870 MILLION
REDEVELOPMENT OF THE STAR
COMPLETED IN JANUARY 2013









SUCCESS | AWARD-WINNING PROPERTIES

THE STAR

- The World's 50 Best Restaurants 2013 (William Reed Business Media) – *Position 89 in the top 100 list – Momofuku Seiōbo*
- Sydney Morning Herald Good Food Guide 2013 – *Best New Restaurant – Momofuku Seiōbo*
- Sydney Morning Herald Good Food Guide 2013 – *Three Chef's Hats– Momofuku Seiōbo*
- Time Out Awards 2012 – Restaurant of the Year – *Momofuku Seiōbo*
- Gourmet Traveller Awards 2013 – *Best New Restaurant – Momofuku Seiōbo*
- Gourmet Traveller Wine List of the Year Awards 2013 – *Best Hotel Wine List – BLACK by ezard*
- Time Out Sydney Bar Awards 2013 – *Hot Talent – Michael Chiem, BLACK by ezard*
- Sydney Morning Herald Good Food Guide 2013 – *One Chef's Hat – BLACK by ezard*
- Electrolux Appetite for Excellence Awards 2012 – *Young Waiter of the Year – BLACK by ezard*
- Sydney Morning Herald Good Food Guide 2013 – *One Chef's Hat – Balla*
- Hotel Management Awards 2012 – Best Tech Hotel – The Darling

TREASURY CASINO & HOTEL BRISBANE

- 2012 World Luxury Hotel Awards, Kuala Lumpur, winner – *Luxury Casino Hotel (Australia)*
- Restaurant and Catering Queensland Savour Australia Awards finalist – *Contemporary Australian Restaurant Formal – the lab bar and restaurant*
- Restaurant and Catering Queensland Savour Australia Awards finalist – *Modern Asian Restaurant – Marco Polo*

JUPITERS HOTEL & CASINO GOLD COAST

- MACCAS Regional Media Awards 2012 – *Spirit of the Coast category - Jupiters Hotel & Casino Theatre Launch & Entertainment*
- Entremets Competition at the Hunter Valley Chocolate Festival – *Bronze Medal - Assistant Pastry Chef, Ben Haslett*

JUPITERS TOWNSVILLE HOTEL & CASINO

- Australian Good Food and Travel Guide – *Two Hat, January 2013 – Essence (now Kōbe Restaurant)*
- North Queensland Tourism Awards winner – *Tourism Restaurants and Catering, October 2012*
- Queensland Hotel Association Hall of Fame inductee – *Best Superior Accommodation, 4 to 4.5 star, September 2012*
- Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence 2012 – *Wedding Centre in a Function Centre*
- Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence 2012 – *Hotel Caterer of the Year*
- Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence 2012 – *Best Restaurant in a Hotel – Essence*
- Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence 2012 – *Northern Queensland Restaurant of the Year – Essence*
- Australia Hotel Association National Awards for Excellence – *Best bistro, Regional – Aqua*
- Nestle Golden Chef Hat winner – *Chef de Partie, Adrian Winoto*
- La Dolce Italia, Silver medal winner – August 2012 – *Chef de Partie, Adrian Winoto*

INSIGHTS | CHAIRMAN'S MESSAGE

The 2013 financial year, my first year as Chairman of Echo Entertainment Group Limited, was a period of significant change for the company. In the last nine months of the year, we have been delighted to secure the services of John Redmond, an impeccably-credentialed new CEO, and to welcome new Non-Executive Directors Katie Lahey, Richard Sheppard and Gerard Bradley to the Board.

John has made several new senior management appointments, as he has gone about re-setting the business in just the first half-year of his tenure. The new Board and management has begun to refine the strategy and purpose of the Group and its assets. Significant steps have been taken that are sustainably reducing the company's cost base. Much effort has been, and continues to be, committed to re-building a number of key stakeholder relationships that are vital for the Group's future prosperity. The company participated fully in the Unsolicited Proposal process in New South Wales which, while ultimately not successful, was effectively implemented by the new team under challenging circumstances with some beneficial outcomes.

Re-setting the business began in earnest once John Redmond commenced formally at the end of January 2013. This process is expected to be completed by the end of calendar year 2013. The cornerstones of this effort are repositioning our properties within the fabric of their locations, and a major shift to more fact-based, customer-centric planning. The resolution of the New South Wales Government Unsolicited Proposal process has provided clarity around the medium term competitive environment in Sydney and focus for this planning.

In Queensland, the Newman Government's vision to revitalise Brisbane by redeveloping a significant precinct in the Central Business District (CBD) has presented 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 Queensland. The Treasury Casino & Hotel has reached its capacity, and its nature makes it ill-suited to compete in today's tourism and entertainment landscape.

Our plans will deliver the large-scale tourism and entertainment proposition that Brisbane needs to complete its offering as Australia's "new world city". We are seeking to re-purpose the heritage Treasury building and relocate and enhance our gaming infrastructure within a new, large tourism and entertainment precinct. Echo Entertainment would also 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. The dialogue with the Queensland Government has continued to be open and constructive, and we are looking forward to crystallising our plans in partnership with the State Government, and other stakeholders, during the course of 2014.

It has been pleasing to see the continuing strong growth in both volume and share of international VIP business being generated by the team as they capitalise on the world-class facilities now in place at The Star. Normalised VIP rebate revenue increased 26.9% (with actual revenue up 42.8%).

$100,0

Indeed, Echo Entertainment's increase to 34% share of the Australian New Zealand VIP market turnover in the second half of FY13 pushed competitor Crown Limited below 60% for the first time.

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

Overall, the Group's results were steady, while offering strong room for future growth. Statutory net profit after tax (NPAT) was $83.5m for the year (up 97.9% on the prior comparable period), while statutory earnings before interest, tax, depreciation and amortisation (EBITDA) (including significant items) increased 25.8% on the prior comparable period, to $334.6m, with growth from The Star offset by weakness across our Queensland properties. The Group's normalised EBITDA was $391.4m applying updated normalisation rates. (EBITDA under prior normalisation rates would have been $398.6m for FY13, up 3.3% on the prior period on a like for like basis).

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.

The groundwork that has been completed to date in the 2013 calendar year, to lay the foundations for the next stage of Echo Entertainment's development, is also pleasing. A strong focus on customer analytics is transforming our approach to planning, and providing new insights to guide the positioning of our properties and the experiences that they offer. A range of new partnerships have been established in support of this work, which will drive both new positioning and new traffic for our properties, particularly the new facilities at The Star. These initiatives support a renewed focus on profitability, driving optimal value from all the Group's assets to maximise returns to shareholders.

On behalf of the Board, I would like to thank John Redmond, his management team, and all the staff for their commitment and energy this year. I would also like to thank all of our shareholders for their ongoing support for Echo Entertainment's vision. I welcome and share all their enthusiasm for the year ahead.

John O'Neill AO
Chairman

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CONTRIBUTED TO THE JUPITERS CASINO COMMUNITY BENEFIT FUND

INSIGHTS | CHIEF EXECUTIVE OFFICER'S MESSAGE

CASINO OPERATING PERFORMANCE

The 2013 financial year marked Echo Entertainment's second full year of operation since demerging from Tabcorp Holdings Limited in June 2011, and my first five months as Managing Director and Chief Executive Officer.

The year saw mixed earnings results across the Group – the VIP business demonstrated strong growth; The Star continued to gain momentum, now that Project Star is completed; however our Queensland properties' earnings were impacted by a soft consumer environment, with gains to be had through focussed investment opportunities.

Gaming revenue grew 9.4% in FY13 on an actual basis (up 7.0% on a normalised basis) across the Group. Main gaming floor revenues grew 4.8%, private gaming room revenues grew 1.6%, while slots revenue was down 0.8%. VIP revenue continues to be strong with growth of 42.8% on an actual basis (up 26.9% on a normalised basis).

Other leisure and entertainment business was strong, with revenue growth of 11.3% for the year with The Star continuing to gain traction now that the Event Centre is open and all venues are operational. The Queensland market continues to be soft, demonstrating the investment opportunity in this region.

The cost optimisation program, initiated in April 2012, flowed through an estimated $38 million in cost reductions in FY13, relative to the FY12 run rate, with the program on track to deliver incremental savings of over $30 million in FY14.

Operating expenses across the Group (excluding significant items) were up 5.0% for FY13, primarily driven by the last phase of The Star expansion. Queensland properties' operating expenses were tightly managed in-line with earnings and were flat year on year.

Significant items for FY13 totalled $38 million pre-tax across the Group. These costs related to expenses associated with the cost optimisation program ($22 million), The Star Enterprise Bargaining Agreement ($11 million) and the Unsolicited Proposal to the NSW Government ($5 million).

CAPITAL EXPENDITURE

FY13 saw the launch of the Event Centre at The Star, bringing to completion Echo Entertainment's $870 million investment in the property, with the project delivered on time and on budget.

Planning and discussions continue to progress with the Queensland Government, with Echo Entertainment looking at a global solution for South East Queensland, allowing it to more fully realise the significant value of its licences in this region. The scale of overall investment will be largely dependent on the location and conditions granted by the Queensland Government and the return it will deliver to our shareholders.

ADDITIONAL COST SAVINGS FOR 2014 OF $30

OUTLOOK

The 2014 financial year is off to a strong start for Echo Entertainment, particularly in the VIP business segment.

With our $870 million investment in The Star in Sydney complete, the focus is to now drive top-line growth and capitalise on that investment. The ongoing integration of The Star's gaming, and leisure and entertainment business streams is a priority. So too is the relaunched Group-wide customer loyalty program, which will drive increased frequency and benefit to our existing members, while attracting new guests to the properties. The utilisation and continued activation of the Event Centre will be another key component. The Event Centre, which is a multi-use entertainment facility capable of hosting conventions, trade shows, banquets for 1,500 guests and concerts of up to 4,000 people, was officially opened on 24 January 2013 and is programmed out until the 2015 financial year at present.

The relaunched loyalty program has also been rolled out across our Queensland properties. This has been complemented by the modernisation of the regulatory environment for electronic gaming machines in Queensland, supporting our investment in this higher margin segment of Echo Entertainment's business.

Accordingly, the implementation of the new casino management system (KCMS) in August 2013, installation of ticket-in ticket-out (TITO) technology and a greater variety of electronic product are expected to drive increased revenue in Queensland in FY14.

Discussions with the Queensland Government with regard to potential investment in both Brisbane and the Gold Coast are continuing, with Echo Entertainment proposing to relocate and expand Treasury Brisbane into a world-class entertainment precinct, as well as undertaking a complementary investment in the Jupiters Gold Coast property to position the current asset more competitively in the region.

The VIP business is still performing strongly, with further gains to be made through the continued momentum that the new facilities at The Star have offered, complemented by our plans for Queensland.

As already mentioned, the cost optimisation program is an ongoing focus and is on track to deliver incremental savings across Echo Entertainment of over $30 million for the 2014 financial year, bringing the total savings of the program to over $60 million since its implementation in April 2012.

And our 8,000-plus team members are re-energised and re-engaged, mobilised under new workplace agreements to meet the continuously evolving challenges of our marketplace.

I would like to sincerely thank the Board, management and team members for their contribution and commitment throughout FY13 and their continuing commitment for the 2014 financial year.

John Redmond
Managing Director and
Chief Executive Officer

MILLION

INVEST | THE VISION FOR SOUTH EAST QUEENSLAND

The Newman Government's announcement in May 2012 of its vision to revitalise the Brisbane Central Business District (CBD) with the redevelopment of the government precinct between George and William Streets, has created the opportunity for one of the most exciting developments in Brisbane's history.

Echo Entertainment understands that the redevelopment is a once-in-a-generation opportunity. It has the potential to change the way that Brisbane is seen – by its own community and by the world at large. It is a place-defining initiative that will crystalise the city's reputation as a vibrant, new world city that is a great place to live, work and visit.

Echo Entertainment's response would see the development of a connected entertainment precinct of world-class standards. A cohesive, comprehensive activation plan, developing a mixed-use, people-oriented precinct, seamlessly integrating its component elements and the surrounding city-scape. Echo Entertainment would relocate the current Treasury Casino & Hotel Brisbane operation within the new site and repurpose the iconic heritage buildings to deliver much-needed tourism infrastructure in the form of luxury hotel accommodation, signature brand restaurants featuring celebrity chefs, stylish and modern bars as well as a world-class entertainment space, all presented in Brisbane's unique likeness.

But the development is more than just the infrastructure. It is about activating public space and the riverfront, improving accessibility and connecting Brisbane's established precincts. It is about conservation and adaptive use of the heritage buildings on the site to ensure they can be more widely enjoyed by generations to come. And it is about a master-planned solution that will support Brisbane's needs for the next 10, 20 and 50 years.

Although Echo Entertainment has a very clear vision for this site, we do not plan to impose our own solution on the Brisbane community.

We are fundamentally committed to the principle that in order for this critical initiative to be fully effective for Brisbane, it needs to be born of the considered needs and competitive aspirations of the city and the State. Accordingly, we have undertaken an extensive program of engagement and research to best understand what the people, businesses and planning experts in Brisbane want and need.

This has ranged from a series of meetings and workshops with stakeholders, business leaders, urban town planners and government of all levels, to an ongoing information campaign featuring a dedicated website and informative television, radio and print advertising.

While our Treasury Casino & Hotel Brisbane and Jupiters Hotel & Casino Gold Coast offerings currently cater to different markets, it is important that the substantial investments being proposed in these key assets are considered in a holistic manner and directed at delivering complementary products.

We are committed to investing in the expansion of our Gold Coast property and ensuring additional tourism infrastructure is available at Jupiters Hotel & Casino Gold Coast in time for the 2018 Commonwealth Games. Our new plans for developing Jupiters Hotel & Casino Gold Coast are well-advanced, such that we would be in a position to commence our proposed development on the Gold Coast immediately upon receiving certainty about our development proposals for Brisbane.

Echo Entertainment looks forward to continuing discussions with the Queensland Government and the opportunity to deliver this once-in-a-generation development for the city of Brisbane and for South East Queensland.

EXCELLENCE

ECHO ENTERTAINMENT GROUP AT A GLANCE

Echo Entertainment is one of Australia's leading owners and operators of integrated resorts and casinos. Echo Entertainment owns and operates the The Star in Sydney, Treasury Casino & Hotel Brisbane, Jupiters Hotel & Casino Gold Coast and Jupiters Townsville Hotel & Casino. Echo Entertainment also manages the Gold Coast Convention and Exhibition Centre on behalf of the Queensland Government, as well as the Townsville Entertainment and Convention Centre.

Echo Entertainment is a relatively new company, established just two years ago to enable appropriate focus and specialist management to optimise its casino and resort assets. During that time, the new company's capacity and capability to invest significantly and effectively in the properties has already been demonstrated with completion of the $870 million transformation of The Star in Sydney.

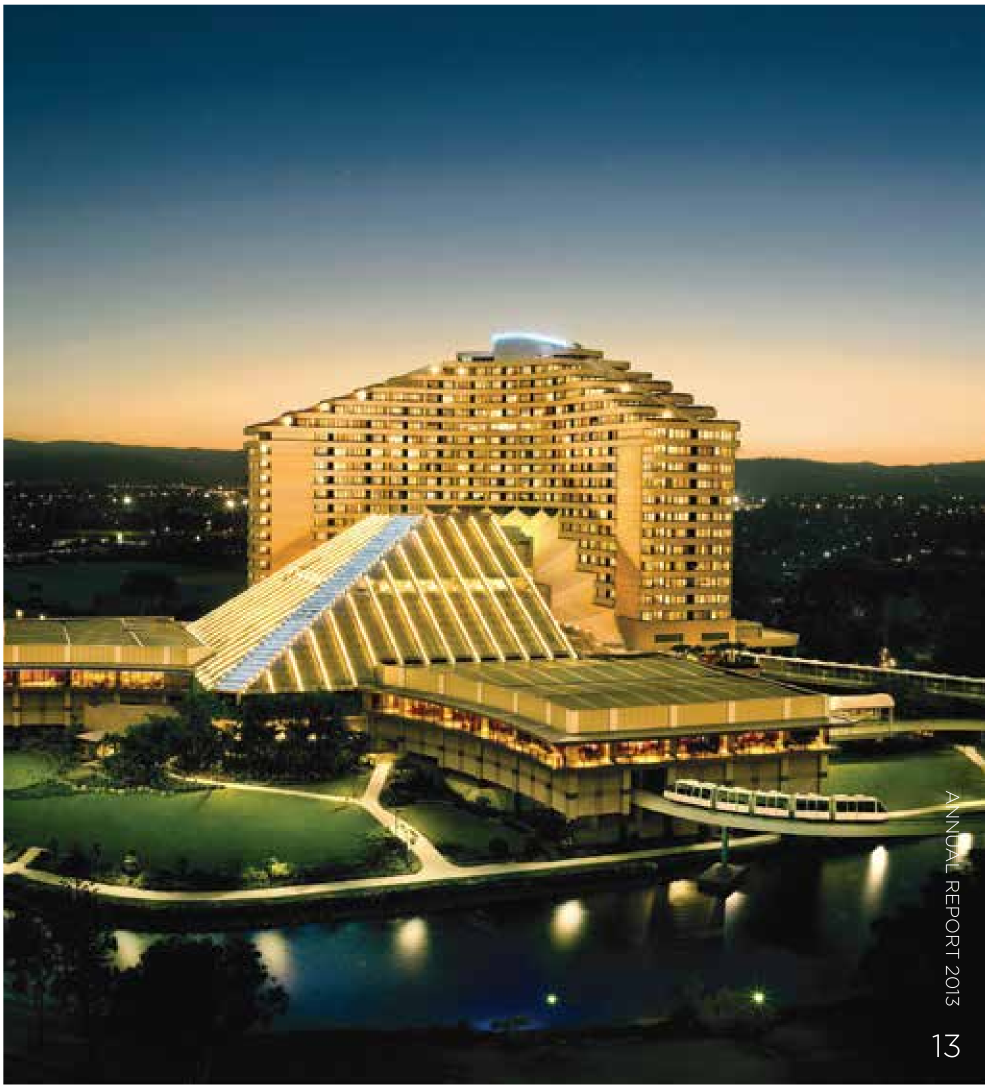
The impact of this investment is now being seen as The Star has continued to grow volume and its share of Australia's international VIP market, with actual revenue growing 60% in FY13.

Echo Entertainment will continue to establish its distinctive offering and positioning in each of the cities in which it operates, bringing together deep local knowledge and insights, and a commitment to local relationships, with international best practice expertise to deliver world-leading, highly distinctive destinational experiences.

HE STAR

THE STAR

HEATRE






THE STAR

- Event Centre with 4,000 person capacity
- World-class casino including VIP amenities in up-scaled gaming areas
- Two luxury hotels – The Darling and Astral Tower and Residences
- More than 20 restaurants, bars and cafes, including Momofuku Seiōbo by David Chang; Stefano Manfredi's Balla and BLACK by ezard
- 16-room spa
- High-end retail

JUPITERS HOTEL & CASINO GOLD COAST

- Hotel featuring 592 rooms
- Casino with VIP gaming amenities
- Conference and meeting facilities, including a grand ballroom
- Recently redeveloped theatre with 2,000 person capacity
- Seven restaurants
- Eight bars
- Swimming pools
- Gymnasium
- Hair and beauty salon

TREASURY CASINO & HOTEL BRISBANE

- Boutique, luxury hotel featuring 130 rooms
- Casino with VIP gaming amenities
- Five restaurants, including Luke Nguyen's Fat Noodle
- Six bars
- Meeting facilities

JUPITERS TOWNSVILLE HOTEL & CASINO

- Waterfront hotel with 194 rooms
- Casino with VIP amenities
- Meeting and conference facilities
- Three restaurants
- Six bars
- Tropical pool, spa and health centre

GOLD COAST CONVENTION AND EXHIBITION CENTRE

The Gold Coast's first convention centre was opened in June 2004 to provide a modern, centrally-located facility to accommodate major national and international conventions and conferences, sporting and special events, and exhibitions.

Echo Entertainment manages the $167 million Gold Coast Convention and Exhibition Centre, which includes a main arena, exhibition halls, and meeting rooms catering for 10 to 6,000 people. The facility is linked to the Jupiters Gold Coast complex by a covered walkway.

The Gold Coast Convention and Exhibition Centre is Australia's largest regional convention centre and the only convention centre in Australia to offer total wireless technology.

TOWNSVILLE ENTERTAINMENT AND CONVENTION CENTRE

The Townsville Entertainment and Convention Centre, managed by Echo Entertainment, provides a versatile, modern facility in North Queensland, catering for concerts, conventions, exhibitions, and indoor sporting events.

The Townsville Entertainment and Convention Centre is located on Townsville's waterfront, overlooking Magnetic Island and adjoins one of Australia's largest marinas. It is adjacent to Jupiters Townsville and just minutes away from the CBD.

EXCITE

GROUP PERFORMANCE

THE STAR

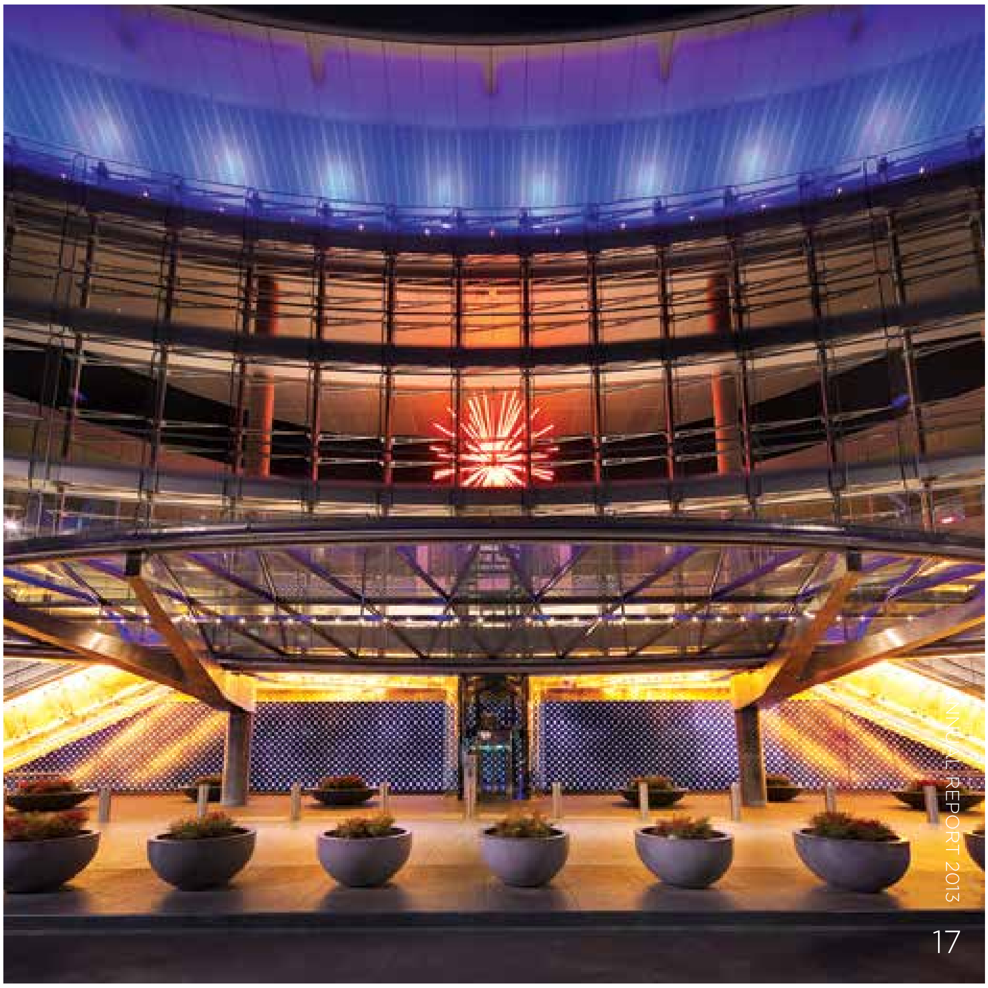
FY13 was an exciting one for The Star with the opening of the Event Centre on 24 January completing the property's $870 million transformation into a world-class integrated resort. The Star, which spans four-hectares of prime Sydney harbour-front, is now home to some of Sydney's most premium entertainment and tourism offerings. The Darling is Sydney's first new five-star hotel since the 2000 Olympic Games. Twenty signature restaurants and bars including: Momofuku Seiōbo by David Chang, chef and owner of New York's two Michelin star Momofuku; Stefano Manfredi's Milanese offering, Balla; and BLACK by ezard have elevated The Star to one of Sydney's most awarded and most sought-after dining destinations. The Star now boasts a 16-room spa, 8,500 square metres of high-end retail, and extensively upgraded gaming facilities and VIP salons. All this sits alongside Marquee, Sydney's most exciting new nightclub. The Star has truly been transformed into a world-class property. Now with the addition of the Event Centre, a multi-use entertainment facility capable of catering for banquets of 1,500 guests, conventions, trade shows, and concerts for up to 4,000 people, The Star has the scale and breadth of attractions to highlight Sydney's vibrant entertainment and tourism offering.

The year saw The Star play host to many of Sydney's most prestigious and popular events, including the AACTA Awards, the season launch of the National Rugby League, the Mumbrella Awards, the Surfaid Ball, the Emerald Ball, the X Factor auditions, the World War Z premiere, as well as major acts and shows, including John Farnham, Seal, Garbage, Chris Tucker, Jeff Chang, the Big Four, Legally Blonde the Musical and War Horse.

Revenue at The Star for FY13 was up 17.5% on an actual basis (12.7% on a normalised basis) with growth across all core areas of the business. EBITDA of $250.6 million was up 33.1% on an actual basis (up 6.1% on a normalised basis) for the year.

FY13 gaming revenue grew 17.2% on an actual basis (up 11.9% on a normalised basis) at The Star and the non-gaming business continues to flourish with revenue growth of 25.1% for FY13. The opening of the Event Centre means all venues are now fully operational.

With the latest stage of The Star's redevelopment now complete, the focus is on maximising return on that investment and delivering top-line growth across all segments through the continued activation and integration of all gaming and non-gaming facets of the business. This will be supported by the Group's relaunched loyalty program, Absolute Rewards, which now boasts 1.7 million members nationally.




Jupiters

EVOLUTION

OUR QUEENSLAND PROPERTIES

The three Queensland properties were impacted by the continuation of a tough consumer environment throughout the year. Revenue decreased 3.3% (down 1.7% on a normalised basis) and EBITDA fell 15.2% on an actual basis (down 6.9% on a normalised basis).

Main Gaming Floor and Private Gaming Room revenue was generally in-line with management expectations, although the VIP business, electronic gaming machines, and non-gaming revenue performance was lower than expected.

Domestic table games was the best performing segment with revenue up 3% on the previous year.

During this challenging period, Echo Entertainment has continued to invest in its properties to ensure patrons enjoy some of the best dining, nightlife, and entertainment options Queensland has to offer.

However, our vision for a new world-class entertainment precinct in Brisbane, with a focus on the potential of a South East Queensland approach, would realise so much more.

The opportunity to relocate the existing casino to the government precinct in William and George Streets as part of the development of a "destinational entertainment precinct" would create a world-class destination to attract local, interstate, and international guests. This once-in-a-generation opportunity would transform a key site in Brisbane's Central Business District and greatly enhance the city's reputation as a new world city with exciting options for entertainment and leisure in a vibrant and unique setting.

Once certainty is achieved in the licensing environment in Brisbane and the Gold Coast, Echo Entertainment would be able to proceed in a short time-frame with significant investment on the Gold Coast. Viewed in parallel, the Brisbane and Gold Coast properties could be developed to provide complementary experiences for visitors and boost the tourism appeal of the region.

This investment, along with the growth in tourism that would flow from it, would drive significant economic benefits to South East Queensland, such as increased visitation from domestic and international tourists, including the valuable Chinese tourism market. Other benefits include thousands of new jobs, ongoing tax benefits, and a boost to the construction industry.

JUPITERS HOTEL & CASINO GOLD COAST

Jupiters Hotel & Casino Gold Coast continued to deliver on its reputation as the leading provider of entertainment on the Gold Coast, as the hosting of major entertainment acts contributed to driving visitation as well as food and beverage revenue for the property.

During the year, major acts including Boys II Men, Chris Tucker, Guy Sebastian, Ronan Keating, Barry Humphries, and Engelbert Humperdinck drew large crowds to the Jupiters Theatre. A partnership with the Gold Coast Convention and Exhibition Centre saw Mariah Carey perform to more than 3,000 VIP patrons for New Year's Eve 2013.

Also adding to the luxury experience for our customers, Jupiters Hotel & Casino Gold Coast installed a helicopter pontoon adjacent to the canal on the south wing of the property. The pontoon provides a location for aerial tours of the Gold Coast and hinterland for tourists.

As Jupiters Hotel & Casino Gold Coast focuses on providing leading entertainment experiences, plans have been developed to deliver a significant investment program focusing on tourism infrastructure to be completed in time for the 2018 Gold Coast Commonwealth Games.

TREASURY CASINO & HOTEL BRISBANE

The 2013 financial year saw a period of investment at Treasury Casino & Hotel Brisbane as new outlets were developed and launched, and refurbishment projects completed.

The $5 million project to restore the sandstone façade of the Treasury Heritage Hotel, formerly known as the Lands Administration Building, continued this year with the commencement of work on the William Street side of the building. The project will be ongoing for another two to three years and will repair damage to the sandstone caused by water, pollution, and age.

Treasury Casino & Hotel Brisbane welcomed renowned chef Luke Nguyen to the property with the opening of the Fat Noodle restaurant in December 2012. The restaurant was an immediate success, attracting up to 1,000 guests each day in the initial months to enjoy the unique, hawker-style food the Fat Noodle brand is known for.

In addition, a fresh, new 24/7 restaurant, Kitchen @ Treasury, and an exciting new bar, The Kitty, were opened. The outlets represent a $6 million investment in the food and beverage offering at Treasury Casino & Hotel Brisbane.

JUPITERS TOWNSVILLE HOTEL & CASINO

Investment in Jupiters Townsville included a renovation of the Main Gaming Floor, which commenced in January 2013 and concluded at the end of the financial year. The refurbishment increased the size of the Main Gaming Floor to enable the addition of some new product while providing an improved customer experience.

In addition, the property celebrated the opening of a new restaurant, Kōbe, in September 2012. Kōbe has been positioned as the premier steak restaurant in the region and continues to receive strong patronage and favourable reviews.

The focus on entertainment events has continued to be a successful strategy with acts such as Glenn Shorrock, Richard Clapton and Diesel entertaining large crowds, offseting a period of softer conference and banqueting business.

ECHO ENTERTAINMENT HAS CONTINUED TO INVEST IN ITS PROPERTIES TO ENSURE PATRONS ENJOY SOME OF THE BEST DINING, NIGHTLIFE, AND ENTERTAINMENT OPTIONS QUEENSLAND HAS TO OFFER.

IMPACT | RESPONSIBLE GAMBLING

Echo Entertainment's responsible gambling programs in both New South Wales and Queensland are an integral part of day-to-day business operations and aim to enhance our patrons' enjoyment of the facilities while minimising potential harm for themselves, their family, friends and the wider community.

Echo Entertainment is committed to continuous improvement of its Responsible Gambling Policies and Codes of Practice in collaboration with government, community stakeholders and regulators to ensure we provide "best practice" support and operational process to minimise the potential harms of problem gambling.

In recognition of its corporate sustainability leadership, Echo Entertainment was selected as part of the Australian SAM Corporate Sustainability Assessment by S&P Dow Jones. Echo Entertainment's responsible gambling programs were rated at industry best practice.

RESPONSIBLE GAMBLING INITIATIVES

Echo Entertainment provides a comprehensive responsible gambling training program for all team members in addition to on-site responsible gambling support services operating 24/7. The services are provided by more than 300 Responsible Gambling Liaison Officers who work across a variety of departments within the business. The Liaison Officers, many of whom are bi-lingual, respond to patrons and / or their families should they experience difficulties with either their own gambling behaviour, or the gambling behaviour of a friend or family member.

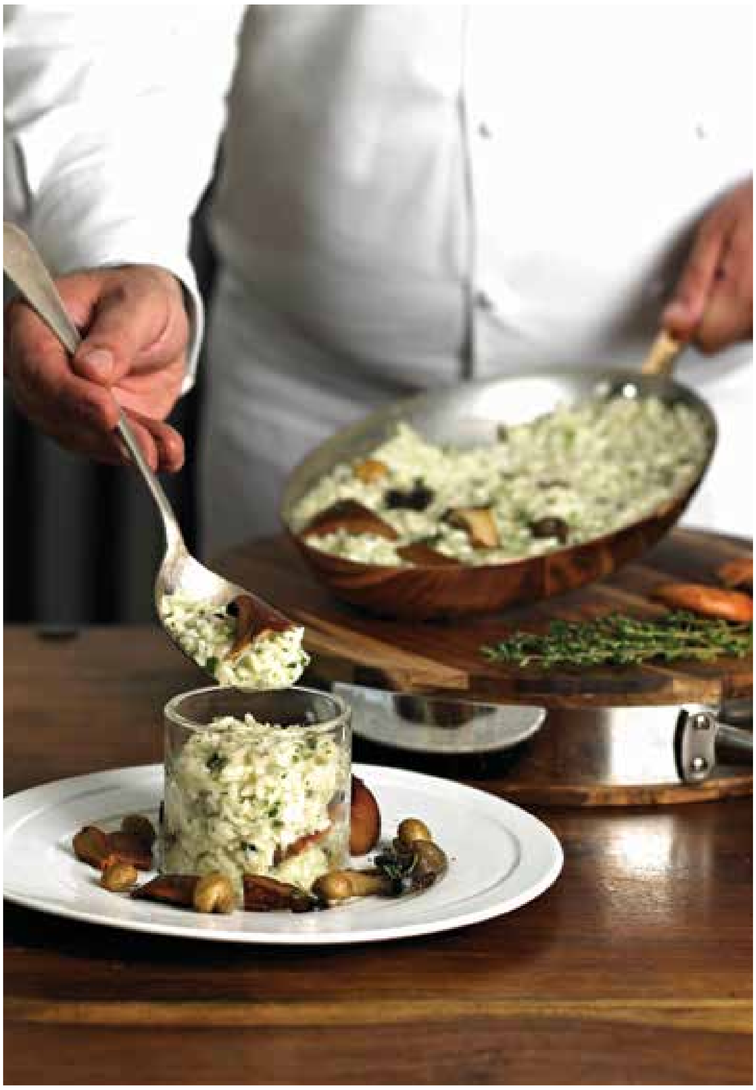
In addition to the annual national Responsible Gambling Awareness Week representing a partnership between government, community organisations and the broader gambling industry, Echo Entertainment implemented two supplemental awareness weeks as part of the continuous focus on improving team members' knowledge of responsible gambling.

Echo Entertainment's program of self-exclusion enables individuals to exclude (ban) themselves from our casinos.

The program is confidential and provides sensitive and timely support. During the year, this program was extended to include community organisations that now provide an alternative for persons wishing to exclude themselves by enabling them to do so without having to visit an Echo Entertainment property.

Echo Entertainment's voluntary pre-commitment technology enables patrons to set their own betting limits when playing electronic gaming machines and is operational at all our casinos. This technology allows patrons to actively work towards developing healthy playing habits.

Echo Entertainment provides information on its responsible gambling initiatives and activities in a number of ways, including a dedicated section on the Echo Entertainment website: **www.echoentertainment.com.au.** All Responsible Gambling Codes are published under the "Responsible Gambling" tab in the "Our Community" section of the website and include translations in other languages.



BRILLIANT | TALENT

Echo Entertainment's business is focussed on the delivery of exceptional customer service and the creation of memorable experiences. Echo Entertainment employs more than 8,000 people and acknowledges that the investment made in attracting, retaining, and rewarding team members is critical to the success of the business.

Team members are guided by a Code of Conduct that encourages respect, courtesy and dignity in every interaction with colleagues and patrons. Outstanding achievement by team members is recognised and rewarded, along with key service milestones and excellence in customer service and business performance.

BUILDING CAPABILITY

Echo Entertainment is committed to continuously improving the skills of team members at all levels of the organisation.

In the last year, a number of milestones and initiatives were achieved, allowing for continued growth in training opportunities for team members. Specifically, internal programs in career development and mentoring, and accredited training programs for Training Support and Mentoring – a skill set funded by the Queensland Government – were developed.

In addition, accredited training programs for Table Games managers and supervisors continued to operate and receive government funding.

Echo Entertainment continues to develop as an industry leader in the delivery of training in the hospitality sector and recently partnered with the Queensland Government through a Strategic Investment Fund (SIF), and the New South Wales Government through an Approved Provider List (APL) to deliver accredited modules to our team members.

As a further commitment to the delivery of exceptional training opportunities, Echo Entertainment employed a Registered Training Organisation (RTO) Manager and a General Manager – Capability, Performance and Reward to further extend our training and retention activities. In addition, a formal talent review and succession planning process commenced in June 2013.

ECHO CULINARY INSTITUTE

A year on from its launch, the Echo Culinary Institute (ECI) is proving to be a success with a total of 59 apprentice chefs currently enrolled in the program.

These chefs, including 41 first year and 18 second year apprentices from Queensland and New South Wales, have been given the opportunity to study and work at Echo Entertainment properties, gaining invaluable on-the-job experience.

Over the past 12 months, ECI has partnered with a number of businesses and government organisations, including:

- Study Gold Coast
- Queensland Tourism Industry Council (QTIC)
- Southbank Institute of Technology
- MEGT Apprenticeship Centres
- Queensland Department of Education, Training and Employment
- Sydney Access Group
- William Anglis Institute
- NSW State Training Authority.

The structure of the ECI program is unique and innovative and was purposefully designed to allow apprentices to complete the majority of study modules in the first year and gain more on-the-job experience in their second and third years.

803 TEAM MEMBERS WERE TRAINED IN ACCREDITED PROGRAMS

34 SENIOR MANAGERS AND **GENERAL MANAGERS** WERE INVOLVED IN THE INTERNAL MENTORING PROGRAM

CAREER DEVELOPMENT PROGRAMS WERE CONDUCTED THROUGHOUT QUEENSLAND AND NEW SOUTH WALES.

ECHO ENTERTAINMENT IS COMMITTED TO CONTINUOUSLY IMPROVING THE SKILLS OF TEAM MEMBERS AT ALL LEVELS OF THE ORGANISATION.

WORK HEALTH AND SAFETY

Echo Entertainment strives to provide a safe and healthy work environment by contributing to team members' wellbeing through a holistic care philosophy.

Our Work Health and Safety (WHS) program was recently refreshed to focus on five key areas – leadership and culture, health and wellbeing, risk management and consultation, management systems and technology.

From 1 July 2013, Echo Entertainment operates under one health and safety management system, supported by one centre of excellence. The system's objective is the provision of consistent standards and excellence in performance.

WHS strategy success will be measured by a reduction in the number of incidents and injuries, as well as an improvement in the health, productivity, and wellbeing of our team members.

To provide a more accurate measure of performance, Echo Entertainment has introduced a new measure – Total Recordable Injury Frequency Rate (TRIFR) – for the 2014 financial year. However, during the 2013 financial year, Echo Entertainment continued to apply the Lost Time Injury Frequency Rate (LTIFR).

Based on this measure, LTIFR increased to 10, up from 8.2 the previous year, as the business went through a period of change. Echo Entertainment is committed to meeting our objectives and targets as outlined in the WHS strategy.

The Board's People, Culture and Social Responsibility Committee will be responsible for monitoring health and safety performance from 1 July 2013. The Board will also continue to focus on health and safety risk and will seek further opportunities for improvement within the business.

DIVERSITY

Echo Entertainment understands the rich value that a diverse workforce brings to its organisation. The diversity of guests, shareholders, suppliers and other stakeholders is reflected in the diversity of the company's employees. As a result, Echo Entertainment recognises that diversity celebrates difference and a focus on inclusion ensures that those differences strengthen the organisation.

By moving beyond diversity to foster inclusivity through a flexible and individualised approach for all employees, Echo Entertainment engages with employees to bring the 'best of themselves' to work.

The Board, supported by management, is responsible for devising and implementing strategies to achieve Echo Entertainment's diversity objectives.

The Board has established a People, Culture and Social Responsibility Committee which will assist and guide management's activities in achieving diversity across all nominated diversity groups. Gender equality remains a priority for Echo Entertainment and its progress against achieving the measurable gender diversity objectives are reported to the Board by the People, Culture and Social Responsibility Committee.

The Board will annually review and assess the measurable objectives and key performance indicators to track and verify progress towards attainment of the objectives and the success of the overall strategy.

Echo Entertainment has partnered with several diversity groups, most notably in its active membership on the Diversity Council Australia of which Echo Entertainment's Executive General Manager Human Resources is a Board member.

AMAZING | WINNING TALENT

ANNE HARDY

Gaming Duty Manager – Jupiters Hotel & Casino Gold Coast

WINNER

2012 MANAGING DIRECTOR'S LEADERSHIP AWARD

Anne joined Jupiters Hotel & Casino Gold Coast as a dealer almost 20 years ago and has progressed a successful career within gaming operations in this time. Amongst her outstanding achievements and ambassadorship as a key manager, her recent leadership of the successful Team Track Project, contributed significantly to earning her the 2012 Managing Director's Leadership Award.

JON JAVIER

Apprentice Chef Momofuku Seiōbo – The Star

WINNER

2013 SYDNEY'S BEST APPRENTICE CHEF

Jon won the title of Sydney's Best Apprentice Chef in April 2013, beating bright young stars from the city's top 12 restaurants. Jon won the competition with a crowd pleaser – his tasty and textural squid in soup of eggs and butter. Working under the leadership of Momofuku Executive Chef, Ben Greeno, Jon has been part of the team since 2013 and is currently in the third year of his apprenticeship.

SUELIN DODSON

Sales Executive – Treasury Casino & Hotel Brisbane

WINNER

ANNUAL F5 AWARD FOR TEAM MEMBER OF THE YEAR 2012

Suelin has helped establish Treasury Casino & Hotel's reputation as a venue for innovative, quality events by her commitment to always delivering a memorable experience for guests. Suelin maintains her industry knowledge to ensure events are exceeding industry standards and are setting benchmarks in terms of service delivery and quality.

HEATHER BRUCE

Laundry Manager – Jupiters Townsville Hotel & Casino

WINNER

2012 JUPITERS TOWNSVILLE SHINE TEAM LEADER OF THE YEAR

Throughout her 24-year career working at Jupiters Townsville, Heather has consistently demonstrated great leadership, problem solving skills, and customer service. As Heather approaches her 25-year anniversary with the Hotel in December 2013, she continues to inspire positivity and create a working environment that is both enjoyable and productive.

RESPONSIBLE

ENVIRONMENT AND SUSTAINABILITY

Echo Entertainment is committed to reducing the environmental impact of its properties, embedding sustainable practices within the business, and identifying opportunities to engage team members in the Environment and Sustainability Program.

With a mission to identify, recommend and implement strategic projects and programs that deliver ongoing improvement in sustainability and environmental performance, Echo Entertainment has celebrated a number of key achievements over the last financial year. These include the establishment of a National Environment and Sustainability Program Steering Group supported by senior management.

In addition, the business appointed a Manager of Sustainability and Environment to lead team member engagement programs, work with teams across properties to implement projects and programs and develop best practice sustainability policies and programs.

This past year, Echo Entertainment introduced biodegradable cups across all properties with support from a Coca-Cola Amatil donation of $12,000.

In line with our corporate values, we aim to empower our teams to take on environmental and sustainability challenges within their areas of operation.

FTSE4GOOD

Echo Entertainment has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social, and governance criteria and are positioned to capitalise on the benefits of responsible business practice.

WORKING WITH OUR SUPPLIERS

Through the consolidated procurement of key products and services, Echo Entertainment acknowledges that there is an opportunity to achieve economic, social and environmental savings within our supply chain. Additionally, we have the ability to influence suppliers and the sustainability credentials of the products and services we procure.

A number of our suppliers already have strong corporate responsibility and sustainability policies and strategies that we can leverage in the products and services they deliver to us and that we use.

FTSE4Good

ECHO ENTERTAINMENT HAS RECYCLED MORE THAN **700,000KG OF GLASS** SINCE 2010

JUPITERS HOTEL & CASINO GOLD COAST **INSTALLED A SECOND REVERSE OSMOSIS PLANT,** INCREASING RECYCLED WATER CAPACITY FROM **5 TO 15 CUBIC METRES PER HOUR**

90% OF ALL LIGHTING AT TREASURY CASINO & HOTEL BRISBANE WAS REPLACED WITH ENERGY EFFICIENT LED OR FLUORESCENT LIGHTING.

ECHO ENTERTAINMENT ACKNOWLEDGES THAT THERE IS AN OPPORTUNITY TO ACHIEVE ECONOMIC, SOCIAL AND ENVIRONMENTAL SAVINGS WITHIN OUR SUPPLY CHAIN.

By working with suppliers we have identified a number of opportunities to support our goals. For example:

- Cookers Oils collects used oil which is de-watered and refined. The refined oil is then sold to biodiesel manufacturers
- Coca-Cola Amatil has introduced an easy-crush water bottle that uses 35% less PET plastic, reducing each bottle's carbon footprint by 27%
- Neverfail have changed their plastic water bottles to an eco-friendly water bag solution.

By continuing to partner with our suppliers to identify opportunities and by actively encouraging innovative, technological and sustainable solutions, we will continue to build on, and grow, our existing environment and sustainability practices.

OUR FUTURE COMMITMENTS

Echo Entertainment will continue to work closely with our industry partners, government representatives, suppliers and customers to identify sustainability initiatives that deliver tangible and mutually beneficial outcomes to reduce our impact, create efficiencies, and to reduce costs.

Our objectives include:

- Further developing our Environment and Sustainability Program across all properties
- Establishing targets, metrics and a reporting framework to monitor, manage and provide feedback on performance
- Continuing to assess and introduce technologies to increase visibility around energy and water consumption, and identify opportunities for reduction
- Developing a stakeholder engagement program to work with our retailers to reduce resource consumption
- Developing an environment and sustainability team member engagement program and an induction module for new team members
- Establishing environment and sustainability working groups across all properties
- Developing a supplier engagement framework and sustainable procurement guidance to identify further efficiencies within our supply chain
- Continuing voluntary reporting under the Dow Jones Sustainability Index (DJSI)
- Meeting compliance commitments
- Formalising a staff award and performance recognition for contribution towards environmental and sustainable performance
- Introducing a Waste Management Strategy and new recycling systems to further divert waste streams from landfill
- Ensuring all new developments consider the highest energy efficient technologies in their design.

SUPERIOR | CASE STUDY

THE STAR, EVENT CENTRE

The design, construction and operation of The Star's Event Centre – a facility with a 4,000 person capacity – aimed to deliver tangible energy savings, while complementing the world-class event facilities, sound, and guest experience.

Some of the environmental and sustainability design features of the Event Centre include:

- A double-skin façade to reduce thermal load
- Access to natural light through a number of architecturally designed sky lights, reducing the need for additional lighting during the day
- Glass walkways, windows, and louvres which open to allow natural ventilation, reducing air-conditioning loads
- The use of LEDs in all functional and decorative lighting, as well as a fully operational integrated lighting control system
- Sensor lighting throughout the property
- Bathrooms feature flow restrictor taps, high efficiency hand dryers and dual flush toilets to reduce water consumption
- Glass recycling systems for the bar and restaurant areas
- Zoning Heating Ventilation and Air Conditioning (HVAC) to provide air-conditioning to functional areas, ensuring only spaces in use are cooled.

COMMITTED

OUR COMMUNITY

Echo Entertainment aims to be an effective community leader and a responsible corporate citizen. Each property is committed to supporting the communities in which they operate and where team members live and work. In the past year, Echo Entertainment contributed in excess of $2.1 million to these communities across a range of initiatives.

THE STAR

Throughout the year, The Star supported a variety of causes through sponsorship and financial support of iconic charity events.

In June 2013, $250,000 was donated to The Sydney Children's Hospital as part of the live telecast of the Gold Telethon. The funds were raised following a venue-wide fundraising campaign which included all proceeds from the Seal concert in April 2013, plus proceeds from dinner service at The Star's signature restaurants including Sokyo, BLACK by ezard, Momofuku Seiōbo, and Balla in May 2013.

Earlier in 2013, The Star supported the annual Emerald Ball, held at the Event Centre in May, which raised funds for the Kids Rehabilitation Centre at The Children's Hospital, Westmead.

TREASURY CASINO & HOTEL BRISBANE

The Cerebral Palsy League of Queensland is a long-term recipient of funding from Treasury Casino & Hotel Brisbane, with 2013 marking the 10th year of continual support. Financial assistance was provided for the League's 2012 Annual Picnic in the Park, the largest in its history which attracted more than 8,000 people.

The property is also committed to driving entertainment opportunities across the city and has partnered, or supported, a range of organisations providing high-profile, quality events and activities, including the Brisbane International, Mercedes Benz Fashion Festival, Brisbane Winter Racing Carnival, and the Queensland Performing Arts Complex. These events have contributed significantly to the city's public profile.

As an iconic building, Treasury Casino & Hotel Brisbane is often illuminated in a variety of coloured lights in support of charities. Throughout 2012/2013, Treasury Casino & Hotel Brisbane was red for MS awareness month, pink for Breast Cancer Awareness Month, and other shades for more than 20 local and national not-for-profit organisations.


Gold Telethon
Date 10th June 2013
THE STAR
$250,000
Pay Gold Telethon
The sum of TWO HUNDRED AND FIFTY THOUSAND DOLLARS

$100 MILLION CONTRIBUTED TO THE JUPITERS CASINO COMMUNITY BENEFIT FUND SINCE ITS INCEPTION

JUPITERS HOTEL & CASINO GOLD COAST SUPPORTED **JUPITERS SUMMER SURF GIRL** FOR THE 19TH CONSECUTIVE YEAR

THE STAR RAISED **$250,000 FOR THE SYDNEY CHILDREN'S HOSPITAL**, AS PART OF THE GOLD TELETHON

JUPITERS TOWNSVILLE CONTRIBUTED **OVER $600,000 IN CASH** AND IN-KIND SUPPORT TO ORGANISATIONS IN NORTH QUEENSLAND

TREASURY CASINO & HOTEL BRISBANE CELEBRATED **10 YEARS AS SPONSOR** OF THE CEREBRAL PALSY LEAGUE'S PICNIC IN THE PARK.

EACH PROPERTY IS COMMITTED TO SUPPORTING THE COMMUNITIES IN WHICH THEY OPERATE AND WHERE TEAM MEMBERS LIVE AND WORK. IN THE PAST YEAR, ECHO ENTERTAINMENT CONTRIBUTED IN EXCESS OF $2.1 MILLION TO THESE COMMUNITIES VIA A RANGE OF INITIATIVES.

JUPITERS HOTEL & CASINO GOLD COAST

Long-term relationships between iconic sporting and community organisations and Jupiters Hotel & Casino Gold Coast continued throughout the financial year, with the sponsorship of the Jupiters Summer Surf Girl entering its 19th year. A major contributor to the Channel Nine Annual Surf Safe Appeal, Jupiters Hotel & Casino Gold Coast provided an All Terrain Vehicle, which will be used to patrol local beaches.

The sponsorship of the Ipswich Jets also continued, while more than 50 organisations benefited from prize voucher donations throughout the year.

JUPITERS TOWNSVILLE HOTEL & CASINO

As one of North Queensland's largest private employers, Jupiters Townsville prides itself on supporting the community that supports its business. As well as offering in-kind support to smaller organisations, Jupiters Townsville supports community and charitable organisations through cash donations and team member volunteering efforts.

Jupiters Townsville Hotel & Casino's 2012/2013 sponsorship contributions included:

- $403,000 cash donations
- 156 team member hours
- $225,000 in-kind contributions.

Jupiters Townsville also provided significant support to sporting teams and events in the region, including:

- North Queensland Cowboys
- Townsville Crocodiles
- 2012 Sucrogen Townsville 400
- Townsville Turf Club.

The Mayor's Christmas Tree Appeal is a community event that collects goods, gifts, and cash donations from the Townsville community for local charities and not-for-profit organisations. In 2012, Jupiters Townsville donated $20,000 to the Mayor's annual appeal through Townsville City Council's "Together Townsville" program.

OPEN YOUR HEARTS

Echo Entertainment provides team members with the opportunity to be actively involved in local charities and community groups through the Open Your Hearts program.

The program, which operates at the Brisbane and Gold Coast casino properties, invites team members to request funding or in-kind support for a charity, sporting or community group they are personally involved in.

During the financial year, 85 charities were supported through this program, representing almost $70,000 in donations and in-kind support.

JUPITERS CASINO COMMUNITY BENEFIT FUND

The Queensland Attorney General and Minister for Justice, Jarrod Bleijie MP, announced in June 2013 that the Jupiters Casino Community Benefit Fund reached an amazing milestone with more than $100 million granted to community groups across Southern Queensland since the fund was established in 1987.

Echo Entertainment has been the sole contributor to the Jupiters Casino Community Benefit Fund through an ongoing levy across its two South East Queensland properties.

Over the past 25 years, the fund has assisted hundreds of local community groups and organisations and Echo Entertainment is proud to be able to assist these groups provide valuable services to their communities.

DRIVE | BOARD OF DIRECTORS

JOHN O'NEILL AO
Chairman and
Non-Executive Director

Diploma of Law; Foundation Fellow of Australian Institute of Company Directors

John O'Neill is a Director of Rugby World Cup Limited.

Mr O'Neill was formerly Managing Director and Chief Executive Officer of Australian Rugby Union Limited, Chief Executive Officer of Football Federation Australia, Managing Director and Chief Executive Officer of the State Bank of New South Wales, and Chairman of the Australian Wool Exchange Limited.

Mr O'Neill was also the inaugural Chairman of Events New South Wales, which flowed from the independent reviews he conducted into events strategy, convention and exhibition space and tourism on behalf of the New South Wales Government.

JOHN REDMOND
Managing Director and
Chief Executive Officer

John Redmond has a wealth of international casino management experience, including an executive management career spanning more than 25 years in the United States of America.

Mr Redmond previously held executive positions with Caesars World Inc., including as Senior Vice President and Chief Financial Officer of Caesars Palace and Sheraton Desert Inn.

He was subsequently Co-Chief Executive Officer of MGM Grand Inc. and then Co-Chief Executive Officer of MGM Mirage, following MGM Grand's acquisition of Mirage Resorts Inc. Mr Redmond later held the position of President and CEO of MGM Grand Resorts with a portfolio including Mandalay Bay, Luxor, New York, Excalibur, MGM Grand, Borgata, and MGM Grand Detroit casinos.

Mr Redmond is currently a Non-Executive Director of Vail Resorts Inc. He was previously a member of the Boards of Tropicana Las Vegas Hotel & Casino and Allegiant Travel, as well as MGM Mirage.

MATT BEKIER
Chief Financial Officer and
Executive Director

Master of Economics and Commerce; PhD in Finance

Matt Bekier was previously Chief Financial Officer of Tabcorp Holdings Limited since commencing with Tabcorp in late 2005, and until the demerger of the Company and its controlled entities in June 2011.

Prior to his role at Tabcorp, Mr Bekier previously held various roles with McKinsey & Company.

ANNE BRENNAN

Deputy Chair and Non-Executive Director

Bachelor of Commerce; Fellow of the Institute of Chartered Accountants Australia; Fellow of the Australian Institute of Company Directors

Anne Brennan has extensive chartered accounting experience, including at Partner level, across three major accounting firms. More recently, Ms Brennan has held financial executive positions including Chief Financial Officer at CSR Limited and Finance Director at the Coates Group.

Ms Brennan is currently a Non-Executive Director of Argo Investments Limited, Charter Hall Group, Myer Holdings Limited, Nufarm Limited, Rabobank Australia Limited, and Rabobank New Zealand Limited.

KATIE LAHEY AM

Non-Executive Director

Bachelor of Arts (First Class Honours); Master of Business Administration

Katie Lahey has extensive experience in the retail, tourism and entertainment sectors and previously held chief executive roles in the public and private sectors.

Ms Lahey is currently the Managing Director of Australasia for Korn/Ferry International. She is also a member of several boards including the Australian Brandenburg Orchestra and is the Chairman of Carnival Australia.

Ms Lahey was previously a long-term member of the Boards of David Jones Limited, Australia Council Major Performing Arts, Hills Motorway Limited, Australia Post, and Garvan Research Foundation.

RICHARD SHEPPARD

Non-Executive Director

Bachelor of Economics (First Class Honours)

Richard Sheppard has had an extensive executive career in the banking and finance sector, including an executive career with Macquarie Group Limited spanning more than 30 years.

Mr Sheppard was previously the Managing Director and Chief Executive Officer of Macquarie Bank Limited. He has also served as Chairman of the Commonwealth Government's Financial Sector Advisory Council.

Mr Sheppard is currently Chairman of Macquarie Group Foundation and Chairman of Green State Power. He is also a Non-Executive Director of Dexus Property Group, Treasurer of the Bradman Foundation and a member of the board of the Sydney Cricket Club.

GERARD BRADLEY

Non-Executive Director

Bachelor of Commerce; Diploma of Advanced Accounting; Fellow of the Institute of Chartered Accountants Australia, CPA Australia, Australian Institute of Company Directors and Australian Institute of Management

Gerard Bradley 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 Australian Treasury Departments.

Mr Bradley has previously served as Chairman of the Board of Trustees at QSuper. His previous non-executive Board memberships also include Funds SA, Queensland Investment Corporation, Suncorp (Insurance & Finance), Queensland Water Infrastructure Pty Ltd, and South Bank Corporation.

DRIVE | CASINO MANAGING DIRECTORS

FREDERIC LUVISUTTO
Managing Director: The Star

Frederic Luvisutto was appointed to the role of Managing Director of The Star in February 2012, having previously worked as Managing Director of Jupiters Hotel & Casino Gold Coast.

Mr Luvisutto joined Echo Entertainment in May 2011 with more than 15 years' experience in Europe and the United States of America where he held numerous positions including senior executive roles in casino hotel operations and project development. Prior to joining Echo Entertainment, he held the position of Vice President Hotel Operations at the Monte Carlo Resort & Casino in Las Vegas and prior to that, Vice President of the Signature at MGM Grand in Las Vegas.

Mr Luvisutto's extensive management experience has been instrumental as The Star continues to develop as a premiere entertainment destination.

GEOFF HOGG
Managing Director: Treasury Casino & Hotel Brisbane; Managing Director: Jupiters Townsville Hotel & Casino

Geoff Hogg has been Managing Director of Treasury Casino & Hotel Brisbane since May 2008. In August 2012, Geoff was also appointed to oversee Jupiters Townsville.

Prior to commencing with Echo Entertainment, Geoff worked with the SKYCITY Entertainment Group for more than 13 years in a number of senior management roles across their New Zealand properties.

Geoff is the Treasurer of the Casinos and Resorts Australasia (formerly known as the Australasian Casino Association) and holds extensive experience in casino operations management, personnel development and change management.

Geoff is also the current Chair of the Queensland Responsible Gambling Advisory Committee.

AARON GOMES
Managing Director: Jupiters Hotel & Casino Gold Coast

Aaron Gomes was appointed Managing Director of Jupiters Hotel & Casino Gold Coast in October 2012, having relocated from Atlantic City, New Jersey, United States of America.

Prior to commencing this role, Mr Gomes held the position of Chief Executive Officer of Resorts Hotel and Casino in Atlantic City, New Jersey. When appointed at the age of 29, he was the youngest person to ever hold the role of CEO in Atlantic City casino history.

After graduating from the University of Pennsylvania with a degree in Economics and History, Mr Gomes went to work for the MGM Mirage Corporation in Las Vegas as a management associate. He held several executive positions in slot operations and casino marketing at the Mirage Casino prior to leaving to develop and open the Indiana Live casino in Indianapolis, Indiana, as Vice President of Operations and Marketing.

Mr Gomes has a Master of Business Administration from Drexel University in Philadelphia, Pennsylvania, and sits on the Board of Directors for the Gold Coast Tourism Corporation.

CORPORATE GOVERNANCE STATEMENT
OF ECHO ENTERTAINMENT GROUP LIMITED

The table below summarises the relevant sections of this Corporate Governance Statement which address each of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

	ASX CORPORATE GOVERNANCE COUNCIL'S PRINCIPLES & RECOMMENDATIONS	RELEVANT SECTION(S)	COMPLY
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	Establish and disclose the functions reserved to the Board and those delegated to senior executives.	Section 4	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Section 24	Yes
1.3	Provide the information indicated in the guide to reporting on Principle 1.	Sections 4 & 24	Yes
PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE			
2.1	A majority of the board should be independent directors.	Sections 3 & 5	Yes
2.2	The chair should be an independent director.	Sections 3 & 5	Yes
2.3	The roles of chair and chief executive should not be exercised by the same individual.	Section 3	Yes
2.4	The board should establish a nomination committee which should be structured so that it consists of a majority of independent directors, is chaired by an independent director and has at least three members.	Sections 8, 12 & 13	Yes
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Section 24	Yes
2.6	Provide the information indicated in the guide to reporting on Principle 2.	Sections 3, 5, 8, 12, 23 & 24	Yes
PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING			
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: – the practices necessary to maintain confidence in the company's integrity; – the practices necessary to take into account their legal obligations and reasonable expectations of stakeholders; and – the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Section 18	Yes
3.2	Establish and disclose a policy concerning diversity which includes requirements for the board to establish measurable objectives for achieving gender diversity.	Section 30	Yes
3.3	Disclose the measurable objectives for achieving gender diversity set by the board in accordance with the Diversity Policy and progress towards achieving them.	Section 30	Yes
3.4	Disclose the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Section 30	Yes
3.5	Provide the information indicated in the guide to reporting on Principle 3.	Sections 18 & 30	Yes
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING			
4.1	The Board should establish an Audit Committee.	Sections 8 & 9	Yes
4.2	The Audit Committee should be structured so that it consists only of non-executive directors, the majority of which are independent directors, is chaired by an independent director who is not chair of the board and has at least 3 members.	Sections 8 & 9	Yes
4.3	The Audit Committee should have a formal charter.	Sections 8 & 9	Yes
4.4	Provide the information indicated in the guide to reporting on Principle 4.	Sections 4 & 9	Yes
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	Establish and disclose written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and ensure accountability at a senior executive level for that compliance.	Section 22	Yes
5.2	Provide the information indicated in the guide to reporting on Principle 5.	Section 22	Yes
PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS			
6.1	Design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings.	Section 31	Yes
6.2	Provide the information indicated in the guide to reporting on Principle 6.	Section 31	Yes
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Section 16	Yes
7.2	Require management to design and implement the risk management and internal control system to manage the company's material business risks and disclose whether management has reported to the board as to the effectiveness of the company's management of its material business risks.	Sections 15 & 16	Yes
7.3	Disclose whether the board has received assurance from the Managing Director & Chief Executive Officer and the Chief Financial Officer and Executive Director that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Section 17	Yes
7.4	Provide the information indicated in the guide to reporting on Principle 7.	Sections 16 & 17	Yes
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board should establish a remuneration committee.	Sections 8 & 11	Yes
8.2	The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent chair and has at least three members.	Sections 8 & 11	Yes
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Section 11	Yes
8.4	Provide the information indicated in the guide to reporting on Principle 8.	Sections 8, 11 & 21	Yes

CORPORATE GOVERNANCE STATEMENT
OF ECHO ENTERTAINMENT GROUP LIMITED

1. ECHO ENTERTAINMENT'S APPROACH TO CORPORATE GOVERNANCE

Echo Entertainment's Board of Directors and management strongly support the principles of good corporate governance. This is particularly important given the highly regulated industry in which Echo Entertainment and its subsidiaries and other controlled entities (the ***Echo Group***) operate, and for the long term sustainability of the Echo Group's businesses.

Processes have been established to ensure that the Echo Group's corporate governance practices are reviewed regularly and will continue to be developed and refined to meet the needs of the Echo Group.

In developing the appropriate corporate governance practices, the Echo Group takes into account all applicable legislation and recognised standards, which include, but are not limited to:

- Corporations Act 2001 (Cth) (***Corporations Act***);
- Australian Securities Exchange (***ASX***) Listing Rules;
- State legislation governing the licences issued to the Echo Group to conduct its casino operations and related activities; and
- Australian Standard AS 8000 - 2003 – Good Governance Principles.

This corporate governance statement outlines the Echo Group's main corporate governance practices and policies in place for the twelve month period ended 30 June 2013, except where indicated otherwise.

This statement and other related information is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

2. ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The Echo Group adopts the "*Corporate Governance Principles and Recommendations with 2010 Amendments, 2nd edition*" which was published by the ASX Corporate Governance Council (***ASX CGC***) in June 2010. The Echo Group complies with all of the ASX CGC Recommendations unless otherwise stated and has also established processes to maintain ongoing compliance with the Principles and Recommendations.

3. COMPOSITION OF THE BOARD

As at 30 June 2013, the Board consisted of seven directors, comprising:

- five independent Non Executive Directors, including the Chairman;
- the Managing Director and Chief Executive Officer; and
- the Chief Financial Officer and Executive Director.

The names of the Directors, the period of office held by each director, and details of their qualifications, skills, experience and expertise are set out in the Directors' Report and also on the Echo Entertainment website at http://www.echoentertainment.com.au/About/BoardOfDirectors/Pages/default.aspx

Echo Entertainment's Constitution requires that the number of Directors (not including alternate Directors) shall not exceed twelve, nor be less than three. A Director, other than the Managing Director and Chief Executive Officer, may not hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment or last re-election to the Board, whichever is the longer, without submitting for re-election. The Board has the power to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board, subject to receiving all necessary regulatory approvals, but that person must stand for election at the following annual general meeting.

The appointment and removal of the Managing Director and Chief Executive Officer is a matter for the Board as a whole, in association with the recommendations of the Nomination Committee (replaced by the Remuneration and Nomination Committee from 1 July 2013).

The Board has considered and believes that there is currently an adequate mix of skills, experience and diversity on the Board. Each of the current directors possess an adequate level of financial literacy and business acumen.

If the Board considers that there is a need for the services of a new director to add to the Board's existing mix of skills and experience, the Remuneration and Nomination Committee (from 1 July 2013) will undertake a search for suitable candidates, which may include using the services of external consultants. Nominations are subsequently received and reviewed by the Remuneration and Nomination Committee (from 1 July 2013) before it makes its recommendations to the Board on candidates it considers appropriate for appointment. The Board will then consider candidates who have the appropriate range of skills, experience and diversity that will best complement Board effectiveness.

The Board seeks to achieve a mix of skills and diversity in the membership of the board which is suitable to the nature of Echo Entertainment's business and which complements the existing range of skills on the Board at the relevant time.

Echo Entertainment's Constitution is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

4. RESPONSIBILITIES AND FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board has adopted its own Terms of Reference which specify the responsibilities and functions reserved to the Board as a whole, and those delegated to management.

A copy of the Board Terms of Reference is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

The Board's role includes:

- reviewing and approving the strategies, budgets and business plans prepared by management;
- assuring itself of the effectiveness of arrangements for the governance of the Echo Group including:
  - the quality of the executive team;
  - the appropriateness of organisational arrangements and structures; and
  - the adequacy of internal controls, policies, procedures and processes;
- overseeing performance against targets and objectives; and
- overseeing reporting to shareholders and other stakeholders on the strategic direction, governance and performance of the Echo Group.

To assist the Board with carrying out its responsibilities and functions, certain powers have been delegated to management, including the authority to undertake transactions and incur expenditure on behalf of the Echo Group, up to specified thresholds. These are referred to in Echo Entertainment's Authorities Policy, which has been agreed by the Board and management. The policy includes the financial and non-financial matters that the Board has delegated to management, the capital and operational expenditure approval limits applicable to each level of management, and specific key responsibilities within each division of the Echo Group.

Processes have been established to ensure that management provides relevant information to the Board in a concise and timely manner to enable the Board to make informed decisions and effectively discharge their duties. The Board also has processes in place to ensure that it regularly monitors the flow of information it receives from management, and Directors may request additional information where necessary.

5. DIRECTOR INDEPENDENCE

Directors are required to be meticulous in their disclosure of any material contract or relationship, including relevant interests of family companies and spouses and involvement with other companies or professional firms. Directors are required to adhere strictly to the constraints on their participation and voting in relation to matters in which they may have an interest, in accordance with the Corporations Act and policies of the Echo Group. All directors bring an independent judgment to bear on Board decisions.

A register of Directors' material interests is maintained and is regularly sent to every Director. Directors are required to advise the Board if they have any interest in a matter that could potentially conflict with the interests of the Echo Group as a whole. Where Directors are involved with other companies or professional firms, which from time to time have dealings with the Echo Group, all such dealings are at arms length and on normal commercial terms.

Processes have been established to ensure that the Board periodically assesses the independence of each Director. For this purpose, an independent Director is a Non Executive Director whom the Board considers to be independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment. This determination is made through both a quantitative and qualitative assessment of independence.

All of the Non Executive Directors (including the Chairman) of Echo Entertainment during the financial year have been determined to be independent Directors. In reaching that determination, the Board has taken into account (in addition to the matters set out above):

- The specific disclosures made by each Director as referred to above;
- That no Director is, or is associated directly with, a substantial shareholder of Echo Entertainment;
- That no Director has ever been employed in any other capacity by Echo Entertainment or any of its subsidiaries;
- That no Director personally carries on any role for the Echo Group other than as a Director of Echo Entertainment;
- There are no related party dealings referable to a Director which are material under accounting standards; and
- That no Director is, or is associated directly with, a supplier, professional adviser, consultant to or customer of the Echo Group which is material for the purposes of the ASX CGC's Recommendations.

To assist in determining levels of materiality for assessing whether supplier, professional adviser, consultant or customer relationships affect the independence of Directors, a relationship is presumed immaterial when it generates or equates to less than 5% of the Echo Group revenue, expense or equity base as relevant during a twelve month period, in the absence of evidence to the contrary. In making this determination, the Board will also undertake a qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that a Director's interests, business or relationship (even if it does not trigger the quantitative requirements described here) could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Echo Group.

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The Board also has procedures in place to ensure it operates independently of management. These procedures include, the Non Executive Directors meeting together regularly in the absence of executive Directors and other executives of the Echo Group. Where appropriate, executives are also excluded from Board discussions that relate to specific management issues, such as executive remuneration.

6. OTHER DIRECTORSHIPS

Directors are required continually to evaluate the number of Boards on which they serve to ensure that they can give the time and attention required to fulfill their duties and responsibilities. Directors are required to seek approval from the Chairman prior to accepting an invitation to become a Director of any corporation, and in the case of the Chairman, seek approval from the Deputy Chairman of the Board or the Chairman of the Audit Committee.

Details of the directorships of each Director are provided in the Directors' Report.

7. BOARD AND COMMITTEE MEETINGS

The Board and its Committees meet regularly to discuss matters relevant to the Echo Group. Additional meetings may be scheduled to address specific matters. Any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter, unless all other Directors present resolve otherwise.

Management representatives are invited to attend meetings where matters relevant to their respective areas of responsibility are to be considered.

The Company Secretary is responsible for coordinating and distributing materials for Board meetings, shareholder meetings and Board Committee meetings and all Directors have access to the Company Secretary. The appointment and removal of the Company Secretary is a matter for discussion by the Board as a whole.

Directors are expected to attend all Board meetings, shareholder meetings and Board Committee meetings for which they are members, subject to any unusual or unforeseen circumstances which may prevent them from attending. The number of Board and Board Committee meetings held during the financial year and details of Directors' attendance at those meeting are provided in the Directors' Report.

8. COMMITTEES OF THE BOARD

To assist the Board in achieving the highest standards of corporate governance, processes have been established to ensure that the Directors involve themselves with the critical areas of the Echo Group's activities through Board Committees, with specific responsibilities for:

- Audit (see section 9);
- Risk and compliance (see section 10);
- Remuneration (see section 11); and
- Nomination (see section 12).

From 1 July 2013, the Remuneration Committee and the Nomination Committee were combined into a single committee, called the Remuneration and Nomination Committee (see section 13).

The Board also established a new People, Culture and Social Responsibility Committee effective from 1 July 2013 (see section 14).

Membership of each of the Board Committees is restricted to Non Executive Directors only.

Each Board Committee has terms of reference which set out the roles, responsibilities, composition and processes of each Committee.

The terms of reference for each of the Board Committees are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

9. AUDIT COMMITTEE

The Audit Committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and financial statements issued by Echo Entertainment.

The key responsibilities of the Audit Committee are:

- Oversee compliance with statutory responsibilities relating to financial, accounting practices, financial risk management, internal control systems, external reporting, and the internal and external audit functions;
- Review the activities and performance of the internal audit function and the external auditors;
- Review the adequacy of the Echo Group's internal control systems;
- Monitor related party transactions and potential conflicts of interest; and
- Review the process for management assurance to the Board (refer to section 17 for more information).

The Audit Committee or the Chairman of the Audit Committee is required to meet at least once annually with the external auditor, in the absence of management, and on any occasion during the year as requested by either the Chairman of the Audit Committee or the external auditors.

The annual internal audit plan and the scope of work to be performed is set in consultation with the Audit Committee. The Audit Committee approves the annual internal audit plan and reviews progress and reports made pursuant to that plan.

The Audit Committee is committed to maintaining auditor independence and limiting the engagement of the external auditor for only audit related services, unless exceptional circumstances necessitate the involvement of the external auditor. The Chairman of the Audit Committee must approve all non-audit related work to be undertaken by the external auditor (if any).

Echo Entertainment will maintain the rotation of the lead external audit partner every five successive years or less, as required by the Corporations Act. The external auditor attends Echo Entertainment's annual general meeting and is available to answer shareholder questions regarding aspects of the external audit and their report.

COMPOSITION OF THE AUDIT COMMITTEE (FROM 1 JULY 2013)

Chairman: **Gerard Bradley** (from 1 September 2013)

Members: **John O'Neill, Anne Brennan** (former Chairman to 31 August 2013), **Richard Sheppard**

The terms of reference for the Audit Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

10. RISK AND COMPLIANCE COMMITTEE

The main responsibilities of the Risk and Compliance Committee are:

- Reviewing and approving the Echo Group's risk and compliance policies and frameworks;
- Assessing the appropriateness of risk and compliance management systems, related control processes, and reporting systems;
- Monitoring the effectiveness of systems and processes in place to ensure compliance requirements are being satisfied and performing adequately (other than the financial reporting obligations for which the Audit Committee is responsible);
- Evaluating the effectiveness of the Echo Group's systems and controls to monitor and manage risks that are significant to the fulfilment of the Echo Group's business objectives; and
- Ensuring that sufficient resources are dedicated to managing risk and compliance.

Refer also to section 15 for the internal control framework and section 16 for management of risk.

COMPOSITION OF THE RISK AND COMPLIANCE COMMITTEE (FROM 1 JULY 2013)

Chairman: **Richard Sheppard**

Members: **John O'Neill, Katie Lahey, Gerard Bradley**

The terms of reference for the Risk and Compliance Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

11. REMUNERATION COMMITTEE

The Remuneration Committee has responsibility for, among other things:

- Reviewing and making recommendations to the Board on remuneration packages and policies applicable to the Chairman, Directors, the Managing Director and Chief Executive Officer, and executives reporting to the Managing Director and Chief Executive Officer;
- Reviewing and making recommendations to the Board on the Echo Group's general remuneration practices and policies, including terms and conditions of any employee share ownership and option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements;
- Reviewing and approving participation of executives in incentive plans, including option and share plans;
- Reviewing and making recommendations to the Board regarding the Echo Group's remuneration arrangements with respect to gender;
- Reviewing with reference to market benchmarks, the remuneration arrangements for the Managing Director and Chief Executive Officer and making recommendations to the Board; and
- Overseeing the preparation of the Remuneration Report for inclusion in Echo Entertainment's Annual Report.

Details about Echo Entertainment's remuneration policies and practices are set out in the Remuneration Report which clearly distinguishes the structure of Non Executive Directors' remuneration from that of executive directors and senior executives.

COMPOSITION OF THE REMUNERATION COMMITTEE (TO 30 JUNE 2013)

Chairman: **Anne Brennan**

Members: **John O'Neill, Katie Lahey, Richard Sheppard, Gerard Bradley**

The terms of reference for the Remuneration Committee are available from the Corporate Governance section of Echo's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

12. NOMINATION COMMITTEE

The main responsibilities of the Nomination Committee are to:

- Manage a process to identify suitable candidates for appointment to the Board and Board Committees and to engage external consultants in the process if considered appropriate by the Nomination Committee;
- Review Board succession plans to enable an appropriate mix of skills, experience, expertise and diversity on the Board to be maintained and make recommendations to the Board to facilitate orderly succession of Board membership (refer to section 25 for further information);
- Make recommendations to the Board on candidates it considers appropriate for appointment to the Board and Board Committees, including whether the Board should support the election or re-election of any Director required to retire at a general meeting;
- Make recommendations to the Board about the necessary and desirable competencies of Directors required to discharge the Board's duties and the extent to which they are represented in the composition of the Board and each Board Committee;
- Facilitate an independent three yearly assessment of the performance of the Board, Board Committees and Directors (refer to section 24 for further information); and
- Ensure that an effective Board induction process is in place (refer to section 26 for more information).

COMPOSITION OF THE NOMINATION COMMITTEE (TO 30 JUNE 2013)

Chairman: **John O'Neill**

Members: **Anne Brennan, Katie Lahey, Richard Sheppard, Gerard Bradley**

The terms of reference for the Nomination Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

13. REMUNERATION AND NOMINATION COMMITTEE

The Board combined the existing Remuneration Committee and Nomination Committee into a single committee effective from 1 July 2013.

The responsibilities of the Remuneration and Nomination Committee comprise the roles outlined in sections 11 and 12 above.

COMPOSITION OF THE REMUNERATION AND NOMINATION COMMITTEE (FROM 1 JULY 2013)

Chairman: **Anne Brennan**

Members: **John O'Neill, Katie Lahey, Gerard Bradley**

The terms of reference for the Remuneration and Nomination Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

14. PEOPLE, CULTURE AND SOCIAL RESPONSIBILITY COMMITTEE

The Board established the People, Culture and Social Responsibility Committee effective from 1 July 2013.

The main responsibilities of the People, Culture and Social Responsibility are to assist the Board with its oversight of the Company's strategy, policies, practices and controls relating to such matters:

- employment practices and workplace conditions;
- workplace health and safety arrangements;
- employee engagement;
- succession planning and talent management;
- employee development (including training on responsible service of alcohol and responsible gambling);
- industrial relations;
- diversity in employment
- environmental issues and sustainable business practices (including water and energy efficiency initiatives);
- community engagement (including sponsorships, donations, charitable support, political affairs);
- responsible gambling;
- statutory and stakeholder reporting on matters of corporate social responsibility; and
- other matters of significance to the Company's reputation as a responsible corporate citizen.

COMPOSITION OF THE PEOPLE, CULTURE AND SOCIAL RESPONSIBILITY COMMITTEE

Chairman: **Katie Lahey**

Members: **John O'Neill, Richard Sheppard, Anne Brennan**

The terms of reference for the People, Culture and Social Responsibility Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

15. INTERNAL CONTROL FRAMEWORK

The Board reviews and approves the internal control structure of the Echo Group. This includes the role performed by the Echo Group's internal audit, risk management and compliance functions.

Processes have been established to ensure that the Echo Group's strategic plan (see section 28) and a detailed budget are prepared annually and subject to the approval of the Directors.

Processes have also been established to ensure that forecasts for the Echo Group and each of the operating divisions are regularly updated and reported to the Board throughout the year to enable Directors to monitor performance against the annual budget.

The Echo Group has detailed procedural guidelines for the approval of capital expenditure including annual budgeting, review and approval of individual proposals and specific levels of authority between the Board, the Managing Director and Chief Executive Officer and other levels of management.

Processes for the investment of surplus cash, management of debt and currency, and interest rate risk management have been approved by the Board and are the subject of ongoing reporting to the Board. The Echo Group Treasury department is responsible for managing the Echo Group's finance facilities and interest rate, credit, liquidity and currency risks in line with policies set by the Board.

The Echo Group's internal audit function is resourced by Echo Entertainment employees supplemented by relevant industry experts, and is independent of the external auditor. Processes have been established to ensure that internal audit reports are regularly submitted to the Chief Financial Officer and Executive Director, to the Audit Committee and, where appropriate, to the Board. The Audit Committee approves the internal audit plan annually.

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The Echo Entertainment Compliance Policy and Framework was developed to align with:

- Australian Standard AS 3806 – Compliance Programs;
- Australian Standard AS 8000 - 2003 – Good Governance Principles;
- applicable legislation; and
- Echo Entertainment's organisational structure and strategy.

The Echo Group monitors whether practices and processes designed to ensure compliance have been operating effectively to increase the visibility of potential issues and improve the processes for resolving issues.

The Australian Standards AS 3806 – Compliance Programs and AS 8000 - 2003 – Good Governance Principles are available from SAI Global's website at www.saiglobal.com

16. MANAGEMENT OF RISK

The Board requires management to design, implement and review the risk management and internal control system to manage Echo Group's material business risks and report to it on whether those risks are being managed effectively.

The Echo Group has in place a risk management framework, policies and procedures, which set out the roles, responsibilities and guidelines for managing financial, legal, strategic and operational risks associated with the Echo Group's businesses. The Risk Management Framework is based on concepts and principles identified in the Risk Management Standard AS/NZS ISO 31000:2009. Its implementation and ongoing development is periodically reviewed by the Board Risk and Compliance Committee.

Processes have been established to ensure that during each financial year the Echo Group's risks are reviewed to ensure that appropriate controls are in place and that there is appropriate allocation of responsibility within the business, so that potential occurrence and consequences of material business risks are effectively mitigated. The Risk and Compliance Committee provides oversight of the risk management process and ensures that the relevant internal controls are considered in the annual internal audit planning process.

The terms of reference for the Risk and Compliance Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

The standard AS/NZS ISO 31000:2009 – Risk Management is available from SAI Global's website at www.saiglobal.com

17. MANAGEMENT ASSURANCE

Processes have been established to ensure that, at the Board meetings to approve the Echo Group's annual and half yearly results, the Board receives and considers a certificate of assurance comprised of statements in writing from the Managing Director and Chief Executive Officer and the Chief Financial Officer and Executive Director in relation to the Echo Group's system of risk oversight and management and internal control. The certificate of assurance is supported by written attestations provided by relevant senior executives in relation to their area of management.

The certificate of assurance states that the financial statements have been prepared in conformity with generally accepted accounting principles and that they gave a true and fair view of the state of affairs of Echo Entertainment and of the Echo Group.

The certificate of assurance also states that the risk management and internal compliance and control systems operated effectively, in all material respects, based on the AS/NZS ISO 31000:2009 – Risk Management standard adopted by the Echo Group. The certificate of assurance also includes statements that all information had been made available to the external auditor, and that there were not any irregularities or significant issues identified that would have a material impact on the Echo Group.

The Board has received a statement in writing from the Managing Director and Chief Executive Officer and the Chief Financial Officer and Executive Director that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The standard AS/NZS ISO 31000:2009 – Risk Management is available from SAI Global's website at www.saiglobal.com

18. CODE OF CONDUCT

The Echo Group has a group-wide Code of Conduct. Compliance with the Code of Conduct and associated policies, guidelines and procedures is a requirement for all employees, Directors and contractors of the Echo Group. The code is founded on the Echo Group's values, and establishes the behaviour that is expected from all employees, Directors and contractors, including the maintenance of ethical standards, honesty, teamwork, fairness, courtesy and integrity.

The Code includes, among other things, references to specific Echo Group policies regarding money laundering, corruption, bribery, bullying and harassment, equal opportunity in the workplace, insider trading, whistleblowing, conflicts of interest and restrictions on the use of the Echo Group's gambling products.

The Code of Conduct and relevant policies are included in the Echo Group's induction program, with annual refresher training and compliance awareness conducted across the Echo Group.

In addition to adhering to the high ethical standards set by the Code of Conduct, Echo Entertainment's Directors and key personnel are also required to undergo extensive probity investigation and clearance by the New South Wales Independent Liquor and Gaming Authority and the Queensland Office of Liquor and Gaming Regulation.

Echo Entertainment's Code of Conduct is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

19. WHISTLEBLOWER SYSTEM

Echo Entertainment has an independent, anonymous crime and misconduct reporting service as one of Echo Entertainment's processes to prevent, detect, and respond to crime and misconduct.

The service is available 24 hours a day, 7 days a week to Echo Entertainment's employees and stakeholders in Australia and overseas.

The service is managed by the Echo Group's Governance, Risk and Internal Control team and has accountability at the highest levels, with the Chairman of the Risk and Compliance Committee able to access reports relating to all employees and review the action taken. The service was introduced to achieve Australian and international best practice, reflecting Echo Entertainment's commitment to integrity and befitting the responsibilities of a publicly listed company.

Further information on the crime and misconduct reporting service is available from Echo Entertainment's website at http://www.echoentertainment.com.au

20. RESPONSIBLE GAMBLING

The Echo Group's three Queensland-based casinos comply with the Queensland Responsible Gambling Code of Practice and utilise the casinos' specific Queensland Responsible Gambling Resource Manual. The Queensland Code of Practice and Resource Manual are a result of an initiative between the Queensland Government and the gambling industry.

In addition to conducting its business in compliance with legislation, regulation and Responsible Gambling Codes, the Echo Group leverages the findings of academic research with its experience of industry practice to provide various responsible gambling support services and awareness activities across all of its properties. It also provides employees with training and awareness programs relating to responsible service of gambling. To further support the responsible delivery of its gambling products, the Echo Group has implemented a voluntary pre-commitment and external exclusions scheme at each of its casino properties in Queensland and New South Wales.

Echo Group's New South Wales casino complies with The Star Responsible Gambling Code.

Echo's Codes of Practice are available from the Responsible Gambling section of Echo Entertainment's website at http://www.echoentertainment.com.au/OurCommunity/ResponsibleGambling/Pages/default.aspx

21. SECURITIES TRADING POLICY

Echo Entertainment has a policy regarding trading in its securities which applies to all Directors, employees and contractors. This policy also extends to any person or entity, which may in the circumstances be reasonably associated with the Echo Group or any Director, employee or contractor (for example, a spouse, dependent children, family trust, family company or joint venture partner).

Directors, executives reporting directly to the Managing Director and Chief Executive Officer (***Executives***), all direct reports to those Executives (***Executive Direct Reports***), employees of the Echo Group and associates of any of the preceding must not trade, arrange for someone else to trade, or pass on information to someone they know, or ought reasonably to know, may use the information to trade (or procure another person to trade) Echo Group securities when they are in possession of price sensitive information relating to the Echo Group which is not generally available to the market.

To avoid any adverse inference being drawn of unfair dealing, Directors, Executives, Executive Direct Reports and any associates of the preceding also may not deal in Echo Group securities during the applicable Blackout Periods set out in the policy or within 12 months of the acquisition of the relevant Echo Group securities. Blackout Periods are the periods between 1 January and the release of Echo Entertainment's half year results, and 1 July and the release of Echo Entertainment's full year results, and any other periods determined by the Echo Entertainment Board, the Chairman, the Managing Director and Chief Executive Officer or the Company Secretary from time to time.

If a Director or an associate of a Director wishes to trade in Echo Entertainment securities at any time, the Director must obtain prior written approval from the Chairman (in the case of Directors other than the Chairman) and in the case of the Chairman, from the Chairman of the Audit Committee. Directors are also required to notify the Company Secretary of any changes to their relevant notifiable interests in Echo Entertainment securities no more than 5 business days after the change occurs.

If an Executive, an Executive Direct Report or an associate of an Executive or Executive Direct Report wishes to trade in Echo Entertainment securities at any time, the Executive or Executive Direct Report must obtain the prior written approval of any of the Company Secretary, the Chief Financial Officer and Executive Director or the Managing Director and Chief Executive Officer.

The policy also contains restrictions on margin lending. Directors, Executives and Executive Direct Reports must receive prior written consent from the Chairman (in the case of the Chairman, prior written consent from the Chairman of the Audit Committee) before entering into margin loans or similar financing arrangements.

The policy prohibits employees participating in any of Echo Entertainment's employee or executive incentive plans from hedging the value of restricted shares and unvested performance options or rights granted under such plans. Breaches of this prohibition will result in awards being forfeited by the relevant employee.

Echo Entertainment's Securities Trading Policy is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

22. CONTINUOUS DISCLOSURE

The Echo Group has a Disclosure and Investor Communications Policy and procedures are in place to ensure that information is reported to the ASX in accordance with the continuous disclosure requirements of its Listing Rules. The Board reviews Echo Entertainment's compliance with its continuous disclosure obligations at each of its meetings.

Echo Entertainment's Company Secretary is responsible for coordinating disclosure of information to the ASX, the Australian Securities and Investments Commission and shareholders. The Company Secretary is referred to as the Disclosure Officer in the Disclosure and Investor Communications Policy.

The Disclosure Officer must be kept informed by management of disclosure related issues, and each Executive Committee member must notify the Disclosure Officer immediately of any information that may require disclosure.

In addition to the Disclosure Officer, there are a limited number of authorised Echo Entertainment spokespersons. Only authorised Echo Entertainment spokespersons may speak on the Echo Group's behalf to people such as analysts, brokers, journalists and shareholders, and comments must be limited to their expertise. If an employee of the Echo Group is not an authorised Echo Entertainment spokesperson, and receives an enquiry about the Echo Group from a journalist, analyst or other external party, they must refer the enquiry to an authorised Echo Entertainment spokesperson.

Authorised Echo Entertainment spokespersons liaise closely with the Disclosure Officer to ensure all proposed public comments are within the bounds of information that is already in the public domain, and/or is not material. All company announcements are made available on Echo Entertainment's website following release to the ASX.

Echo Entertainment's Disclosure and Investor Communications Policy is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

23. INDEPENDENT PROFESSIONAL ADVICE

An individual Director may, after discussion with the Chairman, and advising the Managing Director and Chief Executive Officer, obtain independent professional advice at the expense of the Echo Group. Such advice is to be made available to all other Directors.

Board Committees and members of the Audit Committee, the Remuneration and Nomination Committee, the Risk and Compliance Committee, and the People, Culture and Social Responsibility Committee may also obtain independent professional advice, subject to the terms of reference for the applicable committee.

The terms of reference for each Board Committee are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

24. PERFORMANCE ASSESSMENT

THE BOARD AND DIRECTORS

The Remuneration and Nomination Committee (from 1 July 2013) is responsible for facilitating an independent review of the performance and effectiveness of the Board, its Committees and Directors every three years.

This assessment process is expected to include surveys and interviews with current Directors and members of the Executive Committee. The results will be benchmarked against those of other companies for comparative purposes. The Board will review the findings and any recommendations arising from the review and any appropriate enhancements will be implemented.

In light of the recent changes to the Board and Committee composition, the Board considered it appropriate to defer conducting any formal Board or Committee performance evaluations to the next financial year. This will ensure that all Directors have had sufficient time to fully participate in a reasonable number of Board and Committee meetings and gauge the dynamics of Board and Committee operations, thereby enabling a more meaningful review and provision of feedback to occur.

The Board currently conducts ongoing self-assessments and informal reviews of the effectiveness of Board and Committee meetings, including assessing its information needs and its requirements of management for those meetings.

A performance assessment of the separate Board Committees will be conducted as and when considered necessary by the chairman of the relevant committee.

SENIOR EXECUTIVES

Processes have been established to ensure that formal performance and development evaluations are conducted every six months for each employee, including all senior executives and the Managing Director and Chief Executive Officer. Individual performance is assessed using a balanced scorecard setting out individual targets that are aligned to and are supportive of Echo Entertainment's annual objectives. Individuals are also assessed on whether they have exhibited Echo Entertainment's behavioural attributes.

During the financial year, performance and development evaluations were conducted for senior executives and the Managing Director and Chief Executive Officer in accordance with the processes described above.

25. SUCCESSION PLANNING

The Echo Group has a succession plan for members of its Board and senior management. This plan identifies the best candidates for leadership and management roles so that the Board and Executive Committee comprise high calibre people with the necessary and desirable experience and competencies that best meet the organisation's needs.

The Remuneration and Nomination Committee (from 1 July 2013) is responsible for making recommendations to the Board to facilitate the orderly succession of Board membership and to manage a process to identify suitable candidates for appointment to the Board and for the optimal composition of Board Committees.

Directors periodically discuss succession matters at meetings of the Board and the Remuneration and Nomination Committee (from 1 July 2013).

The terms of reference for the Remuneration and Nomination Committee (from 1 July 2013) are available from the Corporate Governance section of Echo's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

26. INDUCTION OF DIRECTORS AND EMPLOYEES

The appointment of any new Director is subject to regulatory approvals. While these approvals are being sought, the person, with the approval of the regulators, may attend Board and Committee meetings as an observer. This assists their transition into their role, but they may not vote on any matter considered at those meetings.

Each observer undertakes an induction program and is provided with access to Echo Entertainment's online Directors' knowledge centre, the Echo Group's strategic plan and other materials to assist them to participate fully and actively in all Board decision-making at the earliest opportunity. In addition, upon being invited to join the Board, every observer receives a letter of appointment setting out the key information and terms and conditions applicable to their appointment as a Director of Echo Entertainment.

The induction program aims to provide the observer with the relevant knowledge regarding the processes of the Echo Entertainment Board, Board culture, the role and responsibilities of an Echo Entertainment Director, the Echo Group's strategic direction, the nature of the Echo Group's businesses, industry matters, the Echo Group's financial position, key senior management, operational and risk management practices and the major issues facing the Echo Group. The induction program includes meetings with each Executive Committee member and their leadership team, site tours, and specific matters of interest to each observer.

The Remuneration and Nomination Committee (from 1 July 2013) is responsible for ensuring that an effective induction process is in place, and regularly reviews its effectiveness in accordance with industry best practice and including incorporation of feedback from newly appointed Directors.

Echo Entertainment has a formal induction program for all employees, including executives. This program is conducted by skilled trainers and provides information about the structure and operations of the Echo Group, Echo Entertainment's Code of Conduct, key employee policies (such as the use of Echo Entertainment's gambling products, harassment and bullying, occupational health and safety, and equal opportunity). In addition, employees receive orientation regarding their specific responsibilities, duties and rights, meet with executives and team members and undergo familiarisation in their workplace.

Employees have agreed position descriptions and balanced scorecards that set out their duties, responsibilities, objectives and key performance indicators. Letters of appointment or employment contracts set out other key terms of employment.

27. DIRECTORS' CONTINUING EDUCATION

All Directors have access to continuing education to update and enhance their skills and knowledge to enable them to continue to carry out their duties as Directors in an efficient and knowledgeable manner.

The continuing education program includes information concerning key developments in the Echo Group and the industry and environments within which it operates, including site visits to the Echo Group's properties, updates to relevant policies, discussion of relevant legal developments, corporate governance updates and other matters of interest for Directors.

28. ECHO GROUP STRATEGIC PLANNING

Echo Entertainment has a formal strategic planning process whereby a strategic plan is approved by the Board each year. The intent of the annual review is to consider a range of strategies and provide management with guidance on those strategies that in the Board's opinion will enhance shareholder value.

29. SUSTAINABILITY

Echo Entertainment is committed to the long term sustainability of its operations and aims to optimise the social, environmental, workplace and economic impact of its operations for the benefit of all stakeholders.

Although the operations of the Echo Group are considered to have minor impact on the environment, Echo Entertainment is committed to protecting the environment and minimising the impact wherever appropriate.

30. DIVERSITY

Echo Entertainment understands the rich value that a diverse workforce brings to its organisation. The diversity of guests, shareholders, suppliers and other stakeholders is reflected in the diversity of the Company's employees. As a result, Echo recognises that diversity celebrates difference and a focus on inclusion ensures that those differences strengthen the organisation. By moving beyond diversity to foster inclusivity through a flexible and individualised approach for all employees, Echo Entertainment engages with employees to bring the 'best of themselves' to work.

The Board, supported by management, is responsible for devising and implementing strategies to achieve Echo Entertainment's diversity objectives, monitoring the representation of women at all levels of Echo Entertainment and assessing the progress against measurable gender diversity objectives set by the Board.

The Board has established a People, Culture and Social Responsibility Committee which will assist and guide management's activities in achieving diversity across all nominated diversity groups. Gender equality remains a priority for Echo Entertainment and its progress against achieving the measurable gender diversity objectives are reported to the Board by the People, Culture and Social Responsibility Committee.

The Board will annually review and assess the measurable objectives and key performance indicators to track and verify progress towards attainment of the objectives and the success of the overall strategy.

Echo Entertainment has recently revised relevant policies to ensure they reflect diversity principles. These policies include:

- the Diversity Policy – to include all employees;
- the Flexible Working Arrangements Policy – to meet the needs of all employees with carer's duties and employees returning from parental leave;
- the Recruitment Policy – to specify various types of discrimination; and
- the Parental Leave Policy – to explicitly include male partners and same-sex couples.

Echo Entertainment has partnered with several diversity groups, most notably in its active membership on the Diversity Council Australia of which Echo Entertainment's Executive General Manager Human Resources is a Board member.

Echo Entertainment's measurable objectives for achieving gender diversity and its progress towards achieving those objectives are set out below.

MEASURABLE OBJECTIVES (ESTABLISHED IN FY2012)	DETAILS	ECHO ENTERTAINMENT'S PROGRESS
1. Gender diversity in senior executive roles	Aim to increase the percentage of female representation in senior executive positions to 33% by 2015, as vacancies arise and subject to identification of candidates with appropriate skills.	The percentage of female representation in senior executive positions as at 30 June 2013 is 28.3%.
2. Diversity Committee	Establish a Diversity Committee in FY13 to identify and manage gender diversity issues.	A Diversity Committee has been established to identify and manage diversity issues.
3. Support for Flexible Working Arrangements	Implement a flexible working policy in FY13 to facilitate the return of female employees from maternity leave and assisting both men and women to balance their work, life and family responsibilities.	A Flexible Work Arrangements Policy has been implemented.
4. Identify High Potential Women	Implement talent management practices in FY13 to identify and develop potential female employees for career progression into senior executive positions.	Talent review has taken place and a mentoring program has been established. Fifty percent of current mentorees on the program are female employees.

ADDITIONAL MEASURABLE OBJECTIVES (ESTABLISHED IN FY2013)	DETAILS	ECHO ENTERTAINMENT'S PROGRESS
5. Access to thought leadership	Gain access to diversity thought leadership through membership of the Diversity Council Australia and the Australian Human Resources Institute, and attendance at relevant conferences and seminars.	Echo Entertainment's Executive General Manager Human Resources has been elected to the Board of the Diversity Council Australia. She is also a member of the NSW State Council for the Australian Human Resources Institute.
6. Review of policies	Review and update human resources policies to have a positive impact on the attractiveness of employment for female employees, to encourage retention and the promotion of female employees into senior executive positions.	Echo Entertainment's Human Resources team has reviewed and updated the following policies: – Diversity Policy – Flexible Working Arrangements Policy – Recruitment Policy – Parental Leave Policy – Equal Employment Opportunities, Discrimination and Harassment Policy – Bullying Policy – Leave Policy
7. Engagement with female employees	Establish female diversity committees for each casino property to identify and manage gender diversity issues.	Gender Diversity Forums were held at all casino properties this year. Employees participated in a discussion on gender equality at Echo Entertainment.
8. Diversity Strategy	Develop a diversity strategy to provide an overarching framework for Echo Entertainment's diversity activities.	A diversity strategy for the period FY14-FY19 has been completed. The FY14 actions include the following measurable outcomes related to gender diversity: – Conduct gender diversity forums at each casino property – Establish a gender diversity working group across Echo – Ensure proportional representation of gender on succession plans

Echo Entertainment has lodged a report on its workplace program to the Workplace Gender Equality Agency in compliance with its obligations under the Workplace Gender Equality Act 2012 (Cth) to report annually on its workplace program. A copy of the report is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx.

As at 30 June 2013, Echo Entertainment has two female Directors on the Board (representing 17% of all Directors), 17 female senior executives (representing 28.3% of all senior executives) and 3,471 female employees across the whole of the Echo Group (representing 43% of all employees).

In the next financial year, Echo Entertainment aims to continue its growth in the area of Diversity. Data obtained from the 2013 Employee Engagement Survey will assist in identifying areas of focus for diversity activities.

Echo Entertainment's Diversity Policy is available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx

31. ENGAGING SHAREHOLDERS

The Echo Group's Disclosure and Investor Communications Policy sets out Echo Entertainment's procedures and guidelines relating to continuous disclosure and the communication of information to investors. This information is communicated to shareholders through Echo Entertainment's website, annual report, dividend mailouts, emails, the ASX, and other means where appropriate.

The Echo Group's website provides stakeholders with a range of information about the Echo Group, including its operations, history, strategies, values, brands, community involvement, share price performance and shareholder reports. Major announcements, such as the annual and half-year results and the annual general meeting, are webcast live on Echo Entertainment's website. Webcasts are archived and accessible on the website for a period after the webcast.

Echo Entertainment (via its share registry) provides an email service for its shareholders to receive all shareholder related communications electronically, including dividend statements, notices of meeting, and the annual report. This email service provides a quick and convenient means for receiving this information while reducing costs and being environmentally friendly. Shareholders can also use the share registry's website to lodge their proxy appointments and proxy votes prior to the annual general meeting.

Dedicated shareholder relations personnel are available to assist in responding promptly to all shareholder inquiries. Echo Entertainment has a Shareholder Enquiries and Complaints Policy that sets out the way in which Echo Entertainment addresses concerns and feedback from shareholders.

Echo Entertainment encourages its shareholders to participate fully at its annual general meeting. Processes have been established to ensure that important issues are presented to shareholders as single resolutions and full discussion of each item is encouraged. Explanatory memoranda, where considered appropriate, will be included with the notice of annual general meeting in respect of items to be voted on at the meeting.

- *Echo Entertainment's website is available at http://www.echoentertainment.com.au*
- *Shareholders can elect to receive all communications electronically by following the instructions in the 'Become an eShareholder' section under the 'Our Investors' tab on Echo Entertainment's website at http://www.echoentertainment.com.au/OurInvestors/ShareholderCentre/Pages/Become-an-eShareholder.aspx*
- *Echo Entertainment's Disclosure and Investor Communications Policy and Echo Entertainment's Shareholder Enquiries and Complaints Policy are available from the Corporate Governance section of Echo Entertainment's website at http://www.echoentertainment.com.au/About/CorporateGovernance/Pages/default.aspx*

FINANCIAL REPORT

DIRECTORS' REPORT

The Directors of Echo Entertainment Group Limited (the ***Company***) submit their report for the consolidated entity comprising the Company and its controlled entities (collectively referred to as the ***Group***) in respect of the financial year ended 30 June 2013.

1. DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report (except as otherwise stated) are set out below.

NAME	QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES
CURRENT	
John O'Neill AO	**Chairman** (from 8 June 2012); **Non-Executive Director** (from 28 March 2011) Diploma of Law; Foundation Fellow of Australian Institute of Company Directors John O'Neill is a Director of Rugby World Cup Limited. Mr O'Neill was formerly Managing Director and Chief Executive Officer of Australian Rugby Union Limited, Chief Executive Officer of Football Federation Australia, Managing Director and Chief Executive Officer of the State Bank of New South Wales, and Chairman of the Australian Wool Exchange Limited. Mr O'Neill was also the inaugural Chairman of Events New South Wales, which flowed from the independent reviews he conducted into events strategy, convention and exhibition space, and tourism on behalf of the New South Wales Government. During the financial year, Mr O'Neill was Chairman of the Nomination Committee and a member of the Audit Committee, the Risk and Compliance Committee and the Remuneration Committee. Mr O'Neill was also Acting Chairman of the Risk and Compliance Committee from 18 January 2013 to 19 March 2013. From 1 July 2013, Mr O'Neill is an ex-officio member of all Board committees.
John Redmond	**Managing Director and Chief Executive Officer** (from 18 January 2013) (previously a Non-Executive Director from 23 March 2012) John Redmond has a wealth of international casino management experience, including an executive management career spanning more than 25 years in the United States of America. Mr Redmond previously held executive positions with Caesars World Inc. including as Senior Vice President and Chief Financial Officer of Caesars Palace and Sheraton Desert Inn. He was subsequently Co-CEO of MGM Grand Inc. and then Co-CEO of MGM Mirage, following MGM Grand's acquisition of Mirage Resorts Inc. Mr Redmond later held the position of President and CEO of MGM Grand Resorts with a portfolio including Mandalay Bay, Luxor, New York, Excalibur, MGM Grand, Borgata and MGM Grand Detroit casinos. Mr Redmond is currently a Non-Executive Director of Vail Resorts Inc. He was previously a member of the boards of Tropicana Las Vegas Hotel & Casino and Allegiant Travel, as well as MGM Mirage. Mr Redmond was previously the Chairman of the Risk and Compliance Committee and a member of the Remuneration Committee and the Nomination Committee until he ceased as a Non-Executive Director and commenced as Managing Director and Chief Executive Officer on 18 January 2013.
Matt Bekier	**Director** (from 2 March 2011); **Chief Financial Officer and Executive Director** (from 15 June 2011) Master of Economics and Commerce; PhD in Finance Matt Bekier was previously Chief Financial Officer of Tabcorp Holdings Limited since commencing with Tabcorp in late 2005 and until the demerger of the Company and its controlled entities in June 2011. Prior to his role at Tabcorp, Mr Bekier previously held various roles with McKinsey & Company.

NAME	QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES
Anne Brennan	**Deputy Chair** (from 14 June 2013); **Non-Executive Director** (from 23 March 2012) Bachelor of Commerce; Fellow of the Australian Institute of Chartered Accountants; Fellow of the Australian Institute of Company Directors Anne Brennan has extensive chartered accounting experience, including at Partner level, across three major accounting firms. More recently Ms Brennan has held financial executive positions including Chief Financial Officer at CSR Limited and Finance Director at the Coates Group. Ms Brennan is currently a Non-Executive Director of Argo Investments Limited, Charter Hall Group, Myer Holdings Limited, Nufarm Limited, Rabobank Australia Limited and Rabobank New Zealand Limited. During the financial year, Ms Brennan was the Chairman of the Remuneration Committee and a member of the Risk and Compliance Committee and the Nomination Committee. Ms Brennan was also Chairman of the Audit Committee (initially as Acting Chairman). Ms Brennan will cease to be the Chairman of the Audit Committee following the release of the full year financial results and will transition the role to Mr Gerard Bradley on 1 September 2013. From 1 July 2013, Ms Brennan is the Chairman of the Remuneration and Nomination Committee, a member of the People, Culture and Social Responsibility Committee and remains a member of the Audit Committee.
Katie Lahey AM	**Non-Executive Director** (from 1 March 2013) Bachelor of Arts (1st Class Honours); Master of Business Administration Katie Lahey has extensive experience in the retail, tourism and entertainment sectors and previously held chief executive roles in the public and private sectors. Ms Lahey is currently the Managing Director of Australasia for Korn/Ferry International. She is also a member of several boards including the Australian Brandenburg Orchestra, and is the Chairman of Carnival Australia. Ms Lahey was previously a long term member of the boards of David Jones Limited, Australia Council Major Performing Arts, Hills Motorway Limited, Australia Post and Garvan Research Foundation. During the financial year, Ms Lahey was a member of the Audit Committee, the Risk and Compliance Committee, the Nomination Committee and the Remuneration Committee. From 1 July 2013, Ms Lahey is the Chairman of the People, Culture and Social Responsibility Committee. She is also a member of the Risk and Compliance Committee and the Remuneration and Nomination Committee.
Richard Sheppard	**Non-Executive Director** (from 1 March 2013) Bachelor of Economics (1st Class Honours) Richard Sheppard has had an extensive executive career in the banking and finance sector including an executive career with Macquarie Group Limited spanning more than 30 years. Mr Sheppard was previously the Managing Director and Chief Executive Officer of Macquarie Bank Limited and chaired the boards of a number of Macquarie's listed entities. He has also served as Chairman of the Commonwealth Government's Financial Sector Advisory Council. Mr Sheppard is currently Chairman of Macquarie Group Foundation and Chairman of Green State Power. He is also a Non-Executive Director of Dexus Property Group, Treasurer of the Bradman Foundation and a member of the board of the Sydney Cricket Club. During the financial year, Mr Sheppard was the Chairman of the Risk and Compliance Committee and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee. From 1 July 2013, Mr Sheppard continues as the Chairman of the Risk and Compliance Committee. He is also a member of the Audit Committee and the People, Culture and Social Responsibility Committee.

DIRECTORS' REPORT *CONTINUED*

NAME	QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES
Gerard Bradley	**Non-Executive Director** (from 30 May 2013) Bachelor of Commerce; Diploma of Advanced Accounting; Fellow of the Institute of Chartered Accountants; Fellow of CPA Australia; Fellow of the Australian Institute of Company Directors; Fellow of the Australian Institute of Management Gerard Bradley is currently the Chairman of Queensland Treasury Corporation and related companies, 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 Australian Treasury Departments. Mr Bradley has previously served as Chairman of the Board of Trustees at QSuper. His previous non-executive board memberships also include Funds SA, Queensland Investment Corporation, Suncorp (Insurance & Finance), Queensland Water Infrastructure Pty Ltd, and South Bank Corporation. During the financial year, Mr Bradley was a member of the Audit Committee, the Risk and Compliance Committee, the Nomination Committee and the Remuneration Committee. From 1 July 2013, Mr Bradley is a member of the Risk and Compliance Committee and the Remuneration and Nomination Committee. Mr Bradley will commence as Chairman of the Audit Committee from 1 September 2013 following a period of transition from Ms Anne Brennan, after the release of the full year financial results.
FORMER	
Brett Paton(i)	**Non-Executive Director** (from 25 March 2011 to 25 September 2012) Bachelor of Economics; Member of the Institute of Chartered Accountants in Australia Brett Paton is Vice Chairman of Institutional Clients Group for Australia and New Zealand at Citigroup Inc and is a member of the Citigroup Australian Management Committee. He is also a member of the ASX Capital Markets Advisory Panel. Mr Paton was Managing Director and Vice Chairman of Global Investment Banking at UBS and was a Member of its Australian Executive Committee, Chairman of the Equity Markets Committee and Chairman of the Capital Commitment Committee, its underwriting committee. Mr Paton was the Chairman of the Audit Committee. He was also a member of the Remuneration Committee, the Risk and Compliance Committee and the Nomination Committee.
Larry Mullin(ii)	**Director** (from 2 March 2011); **Managing Director and Chief Executive Officer** (from 15 June 2011 to 31 January 2013) Bachelor of Business Administration Larry Mullin was previously Chief Executive – Casinos of Tabcorp Holdings Limited from February 2009 until the implementation of the demerger of the Company and its controlled entities in June 2011. Prior to joining Tabcorp, Mr Mullin was the President and Chief Operating Officer of Borgata Hotel Casino and Spa in Atlantic City. Mr Mullin has a 20-year career in casino operations, during which he held a variety of senior casino management positions and helped shape casino entertainment in the United States.

(i) Ceased as a Director of the Company on 25 September 2012. Information was applicable at the time of cessation as a Director.
(ii) Ceased as a Director of the Company on 31 January 2013. Information was applicable at the time of cessation as a Director.

2. DIRECTORSHIPS OF OTHER LISTED COMPANIES

The following table shows, for each person who served as a Director during the financial year and up to the date of this report (unless otherwise stated), all directorships of companies that were listed on the ASX or other financial markets operating in Australia (other than Echo Entertainment Group Limited) during the last three years, and the period for which each directorship held.

NAME	LISTED ENTITY	PERIOD DIRECTORSHIP HELD
CURRENT		
John O'Neill AO	Tabcorp Holdings Limited	May 2008 to June 2011
John Redmond	Nil	N/A
Matt Bekier	Nil	N/A
Anne Brennan	Myer Holdings Limited	September 2009 to present
	Charter Hall Group	October 2010 to present
	Nufarm Limited	February 2011 to present
	Argo Investments Limited	September 2011 to present
Katie Lahey AM	David Jones Limited	October 1995 to June 2012
Richard Sheppard	Dexus Property Group	January 2012 to present
Gerard Bradley	Nil	Nil
FORMER		
Brett Paton(i)	Tabcorp Holdings Limited	October 2008 to June 2011
Larry Mullin(ii)	Nil	N/A

(i) Ceased as a Director of the Company on 25 September 2012.
(ii) Ceased as a Director of the Company on 31 January 2013.

3. COMPANY SECRETARY

Paula Martin holds the position of Group General Counsel and Company Secretary. She holds a Bachelor of Business (Int. Bus.) and a Bachelor of Laws and holds a Chartered Secretaries Australia Graduate Diploma in Applied Corporate Governance. She has extensive commercial legal experience having worked with King & Wood Mallesons (formerly Mallesons Stephen Jaques) prior to joining the Company's casino businesses. Ms Martin is also a member of the Queensland Law Society and Australian Corporate Lawyers Association.

4. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year comprised the provision of leisure and entertainment services (particularly in relation to casino gambling, entertainment and hospitality).

5. FINANCIAL RESULTS AND REVIEW OF OPERATIONS

The Group's consolidated profit after income tax for the financial year ended 30 June 2013 was $83.5 million, an increase of 97.9% on the previous financial year.

Earnings before interest and tax (EBIT) were $188.6 million, an increase of 31.2% on the previous financial year.

The increase in earnings was attributable to a number of items, including increased revenue, a higher win rate in the VIP business, reduced operating expenditure from the cost optimisation program and a decrease in significant items of $35.8m compared to the previous financial year.

Revenue was $1,737.9 million, an increase of 7.6% on the previous financial year. Revenue at The Star was up 17.5%, offset by Queensland revenues that were down 3.3%. Revenue in the VIP rebate business was up 42.8% compared to the previous financial year.

The Group's divisional structure comprises the following three operating divisions:

- The Star;
- Jupiters; and
- Treasury.

The activities and results for these operations are discussed below.

5.1 THE STAR

The Group operates The Star in Sydney.

The Star achieved EBIT of $156.0 million, an increase of 40.2% on the previous financial year. Revenue increased by 17.5% to $1,203.1 million for the financial year.

Gaming revenue was driven by a strong VIP rebate business showing consistent momentum in volume growth but also benefiting from a higher win rate in the 2013 financial year than the prior period. Domestic gaming revenue grew at more modest levels, with main gaming floor tables being the main driver of revenue during the period. Non gaming revenue was up with restaurant and bar revenue up 25% on the previous year. Hotel revenue was also up, particularly at The Darling, with an increase in revenue of 36% on the previous financial year.

The expansion plans at The Star have been delivered on time and on budget, with the Event Centre opening in the second half of the year completing The Star's transformation into a world class integrated resort.

The Star is well positioned to deliver on this investment, with the new loyalty program and marketing initiatives geared to reinvigorate slots and table game play and the full benefits of cost optimisation program that is now substantially completed, to come through in the new financial year.

5.2 QUEENSLAND

In Queensland, the Group operates the Jupiters Hotel and Casino on the Gold Coast, Jupiters Townsville and the Treasury Casino and Hotel in Brisbane. In addition, the Group manages the Gold Coast Convention and Exhibition Centre, and has an interest in and manages the Townsville Entertainment and Convention Centre.

Jupiters achieved EBIT of $25.5 million, which was 56.9% below the previous financial year. Gross revenue decreased by 8.0% to $363.2 million.

Treasury achieved EBIT of $45.4 million, which was 4.2% below the previous financial year. Gross revenue increased by 3.5% to $280.5 million.

The three Queensland properties were impacted by the continuation of a tough consumer environment. Jupiters was also impacted by a lower win rate in the VIP business compared to the prior period, domestic gaming revenue was broadly flat on the prior period with table games revenue up 3% on the previous year offset by weaker slots revenue, down 2.5% on the previous year. VIP gaming revenue was down 45% impacted by a combination of reduced volumes and a lower win rate in the year ended 2013 compared to the prior period (1.32% compared to 2.1%). Non gaming revenues were flat with restaurant revenue up 4% on the prior year, offset by weaker bar and hotel revenue impacted by the soft leisure travel demand. Operating expenses were well controlled, as the benefits of the cost optimisation program began to be realised.

The Group continues to have productive discussions with the Queensland Government around a potential relocation of the Treasury Brisbane casino and further investment in Jupiters Gold Coast, which the Group believes have the potential to be positive investments for the State of Queensland as well as the Group's shareholders.

5.3 CASINO LICENCES

Each of the Queensland casino licences are perpetual and will remain in force unless and until they are cancelled or surrendered pursuant to the Casino Control Act 1982 (Qld). The Queensland casino licences do not currently contain any exclusivity provisions and there are currently four casinos in Queensland.

In New South Wales, The Star's casino licence runs until 2093 and includes exclusivity arrangements with the New South Wales Government that support a single casino licence in New South Wales until 2019 (refer also to section 8.4).

6. EARNINGS PER SHARE (EPS)

Basic and diluted EPS for the financial year were 10.1 cents, up 71.2% on the previous financial year. EPS is disclosed in note 14 of the financial report.

7. DIVIDENDS

7.1 DIVIDEND PAYOUT

The Company's target dividend payout ratio is 50% of statutory net profit after tax (NPAT).

An interim dividend of 4 cents per share (fully franked) was paid on 27 March 2013.

A final dividend of 2 cents per share (fully franked) has been declared by the Company for the financial year ended 30 June 2013, to be paid to shareholders on 9 October 2013.

The final dividend is above the Group's target payout ratio of 50% of NPAT, reflecting the Board's confidence in the business' momentum and the benefits expected from the restructuring undertaken.

7.2 DIVIDEND REINVESTMENT PLAN (DRP)

The Company's DRP is in operation for the final dividend. The last date for receipt of election notices to enable participation for the final dividend is 2 September 2013 (the ***Record Date***). The price at which shares are allocated under the DRP is the daily volume weighted average market price of the Company's shares sold in the ordinary course of trading on the ASX over a period of 10 business days beginning on (and including) the second business day after the Record Date. Shares allocated under the DRP will rank equally with the Company's existing fully paid ordinary shares.

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following events, which may be considered to be significant changes in the state of affairs of the Group, have occurred during the financial year.

8.1 SHAREHOLDER ACTIVITY

The following changes to substantial shareholdings in the Company occurred during the financial year:

- On 25 September 2012, Genting Singapore PLC and its subsidiaries, Genting Hong Kong and its subsidiaries and Genting Berhad ceased to be a substantial shareholder following the sale of a 4.8% shareholding in the Company.
- On 4 October 2012, Genting Hong Kong Limited and its associates became a substantial shareholder, holding 43,110,000 ordinary shares, representing 5.22% of the voting power in the Company.
- On 29 May 2013, Crown Limited and its controlled bodies corporate ceased to be a substantial shareholder of the Company, after Pennwin Pty Limited (a wholly owned subsidiary of Crown Limited) sold its entire shareholding of 82,561,200 ordinary shares, which represented 10% of the voting power in the Company.
- On 14 June 2013, Genting Hong Kong Limited and its associates increased their shareholding to 54,486,760 ordinary shares, representing an increase from 5.22% to 6.6% of the voting power in the Company.
- During the financial year Perpetual Limited and its subsidiaries, including Perpetual Investments Management Limited (PPT) became a substantial shareholder and increased their shareholding, following receipt of regulatory approvals, to 12.6% on 11 June 2013 and subsequently to 13.77% on 13 August 2013.

APPLICATIONS TO INCREASE SHAREHOLDING/VOTING POWER ABOVE 10%

The New South Wales Independent Liquor and Gaming Authority and the Queensland Attorney General and Minister for Justice have granted approvals for the following entities to increase their shareholding or voting power in the Company above the 10% restriction in the Company's constitution:

- Approvals for Perpetual Investment Management Limited to increase its shareholding in the Company up to a maximum of 15% of issued shares were received by 2 July 2012.
- Approvals for Crown Limited to increase its potential voting power in the Company up to an effective maximum of 23% (which may be adjusted in certain circumstances) were received by 17 May 2013.
- The application made by the Genting group of companies on 27 June 2012 for approval to acquire more than 10% voting power in the Company is still pending approval by the casino regulators as at the date of this report.

8.2 COST OPTIMISATION PROGRAM

The Company's cost optimisation program has been implemented since April 2012 and reduced the Group's operating expenditure by approximately $40 million during the financial year. The majority of cost saving initiatives relate to restructuring and reorganisation. The cost optimisation program is expected to produce over $60 million of cost savings.

8.3 CHANGES TO SYNDICATED FACILITY AGREEMENT

During the financial year, the Group repaid $433.0 million of its bank loans using proceeds from the Entitlement Offer (see note 26 of the financial report). In addition, the Group reduced the total facility from $960 million to $750 million, and extended the maturity of Tranche A and Tranche B of its Syndicated Facility Agreement debt to 20 July 2015 and 20 July 2017 respectively (see note 23 of the financial report).

8.4 UNSOLICITED PROPOSAL TO NEW SOUTH WALES GOVERNMENT

During the financial year, the Group submitted its Unsolicited Proposal to the New South Wales Government seeking to extend the period of exclusivity of The Star's casino licence beyond 2019. The proposal outlined a total capital investment by the Company of up to $1.1 billion (including up to $130 million for improved transport and connectivity solutions for the City of Sydney) and payments to the New South Wales Government totalling $250 million for the proposed exclusivity arrangements coupled with a gaming tax revenue guarantee.

On 4 July 2013, the New South Wales Government rejected the Group's proposal and progressed Crown Limited's proposal (to develop a VIP gaming facility at Barangaroo) to Stage 3 of the Unsolicited Proposal process, with an upfront licence fee of $100 million. If the New South Wales Government enters into a binding agreement to issue a VIP gaming licence to Crown Limited and the necessary legislative processes are completed, the exclusivity of The Star's casino licence will cease after November 2019.

The outcome of the Unsolicited Proposal submitted to the New South Wales Government was disappointing, but the Group is committed to maximising the return on its assets from being the sole casino in Sydney until November 2019 and to compete effectively beyond that timeframe.

9. BUSINESS STRATEGIES

The key strategic priorities for the Group are as follows:

- Create world class destinations, including the proposed expansion of the Queensland casinos;
- Grow international VIP business, including providing world class private gaming facilities and expanding international rebate business market share;
- Improve customer experience, including providing customers with improved product and service offering; and
- Maximise value from technology, including further enhancing gaming and loyalty experience and delivering integrated and new IT platforms.

10. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Aside from those events that have already been disclosed in this report, there have been no other significant events occurring after the end of the financial year which may affect the Group's operations or results of those operations or the Group's state of affairs.

11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue with its strategies, as set forth in this report.

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors have reasonable grounds to believe that to include such information will be likely to result in unreasonable prejudice to the Group.

12. AUDITORS

The Group's external auditor is Ernst & Young.

The Group's internal audit function is fully resourced by the Company.

13. ENVIRONMENTAL REGULATION AND PERFORMANCE

As one of the world's largest publicly listed casino gambling companies, the Company is committed to a high level of environmental performance across all its operations. The Company seeks to continuously improve by identifying opportunities to reduce energy and water consumption, reducing waste to landfill, procuring more sustainable products and services and reducing our overall carbon emissions.

The Company's business activities are managed in a manner that seeks to minimise adverse environmental impacts and deliver continual improvement in environmental performance which exceeds state and federal regulations.

Each of the Company's properties applies environmental management procedures and systems which assist in maintaining high levels of environmental regulation and performance.

The Company is registered and reports to the Federal Government under the National Greenhouse Energy Reporting System (NGERS), which requires organisations that meet certain thresholds in energy consumption or greenhouse gas emissions to report to the Government all energy consumption and greenhouse gas emissions every year.

The Company is also registered and reports under the Federal Government's Energy Efficiency Opportunities Act which seeks to improve identification and uptake of cost-effective energy efficiency opportunities, improve productivity and reduce greenhouse gas emissions, and increase scrutiny of energy use by large energy consumers.

The Company ensures continuous improvement of environmental sustainability outcomes through target setting, measurement, management and reporting.

14. RISK MANAGEMENT

The Group has a structured and proactive approach to understanding and managing risk. The key focus of the risk management approach is to align technology and knowledge resources in evaluating and managing strategic, financial, people and compliance risks and opportunities faced by the Group.

15. DIRECTORS' INTERESTS IN SECURITIES

At the date of this report (except as otherwise stated), the Directors had the following relevant interests in the securities of the Company:

NAME	ORDINARY SHARES	PERFORMANCE RIGHTS
Current		
John O'Neill AO	46,120	Nil
John Redmond	Nil	Nil
Matt Bekier	220,964	459,830
Anne Brennan	10,000	Nil
Katie Lahey AM	Nil	Nil
Richard Sheppard	Nil	Nil
Gerard Bradley	Nil	Nil
Former		
Brett Paton[(i)]	90,000	Nil
Larry Mullin[(ii)]	185,644	465,116

(i) Ceased as a Director of the Company on 25 September 2012. The number of Echo Entertainment Group Limited securities disclosed above was applicable at the time of cessation.

(ii) Ceased as a Director of the Company on 31 January 2013. The number of Echo Entertainment Group Limited securities disclosed above was applicable at the time of cessation.

DIRECTORS' REPORT *CONTINUED*

16. BOARD AND COMMITTEE MEETING ATTENDANCE

During the financial year ended 30 June 2013 the Company held 14 meetings of the Board of Directors. The number of Board and Committee meetings attended by each of the Directors during the year were:

	BOARD OF DIRECTORS		AUDIT COMMITTEE		RISK AND COMPLIANCE COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE	
NAME	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Current										
John O'Neill AO	14	14	5	5	4	4	2	2	7	7
John Redmond(i)(iii)	14	14	2	3	2	2	2	2	4	4
Matt Bekier(i)	14	14	0	0	0	0	0	0	0	0
Anne Brennan	14	14	5	5	4	4	2	2	7	7
Katie Lahey AM(ii)	8	5	3	1	3	2	0	0	3	3
Richard Sheppard(ii)	7	5	2	1	3	2	0	0	4	3
Gerard Bradley(ii)	5	1	1	0	2	0	0	0	3	1
Former										
Brett Paton(iv)	4	4	2	2	1	1	0	0	2	2
Larry Mullin(v)	6	7	0	0	0	0	0	0	0	0

A Number of meetings attended as a Director or observer
B Maximum number of possible meetings available for attendance following appointment as a Director
(i) The Executive Directors are not members of any Board Committee but may attend Board Committee meetings upon invitation, however this attendance is not recorded here.
(ii) The number of meetings attended by Katie Lahey, Richard Sheppard and Gerard Bradley includes meetings which they attended as observers prior to their appointment as Directors.
(iii) While he was a Non-Executive Director, John Redmond attended Audit Committee meetings as an observer only.
(iv) Ceased as a Director on 25 September 2012.
(v) Ceased as a Director on 31 January 2013.

Details of the functions and memberships of the Committees of the Board are set out in the Corporate Governance Statement section of the Annual Report. The terms of reference for each Board Committee are available from the corporate governance section of the Company's website.

17. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Directors and Officers of the Company are indemnified against liabilities pursuant to agreements with the Company. The Company has entered into insurance contracts with third party insurance providers, and in accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

18. NON-AUDIT SERVICES

Ernst & Young, the external auditor to the Company and the Group, provided non-audit services to the Company during the financial year ended 30 June 2013. The Directors are satisfied that the provision of non-audit services during this period was compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. These statements are made in accordance with advice provided by the Audit Committee.

The Audit Committee reviews the activities of the independent external auditor and reviews the auditor's performance on an annual basis. Further details relating to the Audit Committee and the engagement of auditors are available in the Corporate Governance Statement section of the Annual Report.

Ernst & Young, acting as the Company's external auditor, received or are due to receive the following amounts in relation to the provision of non-audit services to the Company:

DESCRIPTION OF SERVICES	$000
Other assurance related services in relation to the Company and any other entity in the consolidated group	16
Other non-audit services	64
Total of all non-audit and other services	**80**

Amounts paid or payable by the Company for audit and non-audit services are disclosed in note 37 of the financial report.

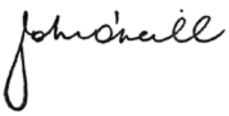
19. ROUNDING OF AMOUNTS

Echo Entertainment Group Limited is a company of the kind specified in Australian Securities and Investments Commission Class Order 98/100. In accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded to the nearest hundred thousand dollars unless specifically stated to be otherwise.

20. AUDITOR'S INDEPENDENCE DECLARATION

Attached is a copy of the auditor's independence declaration provided under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year ended 30 June 2013. The auditor's independence declaration forms part of this Directors' report.

This report has been signed in accordance with a resolution of Directors.



John O'Neill AO
Chairman
Sydney
22 August 2013

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Echo Entertainment Group Limited

In relation to our audit of the financial report of Echo Entertainment Group Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

John Robinson
Partner
22 August 2013

REMUNERATION REPORT (AUDITED)
FOR THE YEAR ENDED 30 JUNE 2013

SHAREHOLDER INTRODUCTION

Echo is pleased to present its Remuneration report to shareholders for the year ended 30 June 2013. The Board is committed to clear and transparent disclosure of the Company's remuneration structure and the individual remuneration details for the Executives and Directors which drive Echo's performance.

This year we have added a summary which outlines key remuneration decisions taken during FY13 as well as the planned changes for FY14, together with details of actual cash remuneration paid in FY13 and FY12.

Summary of key remuneration decisions taken during the year ended 30 June 2013

Fixed remuneration

- No increases in fixed remuneration for the Chief Executive Officer, Chief Financial Officer and Property Managing Directors, with the exception of Mr Hogg, whose role expanded from Managing Director of Treasury Casino & Hotel to include responsibility for Jupiters Townsville.
- An independent review of Non-Executive Director (***NED***) fees was conducted by PwC. This review indicated that fees were positioned around the 25th percentile of the peer group. NED fees will be adjusted over a two year period in accordance with the outcomes of this review.

Short term incentives

- The Group did not achieve its normalised net profit after tax (***NPAT***) target in FY13 and no short term incentive was earned or will be paid for FY13.

Long term incentives

- Prior to FY13, the allocation under the Long Term Performance Plan (***LTPP***) was in arrears. In FY13, the allocation was in advance and the vesting and measurement was changed from 3 to 4 years.

Planned changes for FY14

- No fixed remuneration increases will be awarded to the Chief Executive Officer and the Chief Financial Officer for FY14.
- Introduction of short term incentive (***STI***) deferral (one third of short term incentives to be deferred in restricted shares for a period of twelve months) and clawback provisions included.
- Introduction of a second performance measure (Earnings Per Share) in the LTPP.
- Change in LTPP valuation methodology from Fair Value to Moderated Face Value for the purposes of determining the number of performance rights allocated.
- The Remuneration and Nomination committees have been combined.
- Second year of NED fee increases consistent with independent review of NED fees.

REMUNERATION REPORT (AUDITED)
FOR THE YEAR ENDED 30 JUNE 2013 *CONTINUED*

Actual Cash Remuneration - Executives

The tables below show the actual cash remuneration received by Executives for the FY13 and FY12. In addition, Executives received non-monetary benefits as outlined in Table 10.

Mr Luvisutto's FY13 remuneration is higher than FY12 to reflect changes in his role.

Table 1: Actual Cash Remuneration for the year ended 30 June 2013 – Executives

KMP	SALARY & FEES[i] $	BONUS $	OTHER $	TOTAL $
Current Executive Directors				
John Redmond	1,010,786	-	-	1,010,786
Matt Bekier	883,530	-	-	883,530
Current Executives				
Geoff Hogg	330,447	-	-	330,447
Frederic Luvisutto	683,530	-	-	683,530
Aaron Gomes	330,256	-	-	330,256
Former Executive				
Larry Mullin[ii]	821,989	-	2,406,473	3,228,462
Total	**4,060,538**	**-**	**2,406,473**	**6,467,011**

(i) This balance includes salary sacrificed amounts of $21,241 for Mr Hogg and $72,800 for Mr Luvisutto.

(ii) Mr Mullin received a termination payment of $2,406,473.

Table 2: Actual Cash Remuneration for the year ended 30 June 2012 – Executives

KMP	SALARY & FEES $	BONUS $	OTHER $	TOTAL $
Current Executive Directors				
Larry Mullin	1,500,000	-	-	1,500,000
Matt Bekier	884,225	-	-	884,225
Current Executives				
Geoff Hogg	316,956	-	-	316,956
Frederic Luvisutto [i]	447,321	-	-	447,321
Former Executive				
Sid Vaikunta [ii]	470,145	-	192,125	662,270
Total	**3,618,647**	**-**	**192,125**	**3,810,772**

(i) Mr Luvisutto commenced his role of Managing Director The Star on 5 April 2012.

(ii) Mr Vaikunta received a termination payment of $192,125.

1. REMUNERATION REPORT (AUDITED)

This Remuneration report outlines the remuneration policy and arrangements for Key Management Personnel (***KMP***) of Echo Entertainment Group Limited (***Echo*** or the ***Company***) in accordance with the requirements of the *Corporations Act 2001* and the Corporations Regulations 2001. The information provided in this Remuneration report has been audited as required by section 308(3C) of the Corporations Act.

2. REMUNERATION GOVERNANCE

The Remuneration Committee considers matters relating to the remuneration of Directors and Executives, as well as the remuneration policies of the Company generally. The Committee is comprised of at least three members appointed by the Board. All members must be Non-Executive Directors.

The Remuneration Committee composition during FY13 was:

Anne Brennan (Chair), John O'Neill (Member), Katie Lahey (Member) – appointed, Richard Sheppard (Member) – appointed, Gerard Bradley (Member) – appointed, and Brett Paton (Member) – resigned.

The main responsibilities of the Remuneration Committee are:

- Establishing and maintaining fair and reasonable remuneration policies and practices that apply to the Group;
- Reviewing and recommending to the Board the remuneration of Executives and the terms and conditions of any incentive plans;
- Engaging a remuneration consultant that provides remuneration recommendations on KMPs directly to the Remuneration Committee;
- Agreeing benchmarks against which annual salary reviews are evaluated.

Information relating to the Committees will be provided in the Directors' report and Corporate Governance Statement.

From 1 July 2013, the Nomination Committee and the Remuneration Committee were combined to form the Remuneration and Nomination Committee. Terms of Reference have been changed to reflect this. Richard Sheppard is no longer a member.

Independent advisor

The Remuneration Committee may also engage an independent external advisor in relation to any Remuneration Committee matter, specifically:

- NED remuneration; and
- Executive remuneration and the design and structure of incentive arrangements.

The Remuneration Committee approved the engagement of PricewaterhouseCoopers (***PwC***) to provide remuneration advice and recommendations relating to the:

- Review of the Executive short term and long term incentive plan features;
- Benchmarking of NED remuneration arrangements.

Both PwC and the Remuneration Committee are satisfied the advice received from PwC is free from undue influence from the KMP to whom the remuneration recommendations apply.

The remuneration recommendations are provided to Echo as an input into decision making only. The Remuneration Committee and the Board consider the recommendations along with other factors in making its remuneration decisions.

The fees paid to PwC for the remuneration recommendations were $54,040. PwC has provided other services (taxation and other non-remuneration related advice) to Echo during FY13. Fees paid in respect to these services were $273,000.

REMUNERATION REPORT (AUDITED)
FOR THE YEAR ENDED 30 JUNE 2013 *CONTINUED*

3. KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 30 JUNE 2013

Echo's Key Management Personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity. They fall into two categories:

- Non-Executive Directors (NEDs)
- Executive Directors (Chief Executive Officer and Chief Financial Officer) and Executives (Property Managing Directors)

There have been a series of changes during the year ended 30 June 2013 to NED and Executives.

Table 3: Key Management Personnel changes for the year ended 30 June 2013

NAME	TITLE (*AT YEAR END*)	CHANGE DURING THE YEAR ENDED 30 JUNE 2013
Non-Executive Directors		
John O'Neill AO	Chairman and Independent Non-Executive Director	Chairman appointment confirmed 23/07/2012 (previously NED)
Anne Brennan	Deputy Chair and Independent Non-Executive Director	Appointed Deputy Chair 14/06/2013
Katie Lahey AM	Independent Non-Executive Director	Appointed 1/03/2013 (Observer 3/10/2012)
Richard Sheppard	Independent Non-Executive Director	Appointed 1/03/2013 (Observer 21/11/2012)
Gerard Bradley	Independent Non-Executive Director	Appointed 30/05/2013 (Observer 20/02/2013)
Brett Paton	Independent Non-Executive Director	Resignation effective 25/09/2012
Executives		
John Redmond	Managing Director & Chief Executive Officer	Non-Executive Director to 18/01/2013. Appointed as Managing Director & Chief Executive Officer on 18/01/2013.
Matt Bekier	Chief Financial Officer & Executive Director	No change
Frederic Luvisutto	Managing Director The Star	No change
Geoff Hogg	Managing Director Treasury Casino & Hotel and Managing Director Jupiters Townsville	Appointed 01/09/2012 as Managing Director Jupiters Townsville
Aaron Gomes	Managing Director Jupiters Hotel & Casino (Gold Coast)	Appointed 04/10/2012
Larry Mullin	Managing Director & Chief Executive Officer	Resignation effective 31/01/2013

4. GROUP REMUNERATION PHILOSOPHY

Echo's Group remuneration framework enables Echo to attract, motivate and retain the highest calibre individuals at all levels across the Group. The core components of our framework are based on the following principles:

- Market based fixed remuneration which is relative to our peers;
- Performance based pay through short term incentive arrangements, which connects individuals to property and group performance;
- Long term value creation which encourages our leaders to behave like company owners.

For Executives, this involves aligning the reward components with the individual's ability to influence results.

5. EXECUTIVE DIRECTOR AND EXECUTIVE REMUNERATION

The Remuneration Committee reviews the overarching Echo remuneration framework and recommends to the Board Executive remuneration arrangements. The Group remuneration framework comprises a mix of both fixed and variable remuneration components (see Figure 1).

Echo's remuneration framework seeks to drive market competitive remuneration and aligned policies and practices to our shareholder interests, specifically through:

- Metric selection, for example net profit after tax (measured on a normalised basis and before non-recurring items) as the gateway to trigger STPP payments;
- Rewarding long term company performance measured by reference to a comparable group of companies in the S&P/ASX 100 index, which over the long term should lead to value creation for shareholders;
- Using scorecards which are aligned to Echo's short and long term strategic plans;
- Creation of financially sustainable programs which emphasise the overachievement of results against targets.

Figure 1: Elements of Executive Total Reward

	Component	Delivery	Performance Alignment	Strategic Objective
	Fixed	Cash(i) Superannuation	Market Median	Attraction and Retention
	+			
Variable (at risk)	Short term incentive (STI)	Cash(i), or mix of Cash and Restricted Shares(ii)	Group or Property Performance and Individual Performance	Short term targets (12 month period)
	+			
Variable (at risk)	Long term incentive (LTI)	Performance Rights(iii)	Total Shareholder Return	Shareholder value creation (4 year period)
	=			
	Total Annual Reward (TAR)			

(i) Employees may voluntarily elect to salary sacrifice for additional superannuation contributions and motor vehicle novated leases (from fixed component only).

(ii) a) Currently deferral exist for Senior Managers who do not receive Long Term Incentives (LTI).
b) The Board is introducing mandatory deferral of one third of the short term incentive (STI) award into Echo restricted shares for senior executives.

(iii) Vest subject to meeting relevant performance based hurdles on the fourth anniversary of the allocation.

(iv) The Board is proposing the introduction of a second performance measure – Earnings per share (EPS) or Return of Equity (ROE).

REMUNERATION REPORT (AUDITED)
FOR THE YEAR ENDED 30 JUNE 2013 *CONTINUED*

Approach to setting remuneration levels and mix

Remuneration levels for Executives are reviewed annually, referencing market data (market median), and considering the capabilities, experience and performance. The combination of fixed and variable pay makes up the Executives Total Annual Reward (***TAR***).

Table 4: Executive KMP target reward mix

		POLICY REMUNERATION MIX % OF TOTAL		
ROLE	FIXED REMUNERATION	TARGET STI	LTI (GRANT VALUE)	TAR
Chief Executive Officer	47%	32%	21%	100%
Chief Financial Officer	45%	30%	25%	100%
Property Managing Directors	50%	30%	20%	100%

Fixed remuneration

The fixed remuneration received by Executives may comprise base salary, superannuation and non-monetary benefits. The amount of fixed remuneration an Executive receives reflects the scope and responsibilities of the role and the level of knowledge, skills and experience of the individual.

Variable (at risk) remuneration

Short Term Performance Plan

The Short Term Performance Plan (***STPP***) is designed to reward Executive KMP for decisions made within a 12 month period. The Executives have the opportunity to receive a short term incentive payment equal to their target short term incentive (STI), multiplied by a factor which is based on individual and group or property performance targets. They can earn up to 1.5 or 150% of their target. Figure 2 demonstrates how the short term incentive is calculated.

The incentive is based upon three key factors:

Figure 2: STPP calculation

Target STI ($) × Group Funding or Property Multiplier (Discretionary) × Individual Performance Multiplier = **Short Term Incentive**

Target STI

This amount is based on a percentage of the individual's Total Annual Reward (TAR). Refer to Table 4 above.

*Group Funding Multiplier (**GFM**) or Property Multiplier (**PM**)*

- Echo's target normalised net profit after tax before non-recurring and/or significant items as approved by the Echo Board. The GFM determines the overall STI pool available for distribution.
- If the minimum financial performance target is met, the Board may also determine a PM for each property of the Group. The PM for a particular property may differ from the PM for other properties or from the GFM, allowing for differentiation between the contributions of the properties to the Group's overall performance.
- In the event the financial hurdle is not met, the Board has discretion to determine a reduced incentive pool.

*Individual Performance Multiplier (**IPM**)*

- Individual performance multiplier is determined by using a balanced scorecard of individual measures that align with and support the Group's annual objectives. Specific key performance indicators (***KPIs***) are agreed upon for each performance area at the start of the financial year against which the individual is assessed.
- The individual scorecards focus on the achievement of financial measures and the improvement of the quality of these financial measures through four performance areas – customers, people, organisation, and shareholders.

Table 5: Example of financial and non-financial measures

FINANCIAL	NON-FINANCIAL
NPAT before non-recurring and/or significant items	*Customer satisfaction score*
Property EBITDA	*Employee engagement scores (Group and property)*
Market share	*Employee compliance training completed*
Capital management	*Lost time injury frequency rating*
	Diversity and other people initiatives

To be eligible to receive a STPP payment the Executive needs to demonstrate the required levels of behaviours in line with the Group's values and must not have had any significant controllable compliance breaches.

Long Term Performance Plan

The Echo Long Term Performance Plan (***LTPP***) is principally designed to reward Executives for their contributions to long-term shareholder value creation. Grants are made in the form of Performance Rights, which means that upon vesting, a member of KMP is entitled to receive one fully paid ordinary Echo share in exchange for each Performance Right allocated to them, subject to satisfying the testing criteria.

Performance Rights are considered an effective instrument for delivering incentives to KMP which is aligned to achieving Echo shareholder value over the four year period.

The core components of the LTPP are as follows:

- The LTPP is a four year plan. Awards are granted at the start of the performance cycle and then tested against the relevant performance hurdle at the fourth anniversary of the date of grant (see Figure 3).
- Any unvested Performance Rights lapse immediately, there is no retesting.
- When the Performance Rights vest, Echo shares will automatically be delivered and registered in the participant's name.
- The fair value of the Performance Rights is expensed over four years in accordance with Accounting Standards.

Allocation

The Performance Rights under the Echo LTPP are generally allocated annually in September. The number of Performance Rights allocated is calculated as outlined in Figure 3.

Figure 3: FY13 allocation calculation

Target LTI ($) ÷ Fair Value of Performance Right = **Number of Performance Rights allocated**

Vesting conditions

The vesting of Performance Rights issued under the LTPP is dependent on two conditions, as discussed below.

1. Performance based

The performance hurdle for Performance Rights issued under the LTPP is relative Total Shareholder Return (***TSR***).

TSR measures the return received by shareholders (capital returns, dividends and share price movement) over a specific period relative to a peer group of companies. If there is any change in the dividend payment timetable of a company in the peer group (including Echo), then the TSR performance of that company is adjusted to remove any artificial distortion in the outcome. Echo will engage an external consultant to calculate Echo's TSR relative to the peer group of companies.

Table 6: Echo's relative TSR peer group

BASIS	EXCLUSIONS
S&P/ASX100 index	– Property trusts; – Infrastructure groups; and – Mining companies Represented by the S&P Global Industry Classification Standards of Oil & Gas, Metals & Mining, Transportation Infrastructure and Real Estate.

The composition of the peer group may change as a result of specific external events, such as mergers and acquisitions, capital returns, de-listings and capital reconstruction. The Remuneration Committee agrees guidelines for adjusting the peer group following such events, and has the discretion to determine any adjustment to the peer group of companies.

Table 7: Percentage of Performance rights obtainable

ECHO'S RELATIVE TSR RANKING	PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST
Below 50th percentile	0%
At 50th percentile	50%
Above 50th and below 75th percentile	Pro-rata between 50% (at 50th percentile) and 100% (at 75th percentile)
At or above 75th percentile	100%

This performance period and vesting criteria are common practices adopted by companies in the S&P/ASX100 index, which is consistent with Echo's remuneration philosophy.

When the Performance Rights vest, Echo shares are delivered automatically and are registered in the participant's name, and participants receive full voting and dividend rights corresponding to the rights of all other holders of ordinary shares. These shares are free of restrictions but are still subject to Echo's Securities Trading Policy.

From FY14 the Board will introduce a second performance measure, being statutory Earnings Per Share (EPS), to complement the current TSR referred to above to drive greater alignment between performance and shareholder earnings. Further details are provided under the section entitled "**FY14 changes**" in this report.

2. *Time based*

Performance Rights may vest at the fourth anniversary of the date of grant (***Test Date***), subject to meeting the relevant performance requirements at the Test Date (refer Figure 4). The Test Date is aligned with the timeframe for Echo's long term business strategy. For comparative purposes the FY12 vesting timeline has been provided.

Figure 4: FY13 grant vesting conditions

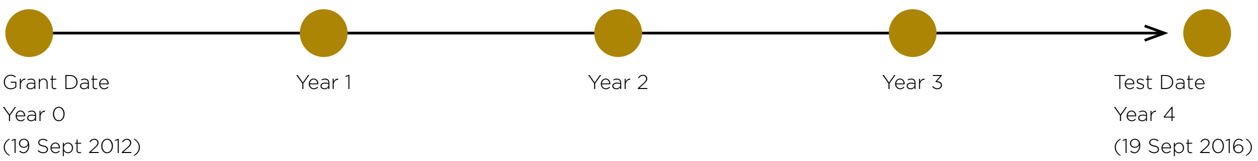
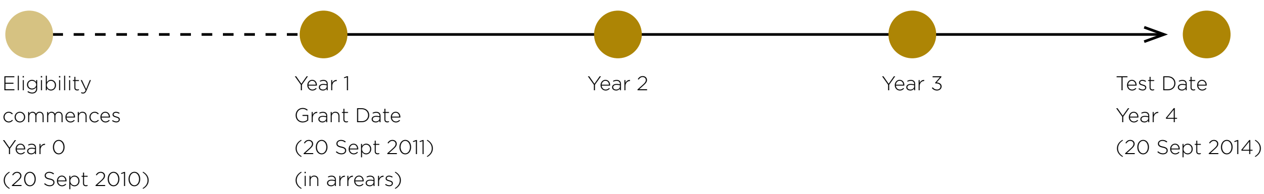


Figure 5: FY12 grant vesting conditions



Lapsing conditions

Performance Rights that have not vested after testing will immediately lapse.

Cessation of employment

All unvested Performance Rights lapse immediately upon cessation of employment with Echo. However, the Remuneration Committee has discretion in special circumstances to determine the number of Performance Rights retained and the terms applicable. Special circumstances include events such as retirement, redundancy, death and permanent disability.

Accounting treatment

Performance Rights issued under the LTPP are expensed on a straight line basis over the four year vesting period, commencing from the grant date. Under Accounting Standards, Echo is required to recognise an expense irrespective of whether the Performance Right ultimately vests to a member of KMP. A reversal of the expense is only recognised in the event the Performance Rights lapse due to cessation of employment within the four year vesting period.

LTI performance

There were no performance tests in FY12 or FY13.

Policy prohibiting hedging

Participants in the incentive plans (STPP and LTPP), are restricted from hedging the value of Restricted Shares and unvested Performance Rights, and must not enter into any derivative arrangements in respect of the equity instruments granted under these plans. Breaches of the restriction will result in equity instruments being forfeited by the participant.

These prohibitions are included in Echo's Securities Trading Policy, available from the Corporate Governance section of Echo's website at **www.echoentertainment.com.au** and also in the terms and conditions of the incentive plans.

Equity instruments granted under the incentive plans can only be registered in the name of the participant, are identified as non-tradable on the share register, and cannot be traded or transferred to another party until vested or until any trading restriction period has expired (where applicable).

The Board, at its discretion, may request an executive to provide a statutory declaration that the executive has complied with this policy. During the period, the Board did not require any such declarations.

FY14 plan changes

The board has approved the following changes to the LTPP plan:

Valuation methodologies

The Board has changed the current Monte Carlo Fair Value valuation method to Moderated Face Value valuation for FY14 for purposes of determining the number of rights allocated under the LTPP.

Moderated Face Value (MFV) reflects the face value of the share at the allocation date less the value of any dividends forgone by the award holder during the vesting period i.e. *Share price x Dividend Discount Factor*. The Company engages external consultants to calculate MFV for each allocation of performance rights.

For accounting purposes, the Company engages an external consultant to complete a Fair Value calculation utilising a Monte Carlo simulation to estimate the proportion of performance rights which might vest at the Test Date after the application of the total shareholder return based performance hurdles.

Introduction of a second performance measure

The Board will introduce a second performance measure to complement the current TSR measure in FY14. The introduction of statutory Earnings Per Share (EPS) as a secondary measure will drive greater alignment between performance and shareholder earnings.

The EPS hurdle measures the growth in accounting based earnings per ordinary share. It drives line of sight between shareholder value creation and management's financial performance. This target is an absolute target set by the Board considering the Company's five year financial outlook.

A maximum and threshold performance level will be set relative to the percentage of Performance Rights that will vest.
For example at 90% of performance (threshold) 50% of performance rights will vest.

Echo will disclose EPS targets on a retrospective basis to ensure that the Company's competitive position is not compromised.

6. EXECUTIVE DIRECTOR CONTRACT – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Current Chief Executive Officer & Managing Director contract: John Redmond

Mr Redmond commenced his current position of Managing Director and Chief Executive Officer on 18 January 2013. At this time Mr Redmond formally ceased his duties as a NED, becoming an Executive member of the Echo Board of Directors and other Echo group companies. In accordance with his contract, Mr Redmond receives fixed remuneration, the opportunity to receive variable remuneration through short term and long term incentive arrangements and expatriate benefits. Mr Redmond has been appointed for an ongoing term subject to visa requirements and termination by either party.

Table 8: Remuneration Summary

	FIXED	VARIABLE		
	TEC^	TARGET STI	TARGET LTI	ON-TARGET TAR
$ Value	$2,250,000	$1,500,000	$1,000,000	$4,750,000
% of TAR	47%	32%	21%	100%

^ Excludes benefits such as allowances and expatriate benefits.

Fixed remuneration

Mr Redmond receives fixed remuneration of $2,250,000 per annum which is to be reviewed annually by the Board. Mr Redmond receives other non-monetary benefits to cover living away from home expenses up to the value of $250,000 per annum, net of any fringe benefits tax.

Short term incentive

Mr Redmond is eligible to receive a short term incentive award based on the financial and non-financial performance of Echo. The Echo STPP rules govern this arrangement.

The Board has discretion under the STPP rules to award short term incentive payments exceeding the target amount having regard to the circumstances of Echo and Mr Redmond's individual contribution to the Group. His target short term incentive award is equivalent to $1,500,000 per annum (pro-rated for FY13).

Long term incentive

Echo intends that the long term incentive component of Mr Redmond's remuneration package will involve annual grants of Performance Rights which would be subject to meeting performance hurdles. This award is governed by Echo's LTPP in accordance with the LTPP rules.

The Performance Rights granted will be tested at vesting against the peer group of listed top ASX 100 companies (see LTPP for additional information). Mr Redmond will be entitled to a potential annual long term incentive award valued at $1,000,000 (pro-rated for FY13). In the event of a unforeseen event such as a change of control, the Board may exercise discretion to accelerate the vesting of any unvested awards that Mr Redmond holds under the LTPP.

Other benefits

Mr Redmond was entitled to relocation reimbursement and expatriate benefits (flights, accommodation, initial setup costs) to support his relocation to Australia, subject to the conditions below and in accordance with any applicable Echo policies.

These benefits are conditional upon Mr Redmond remaining employed by Echo (and not under notice of termination) for a period of at least two years (unless cessation of employment is due to a Change of Control event).

Termination

Echo may terminate Mr Redmond's employment at any time on 12 months' notice. The employment contract does not require any termination payments, other than payment in lieu of notice (if applicable) and statutory entitlements.

Mr Redmond may terminate his employment with Echo at any time on 12 months' notice. His employment may be terminated by Echo immediately (without payment in lieu of notice) in circumstances of misconduct, or if Mr Redmond breaches his obligations under his employment contract, commits any offence under State or Federal legislation or regulations, or otherwise engages in any act or omission which would justify summary dismissal.

Following termination Mr Redmond will be restrained for up to 12 months after termination of his employment with Echo from being engaged in any business or activity in Australia which competes with or is substantially similar to the business of Echo.

Former Chief Executive Officer & Managing Director Contract: Larry Mullin

Mr Mullin ceased his role as Managing Director and Chief Executive Officer on 31 January 2013. In accordance with his employment contract, Mr Mullin received fixed remuneration and the opportunity to receive variable remuneration through short term and long term incentive arrangements. Mr Mullin contract did not require any termination payments, other than payment in lieu of notice (if applicable).

Table 9: Remuneration Summary

	FIXED	VARIABLE		
	TEC^	TARGET STI	TARGET LTI	ON-TARGET TAR
$ Value	$1,500,000	$1,500,000	$1,000,000	$4,000,000
% of TAR	37.5%	37.5%	25%	100%

^ Excludes benefits such as allowances and expatriate benefits.

Fixed remuneration

Mr Mullin's fixed remuneration was $1,500,000 per annum which was reviewed annually by the Board. Mr Mullin received cash in lieu of superannuation, due to being an Executive Director temporary resident of Australia.

Short term incentive

Mr Mullin was eligible to receive a short term incentive award based on his individual performance and the Company's performance over the annual performance review period. Mr Mullin's short term incentive award was equivalent to $1,500,000 if targets were met.

Long term incentive

The long term incentive component of Mr Mullin's remuneration package included annual grants of Performance Rights, which were subject to meeting performance hurdles, with the grant of such Performance Rights being subject to obtaining any necessary shareholder approvals at the relevant time.

Upon termination of employment (other than at the discretion of the Board in special circumstances such as, but not limited to, death and permanent disablement), all unvested Performance Rights lapsed immediately.

Other benefits

Mr Mullin's contract included benefits comprised of living away from home expenses and home leave for a period of four years. These benefits were consistent with Mr Mullin's previous contract with Tabcorp Holdings Limited.

Separation

On 27 September 2012, Echo announced that the Managing Director and Chief Executive Officer, Mr Mullin would complete his time with the Company on 31 January 2013. The separation payment of $2,406,473 made to Mr Mullin did not require shareholder approval under the Corporations Act. This amount comprised statutory, contractual and other payments made to Mr Mullin and was below Mr Mullin's FY12 total remuneration of $2,702,618 which was disclosed in the 2012 Annual Report.

Executive Contracts

The table below contains details of Executive contracts. Current contracts do not provide for any termination payments other than payment in lieu of notice.

NAME	POSITION	CONTRACT DURATION	MINIMUM NOTICE PERIOD (MONTHS) EXECUTIVE	ECHO	EXPIRES
Matt Bekier	Chief Financial Officer and Executive Director	Open ended	6	9	-
Geoff Hogg	Managing Director Treasury & Jupiters Townsville	Open ended	6	9	-
Frederic Luvisutto (*)	Managing Director The Star	4 years	6	9	May 2015
Aaron Gomes (*)	Managing Director Jupiters Hotel & Casino	4 years	6	9	October 2016

(*) Covered by a sponsored s457 visa.

Other benefits

Chief Financial Officer and Executive Director

Mr Bekier's contract includes benefits comprising living away from home expenses and relocation costs for a period of two years. This arrangement ended in December 2012.

Managing Director The Star

Mr Luvisutto's contract includes benefits comprising living away from home expenses and home leave for a period of four years. This arrangement ended in October 2012. The Company will provide one return business class ticket for each member of Mr Luvisutto's immediate family each year for four years.

Managing Director Jupiters Hotel & Casino

Mr Gomes' contract includes two return business class tickets for each member of Mr Gomes' immediate family each year for four years. In accordance with Mr Gomes' terms of employment, there is a guaranteed payment of $120,000 in his first year of employment.

7. PERFORMANCE OF ECHO AND SHAREHOLDER WEALTH

The statutory requirement is to present a five year discussion of the link between Company performance and shareholder wealth. As the Company was incorporated on 2 March 2011 and has only been listed since 6 June 2011, it is not possible to present five years of financial data.

	SHARE PRICE AT YEAR END	EPS	STATUTORY NPAT
June 2013	$3.06	10.1c	$83.5m
June 2012	$4.28	5.9c	$42.2m
June 2011^	$4.11	31.4c	$226.0m

^ To prepare for demerger the Company acquired Star City Holdings Limited and Jupiters Limited effective 31 May 2011. The 2011 results do not fully reflect the underlying performance of the Company.

Table 10: KMP remuneration for the year ended 30 June 2013 – Executives

	SHORT TERM				LONG TERM	POST EMPLOYMENT		CHARGE FOR SHARE BASED ALLOCATIONS(iv)	TOTAL $	PERFORMANCE RELATED(v) %	TERMINATION BENEFITS $
KMP	SALARY & FEES(i) $	BONUS $	NON-MONETARY BENEFITS(ii) $	OTHER(iii) $	LONG SERVICE LEAVE $	SUPER-ANNUATION $	TOTAL EXCLUDING CHARGE FOR SHARE BASED ALLOCATIONS $	PERFORMANCE RIGHTS $			
Current Executive Directors											
John Redmond(vi)	1,072,908	-	282,899	-	2,823	8,235	1,366,865	125,000	1,491,865	8%	-
Matt Bekier	899,654	-	57,800	-	41,531	16,470	1,015,455	260,416	1,275,871	20%	-
Current Executives											
Geoff Hogg	337,724	-	6,205	-	10,919	16,470	371,318	60,714	432,032	14%	-
Frederic Luvisutto	689,063	-	355,059	-	4,834	16,470	1,065,426	73,537	1,138,963	6%	-
Aaron Gomes	351,550	-	19,951	120,000	1,395	12,353	505,249	24,965	530,214	5%	-
Former Executive											
Larry Mullin(vii)	821,989	-	366,776	-	(85,263)	-	1,103,502	(250,000)	853,502	0%	2,406,473
Total	**4,172,888**	**-**	**1,088,690**	**120,000**	**(23,761)**	**69,998**	**5,427,815**	**294,632**	**5,722,447**		**2,406,473**

(i) Comprises salary, salary sacrificed benefits (including superannuation and motor vehicle novated leases) and annual leave expense.

(ii) Comprises car parking, accommodation, airfares and travel costs, relocation expenses, living away from home benefits and taxation services where applicable.

(iii) Comprises cash appointment incentives, where applicable. In accordance with Mr Gomes' terms of employment, there is a guaranteed payment of $120,000 in his first year of employment.

(iv) Represents the fair value of share based payments expensed by Echo, which includes amounts expensed on cessation of employment where equity instruments are retained, and reversal of previously recognised remuneration on cessation of employment where equity instruments lapse. Value only accrues to the KMP when performance and time based conditions have been met.

(v) Represents the sum of bonus (excluding non-performance related bonus), Performance Options, Performance Rights and Restricted Shares (excluding appointment incentives) as a percentage of total remuneration, excluding termination payments.

(vi) Mr Redmond is entitled to a potential annual long-term incentive award valued at $1,000,000 (pro-rata for FY13) subject to meeting performance hurdles under the LTPP. (The Board approved a pro-rated allocation of rights to the value of $500,000. This will be granted to Mr Redmond in September 2013 following approval by shareholders).

(vii) Mr Mullin received cash in lieu of superannuation, due to being a senior executive temporary resident of Australia. These amounts are disclosed under salary and fees. Mr Mullin ceased employment and ceased as a KMP on 31 January 2013. In addition to the amounts disclosed above, payment of annual leave on cessation amounted to $63,432. Upon termination, there was a reversal for long service leave provision of $85,263 and share based allocations of $250,000 (in respect of rights granted on 20 September 2011).

The amounts that appear under the heading 'Charge for share based allocations' are the amounts required under the Accounting Standards to be expensed by the Company in respect of the allocation of long term incentives and Restricted Shares to KMP. Each year, the Board may decide to allocate long term incentives to executives. Currently, these long term incentives are allocated in the form of Performance Rights, which are expensed by the Company over the four year vesting period. Table 10 and 11 represent the expenses incurred during the year in respect of current and past incentive allocations. These amounts are therefore not amounts actually received by executives during the year. Whether executives receive any value from the allocation of long term incentives in the future will depend on the performance of the Company relative to a peer group of listed companies. The actual cash remuneration during the year is shown in Table 1.

REMUNERATION REPORT (AUDITED)
FOR THE YEAR ENDED 30 JUNE 2013 *CONTINUED*

Table 11: KMP remuneration for the year ended 30 June 2012 – Executives

	SHORT TERM				LONG TERM	POST EMPLOYMENT		CHARGE FOR SHARE BASED ALLOCATIONS(iv)	TOTAL $	PERFORMANCE RELATED(v) %	TERMINATION BENEFITS $
KMP	SALARY & FEES(i) $	BONUS $	NON-MONETARY BENEFITS(ii) $	OTHER(iii) $	LONG SERVICE LEAVE $	SUPER-ANNUATION $	TOTAL EXCLUDING CHARGE FOR SHARE BASED ALLOCATIONS $	PERFORMANCE RIGHTS $			
Current Executive Directors											
Larry Mullin(vi)	1,482,216	-	952,351	-	18,051	-	2,452,618	250,000	2,702,618	9%	-
Matt Bekier	936,454	-	93,096	-	65,816	15,775	1,111,141	125,000	1,236,141	10%	-
Current Executives											
Geoff Hogg	322,139	-	2,206	-	10,173	15,775	350,293	25,848	376,141	7%	-
Frederic Luvisutto	505,991	-	96,211	-	2,663	15,775	620,640	15,778	636,418	2%	-
Former Executive											
Sid Vaikunta(vii)	458,643	-	79,059	-	-	-	537,702	-	537,702	0%	192,125
Total	**3,705,443**	**-**	**1,222,923**	**-**	**96,703**	**47,325**	**5,072,394**	**416,626**	**5,489,020**		**192,125**

(i) Comprised salary, salary sacrificed benefits (including superannuation and motor vehicle novated leases) and annual leave expense.

(ii) Comprised car parking, accommodation, airfares and travel costs, relocation expenses, living away from home benefits and taxation services where applicable.

(iii) Comprised cash appointment incentives, where applicable.

(iv) Represented the fair value of share based payments expensed by Echo, which included amounts expensed on cessation of employment where equity instruments were retained, and reversal of previously recognised remuneration on cessation of employment where equity instruments lapsed. Value only accrued to the KMP when performance and time based conditions were met.

(v) Represented the sum of bonus (excluding non-performance related bonus), Performance Options, Performance Rights and Restricted Shares (excluding appointment incentives) as a percentage of total remuneration, excluding termination payments.

(vi) Mr Mullin received cash in lieu of superannuation, due to him being a senior executive temporary resident of Australia. These amounts were disclosed under salary and fees. Mr Mullin ceased to receive living away from home benefits for Australian tax purposes after 3 June 2011. Thereafter, any living away from home allowances was subject to fringe benefits tax.

(vii) Mr Vaikunta ceased employment and ceased as a KMP on 2 February 2012. In addition to the amounts disclosed above, payment of annual leave on cessation amounted to $107,701.

Other remuneration tables

Table 12: Short term incentive (STI) achieved for the year ended 30 June 2013

Short term incentives were not awarded for the year ended 30 June 2013 as Company performance targets were not achieved.

KMP	ACTUAL STI PAYMENT $	ACTUAL STI PAYMENT AS A % OF MAXIMUM STI[(i)]	ACTUAL STI PAYMENT AS A % OF TARGET STI	STI NOT ACHIEVED AS A % OF TARGET STI
Current				
John Redmond	-	-	-	100%
Matt Bekier	-	-	-	100%
Geoff Hogg	-	-	-	100%
Frederic Luvisutto	-	-	-	100%
Aaron Gomes	-	-	-	100%
Former				
Larry Mullin	-	-	-	100%

(i) Maximum STI for KMP may vary, as it is subject to Board discretion.

Table 13: Terms and conditions of Performance Rights for the year ended 30 June 2013

An allocation was made under the plan for the year ended 30 June 2013 with a four year performance period from the date of grant. Details of the Performance Rights granted during the year are listed in the table below:

GRANT DATE	FAIR VALUE AT GRANT DATE $	EXERCISE PRICE $	FIRST EXERCISE DATE	LAST EXERCISE/ EXPIRY DATE PER ORIGINAL GRANT	VOTING & DIVIDEND RIGHTS
19 September 2012	2.20	Not Applicable	19 September 2016	19 September 2016 (Performance Rights lapse immediately if not vested)	No voting or dividend rights until the Performance Rights have vested

Table 14: Performance Rights granted during the year ended 30 June 2013

The number of Performance Rights granted to KMPs is listed in the table below.

KMP	NO OF RIGHTS GRANTED ON 19 SEPTEMBER 2012
Current	
John Redmond*	-
Matt Bekier	227,272
Geoff Hogg	63,636
Frederic Luvisutto	127,272
Aaron Gomes	60,522
Former	
Larry Mullin	-
Total	**478,702**

* Mr Redmond was appointed as Managing Director and Chief Executive Officer on 18 January 2013. The Board approved a pro-rated allocation of rights to the value of $500,000. This will be granted to Mr Redmond in September 2013 following approval by shareholders.

Table 15: Performance Rights vested and exercised during the year ended 30 June 2013

No Performance Rights vested or were exercised during the year.

Table 16: Value of Performance Rights granted as part of remuneration for the year ended 30 June 2013

The value of Performance Rights granted to KMPs is listed in the table below.

	DURING THE YEAR ENDED 30 JUNE 2013			
KMP	GRANTED(i) $	EXERCISED(ii) $	LAPSED(iii) $	AS A % OF REMUNERATION(iv) %
Current				
John Redmond(v)	-	-	-	8%
Matt Bekier	499,998	-	-	20%
Geoff Hogg	139,999	-	-	14%
Frederic Luvisutto	279,998	-	-	6%
Aaron Gomes	133,148	-	-	5%
Former				
Larry Mullin(vi)	-	-	1,000,000	0%
Total	**1,053,143**	**-**	**1,000,000**	

(i) Represents the value of Performance Rights granted on 19 September 2012.

(ii) Represents the value of Performance Rights exercised during the year. The value is calculated based on the market value of Echo shares at the date of exercise.

(iii) Represents the value of Performance Rights as a result of not satisfying the performance conditions during the year. The value is determined assuming the performance conditions had been achieved, and is calculated based on the market value of Echo shares at the date of lapsing, less any exercise amount payable.

(iv) Represents the fair value of Performance Rights expensed during the year (including accelerated charge) as a percentage of total remuneration, excluding termination payments. Total remuneration includes the charge for share based allocations.

(v) Mr Redmond was appointed as Managing Director and Chief Executive Officer on 18 January 2013. The Board approved a pro-rated allocation of rights to the value of $500,000. This will be granted to Mr Redmond in September 2013 following approval by shareholders.

(vi) Mr Mullin had 465,116 Performance Rights to the value of $1,000,000 (granted on 20 September 2011) which lapsed upon his termination during the current year.

Table 17: Short term incentive (STI) achieved for the year ended 30 June 2012

Short term incentives were not awarded for the year ended 30 June 2012 as Company performance targets were not achieved.

KMP	ACTUAL STI PAYMENT $	ACTUAL STI PAYMENT AS A % OF MAXIMUM STI(i)	ACTUAL STI PAYMENT AS A % OF TARGET STI	STI NOT ACHIEVED AS A % OF TARGET STI
Current				
Larry Mullin	-	-	-	100%
Matt Bekier	-	-	-	100%
Geoff Hogg	-	-	-	100%
Frederic Luvisutto	-	-	-	100%
Former				
Sid Vaikunta	-	-	-	100%

(i) Maximum STI for KMP may vary, as it is subject to Board discretion.

Table 18: Terms and conditions of Performance Rights for the year ended 30 June 2012

An allocation was made under the plan for the year ended 30 June 2012 with a three year performance period from the date of grant. Details of the Performance Rights granted during the year are listed in the table below:

GRANT DATE	FAIR VALUE AT GRANT DATE $	EXERCISE PRICE $	FIRST EXERCISE DATE	LAST EXERCISE/ EXPIRY DATE PER ORIGINAL GRANT	VOTING & DIVIDEND RIGHTS
20 September 2011	2.15	Not Applicable	20 September 2014	20 September 2014 (Performance Rights lapse immediately if not vested)	No voting or dividend rights until the Performance Rights have vested

Table 19: Performance Rights granted during the year ended 30 June 2012

The number of Performance Rights granted to KMPs is listed in the table below.

KMP	NO OF RIGHTS GRANTED ON 20 SEPTEMBER 2011
Current	
Larry Mullin(i)	465,116
Matt Bekier(i)	232,558
Geoff Hogg	48,090
Frederic Luvisutto	29,354
Former	
Sid Vaikunta	142,976
Total	**918,094**

(i) In relation to the grant of Performance Rights to Mr Mullin and Mr Bekier, the ASX granted a waiver from Listing Rule 10.14 to permit Mr Mullin and Mr Bekier to acquire securities under an employee incentive scheme (including the LTPP) for the year ended 30 June 2012. As the court approved the Demerger Scheme proceeded, and the terms and conditions of the grant of Performance Rights were in accordance with the Demerger Scheme Booklet, Echo did not require the approval of Echo shareholders for the grant of Performance Rights to Mr Mullin and Mr Bekier as all conditions under the waiver were satisfied.

Table 20: Performance Rights vested and exercised during the year ended 30 June 2012

No Performance Rights vested or were exercised during the year.

Table 21: Value of Performance Rights granted as part of remuneration for the year ended 30 June 2012

The value of Performance Rights granted to KMPs are listed in the table below.

	DURING THE YEAR ENDED 30 JUNE 2012			
KMP	GRANTED(i) $	EXERCISED(ii) $	LAPSED(iii) $	AS A % OF REMUNERATION(iv) %
Current				
Larry Mullin	1,000,000	-	-	9%
Matt Bekier	500,000	-	-	10%
Geoff Hogg	103,395	-	-	7%
Frederic Luvisutto	63,113	-	-	2%
Former				
Sid Vaikunta	307,400	-	509,723	0%
Total	**1,973,908**	**-**	**509,723**	

(i) Represented the value of Performance Rights granted on 20 September 2011.

(ii) Represented the value of Performance Rights exercised during the year. The value was calculated based on the market value of Echo shares at the date of exercise.

(iii) Represented the value of Performance Rights as a result of not satisfying the performance conditions during the year. The value is determined assuming the performance conditions had been achieved, and is calculated based on the market value of Echo shares at the date of lapsing, less any exercise amount payable.

(iv) Represented the fair value of Performance Rights expensed during the year (including accelerated charge) as a percentage of total remuneration, excluding termination payments. Total remuneration included the charge for share based allocations.

8. NON-EXECUTIVE DIRECTOR REMUNERATION

Remuneration framework

The Remuneration Committee has responsibility for reviewing and recommending to the Board appropriate remuneration arrangements for NEDs, taking into consideration the following factors:

- Echo's remuneration philosophy;
- The level of fees paid to Board members of ASX 100 companies (excluding mining and infrastructure groups);
- Operational and regulatory complexity.

Remuneration Policy

- NEDs do not receive any performance or incentive payments and are not eligible to participate in any of Echo's incentive plans. This policy aligns with the principle that NEDs act independently and impartially.
- Echo remunerates Directors for the full month of fees irrespective of their commencement date. Observer fees are equivalent to applicable Board and Committee fees.
- Superannuation is capped at the Maximum Contribution Base, as per the Australian Taxation Office schedule. NEDs may choose to salary sacrifice additional fees into superannuation at their election.
- Board fees are not paid to the Managing Director and Chief Executive Officer or the Chief Financial Officer and Executive Director or to executives for directorships of any subsidiaries.

Key decisions in FY13

A market review of NED fees was completed by PwC in December 2012. The review considered fees for the Board Chair and Member fee, and Chair and Members fees for each Committee. Benchmarking showed that the:

- Chair and Member fees were approximately positioned at the 25th percentile of the peer group.
- Market practice (within the peer group) is to include Committee fees within one Board Chair fee and to include superannuation in the NED fees.
- NED fees are inclusive of superannuation.
- Total NED fees pool is aligned to median of peer group and provides sufficient flexibility for additional Directors and the uplift in fees.

With a view to simplifying and uplifting fees to better align to market and the internal relativity of Committee fees, the Board determined to introduce the new fee structure. This change would be implemented over a two year period, commencing FY13.

The table below shows the year on year comparison of NED fees. The FY12 fees have been restated from the 2012 Annual Report to include superannuation to allow for ease of comparison to the new fee schedule.

In FY14, the Chairman will receive an 'all inclusive' fee which represents a 4% increase in fees when comparing the Chairman's actual FY13 fee (Chair plus Committee fees), to the inclusive fee (Chair only) in FY14. The FY14 fee structure also considers the combining of the Remuneration and Nomination Committees, as well as a consistent 2:1 relationship between Chair and member fees for all Committees.

Table 22: Annual Non-Executive Director Fees (inclusive of superannuation)

	FY12(i)	FY13	FY14
Board			
Chair	$381,500	$400,000(ii)	$475,000(iii)
Member	$130,800	$140,000	$150,000
Audit			
Chair	$43,600	$43,600	$35,000
Member	$16,350	$16,350	$17,500
Risk and Compliance			
Chair	$27,250	$27,250	$30,000
Member	$16,350	$16,350	$15,000
Remuneration			
Chair	$27,250	$27,250	$35,000
Member	$10,900	$10,900	$17,500
Nomination			
Chair	$8,175	$8,175	Combined to form "Remuneration and Nomination Committee" from 1 July 2013
Member	$8,175	$8,175	
People, Culture and Social Responsibility			
Chair	-	-	$30,000
Member	-	-	$15,000

(i) Fees disclosed in the 2012 Annual Report are exclusive of superannuation. For comparative purposes the FY12 fees have been restated to include superannuation.

(ii) The Board Chairman fee for the year ended 30 June 2013 was $451,775 (inclusive of superannuation) which was calculated by including the Board Chairman fee and member fees for each Committee. In FY12, it was $433,275 representing a 4% increase from FY12 to FY13.

(iii) The Board Chairman fee from 1 July 2013 is inclusive of all Committee fees, therefore the Chairman will receive one fee $475,000 for FY14.

Table 23: KMP Remuneration for the year ended 30 June 2013 – Non-Executive Directors

	SHORT TERM			POST EMPLOYMENT	
KMP	SALARY & FEES(i) $	NON-MONETARY BENEFITS $	OTHER(iv) $	SUPERANNUATION $	TOTAL $
Current					
John O'Neill AO(ii)	429,742	-	909	23,850	**454,501**
Anne Brennan	212,092	-	30,429	16,470	**258,991**
Katie Lahey AM	131,955	-	-	11,876	**143,831**
Gerard Bradley	73,308	-	-	6,598	**79,906**
Richard Sheppard	120,627	-	-	10,856	**131,483**
Former					
Brett Paton	58,541	-	-	5,269	**63,810**
John Redmond(iii)	178,227	-	31,337	-	**209,564**
Total	**1,204,492**	**-**	**62,675**	**74,919**	**1,342,086**

(i) Comprises salary and fees.

(ii) Mr O'Neill was appointed Acting Chairman of the Board on 8 June 2012 following the resignation of Mr Story. Mr O'Neill later assumed the role of Chairman as announced to the ASX on 23 July 2012. Mr O'Neill was also Acting Chairman of the Risk and Compliance Committee during January and February prior to the appointment of Mr Sheppard in March 2013.

(iii) Mr Redmond received a travel allowance of $15,000 per trip as a Non-Executive Director based overseas. In addition, fees were paid in lieu of superannuation.

(iv) Payments made in respect of year ending 30 June 2012.

Table 24: KMP Remuneration for the year ended 30 June 2012 – Non-Executive Directors

	SHORT TERM			POST EMPLOYMENT	
KMP	SALARY & FEES(i) $	NON-MONETARY BENEFITS $	OTHER $	SUPERANNUATION $	TOTAL $
Current					
Anne Brennan	114,167	-	-	10,275	**124,442**
John O'Neill AO(ii)	195,833	-	-	17,625	**213,458**
Brett Paton	207,500	-	-	18,675	**226,175**
John Redmond(iii)	181,717	-	-	-	**181,717**
Former					
John Story	397,500	-	-	35,775	**433,275**
Total	**1,096,717**	**-**	**-**	**82,350**	**1,179,067**

(i) Comprised salary and fees.

(ii) Mr O'Neill was appointed Acting Chairman of the Board on 8 June 2012 following the resignation of Mr Story. Mr O'Neill later assumed the role of Chairman as announced to the Australian Securities Exchange on 23 July 2012.

(iii) Mr Redmond received a travel allowance of $15,000 per trip as a Non-Executive Director based overseas. In addition, fees were paid in lieu of superannuation.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $M	2012 $M
Revenue	3	**1,737.9**	1,615.5
Other income	4	**3.1**	6.3
Government taxes and levies		**(358.7)**	(337.3)
Commissions and fees		**(137.6)**	(118.2)
Employment costs	5	**(563.8)**	(533.0)
Depreciation, amortisation and impairment	6	**(146.0)**	(122.1)
Cost of sales		**(78.1)**	(76.5)
Property costs		**(78.6)**	(71.3)
Advertising and promotions		**(72.1)**	(93.4)
Other expenses		**(117.5)**	(126.2)
Profit before net finance costs and income tax	7	**188.6**	143.8
Finance income	9	**3.9**	1.5
Finance costs	10	**(83.3)**	(95.4)
Profit before income tax		**109.2**	49.9
Income tax expense	12	**(25.7)**	(7.7)
Net profit after tax		**83.5**	42.2
Other comprehensive (loss)			
Items that may be reclassified subsequently to profit or loss			
Change in fair value of cash flow hedges taken to equity net of tax	11	**(5.3)**	(18.9)
Total comprehensive income for the year		**78.2**	23.3
Earnings per share:			
Basic and diluted earnings per share (cents per share)	14	**10.1**	5.9

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	NOTE	2013 $M	2012 $M
ASSETS			
Current assets			
Cash and cash equivalents	15	**265.5**	342.6
Trade and other receivables	16	**84.8**	322.3
Inventories		**7.2**	7.4
Income tax receivable		**1.3**	38.9
Derivative financial instruments	24	**3.4**	-
Other	17	**14.7**	20.0
		376.9	731.2
Non current assets			
Property, plant and equipment	18	**2,006.2**	1,977.8
Intangible assets	19	**1,848.3**	1,866.2
Derivative financial instruments	24	**91.8**	81.5
Other	17	**22.4**	25.4
		3,968.7	3,950.9
TOTAL ASSETS		**4,345.6**	4,682.1
LIABILITIES			
Current liabilities			
Trade and other payables	21	**184.0**	193.0
Interest bearing liabilities	23	**-**	443.0
Provisions	22	**58.5**	60.2
Derivative financial instruments	24	**30.3**	27.8
Other	25	**11.4**	3.8
		284.2	727.8
Non current liabilities			
Interest bearing liabilities	23	**972.8**	874.8
Deferred tax liabilities	12	**160.4**	165.6
Provisions	22	**8.0**	7.7
Derivative financial instruments	24	**57.6**	89.2
		1,198.8	1,137.3
TOTAL LIABILITIES		**1,483.0**	1,865.1
NET ASSETS		**2,862.6**	2,817.0
EQUITY			
Share capital	26	**2,580.5**	2,580.5
Retained earnings		**310.5**	260.0
Reserves	26	**(28.4)**	(23.5)
TOTAL EQUITY		**2,862.6**	2,817.0

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $M	2012 $M
Cash flows from operating activities			
Net cash receipts in the course of operations		**1,757.4**	1,643.6
Payments to suppliers, service providers and employees		**(982.2)**	(1,046.9)
Payment of government levies, gaming taxes and GST		**(381.3)**	(359.4)
Interest received		**3.6**	1.5
Income tax received/(paid)		**9.0**	(39.2)
Net cash inflow from operating activities	27	**406.5**	199.6
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(147.3)**	(326.8)
Proceeds on disposal of property, plant and equipment	27	**-**	15.5
Net cash (outflow) used in investing activities		**(147.3)**	(311.3)
Cash flows from financing activities			
Proceeds from borrowings		**48.0**	224.6
Repayment of borrowings	23	**(443.0)**	-
Dividends paid	13	**(33.0)**	(27.5)
Proceeds from Entitlement Offer	26	**186.9**	255.6
Finance costs		**(95.2)**	(106.6)
Net cash (outflow)/inflow from financing activities		**(336.3)**	346.1
Net (decrease)/increase in cash and cash equivalents		**(77.1)**	234.4
Cash and cash equivalents at beginning of the year		**342.6**	108.2
Cash and cash equivalents at end of the year	15	**265.5**	342.6

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	ORDINARY SHARES $M	RETAINED EARNINGS $M	HEDGING RESERVE $M	SHARE BASED PAYMENT RESERVE $M	TOTAL EQUITY $M
2013						
Balance at 1 July 2012		**2,580.5**	**260.0**	**(24.2)**	**0.7**	**2,817.0**
Profit for the year		**-**	**83.5**	**-**	**-**	**83.5**
Other comprehensive (loss)	11	**-**	**-**	**(5.3)**	**-**	**(5.3)**
Total comprehensive income / (loss)		**-**	**83.5**	**(5.3)**	**-**	**78.2**
Dividends paid	13	**-**	**(33.0)**	**-**	**-**	**(33.0)**
Employee share based payments	36	**-**	**-**	**-**	**0.4**	**0.4**
Balance at 30 June 2013		**2,580.5**	**310.5**	**(29.5)**	**1.1**	**2,862.6**
2012						
Balance at 1 July 2011		2,138.0	245.3	(5.3)	-	2,378.0
Profit for the year		-	42.2	-	-	42.2
Other comprehensive (loss)	11	-	-	(18.9)	-	(18.9)
Total comprehensive income / (loss)		-	42.2	(18.9)	-	23.3
Contributions of equity net of transaction costs	26	454.3	-	-	-	454.3
Transaction costs on Entitlement Offer (net of $5.0 million tax)	26	(11.8)	-	-	-	(11.8)
Dividends paid	13	-	(27.5)	-	-	(27.5)
Employee share based payments	36	-	-	-	0.7	0.7
Balance at 30 June 2012		2,580.5	260.0	(24.2)	0.7	2,817.0

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. CORPORATE INFORMATION

Echo Entertainment Group Limited ('the Company') is a company domiciled in Australia. The financial report of the Company for the year ended 30 June 2013 comprises the Company and its controlled entities (collectively referred to as 'the Group').

The Company is a company of the kind specified in Australian Securities and Investments Commission ('ASIC') Class Order 98/100. In accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded to the nearest hundred thousand dollars, unless specifically stated to be otherwise. All amounts are in Australian dollars ($). The Company is a for profit organisation.

The financial report was authorised for issue by the directors on 22 August 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. The policies used in preparing the financial statements are consistent with those of the previous year except as indicated under "Changes in accounting policies and disclosures".

Preparation of the financial statements in conformity with Australian Accounting Standards and IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. More detail on the estimates and assumptions are included under the policy dealing with "Significant accounting judgements, estimates and assumptions". Actual results may differ from those estimates.

Changes in accounting policies and disclosures

The Group has adopted the following new and amended accounting standard, which became applicable from 1 July 2012:

AASB 2011-9 Amendments to Australian Accounting Standards - *Presentation of Other Comprehensive Income*

The adoption of the standard did not have any material effect on the financial position or performance of the Group.

Certain comparative note disclosures have been restated to conform to current year presentation. In addition, prior year reclassifications have been made to the deed of cross guarantee note, parent entity note and income tax note to take into account finalised tax positions relating to the prior year. These changes have had no impact on the comparatives in the Group's consolidated statement of comprehensive income and consolidated statement of financial position.

Standards and amendments issued but not yet effective

Australian Accounting Standards and IFRS that have been recently issued or amended but are not yet effective have not been applied to the financial report.

The following amendments by the AASB to Australian Accounting Standards are not expected to have a material impact on the Group's financial position and performance, however increased disclosures will be required in the Group's financial statements.

REFERENCE	TITLE	APPLICATION DATE FOR GROUP
AASB 10	Consolidated Financial Statements	1 July 2013
AASB 11	Joint Arrangements	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	1 July 2013
AASB 13	Fair Value Measurement	1 July 2013
AASB 119	Employee Benefits	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	1 July 2013
AASB 2012-10	Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 July 2014
AASB 9	Financial Instruments	After July 2015

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Asset useful lives and residual values

Property, plant and equipment is depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, lease terms, the remaining life of the asset and projected disposal values.

Impairment of assets

Goodwill and indefinite life intangible assets are considered for impairment at least annually. Property, plant and equipment, other intangible assets and other financial assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic entity, the viability of the unit itself.

Future cash flows expected to be generated by assets are projected, taking into account market conditions and the expected useful lives of assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Valuation of derivatives and other financial instruments

The valuation of derivatives and financial instruments is based on market conditions at the statement of financial position date. The value of the instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the statement of financial position date.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined with the assistance of an external valuer using certain assumptions as detailed in note 36.

Provision for impairment of trade receivables

In line with prior periods, a provision for impairment of trade receivables is recognised when there is objective evidence that an individual trade debt is impaired. Factors considered when determining if an impairment exists include management's experienced judgement and facts in the individual situation. In addition, management systematically provides for all debtors over a certain age, based on historical evidence over the last 6 years and current collection trends.

Significant items

Management determines significant items based on their nature and size.

Resetting tax values of certain assets

The Group recognised a deferred tax liability position of $14.0 million on demerger as a result of setting up a new tax consolidation group. The provision relates to the resetting of tax values of certain assets on demerger. The balance of the provision at 30 June 2013 is $10.1 million (2012: $12.05 million). If the Federal Government legislates that the tax costs of the assets held by subsidiary members of the new tax consolidated group are retained, this adjustment will reverse.

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Basis of consolidation

Controlled entities

Controlled entities are entities over which the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

Controlled entities are consolidated from the date control is transferred to the Group and are no longer consolidated from the date control ceases, except for acquisitions occurring while under common control. For acquisitions occurring while under common control, the financial statements of the acquired entities are included in the consolidated financial statements from the beginning of the earliest reported period until the date control ceases.

The acquisition method of accounting is used to account for the acquisition of controlled entities by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair value of the net assets of the controlled entity acquired, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of controlled entities have been changed to ensure consistency with the policies adopted by the Group.

The Company accounts for controlled entities at cost.

Foreign currency

The consolidated financial statements are presented in Australian dollars ($) which is the Group's functional and presentation currency.

Transactions and balances

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Gains or losses arising on translation are credited to or charged to the statement of comprehensive income with the exception of differences on foreign currency borrowings that are in an effective hedge relationship. These are taken directly to equity until the liability is extinguished at which time they are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate of exchange ruling on transaction date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Australian dollars at the rate of exchange ruling on the dates the fair value was determined.

Revenue

Revenue is measured at the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised to the extent that it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated costs incurred (or to be incurred) can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Casino revenue

Revenue is recognised as the net gaming win less player rebates and promotional allowances, plus the retail sale of food, beverages, accommodation and other services.

Sale of goods

Revenue is recognised when:

- the significant risks and rewards of ownership of the goods have passed to the buyer;
- it is probable consideration will pass from the buyer in accordance with an established arrangement; and
- the amount of consideration can be reliably measured.

Customer loyalty programmes

The Group operates loyalty programmes enabling customers to accumulate award credits for gaming spend. A portion of the spend, equal to the fair value of the award credits earned, is treated as deferred revenue. Revenue from the award credits is recognised when the award is redeemed or expires.

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Dividends

Revenue is recognised when the right to receive payment is established.

Net finance costs

Finance income is recognised as the interest accrues, using the effective interest method. Finance costs consist of interest and other borrowing costs incurred in connection with the borrowing of funds. Finance costs directly associated with qualifying assets are capitalised, all other finance costs are expensed in the period they occur.

Significant items

Significant items are items of income or expense which are, either individually or in aggregate, material to the Group or to the relevant business segment and:

- outside the ordinary course of business, such as the cost of significant reorganisations or restructuring; or
- part of the ordinary activities of the business but unusual due to their size and nature, such as impairment of assets.

Significant items are disclosed to assist users of the financial statements to better understand the Group's business results.

Taxation

Income tax

Income tax comprises current and deferred income tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- goodwill; and
- the initial recognition of an asset or liability in a transaction which is not a business combination and that affect neither accounting nor taxable profit at the time of the transaction.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- casino revenues, due to the GST being offset against government taxes; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in statement of the cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents include cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash for the purpose of the cash flow statement.

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for impairment for any uncollectible amount (where applicable). Bad debts are written off when identified. Other receivables are carried at amortised costs less any impairment.

Inventories

Inventories include consumable stores, food and beverages and are carried at the lower of cost and net realisable value. Inventories are costed on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business.

Property, plant and equipment

Freehold land is included at cost and not depreciated.

All other items of property, plant and equipment are stated at historical cost net of depreciation, amortisation and impairment, and depreciated over periods deemed appropriate to reduce carrying values to estimated residual values over their useful lives. Historical cost includes expenditure that is directly attributable to the acquisition of these items. Depreciation is calculated on the straight line method. The principal useful lives over which the assets are depreciated are as follows:

- Freehold and leasehold buildings : 10 - 95 years
- Leasehold improvements : 4 - 75 years
- Plant and equipment : 5 - 20 years

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at each financial reporting date.

Operating equipment (which includes uniforms, casino chips, kitchen utensils, crockery, cutlery and linen) is recognised as depreciation expense based on usage. The period of usage depends on the nature of the operating equipment and varies between one to three years.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Costs arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred.

Borrowing costs and certain direct costs relating to major capital projects are capitalised during the period of development or construction.

Capitalised costs

Capitalised costs relating to development projects are recognised as an asset when it is:

- probable that any future economic benefit associated with the item will flow to the entity; and
- it can be measured reliably.

If it becomes apparent that the development will not occur, the amount is expensed to the statement of comprehensive income.

Intangible assets

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed. Separately recognised goodwill is assessed for impairment on an annual basis and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The calculation of gains and losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity sold. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as income in the statement of comprehensive income.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Other intangible assets

Indefinite life intangible assets are not amortised and are assessed annually for impairment.

Expenditure on gaming licences acquired, casino concessions acquired, computer software and other intangibles are capitalised and amortised using the straight line method as follows:

The Star casino licence:

The licence is amortised on a straight line basis from its date of issue until expiry in 2093.

Treasury casino licence:

The licence is amortised on a straight line basis over the remaining life of the lease to which the licence is linked, that expires in 2070.

The Star casino concessions:

The concessions granted by the NSW government include product concessions and effective casino exclusivity in NSW. Amortisation is on a straight line basis over the period of expected benefits, which is until 2093 and 2019 respectively.

Computer software:

Software is amortised on a straight line basis over its useful life, which varies from three to eight years.

Other intangible assets:

Other intangible assets relate to the contribution to the construction costs of the state government owned Gold Coast Convention and Exhibition Centre. The Group's Gold Coast casino is deriving future benefits from the contribution, which is being amortised over a period of 50 years.

Costs associated with developing or maintaining computer software programmes are recognised as expenses as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Group and which have probable economic benefits exceeding the costs beyond one year are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of the relevant overheads. Expenditure meeting the definition of an asset is recognised as a capital improvement and added to the original cost of the asset.

Impairment of assets

Assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units).

Impairment losses are recognised immediately in the statement of comprehensive income. Refer to note 20 for further details of key assumptions included in the impairment calculation.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recorded as a finance cost.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced, has been announced publicly, or has no realistic probability of withdrawal. Future operating costs are not provided for in the provision for restructuring.

Self insurance

Where the Group self insures for workers' compensation, a provision is recognised in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Interest bearing liabilities

Interest bearing liabilities are recognised initially inclusive of transaction costs, at fair value. Subsequent to initial recognition, interest bearing liabilities are recognised at amortised cost using the effective interest rate method. Any difference between proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Leases

Leases of assets where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in liabilities. The interest element of the lease payment is charged to the statement of comprehensive income over the lease period. The assets acquired under finance leasing contracts are depreciated over the shorter of the useful life of the asset or the lease period. Where a lease has an option to be renewed, the renewal period is considered when the period over which the asset will be depreciated is determined.

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Employee benefits

Post-employment benefits

The Group's commitment to accumulation plans is limited to making the contributions in accordance with the minimum statutory requirements. There is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees relating to current and past employee services.

Contributions to accumulation plans are recognised as expenses in the statement of comprehensive income as the contributions become payable. A liability is recognised when the Group is required to make future payments as a result of employees' services provided.

Long service leave

The Group's net obligation in respect of long term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the statement of financial position date which have maturity dates approximating to the terms of the Group's obligations.

Wages, salaries and annual leave

Liabilities for employee benefits of salaries, wages and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration rates the Group expects to pay, including related on-costs when the liability is expected to be settled.

Share based payment transactions

The Group operates the Long Term Performance Plan ('LTPP'), which is available at the most senior executive levels. Under the LTPP, employees may become entitled to Performance Rights in the Company.

The fair value of Performance Rights is measured at grant date and is recognised as an employee expense (with a corresponding increase in the share based payment reserve) over 3 years for Performance Rights granted on 20 September 2011, and 4 years thereafter, from the grant date irrespective of whether the Performance Rights vest to the holder. A reversal of the expense is only recognised in the event the instruments lapse due to cessation of employment within the vesting period.

The fair value of the Performance Rights is determined by an external valuer and takes into account the terms and conditions upon which the Performance Rights were granted.

In addition, the Group operates the Short Term Performance Plan ('STPP'). For certain senior executives, it is mandatory to defer one third of their STPP into Restricted Shares, which are subject to a three year service condition.

The cost of the Restricted Shares is based on the market price at grant date and is recognised over a three year period for STPP.

Restricted Shares may be issued to executives as an incentive upon appointment or for retention. The fair value of Restricted Shares is recognised as an employee expense over the relevant vesting period.

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Financial Instruments

Financial instruments carried at the financial reporting date include available-for-sale investments, loans and receivables, trade and other receivables, cash and cash equivalents, borrowings, derivative financial instruments, accounts payable and accruals.

Financial instruments are recognised initially at fair value plus any directly attributable transaction costs, except for financial instruments recorded at fair value through profit or loss. Subsequent to initial recognition financial instruments are measured as described below.

The fair value of publicly traded derivatives is based on quoted market prices at the financial reporting date. The effective value of interest rate swaps and interest rate cross currency swaps is calculated at the present value of the estimated future cash flows. The fair value of foreign exchange contracts is determined using forward exchange market rates at the financial reporting date. Appropriate market related rates are used to fair value long term borrowings. Other techniques, such as the discounted value of estimated future cash flows, are used to determine the fair value for the remaining financial instruments.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts, and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's financial assets include cash and short term deposits, trade and other receivables, loans and other receivables, and derivative financial instruments.

All purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

The Group assesses at the end of each financial year whether there is objective evidence that a financial asset or group of financial assets is impaired. A provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the loans or receivables. Significant financial difficulties of the counterparty, and default or delinquency in payments are considered indicators that the loan or receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as non current assets unless receipt is anticipated within 12 months in which case the amounts are included in current assets. The Group's loans and receivables comprise 'Other financial assets', 'Trade and other receivables' (excluding GST and prepayments), and 'Cash and cash equivalents'.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method.

Financial liabilities

The Group's financial liabilities at the financial reporting date include 'Interest bearing liabilities' and 'Trade and other payables' (excluding GST, employee related payables and derivatives). These financial liabilities are subsequently measured at amortised cost using the effective interest method with the exception of derivatives which are measured as noted below. Financial liabilities are included in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

All financial liabilities are recognised initially at fair value plus, in the case of interest bearing liabilities, directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts, interest bearing liabilities and derivative financial instruments. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period. The resulting gain or loss is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for cash flow hedge accounting, the effective portion of the gain or loss is deferred in equity while the ineffective portion is recognised in the statement of comprehensive income.

The fair value of interest rate swap, cross currency swap and forward currency contracts is determined by reference to market values for similar instruments. Refer to note 34 for details of fair value determination.

Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecast transaction subsequently results in the recognition of a non financial asset or liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, then the associated gains and losses that were recognised directly in equity are reclassified into the statement of comprehensive income in the same period or periods during which the asset acquired or liability assumed affects the statement of comprehensive income (i.e. when interest income or expense is recognised).

For cash flow hedges, the effective part of any gain or loss on the derivative financial instrument is removed from equity and recognised in the statement of comprehensive income in the same period or periods during which the hedged forecast transaction affects the statement of comprehensive income. The ineffective part of any gain or loss is recognised immediately in the statement of comprehensive income.

When a hedging instrument expires or is sold, terminated or exercised, or the designation of the hedge relationship is revoked but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealised gain or loss recognised in equity is recognised immediately in the statement of comprehensive income.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability of changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, any gain or loss on the derivative is recognised directly in the statement of comprehensive income.

Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received. Issued capital comprises ordinary shares.

Any transaction costs directly attributable to the issue of ordinary shares are recognised directly in equity, net of tax, as a reduction of the share proceeds received.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs apart from brokerage fees (net of income taxes) is deducted from equity until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any attributable incremental transaction costs and the related income tax effects, is included in equity.

Operating segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's executive decision makers to allocate resources and assess its performance.

Operating segments have been identified based on the information provided to the executive decision makers, being the Managing Director and Chief Executive Officer.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- nature of the products and services;
- type or class of customer for the products and services;
- methods used to distribute the products or provide the services; and
- nature of the regulatory environment.

Segment results include revenue and expenses directly attributable to a segment and exclude significant items. Capital expenditure represents the total costs incurred during the period to acquire segment assets, including capitalised interest.

Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

	2013 $M	2012 $M
3. REVENUE		
Gross revenue	**1,846.8**	1,689.3
Player rebates and promotional allowances	**(108.9)**	(73.8)
	1,737.9	1,615.5
4. OTHER INCOME		
Net gain on disposal of non current assets	**-**	5.5
Net foreign exchange gain	**3.1**	0.6
Other	**-**	0.2
	3.1	6.3
5. EMPLOYMENT COSTS		
Salaries, wages, bonuses and other benefits	**526.3**	495.8
Defined contribution plan expense	**37.1**	36.5
Share based payments expense (refer to note 36)	**0.4**	0.7
	563.8	533.0
6. DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Property, plant and equipment (refer to note 18)	**125.1**	102.0
Intangible assets (refer to note 19)	**19.6**	11.9
Impairment of other assets (refer to note 8)	**-**	7.4
Other	**1.3**	0.8
	146.0	122.1
7. PROFIT IS STATED AFTER CHARGING THE FOLLOWING		
Impairment and write off of trade receivables	**17.8**	7.8
Operating lease charges - Property, aircraft and other	**13.9**	13.8
Significant items (refer to note 8)	**38.3**	74.1
8. SIGNIFICANT ITEMS		
Net profit before tax is stated after charging the following significant items:		
Restructuring costs[a]	**33.3**	6.0
Costs related to the NSW Government's unsolicited proposal process[b]	**5.0**	-
Pre opening expenses	**-**	37.8
Impairment of other assets – SilkStar	**-**	7.4
Provision for impairment of SilkStar related receivables	**-**	22.9
	38.3	74.1

a. Restructuring costs are related to the Group's approved cost optimisation program implemented from April 2012 and include termination payments, legal and consulting fees. This amount also includes a one off payment of $11.4 million for the restructure of the Enterprise Bargaining Agreement at The Star for FY14 to FY17.

b. Costs incurred related to the Unsolicited Proposal to the New South Wales Government, including advisory, legal, architectural and other related fees.

	2013 $M	2012 $M
9. FINANCE INCOME		
Interest earned on cash and cash equivalents	**3.9**	1.5
10. FINANCE COSTS		
Interest paid on borrowings	**79.6**	97.3
Capitalised to property, plant and equipment[a]	**(8.9)**	(15.1)
Other finance costs	**12.6**	13.2
Finance costs	**83.3**	95.4
Finance income	**(3.9)**	(1.5)
Net finance costs	**79.4**	93.9

a. The capitalisation rate to determine the amount of borrowing costs to be capitalised is the weighted average cost of borrowings applicable to the Group's outstanding borrowings during the year, in this case 10.2% (2012: 9.6%).

11. OTHER COMPREHENSIVE (LOSS)

	2013 $M	2012 $M
Net gain/(loss) on cash flow hedges	**37.8**	(4.6)
Tax on net (loss)/gain on cash flow hedges	**(11.4)**	1.4
Transfer of hedging reserve to the statement of comprehensive income[a]	**(45.3)**	(22.4)
Tax on transfer of hedging reserve to the statement of comprehensive income	**13.6**	6.7
	(5.3)	(18.9)

a. The transfer related to the foreign exchange spot retranslation on the cross-currency swaps and is offset by the retranslation of foreign debt in the net foreign exchange gain line in the statement of comprehensive income.

12. INCOME TAX

	2013 $M	2012 $M
(a) Income tax expense		
The major components of income tax expense are:		
Current tax expense	**(30.3)**	-
Adjustments in respect of current income tax of previous years	**-**	0.7
Deferred income tax expense/(credit) relating to the origination and reversal of temporary differences	**4.6**	(8.4)
Income tax expense reported in the statement of comprehensive income	**(25.7)**	(7.7)
Aggregate current and deferred tax relating to items charged or credited to equity:		
Share capital raising costs	**(0.1)**	5.0
Change in value of cash flow hedges	**2.2**	8.1
Income tax benefit reported in equity	**2.1**	13.1
Income tax expense		
A reconciliation between income tax expense and the product of accounting profit before income tax multiplied by the income tax rate is as follows:		
Accounting profit before income tax expense	**109.2**	49.9
At the Group's statutory income tax rate of 30%	**(32.8)**	(15.0)
- other items	**(1.5)**	(1.6)
- income tax effect in respect of derivative financial instruments	**-**	8.2
- temporary differences	**3.7**	-
- research and development tax offset	**4.9**	-
- over provision in prior years	**-**	0.7
Aggregate income tax expense	**(25.7)**	(7.7)
(b) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Provisions		
- employee benefits	**15.2**	15.8
- other	**2.2**	0.2
Accrued expenses	**4.4**	3.0
Allowance for doubtful debts	**12.3**	9.1
Other	**6.4**	2.1
Tax losses carried forward	**-**	23.4
Fair value of derivatives	**5.2**	6.7
Foreign exchange on loan	**20.0**	6.4
Amounts recognised directly in equity		
Share issue transaction costs	**3.2**	5.0
Fair value of cash flow hedges	**21.2**	28.4
	90.1	100.1
Set off against deferred tax liabilities	**(90.1)**	(100.1)
Net deferred tax assets	**-**	-

12. INCOME TAX *CONTINUED*

	2013 $M	2012 $M
Movements		
Carrying amount at beginning of year	**100.1**	33.5
(Credited)/charged to the statement of comprehensive income	**(1.5)**	29.7
(Credited)/charged to other	**(1.2)**	0.4
Income tax losses incurred for the year	**-**	23.4
(Credited)/charged to equity	**(7.3)**	13.1
Carrying amount at end of year	**90.1**	100.1

(c) Deferred tax liabilities

	2013 $M	2012 $M
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Intangible assets	**73.8**	73.7
Property, plant and equipment	**128.7**	147.4
Rent in advance	**2.8**	2.9
Consumables	**8.7**	7.0
Prepayments	**1.1**	1.0
Research and development	**4.2**	7.4
Other	**2.6**	1.9
Fair value of derivatives	**20.0**	6.4
Amounts recognised directly in equity		
Fair value of cash flow hedges	**8.6**	18.0
	250.5	265.7
Set off against deferred tax liabilities	**(90.1)**	(100.1)
Net deferred tax liabilities	**160.4**	165.6
Movements		
Carrying amount at beginning of year	**265.7**	205.1
(Charged)/credited to the statement of comprehensive income	**(5.8)**	60.7
Charged to other	**-**	(0.1)
Charged to equity	**(9.4)**	-
Carrying amount at end of year	**250.5**	265.7

(d) Tax consolidation

Effective in June 2011, Echo Entertainment Group Limited ('the Head Company') and its 100% owned subsidiaries formed an income tax consolidation group. Members of the tax consolidation group entered into a tax sharing arrangement that provides for the allocation of income tax liabilities between the entities should the Head Company default on its tax payment obligations. At balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidation group

Members of the tax consolidation group have entered into a tax funding agreement effective June 2011. Under the terms of the tax funding agreement, the Head Company and each of the members in the tax consolidation group have agreed to make a tax equivalent payment to or from the Head Company, based on the current tax liability or current tax asset of the member. Deferred taxes are recorded by members of the tax consolidation group in accordance with the principles of AASB 112 'Income Taxes'. Calculations under the tax funding agreement are undertaken for statutory reporting purposes.

The allocation of taxes under the tax funding agreement is recognised as either an increase or decrease in the subsidiaries' intercompany accounts with the tax consolidation group Head Company. The Group has chosen to adopt the Group Allocation method as outlined in Interpretation 1052 'Tax Consolidation Accounting' as the basis to determine each member's current and deferred taxes. The Group Allocation method as adopted by the Group will not give rise to any contribution or distribution of the subsidiaries' equity accounts as there will not be any differences between the current tax amount that is allocated under the tax funding agreement and the amount that is allocated under the Group Allocation method.

	2013 $M	2012 $M
13. DIVIDENDS		
Dividends declared and paid during the year on ordinary shares		
Interim dividend paid[a]	**33.0**	27.5
a. An interim dividend of 4 cents per share fully franked for the half year ended 31 December 2012 was declared on 21 February 2013 and paid on 27 March 2013.		
Dividends declared after balance date		
Since the end of the financial year, the directors have declared a final dividend of 2 cents per ordinary share (2012: nil), fully franked.		
Aggregate amount of the dividend expected to be paid on 9 October 2013 out of retained earnings at 30 June 2013, but not recognised as a liability at the end of the year	**16.5**	-
Franking credit balance		
Amount of franking credits available to shareholders	**4.2**	27.4
14. EARNINGS PER SHARE		
Net profit attributable to ordinary shareholders	**83.5**	42.2
Basic and diluted earnings per share (cents)	**10.1**	5.9

	2013 NUMBER	2012 NUMBER
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares before Entitlement Offer	**-**	688,019,737
Adjustment for dilutive effects of Entitlement Offer[a]	**-**	32,094,944
Weighted average number of ordinary shares issued	**825,672,730**	-
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	**825,672,730**	720,114,681

a. For the basic earnings per share calculation the weighted average number of ordinary shares on issue is adjusted to take account of the dilutive impact of the Entitlement Offer price of $3.30 per new share. This represents 23.1% discount to the theoretical ex-rights value of $4.29 per share and 26.5% discount to the market price of an ordinary share immediately before the announcement of the Entitlement Offer.

$$\text{Adjustment factor} = \frac{\text{Fair value (i.e. market price) before the announcement of the Entitlement Offer}}{\text{Theoretical ex-rights value per share}}$$

$$= 1.05\ (\$4.49 / \$4.29)$$

The adjustment factor is multiplied by the weighted average number of ordinary shares outstanding after the Entitlement Offer to calculate the denominator for the basic earnings per share.

	2013 $M	2012 $M
15. CASH AND CASH EQUIVALENTS		
Cash on hand and in banks	**88.8**	85.9
Short term deposits, maturing within 30 days[a]	**176.7**	256.7
	265.5	342.6

a. Cash proceeds of $255.6 million from Institutional Entitlement Offer were recorded in cash and cash equivalents as at 30 June 2012. Cash proceeds of $186.9 million from Retail Entitlement Offer were received during the financial year. By 24 July 2012, the Company had repaid $443.0 million of its bank loans using the proceeds from the Entitlement Offer (refer to note 26).

16. TRADE AND OTHER RECEIVABLES

	2013 $M	2012 $M
Current		
Trade receivables[a]	**115.5**	160.7
Less provision for impairment	**(41.2)**	(30.8)
Net trade receivables	**74.3**	129.9
Other receivables	**10.5**	5.5
	84.8	135.4
Retail Entitlement Offer proceeds receivable (refer to note 26)	**-**	186.9
	84.8	322.3

a. Includes patron cheques not deposited of $37.6 million (2012: $65.0 million).

(a) Provision for impairment of trade receivables

Movement in provision	2013 $M	2012 $M
Balance at beginning of year	**(30.8)**	(34.2)
Created during the year[a]	**(17.8)**	(30.7)
Utilised during the year	**7.4**	34.1
Balance at end of year	**(41.2)**	(30.8)

Trade debtors are non interest bearing and are generally on 30 day terms.

a. These amounts are included in other expenses in the statement of comprehensive income (refer to note 7).

(b) Ageing of trade and other receivables (excluding Entitlement Offer)

	0 - 30 DAYS $M	> 30 DAYS $M	TOTAL $M
2013	**41.8**	**32.5**	**74.3**
Not impaired	**-**	**41.2**	**41.2**
Considered impaired	**41.8**	**73.7**	**115.5**
2012	71.3	58.6	129.9
Not impaired	-	30.8	30.8
Considered impaired	71.3	89.4	160.7

Other receivables do not contain impairments and are not past due. It is expected that these other balances will be received when due.

17. OTHER ASSETS

	2013 $M	2012 $M
Current		
Prepayments	**9.9**	15.0
Rental in advance	**0.2**	0.2
Other assets	**4.6**	4.8
	14.7	20.0
Non current		
Prepayments	**0.1**	0.2
Rental in advance	**10.3**	10.5
Other assets	**12.0**	14.7
	22.4	25.4

Other assets above are shown net of impairment of nil (2012: $7.4 million). The impairment is included in depreciation, amortisation and impairment in the statement of comprehensive income.

18. PROPERTY, PLANT AND EQUIPMENT

	2013 $M	2012 $M
Freehold land		
- at cost	**104.4**	104.4
	104.4	104.4
Buildings		
- at cost[a]	**1,593.3**	1,579.9
- accumulated depreciation	**(207.0)**	(167.9)
	1,386.3	1,412.0
Leasehold improvements		
- at cost[a]	**269.6**	259.2
- accumulated depreciation	**(61.8)**	(53.6)
	207.8	205.6
Plant and equipment		
- at cost[a]	**718.3**	591.8
- accumulated depreciation	**(410.6)**	(336.0)
	307.7	255.8
	2,006.2	1,977.8
a Includes capital works in progress of:		
Buildings - at cost	21.5	109.1
Leasehold improvements - at cost	0.7	3.2
Plant and equipment - at cost	15.1	30.6
Total capital works in progress	37.3	142.9

Reconciliations	FREEHOLD LAND $M	BUILDINGS $M	LEASEHOLD IMPROVEMENTS $M	PLANT AND EQUIPMENT $M	TOTAL $M
2013					
Carrying amount at beginning of the year	**104.4**	**1,412.0**	**205.6**	**255.8**	**1,977.8**
Additions	**-**	**46.5**	**9.7**	**79.6**	**135.8**
Reclassification/transfer[b]	**-**	**(32.7)**	**0.7**	**49.7**	**17.7**
Depreciation expense	**-**	**(39.5)**	**(8.2)**	**(77.4)**	**(125.1)**
Carrying amount at end of the year	**104.4**	**1,386.3**	**207.8**	**307.7**	**2,006.2**
2012					
Carrying amount at beginning of year	104.4	1,221.8	208.2	230.2	1,764.6
Additions	-	251.3	6.1	64.6	322.0
Net additions from demerger from Tabcorp	-	(10.5)	(0.1)	(5.3)	(15.9)
Reclassification/transfer[c]	-	(23.1)	(1.7)	33.9	9.1
Depreciation expense	-	(27.5)	(6.9)	(67.6)	(102.0)
Carrying amount at end of year	104.4	1,412.0	205.6	255.8	1,977.8

Borrowing costs of $8.2 million (2012: $15.1 million) were capitalised during the year and are included in 'Additions' above. The capitalisation rate used was equal to the Group's weighted average cost of borrowings applicable to the Group's outstanding borrowings during the year of 10.2% (2012: 9.6%).

b Reclassification of $17.7 million from Intangibles - Software. Refer to note 19.

c Transfer of $9.1 million from Intangible assets - Software. Refer to note 19.

19. INTANGIBLE ASSETS

	2013 $M	2012 $M
Goodwill		
- at cost	**1,443.7**	1,443.7
	1,443.7	1,443.7
The Star and Treasury casino licences		
- at cost	**294.7**	294.7
- accumulated amortisation	**(53.3)**	(50.1)
	241.4	244.6
The Star casino concessions		
- at cost	**100.0**	100.0
- accumulated amortisation	**(11.6)**	(8.8)
	88.4	91.2
Software		
- at cost[a]	**111.4**	113.9
- 'accumulated amortisation and impairment	**(53.2)**	(44.2)
	58.2	69.7
Other		
- at cost	**20.1**	20.1
- 'accumulated amortisation and impairment	**(3.5)**	(3.1)
	16.6	17.0
	1,848.3	1,866.2

a Includes capital works in progress of $18.4 million (2012: $36.4 million).

Reconciliations	GOODWILL $M	THE STAR AND TREASURY CASINO LICENCES $M	THE STAR CASINO CONCESSIONS $M	SOFTWARE $M	OTHER $M	TOTAL $M
2013						
Carrying amount at beginning of the year	**1,443.7**	**244.6**	**91.2**	**69.7**	**17.0**	**1,866.2**
Additions	**-**	**-**	**-**	**19.4**	**-**	**19.4**
Reclassification/transfer[b]	**-**	**-**	**-**	**(17.7)**	**-**	**(17.7)**
Amortisation expense	**-**	**(3.2)**	**(2.8)**	**(13.2)**	**(0.4)**	**(19.6)**
Carrying amount at end of the year	**1,443.7**	**241.4**	**88.4**	**58.2**	**16.6**	**1,848.3**
2012						
Carrying amount at beginning of the year	1,443.7	247.8	94.1	60.2	17.4	1,863.2
Additions	-	-	-	24.0	-	24.0
Reclassification/transfer[c]	-	-	-	(9.1)	-	(9.1)
Amortisation expense	-	(3.2)	(2.9)	(5.4)	(0.4)	(11.9)
Carrying amount at end of the year	1,443.7	244.6	91.2	69.7	17.0	1,866.2

Borrowing costs of $0.7 million (2012: nil) were capitalised during the year and are included in 'Additions' above. The capitalisation rate used was equal to the Group's weighted average cost of borrowings applicable to the Group's outstanding borrowings during the year of 10.2% (2012: 9.6%).

b Reclassification of $17.7 million to Property, Plant & Equipment. Refer to note 18.

c Transfer of $9.1 million to Property, Plant & Equipment. Refer to note 18.

20. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations have been allocated to the applicable cash generating unit for impairment testing. Each cash generating unit represents a business operation of the Group.

Carrying amount of goodwill allocated to each cash generating unit:

CASH GENERATING UNIT (REPORTABLE SEGMENT)	THE STAR (THE STAR) $M	JUPITERS GOLD COAST (JUPITERS) $M	JUPITERS TOWNSVILLE (JUPITERS) $M	TREASURY (TREASURY) $M	TOTAL CARRYING AMOUNT $M
2013	**1,013.5**	**165.5**	**1.5**	**263.2**	**1,443.7**
2012	1,013.5	165.5	1.5	263.2	1,443.7

The recoverable amount of each cash generating unit is determined based on 'fair value less costs to sell', which is calculated using the discounted cash flow approach. This approach utilises cash flow forecasts that are principally based upon Board approved business plans for a five-year period and extrapolated using implied terminal growth rates ranging from 2.5% to 3.0% (2012: 2.5%), based on local inflation plus a premium. These cash flows are then discounted using a relevant long term post tax discount rate specific to each cash generating unit, ranging between 9.6% to 10.3% (2012: 9.8%-10.5%).

Key assumptions

The following describes the key assumptions on which management based its cash flow projections when determining 'fair value less costs to sell' to undertake impairment testing of goodwill:

i. Cash flow forecasts

The cash flow forecasts are based upon the Board approved five-year business plan for each cash generating unit.

ii. Terminal value

The terminal growth rate used is in line with the forecast long term underlying growth rate in CPI plus a premium where applicable.

iii. Discount rates

Discount rates applied are based on the post tax weighted average cost of capital applicable to the relevant cash generating unit.

iv. Regulatory

On 4 July 2013, the New South Wales Government progressed Crown Limited's proposal to develop a gaming facility at Barangaroo to Stage 3 of the Unsolicited Proposal process. If the New South Wales Government and Crown enter into a binding agreement to issue such a gaming licence to Crown Limited, and if Crown subsequently builds and develops the proposed facility, the exclusivity of The Star's casino licence will cease after November 2019. The expected impact of the above has been taken into consideration in determining the recoverable amount of The Star at 30 June 2013. As further details of the final approval and scope of the proposed gaming facility become known, management will consider the impact that this may have on The Star's carrying value.

v. Sensitivities

The key estimates and assumptions used to determine the 'fair value less costs to sell' of a cash generating unit are based on management's current expectations after considering past experience and external information, and are considered to be reasonably achievable. However, significant changes in any of these key estimates and assumptions may result in a cash generating unit's carrying value exceeding its recoverable value, requiring an impairment charge to be recognised at a future date. Management considers a 5% decline in the compound annual growth rate for Jupiters Gold Coast to be a reasonably possible change, that would give rise to an impairment charge of approximately $130 million being recognised.

	2013 $M	2012 $M

21. TRADE AND OTHER PAYABLES

	2013 $M	2012 $M
Current	**181.2**	187.5
Trade creditors and accrued expenses	**2.8**	5.5
Interest payable	**184.0**	193.0

22. PROVISIONS

	2013 $M	2012 $M
Current		
Employee benefits	**42.7**	44.9
Workers' compensation	**15.8**	15.3
Other	**-**	-
	58.5	60.2
Non current		
Employee benefits	**8.0**	7.7
Other	**-**	-
	8.0	7.7

Reconciliations

Reconciliations of each class of provision, except for employee benefits, at the end of the current year are set out below:

	WORKERS' COMPENSATION $M	OTHER $M
2013		
Carrying amount at beginning of the year	**15.3**	-
Provisions made during the year	**3.1**	-
Provisions utilised during the year	**(2.6)**	-
Carrying amount at end of the year	**15.8**	-
Carrying amount at end of the year		
- current	**15.8**	-
	15.8	-
2012		
Carrying amount at beginning of the year	**12.3**	4.0
Provisions made during the year	**4.7**	-
Provisions utilised during the year	**(1.7)**	(4.0)
Carrying amount at end of the year	**15.3**	-
Carrying amount at end of the year		
- current	**15.3**	-
	15.3	-

Nature and timing of provisions

Workers' compensation

The Group self insures for workers' compensation in both New South Wales and Queensland. A valuation of the estimated claims liability for workers' compensation is undertaken annually by an independent actuary.

The valuations are prepared in accordance with the relevant legislative requirements of each state and Professional Standard 300 of the Institute of Actuaries. The estimate of claims liability includes a margin over case estimates to allow for the future development of known claims, the cost of incurred but not reported ('IBNR') claims and claims handling expenses, which are determined using a range of assumptions.

	2013 $M	2012 $M
23. INTEREST BEARING LIABILITIES		
Current		
Bank loans - unsecured[a]	-	443.0
Non current		
Bank loans - unsecured[a]	**477.8**	425.3
Private placement - US dollar[b]	**495.0**	449.5
	972.8	874.8
Total borrowings	**972.8**	1,317.8

a Bank loans

During the financial year, the Group repaid $443.0 million of its bank loans using the proceeds raised from the Entitlement Offer. The Group also reduced the total facility and extended the maturity dates of its facilities during the year, as summarised below:

2013 TYPE	FACILITY $M	UNUTILISED AT 30 JUNE	MATURITY DATE
Syndicated revolving facility - tranche A	375.0	-	July 2015
Syndicated revolving facility - tranche B	375.0	265.0	July 2017
	750.0	265.0	

2012 TYPE	FACILITY $M	UNUTILISED AT 30 JUNE	MATURITY DATE
Syndicated revolving facility - tranche A	480.0	-	June 2014
Syndicated revolving facility - tranche B	480.0	80.0	June 2016
	960.0	80.0	

The above facilities are subject to financial undertakings as to gearing and interest cover. Interest is variable, linked to BBSY (Bank Bill Swap Bid Rate), and a defined gearing ratio at the end of certain test dates.

The Group undertook with its USPP lenders to limit the draw downs from the banking syndicate to $740.0 million in the period from 24 June 2012 to 30 June 2013. No such restriction applies following 30 June 2013.

b US Private Placement (USPP)

The Group's USPP borrowings have not changed during the year, and are summarised below.
The facilities existing are as follows:

2013/2012 TYPE	FACILITY $M(USD)	FACILITY $M(AUD)*	UNUTILISED AT 30 JUNE	MATURITY DATE
Series A	100.0	94.0	-	June 2018
Series B	360.0	336.0	-	June 2021
	460.0	430.0	-	

* The $430.0 million USPP borrowings are stated in the table above at the AUD amount repayable under cross currency swaps at maturity.

The above facilities are subject to financial undertakings as to gearing and interest cover. Interest is variable, linked to BBSW (Bank Bill Swap Rate), and a defined gearing ratio at the end of certain test dates.

The USPP Noteholders have the right to demand partial or full repayment where 'parties acting in concert' hold 25% or more of the voting power of the Company.

Fair value disclosures

Details of the fair value of the Group's interest bearing liabilities are set out in note 34.

24. DERIVATIVE FINANCIAL INSTRUMENTS

	2013 $M	2012 $M
Current assets		
Cross currency swaps	**3.2**	-
Forward currency contracts	**0.2**	-
	3.4	-
Non current assets		
Cross currency swaps	**89.7**	80.5
Forward currency contracts	**2.1**	1.0
	91.8	81.5
Current liabilities		
Interest rate swaps	**30.2**	25.6
Cross currency swaps	**-**	1.6
Forward currency contracts	**0.1**	0.6
	30.3	27.8
Non current liabilities		
Interest rate swaps	**57.6**	88.5
Forward currency contracts	**-**	0.7
	57.6	89.2
Net financial assets/(liabilities)	**7.3**	(35.5)

Refer to note 34 for additional financial instruments disclosure.

25. OTHER LIABILITIES

	2013 $M	2012 $M
Current		
Deferred revenue	**11.4**	3.7
Other	**-**	0.1
	11.4	3.8

26. SHARE CAPITAL AND RESERVES

	2013 $M	2012 $M
(a) Share capital		
Ordinary shares - issued and fully paid[a]	**2,580.5**	2,138.0
Unalloted capital - Entitlement Offer[b]	**-**	442.5
	2,580.5	2,580.5

a There is only one class of shares (ordinary shares) on issue. These ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The Company does not have authorised capital nor par value in respect of its issued shares.

	2013 NUMBER OF SHARES	2012 NUMBER OF SHARES
Movements in ordinary share capital		
Balance at beginning of year	**688,019,737**	688,019,737
Shares issued under Entitlement Offer	**137,652,993**	-
Balance at end of year	**825,672,730**	688,019,737
Movements in unalloted capital - Entitlement Offer		
Shares issued subsequent to year end following Entitlement offer:		
Institutional Entitlement Offer	**-**	79,613,949
Retail Entitlement Offer	**-**	58,039,044
	-	137,652,993
Total Share capital	**825,672,730**	825,672,730

b **Details of Entitlement Offer**

On 14 June 2012, the Company announced a fully underwritten 1 for 5 accelerated renounceable entitlement offer of new Echo ordinary shares at an offer price of $3.30 per New Share to raise approximately $454.3 million ('Entitlement Offer'). Eligible shareholders were entitled to purchase 1 New Share for every existing 5 Echo shares ('Entitlement') held as at 7.00pm on 18 June 2012 ('Record Date'). New Shares issued under the Entitlement Offer rank equally with existing Echo ordinary shares in all respects.

The Entitlement Offer comprised an accelerated institutional component ('Institutional Entitlement Offer') and a retail component ('Retail Entitlement Offer').

The Institutional Entitlement Offer was completed on 18 June 2012 with approximately 95% take up by eligible institutional shareholders. The amount paid by successful participants in the institutional shortfall bookbuild was $4.10 (being the Offer Price of $3.30 plus a premium of $0.80 per Entitlement). Eligible institutional shareholders who elected not to take up their Entitlements together with ineligible institutional shareholders received $0.80 for each Entitlement not taken up (less any applicable withholding tax).

On 2 July 2012, 79,613,949 shares were issued under the Institutional Entitlement Offer and commenced trading on that day.

The Retail Entitlement Offer closed at 5.00pm on 9 July 2012. Eligible retail shareholders subscribed for approximately 39 million new Echo ordinary shares representing approximately 67% take-up by eligible retail shareholders under the Retail Entitlement Offer.

The retail shortfall bookbuild of entitlements was completed on 13 July 2012. Approximately 19 million entitlements were available in the Retail Bookbuild with the total amount of $4.12 (representing $3.30 Offer Price plus a premium of $0.82 per Entitlement) being paid by successful participants. As such, holders of retail entitlements which were not taken up and retail shareholderes that were ineligible to participate in the offer, were paid $0.82 for each entitlement sold for their benefit, net of any applicable withholding tax. Payment of the Retail Premium was despatched to the relevant shareholders on 20 July 2012.

The receipt and payment of the Entitlement Rights are not recognised in the financial statements as these are transactions between shareholders.

On 19 July 2012, 58,039,044 shares were issued under the Retail Entitlement Offer and commenced trading on 20 July 2012.

The effects of the Entitlement Offer transaction were reflected in the 30 June 2012 statement of financial position on the basis that the Company announced the offer on 14 June 2012 and all of the underwriting conditions had been met on or before 30 June 2012. Net proceeds of $442.5 million were recorded in the share capital account, after taking into account expenses of $11.8 million net of tax of $5.0 million. Cash proceeds of $255.6 million were received in the prior year and recorded in cash and cash equivalents. Proceeds of $186.9 million were received during the financial year and were reflected as sundry debtors as at 30 June 2012. Expenses of $5.0 million were unpaid at 30 June 2012 and included in sundry payables. A total of 137,652,993 shares were issued and commenced trading during the financial year. $443.0 million of debt was repaid during the financial year, using the proceeds from the Entitlement Offer.

	2013 $M	2012 $M

26. SHARE CAPITAL AND RESERVES *CONTINUED*

(b) Reserves

	2013 $M	2012 $M
Hedging reserve[a]	**(29.5)**	(24.2)
Share based payments reserve[b]	**1.1**	0.7
	(28.4)	(23.5)

Nature and purpose of reserves

a The hedging reserve records fair value changes on the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

b The share based payments reserve is used to recognise the value of equity settled share based payment transactions provided to employees, including key management personnel as part of their remuneration. Refer note 36 for further details on these plans.

(c) Capital management

The Group's objectives when managing capital are to ensure the Group continues as a going concern while providing optimal returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid to shareholders, return capital to shareholders or issue new shares. Gearing is managed primarily through the ratio of gross debt to earnings before interest, tax, depreciation, amortisation and impairment (EBITDA). Gross debt comprises interest bearing liabilities, with US dollar borrowings translated at the 30 June 2013 AUD/USD spot rate of 0.9261 (2012: AUD/USD spot rate of 1.019).

The Group is not subject to any externally imposed capital requirements, other than the banking covenants referred to in note 23.

	2013 $M	2012 $M
Gross debt[a]	**972.8**	1,317.8
Net debt[a]	**707.3**	793.3
EBITDA[b]	**372.9**	332.6
Gearing ratio	**1.9x**	2.4x

a For 2012, gross debt was stated before equity raise proceeds and net debt was stated after equity raise proceeds.

b EBITDA is stated before significant items.

27. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to cash generated by operations

	NOTE	2013 $M	2012 $M
Net profit after tax		**83.5**	42.2
Non cash items and items dealt with separately:			
- depreciation, amortisation and impairment	6	**146.0**	122.1
- employee share based payments expense	36	**0.4**	0.7
- unrealised foreign exchange gains or losses		**(1.7)**	-
Items classified as investing/financing activities:			
- net gain on disposal of non current assets		**-**	(5.5)
- finance costs	10	**83.3**	95.4
Cash generated by operations before working capital changes		**311.5**	254.9
Working capital changes			
- Decrease/(increase) in trade and other receivables and other assets		**60.2**	(51.5)
- Decrease/(increase) in inventories		**0.2**	(1.1)
- (Decrease)/increase in trade and other payables, accruals and provisions		**(0.2)**	41.7
- Increase/(decrease) in tax provisions		**34.8**	(44.4)
Net cash inflow from operating activities		**406.5**	199.6

(b) Cash used in investing activities includes:

	NOTE	2013 $M	2012 $M
Proceeds from the sale of the Lyric Theatre		**-**	15.5

	2013 $M	2012 $M
28. COMMITMENTS		
(a) Operating lease commitments[a b]		
Not later than one year	**12.1**	12.6
Later than one year but not later than five years	**44.5**	49.9
Later than five years	**71.6**	83.0
	128.2	145.5

a. The Group leases property (including The Star property lease) under operating leases expiring between 1 to 80 years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or are subject to market rate review.

b. Operating lease commitments include commitments in relation to the leasing of aircraft.

29. CONTINGENT LIABILITIES

Details of contingent liabilities where the probability of future payments is not considered remote are set out below as well as details of contingent liabilities, which although considered remote, the directors consider should be disclosed as they are not disclosed elsewhere in the notes to the financial statements.

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Legal challenges

There are outstanding legal actions between controlled entities and third parties as at 30 June 2013. The Group has notified its insurance carrier of all litigation, and believes that any damages (other than exemplary damages) that may be awarded against the Group, in addition to its costs incurred in connection with the action, will be covered by its insurance policies where such policies are in place. However, given the nature of insurance, no assurance can be given that any such claims are not likely to have a material adverse effect on the Group.

In the case of possible actions which, due to the demise of an underwriter do not have insurance cover, the Group considers that, on the balance of probability, no material losses will arise. This position will be monitored and in the event that a loss becomes probable, an appropriate provision will be made.

Financial guarantees

Refer to note 33 for details of financial guarantees provided by the Group at the reporting date.

30. SEGMENT INFORMATION

The Group's operating segments have been determined based on the internal management reporting structure and the nature of products and services provided by the Group. They reflect the business level at which financial information is provided to management for decision making regarding resource allocation and performance assessment.

The Group has three reportable segments:

The Star Comprises The Star's casino operations (Sydney), including hotels, apartment complex, night club, restaurants and bars.

Jupiters Comprises the casino operations at two locations (Gold Coast and Townsville), including hotels, theatre, restaurants and bars.

Treasury Comprises Treasury's casino operations (Brisbane), including hotel, restaurants and bars.

	THE STAR $M	JUPITERS $M	TREASURY $M	TOTAL $M
2013				
Gross revenues - VIP[a,b]	**362.0**	**19.5**	**5.3**	**386.8**
Gross revenues - external[a,b]	**841.1**	**343.7**	**275.2**	**1,460.0**
Segment revenue	**1,203.1**	**363.2**	**280.5**	**1,846.8**
Segment result[c]	**156.0**	**25.5**	**45.4**	**226.9**
Depreciation, amortisation and impairment	**94.6**	**29.5**	**21.9**	**146.0**
Capital expenditure	**94.5**	**35.2**	**25.5**	**155.2**
2012				
Gross revenues / (loss) - VIP[a,b,d]	226.3	48.6	(4.0)	270.9
Gross revenues - external[a,b]	797.3	346.2	274.9	1,418.4
Segment revenue	1,023.6	394.8	270.9	1,689.3
Segment result[c]	111.3	59.2	47.4	217.9
Depreciation, amortisation and impairment	77.0	22.0	15.7	114.7
Capital expenditure	283.6	44.3	18.1	346.0

a Gross revenue is presented as the gross gaming win before player rebates and promotional allowances.
b Segment revenue is presented on an actual basis.
c Segment result represents profit before net finance costs and income tax and excludes significant items.
d Domestic rebate revenue of $4.1 million has been reclassified from Gross revenues / (loss) - VIP to Gross revenues - external to reflect current year classification.

	2013 $M	2012 $M
Reconciliation of reportable segment profit to profit before tax		
Segment profit before interest and tax	**226.9**	217.9
Significant items (refer to note 8)	**(38.3)**	(74.1)
Unallocated items:		
- finance income	**3.9**	1.5
- finance costs	**(83.3)**	(95.4)
Profit before tax	**109.2**	49.9

	2013 $000'S	2012 $000'S
31. DIRECTOR AND EXECUTIVE DISCLOSURES		
(a) Compensation of KMP		
Short term	**6,649**	6,025
Other long term[a]	**(24)**	97
Post employment	**145**	130
Share based payments	**295**	417
Termination benefits	**2,406**	192
Total compensation	**9,471**	6,860

The above reflects the compensation for individuals who are KMP of the Group.

a Other long term compensation is negative due to the reversal of the former CEO's long service leave provision on termination.

(b) Shareholdings of KMP

Shares held in Echo Entertainment Group Limited (number)

	KMP START DATE	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR	NUMBER ACQUIRED	NET CHANGE OTHER	KMP CESSATION DATE	NUMBER OF SHARES HELD AT THE END OF YEAR
2013						
Current Non Executive Directors						
John O'Neill AO	**n/a**	**15,500**	**30,620**	**-**	**n/a**	**46,120**
Anne Brennan	**n/a**	**-**	**10,000**	**-**	**n/a**	**10,000**
Katie Lahey AM	**1 March 2013**	**-**	**-**	**-**	**n/a**	**-**
Richard Sheppard	**1 March 2013**	**-**	**-**	**-**	**n/a**	**-**
Gerard Bradley	**30 May 2013**	**-**	**-**	**-**	**n/a**	**-**
Former Non Executive Directors						
John Redmond[b]	**n/a**	**-**	**-**	**-**	**18 January 2013**	**-**
Brett Paton[c]	**n/a**	**75,000**	**15,000**	**-**	**25 September 2012**	**90,000**
Current Executive Directors						
John Redmond[b]	**18 January 2013**	**-**	**-**	**-**	**n/a**	**-**
Matt Bekier	**n/a**	**184,136**	**36,828**	**-**	**n/a**	**220,964**
Current Executives						
Geoff Hogg	**n/a**	**30,579**	**-**	**-**	**n/a**	**30,579**
Frederic Luvisutto	**n/a**	**-**	**-**	**-**	**n/a**	**-**
Aaron Gomes	**4 October 2012**	**-**	**-**	**-**	**n/a**	**-**
Former Executives						
Larry Mullin[d]		**154,703**	**30,941**	**-**	**31 January 2013**	**185,644**
Total		**459,918**	**123,389**	**-**		**583,307**
2012						
Current Non Executive Directors						
John O'Neill AO	n/a	-	15,500	-	n/a	15,500
Brett Paton	n/a	23,181	51,819	-	n/a	75,000
Anne Brennan	23 March 2012	-	-	-	n/a	-
John Redmond	23 March 2012	-	-	-	n/a	-
Former Non Executive Directors						
John Story	n/a	58,194	-	(3,753)	8 Jun 2012	54,441
Current Executive Directors						
Larry Mullin	n/a	154,703	-	-	n/a	154,703
Matt Bekier	n/a	184,136	-	-	n/a	184,136
Current Executives						
Geoff Hogg	n/a	30,579	-	-	n/a	30,579
Frederic Luvisutto	n/a	-	-	-	n/a	-
Former Executives						
Sid Vaikunta	n/a	76,389	-	(76,389)	2 Feb 2012	-
Total		527,182	67,319	(80,142)	-	514,359

b Mr Redmond ceased his role as a Non-Executive Director and commenced as Managing Director and Chief Executive Officer on 18 January 2013.

c Mr Mullin ceased as a Director of the Company on 31 January 2013. The number of Echo Entertainment Group Limited securities disclosed above was applicable at the time of cessation.

d Mr Paton ceased as a Director of the Company on 25 September 2012. The number of Echo Entertainment Group Limited securities disclosed above was applicable at the time of cessation.

32. RELATED PARTY DISCLOSURE

(a) Parent entity

The ultimate parent entity within the Group is Echo Entertainment Group Limited.

(b) Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 2. The financial years of all controlled entities are the same as that of the Company.

NAME OF CONTROLLED ENTITY	NOTE	COUNTRY OF INCORPORATION	EQUITY TYPE	EQUITY INTEREST AS AT 30 JUNE 2013 %	EQUITY INTEREST AS AT 30 JUNE 2012 %
Parent entity					
Echo Entertainment Group Limited		Australia	ordinary shares		
Controlled entities					
Star City Holdings Limited	a b	Australia	ordinary shares	**100.0**	100.0
The Star Pty Ltd	a b	Australia	ordinary shares	**100.0**	100.0
Star City Entertainment Pty Ltd	a	Australia	ordinary shares	**100.0**	100.0
Sydney Harbour Casino Properties Pty Ltd	a b	Australia	ordinary shares	**100.0**	100.0
Sydney Harbour Apartments Pty Ltd	a	Australia	ordinary shares	**100.0**	100.0
Star City Investments Pty Ltd	a	Australia	ordinary shares	**100.0**	100.0
Star City Share Plan Company Pty Ltd	d	Australia	ordinary shares	**100.0**	100.0
Star City Superannuation Fund Pty Ltd	c d	Australia	ordinary shares	**100.0**	100.0
Jupiters Limited		Australia	ordinary shares	**100.0**	100.0
Breakwater Island Limited		Australia	ordinary shares	**100.0**	100.0
Breakwater Island Trust		Australia	units	**100.0**	100.0
Jupiters Custodian Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Jupiters Trust		Australia	units	**100.0**	100.0
Jupwind Superannuation Pty Ltd	c	Australia	ordinary shares	**100.0**	100.0
Echo Entertainment International No.1 Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment International No.2 Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Jupiters Resorts (Macau) Limited	f	Macau	ordinary shares	**100.0**	100.0
Echo Entertainment International No.3 Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Vanuatu Casino Management Services Limited	f	Vanuatu	ordinary shares	**99.9**	99.9
Echo Entertainment RTO Pty Ltd	e	Australia	ordinary shares	**100.0**	100.0
Echo Entertainment Finance Limited		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment International Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment Technology Services Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment Training Company Pty Ltd		Australia	ordinary shares	**100.0**	100.0
Echo Entertainment International (Hong Kong) Limited	f g	Hong Kong	ordinary shares	**100.0**	0.0

a These companies entered into a deed of cross guarantee with Star City Holdings Limited on 31 May 2011, and as such are members of the closed group as defined in Australian Securities and Investments Commission class order CO 98/1418. Under the Deed of Cross Guarantee, each entity guarantees to creditors of each party to the Deed that any debt or claim which is now or at any future time admissible to proof in the winding up of any one of those entities (and no other claim) will be paid in full in accordance with the Deed.

b These companies have provided a charge over their assets and undertakings as explained in note 33.

c These companies are not considered to be controlled entities in accordance with section 50AA(4) of the Corporations Act (2001). Applications have been made to ASIC to have these companies deregistered.

d The registration of these companies was reinstated as of 21 March 2011 in order to facilitate the revocation of the deed of cross guarantee, to which these entities (among others) were a party. This revocation was required in respect of the demerger of the Group by Tabcorp Holdings Limited.

e Formerly Echo Entertainment Culinary Institute Pty Ltd.

f These companies are incorporated in foreign jurisdictions and not registered as Australian foreign entities.

g This company was incorporated in Hong Kong on 18 April 2013. This company will act as the sole shareholder of Echo Entertainment (Shanghai) Trading Co., Limited, a company to be incorporated in China. Applications have been submitted for the incorporation of Echo Entertainment (Shanghai) Trading Co., Limited, with the issue of a business licence (and accompanying incorporation) expected by late October. The entity will be used to procure goods for the Group directly out of China.

(c) Transactions with controlled entities

Echo Entertainment Group Limited

During the period, the Company entered into the following transactions with controlled entities:

- loans repaid in the year of $54.1 million, loans advanced of $142.5 million (2012: loans received of $54.1 million); and
- income tax and GST paid on behalf of controlled entities of $108.3 million (2012: income tax and GST paid of $123.8 million).

The amount receivable by the Company from controlled entities at year end is $142.5 million (2012: amounts payable of $54.1 million). All the transactions were undertaken on normal commercial terms and conditions.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise cash, short term deposits, bank bills, Australian denominated bank loans, and foreign currency denominated notes.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. Derivative transactions are also entered into by the Group, being interest rate swaps, cross currency swaps and forward currency contracts, the purpose being to manage interest rate and currency risks arising from the Group's operations and sources of finance.

The Group's risk management policy is carried out by the Corporate Treasury function under the Group Treasury Policy approved by the Board. Corporate Treasury reports regularly to the Board on the Group's risk management activities and policies. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 2.

Interest rate risk

The Group has a policy of controlling exposure to interest rate fluctuations by the use of fixed and variable rate debt and by the use of interest rate swaps or caps. It has entered into interest rate swap agreements to hedge underlying debt obligations and allow floating rate borrowings to be swapped to fixed rate borrowings. Under these arrangements, the Group will pay fixed interest rates and receive the bank bill swap rate calculated on the notional principal amount of the contracts.

At 30 June 2013 after taking into account the effect of interest rate swaps, approximately 100% (2012: 69.8%) of the Group's borrowings are at a fixed rate of interest.

Foreign currency risk

As a result of issuing private notes denominated in US Dollars ('USD'), the Group's statement of financial position can be affected by movements in the USD/AUD exchange rate. In order to hedge this exposure, the Group has entered into cross currency swaps to fix the exchange rate on the notes until maturity. The Group agrees to exchange a fixed USD amount in exchange for an agreed AUD amount with swap counterparties, and re-exchange this again at maturity. These swaps are designated to hedge the principal and interest obligations under the private notes.

The Group has operating leases for two aircrafts invoiced in USD. The Group has entered into foreign exchange forward contracts to hedge against the USD currency risk, by exchanging the future USD lease payments to AUD amounts.

Credit risk

Credit risk on financial assets which have been recognised on the statement of financial position, is the carrying amount less any allowance for non recovery. The Group minimises credit risk via adherence to a strict cash management policy. Collateral is not held as security.

Credit risk in trade receivables is managed in the following ways:

- the provision of cheque cashing facilities for casino gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank opinions and the use of a central credit agency which collates information from major casinos around the world; and
- the provision of non gaming credit is covered by a risk assessment process for customers using the Credit Reference Association of Australia, bank opinions and trade references.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is carefully managed and controlled.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents (including short term deposits and bank bills), the maximum exposure of the Group to credit risk from default of a counterparty is equal to the carrying amount of these instruments.

In relation to financial liabilities, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in respect of interest rate swap contracts, cross currency swap contracts and forward currency contracts is detailed in note 34.

Credit risk includes liabilities under financial guarantees. For financial guarantee contract liabilities the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. The fair value of financial guarantee contract liabilities has been assessed as nil (2012: nil), as the possibility of an outflow occurring is considered remote. Details of the financial guarantee contracts at statement of financial position date are outlined below:

Fixed and floating charges

The controlled entities denoted (b) in note 32 have provided the Independent Liquor and Gaming Authority ('ILGA') with a fixed and floating charge over all of the assets and undertakings of each company to secure payment of all monies and the performance of all obligations which they have to the ILGA. The maximum prospective liability under the charge is $1.5 billion (2012: $1.5 billion).

Guarantees and indemnities

The controlled entities denoted (b) in note 32 have entered into a guarantee and indemnity agreement in favour of the ILGA whereby all parties to the agreement are jointly and severally liable for the performance of the obligations and liabilities of each company participating in the agreement with respect to agreements entered into and guarantees given.

Entities in the Group are called upon to give in the ordinary course of business, guarantees and indemnities in respect of the performance of their contractual and financial obligations. The maximum amount of these guarantees and indemnities is $124.8 million (2012: $124.3 million).

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and notes.

The Group manages liquidity risk by maintaining a forecast of expected cash flow which is monitored and reviewed on a regular basis. To help reduce liquidity risk, the Group targets a minimum level of cash and cash equivalents to be maintained, and has revolving facilities in place with sufficient undrawn funds available.

The Group's policy is that not more than 33% of debt facilities should mature in any financial year within the next four years. At 30 June 2013, the Group's debt facilities that will mature in less than one year is nil (2012: nil). The next debt maturity of the syndicated revolving facility is $375.0 million in June 2015. This represents 32% of total debt and is within the Group's policy.

Refer to notes 23 and 34 for maturity of financial liabilities.

The contractual cash flows including principal and estimated interest receipts/payments of financial assets/liabilities are as follows:

(a) Non-derivative financial instruments

	2013			2012		
	< 1 YEAR $M	1 - 5 YEARS $M	> 5 YEARS $M	< 1 YEAR $M	1 - 5 YEARS $M	> 5 YEARS $M
Financial assets						
Cash assets	**88.8**	**-**	**-**	85.9	-	-
Short term deposits	**176.7**	**-**	**-**	256.7	-	-
Net receivables	**84.8**	**-**	**-**	322.3	-	-
	350.3	**-**	**-**	664.9	-	-
Financial liabilities						
Trade creditors and accrued expenses	**184.0**	**-**	**-**	193.0	-	-
Bank loans - unsecured	**24.7**	**522.7**	**-**	460.4	489.6	-
- US dollar - pay USD fixed	**27.6**	**218.1**	**454.2**	25.1	100.3	535.8
	236.3	**740.8**	**454.2**	678.5	589.9	535.8
Net inflow / (outflow)	**114.0**	**(740.8)**	**(454.2)**	(13.6)	(589.9)	(535.8)

(b) Derivative financial instruments

	2013			2012		
	< 1 YEAR $M	1 - 5 YEARS $M	> 5 YEARS $M	< 1 YEAR $M	1 - 5 YEARS $M	> 5 YEARS $M
Financial assets						
Interest rate swaps - receive						
AUD floating	**25.2**	**60.6**	**27.6**	32.9	95.6	51.1
Cross currency swaps - receive						
USD fixed	**27.6**	**218.1**	**454.2**	25.1	100.3	535.8
Forward currency contract - receive						
USD fixed	**7.7**	**29.7**	**1.0**	7.0	27.9	7.0
	60.5	**308.4**	**482.8**	65.0	223.8	593.9
Financial liabilities						
Interest rate swaps - pay AUD fixed	**55.8**	**135.8**	**62.5**	56.7	165.1	89.1
Cross currency swaps - pay						
AUD floating	**25.2**	**194.6**	**394.8**	28.7	114.9	525.4
Forward currency contract - pay						
AUD fixed	**7.7**	**29.7**	**0.9**	7.7	30.6	7.6
	88.7	**360.1**	**458.2**	93.1	310.6	622.1
Net (outflow) / inflow	**(28.2)**	**(51.7)**	**24.6**	(28.1)	(86.8)	(28.2)

For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date. For foreign currency receipts and payments, the amount disclosed is determined by reference to the USD/AUD rate at statement of financial position date.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *CONTINUED*

Financial instruments - sensitivity analysis

Interest rates - AUD and USD

The following sensitivity analysis is based on interest rate risk exposures in existence at year end.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

Judgments of reasonably possible movements:

	POST TAX PROFIT HIGHER/(LOWER) $M	OTHER COMPREHENSIVE INCOME HIGHER/(LOWER) $M
2013		
AUD		
+ 0.5% (50 basis points)	**0.4**	**14.3**
- 0.5% (50 basis points)	**(0.4)**	**(14.8)**
USD		
+ 0.5% (50 basis points)	**-**	**(13.8)**
- 0.25% (25 basis points)	**-**	**7.1**

	POST TAX PROFIT HIGHER/(LOWER) $M	OTHER COMPREHENSIVE INCOME HIGHER/(LOWER) $M
2012		
AUD		
+ 1% (100 basis points)	(2.6)	34.6
- 1% (100 basis points)	2.6	(37.1)
USD		
+ 1% (100 basis points)	-	(29.4)
- 0.5% (50 basis points)	-	15.6

The movements in profit are due to higher/lower interest costs from variable rate debt and investments. The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges.

The numbers derived in the sensitivity analysis are indicative only.

Significant assumptions used in the interest rate sensitivity analysis include:

- reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt, relationships with financial institutions and the level of debt that is expected to be renewed, as well as a review of the last two years' historical movements and economic forecaster's expectations;
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at statement of financial position dates; and
- the net exposure at statement of financial position date is representative of what the Group was and is expecting to be exposed to in the next twelve months.

Foreign Exchange

The following sensitivity analysis is based on foreign currency risk exposures in existence at the statement of financial position date.

At 30 June, had the Australian dollar (AUD) moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

Judgements of reasonably possible movements:	POST TAX PROFIT HIGHER/ (LOWER) 2013 $M	2013 $M	POST TAX PROFIT HIGHER/ (LOWER) 2012 $M	2012 $M
AUD/USD + 10 cents	**-**	**(10.4)**	-	(11.5)
AUD/USD - 10 cents	**-**	**12.9**	-	14.0

The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges.

Management believe the statement of financial position date risk exposures are representative of the risk exposure inherent in the financial instruments.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *CONTINUED*

The numbers derived in the sensitivity analysis are indicative only.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- reasonably possible movements in foreign exchange rates were determined based on a review of the last two years' historical movements and economic forecaster's expectations;
- the reasonably possible movement of 10 cents was calculated by taking the USD spot rate as at statement of financial position date, moving this spot rate by 10 cents and then re-converting the USD into AUD with the 'new spot-rate'. This methodology reflects the translation methodology undertaken by the Group;
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at statement of financial position dates; and
- the net exposure at statement of financial position date is representative of what the Group was and is expecting to be exposed to in the next twelve months.

34. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Fair values

The fair value of the Group's financial assets and financial liabilities approximates their carrying value as at statement of financial position date.

Swaps

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at statement of financial position date.

US Private Placement

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at statement of financial position date, in combination with restatement to current foreign exchange rates.

(b) Interest rate risk

The Group had the following classes of financial assets and financial liabilities exposed to floating interest rate risk:

	2013 $M	2012 $M
Financial assets		
Cash assets	**15.6**	38.7
Short term deposits	**176.7**	256.7
Total financial assets	**192.3**	295.4
Financial liabilities		
Bank loans - unsecured[a]	**477.8**	868.3
USPP cross currency swaps	**430.0**	430.0
Interest rate swaps[b]	**(915.0)**	(915.0)
Total financial liabilities	**(7.2)**	383.3

a Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. The floating rates represent the most recently determined rate applicable to the instrument at statement of financial position date.

b Notional principal amounts.

(c) Financial instruments - interest rate swaps

Interest rate swaps meet the requirements to qualify for cash flow hedge accounting and are stated at fair value.

These swaps are being used to hedge the exposure to variability in cash flows attributable to movements in the reference interest rate of the designated debt or instrument and are assessed as highly effective in offsetting changes in the cash flows attributable to such movements. Hedge effectiveness is measured by comparing the change in the fair value of the hedged item and the hedging instrument respectively each quarter. Any difference represents ineffectiveness and is recorded in the statement of comprehensive income.

The notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	2013 $M	2012 $M
Less than one year	**250.0**	-
One to five years	**329.0**	485.0
More than five years	**336.0**	430.0
Notional principal	**915.0**	915.0
Fixed interest rate range p.a.	**5.9% - 7.6%**	5.9% - 7.6%
Variable interest rate range p.a.	**2.8%**	3.5% - 3.6%

Net settlement receipts and payments are recognised as an adjustment to interest expense on an accruals basis over the term of the swaps, such that the overall interest expense on borrowings reflects the average cost of funds achieved by entering into the swap agreements.

34. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE *CONTINUED*

(d) Financial instruments - cross currency swaps

Cross currency swap contracts are classified as cash flow hedges and are stated at fair value.

These cross currency swaps, in conjunction with interest rate swaps are being used to hedge the exposure to the cash flow variability in the value of the USD debt under the US Private Placement and are assessed as highly effective in offsetting changes in movements in the forward USD exchange rate. Hedge effectiveness is measured by comparing the change in the fair value of the hedged item and the hedging instrument respectively each quarter. Any difference represents ineffectiveness and is recorded in the statement of comprehensive income.

The principal amounts and periods of expiry of the cross currency swap contracts are as follows:

	2013		2012	
	AUD $M	USD $M	AUD $M	USD $M
One to five years	**94.0**	**100.0**	-	-
More than five years	**336.0**	**360.0**	430.0	460.0
Notional principal	**430.0**	**460.0**	430.0	460.0
Fixed interest rate range p.a.	**-**	**5.1% - 5.7%**	-	5.1% - 5.7%
Variable interest rate range p.a.	**5.7% - 5.9%**	**-**	6.5% - 6.7%	-

The terms and conditions in relation to interest rate and maturity of the cross currency swaps are similar to the terms and conditions of the underlying hedged Private Placement borrowings as set out in note 23.

(e) Financial instruments - Forward currency contracts

Forward currency contracts meet the requirements to qualify for cash flow hedge accounting and are stated at fair value.

These contracts are being used to hedge the exposure to variability in the movement USD exchange rate arising from the Group's operations and are assessed as highly effective hedges as they are matched against known and committed payments. Any gain or loss on the hedged risk is taken directly to equity.

The notional amounts and periods of expiry of the foreign currency contracts are as follows:

	2013 $M	2012 $M
Buy USD / sell AUD		
Less than one year	**7.7**	7.7
One to five years	**29.7**	30.6
More than five years	**0.9**	7.6
Notional principal	**38.3**	45.9
Average exchange rate	**0.93**	0.93

(f) Financial instruments - Fair value hierarchy

There are various methods available in estimating the fair value of a financial instrument. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

All of the Group's derivative financial instruments are valued using the Level 2 valuation techniques, being observable inputs.

35. DEED OF CROSS GUARANTEE

Star City Holdings Limited, The Star Pty Ltd, Star City Entertainment Pty Ltd, Sydney Harbour Casino Properties Pty Ltd, Sydney Harbour Apartments Pty Ltd and Star City Investments Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirements to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Consolidated statement of comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Star City Holdings Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2013 of the closed group consisting of Star City Holdings Limited, The Star Pty Ltd, Star City Entertainment Pty Ltd, Sydney Harbour Casino Properties Pty Ltd, Sydney Harbour Apartments Pty Ltd and Star City Investments Pty Ltd.

Consolidated statement of comprehensive income

	2013 $M	2012 $M
Revenue	**1,111.2**	957.0
Other income	**2.6**	6.0
Government taxes and levies	**(234.3)**	(209.7)
Commissions and fees	**(127.9)**	(103.7)
Employment costs	**(300.4)**	(279.2)
Depreciation, amortisation and impairment	**(88.8)**	(85.3)
Cost of sales	**(37.3)**	(36.4)
Property costs	**(49.0)**	(45.0)
Advertising and promotions	**(38.7)**	(57.9)
Other expenses	**(102.7)**	(110.4)
Profit before net finance costs and income tax	**134.7**	35.4
Finance income	**-**	-
Profit before income tax	**134.7**	35.4
Income tax expense	**(41.4)**	(12.5)
Net profit after tax	**93.3**	22.9
Total comprehensive income for the year	**93.3**	22.9
Summary of movements in consolidated accumulated losses		
Accumulated losses at the beginning of the financial year	**(29.6)**	(37.7)
Profit for the year	**93.3**	22.9
Dividends paid	**(159.6)**	(14.8)
Accumulated losses at the end of the financial year	**(95.9)**	(29.6)

35. DEED OF CROSS GUARANTEE *CONTINUED*

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2013 of the closed group consisting of Star City Holdings Limited, The Star Pty Ltd, Star City Entertainment Pty Ltd, Sydney Harbour Casino Properties Pty Ltd, Sydney Harbour Apartments Pty Ltd and Star City Investments Pty Ltd.

	2013 $M	2012 $M
Current Assets		
Cash assets	**39.3**	28.9
Receivables	**70.9**	108.8
Inventories	**3.7**	3.6
Other	**5.0**	6.2
Total current assets	**118.9**	147.5
Non Current Assets		
Property, plant and equipment	**1,249.5**	1,230.3
Intangible assets	**315.6**	311.0
Other	**16.5**	17.7
Total non current assets	**1,581.6**	1,559.0
TOTAL ASSETS	**1,700.5**	1,706.5
Current Liabilities		
Payables	**559.4**	497.4
Provisions	**36.3**	36.8
Other	**7.8**	3.8
Total current liabilities	**603.5**	538.0
Non Current Liabilities		
Net deferred tax liabilities	**48.8**	54.5
Provisions	**4.2**	3.7
Total non current liabilities	**53.0**	58.2
TOTAL LIABILITIES	**656.5**	596.2
NET ASSETS	**1,044.0**	1,110.3
Equity		
Issued capital	**1,139.9**	1,139.9
Accumulated losses	**(95.9)**	(29.6)
TOTAL EQUITY	**1,044.0**	1,110.3

36. EMPLOYEE SHARE PLANS

The Company has a number of share plans in operation which were established to enable eligible employees to own shares in the Company, and to provide equity instruments to senior executives and management as a component of their remuneration.

These plans operate under the following names:

Short Term Performance Plan (STPP)

Long Term Performance Plan (LTPP)

During the current and prior periods, the Company issued Performance Rights under the LTPP to eligible employees. The share based payment expense in respect of the equity instruments granted is recognised in the statement of comprehensive income and disclosed in note 5. There were no issues under the STPP during the current and prior periods.

The number of Performance Rights granted to employees and forfeited during the year are set out below:

2013 GRANT DATE	BALANCE AT START OF YEAR	GRANTED DURING THE YEAR	FORFEITED DURING THE YEAR	EXPIRED DURING THE YEAR	VESTED DURING THE YEAR	BALANCE AT END OF YEAR
20 September 2011	**1,179,622**	**-**	**633,695**	**-**	**-**	**545,927**
19 September 2012	**-**	**954,373**	**136,648**	**-**	**-**	**817,725**
	1,179,622	**954,373**	**770,343**	**-**	**-**	**1,363,652**

2012 GRANT DATE	BALANCE AT START OF YEAR	GRANTED DURING THE YEAR	FORFEITED DURING THE YEAR	EXPIRED DURING THE YEAR	VESTED DURING THE YEAR	BALANCE AT END OF YEAR
20 September 2011	-	1,497,526	317,904	-	-	1,179,622

The Performance Rights vest subject to a relative Total Shareholder Return (TSR) performance condition being met. The performance condition compares the Group's TSR with a selected peer group of companies as at the Effective Grant Date. The TSR performance is measured 4 years (2012: 3 years) from the Effective Grant Date with no retesting. The Performance Rights vest based on the following:

TSR RANK AGAINST COMPANIES IN THE PEER GROUP	PERCENTAGE VESTING
< 50th percentile	nil
50th percentile	50%
50th - 75th percentile	Pro-rata between 50th to 75th percentile
≥75th percentile	100%

The Performance Rights have been independently valued using a Monte-Carlo simulation-based model. Under AASB 2, the value per Performance Right for the relative TSR performance condition (a market condition) should be multiplied by the maximum level of rights that can be awarded for that hurdle to determine the total value. The total value (share based payment expense) is expensed over the vesting period. The total value incorporates the possibility that less than the maximum number of Performance Rights can vest because the relative TSR performance condition is incorporated into the Monte-Carlo simulation-based model. The total value does not contain any specific discount for forfeiture if the employee leaves the Company during the vesting period. This adjustment, if required, is based on the number of equity instruments expected to vest at the end of each reporting period.

The key assumptions underlying the Performance Rights valuations are set out below:

EFFECTIVE GRANT DATE	TEST AND VESTING DATE	SHARE PRICE AT DATE OF GRANT $	EXPECTED VOLATILITY IN SHARE PRICE %	EXPECTED DIVIDEND YIELD %	RISK FREE INTEREST RATE %	VALUE PER PERFORMANCE RIGHT $
20 September 2011	20 September 2014	3.61	30.00	3.00	3.57	2.15
19 September 2012	19 September 2016	3.86a	25.00	2.18	2.70	2.20

a For the purposes of valuation the 20 September 2012 closing share price of $3.86 (as opposed to the 19 September 2012 price of $4.10) has been used. On 19 September 2012 at 4:17pm (after the market had closed) Genting Singapore PLC announced to the market it had entered into an agreement to sell a 4.8% shareholding in the Group at an average price of $3.99. Accordingly the 20 September 2012 closing price (post divestment announcement) was applied for the purposes of the valuation.

	2013 $000'S	2012 $000'S
37. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- An audit or review of the financial report of the entity and any other entity in the consolidated group	**934**	956
- Other assurance related services in relation to the Company and any other entity in the consolidated group	**16**	15
- Other non-audit services including due diligence services	**57**	877
	1,007	1,848
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
Assurance related services	**7**	7

The auditor of the Company and its controlled entities is Ernst & Young. From time to time, Ernst & Young provides other services to the Group, which are subject to strict corporate governance procedures encompassing the selection of service providers and the setting of their remuneration. The Chairman of the Audit Committee must approve any other services provided by Ernst & Young to the Group.

	2013 $M	2012 $M
38. PARENT ENTITY DISCLOSURES		
Echo Entertainment Group Limited, the parent entity of the Group, was incorporated on 2 March 2011.		
Result of the parent entity		
Profit for the period	**138.7**	64.8
Total comprehensive income for the period	**138.7**	64.8
Financial position of the parent entity		
Current assets	**2.2**	40.5
Total assets	**3,765.8**	3,656.9
Current liabilities	**11.1**	7.8
Total liabilities	**1,041.2**	1,038.4
Total equity of the parent entity comprising of:		
Issued capital	**2,580.5**	2,580.5
Retained earnings	**143.0**	37.3
Employee equity benefits reserve	**1.1**	0.7
Total equity	**2,724.6**	2,618.5

Contingent liabilities

There were no contingent liabilities for the parent entity at 30 June 2013 (2012: nil).

Capital expenditure

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2013 (2012: nil).

Guarantees

Echo Entertainment Group Limited has guaranteed the liabilities of Echo Entertainment Finance Limited and Echo International No. 3 Pty Ltd. As at 30 June 2013, the carrying amount included in current liabilities at 30 June 2013 was nil (2012: nil), and the maximum amount of these guarantees was $124.8 million (2012: $124.3 million).

39. SUBSEQUENT EVENTS

Aside from those events that have already been disclosed in this report, there have been no other significant events occurring after the statement of financial position date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

DIRECTORS' DECLARATION

In the opinion of the directors of Echo Entertainment Group Limited ('the Company'):

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards and Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors.

John O'Neill AO
Chairman
Sydney
22 August 2013

INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report to the members of Echo Entertainment Group Limited

Report on the financial report

We have audited the accompanying financial report of Echo Entertainment Group Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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In our opinion:

a. the financial report of Echo Entertainment Group Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Echo Entertainment Group Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

John Robinson
Partner

Sydney
22 August 2013

SHAREHOLDER INFORMATION
AS AT 5 SEPTEMBER 2013

ORDINARY SHARE CAPITAL

Echo Entertainment Group Limited has 825,672,730 fully paid ordinary shares on issue.

SHAREHOLDING RESTRICTIONS

Echo Entertainment's Constitution, as well as certain agreements entered into with the New South Wales Independent Liquor and Gaming Authority and the Queensland Office of Liquor and Gaming Regulation, contain certain restrictions prohibiting an individual from having a voting power of more than 10% in Echo Entertainment without the written consent of the New South Wales Independent Liquor and Gaming Authority and of the Queensland Minister. Echo Entertainment may refuse to register any transfer of shares which would contravene these shareholding restrictions or require divestiture of the shares that cause an individual to exceed the shareholding restrictions.

In July 2012, written consent was granted by the New South Wales Independent Liquor and Gaming Authority and the relevant Queensland Minister for Perpetual Investment Management Limited to increase its shareholding in Echo Entertainment from 10% up to a maximum of 15% of issued shares.

In May 2013, written consent was granted by the New South Wales Independent Liquor and Gaming Authority and the relevant Queensland Minister for Crown Limited to increase its potential voting power in Echo Entertainment from 10% up to an effective maximum of 23% (which may be adjusted in certain circumstances).

The application made by the Genting group of companies on 27 June 2012 for approval to acquire more than 10% voting power in Echo Entertainment is still pending approval by the casino regulators (as at 5 September 2013).

VOTING RIGHTS

All ordinary shares issued by Echo Entertainment Group Limited carry one vote per share. Performance options and performance rights do not carry any voting rights.

Gambling legislation in New South Wales and Queensland and Echo Entertainment's Constitution contain provisions regulating the exercise of voting rights by persons with prohibited shareholding interests, as well as the regulation of shareholding interests.

The relevant Minister has the power to request information to determine whether a person has a prohibited shareholding interest. If a person fails to furnish these details within the time specified or, in the opinion of the Minister, the information is false or misleading, then the Minister can declare the voting rights of those shares suspended.

Failure to comply with gambling legislation in New South Wales and Queensland or Echo Entertainment's Constitution, including the shareholder restrictions mentioned above, may result in suspension of voting rights.

SUBSTANTIAL SHAREHOLDERS

The following is a summary of the current substantial shareholders pursuant to notices lodged with ASX in accordance with section 671B of the *Corporations Act 2001*:

NAME	DATE OF INTEREST	NUMBER OF ORDINARY SHARES (i)	% OF ISSUED CAPITAL (ii)
Genting Hong Kong Limited and its associates	14 June 2013	54,486,760	6.60%
Perpetual Limited and its subsidiaries (including Perpetual Investment Management Limited)	9 August 2013	113,687,903	13.77%
National Australia Bank Limited and its associated entities	2 September 2013	59,013,802	7.147%

i. As disclosed in the last notice lodged with the ASX by the substantial shareholder.

ii. The percentage set out in the notice lodged with the ASX is based on the total issued share capital of Echo Entertainment Group Limited at the date of interest.

LESS THAN MARKETABLE PARCELS

There were 41,068 shareholders holding less than a marketable parcel of 186 ordinary shares (valued at $500 or less, based on a market price of $2.69 at the close of trading on 5 September 2013 and they hold a total of 3,912,613 ordinary shares.

TWENTY LARGEST REGISTERED SHAREHOLDERS – ORDINARY SHARES*

RANK	NAME	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1.	J P MORGAN NOMINEES AUSTRALIA LIMITED	132,038,584	15.99%
2.	HSBC CUSTODY NOMINEES	124,831,196	15.12%
3.	NATIONAL NOMINEES LIMITED	121,317,993	14.69%
4.	QUINAMBO NOMINEES PTY LIMITED	70,400,000	8.53%
5.	CITICORP NOMINEES PTY LIMITED	56,411,502	6.83%
6.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PI POOLED A/C>	49,758,840	6.03%
7.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	15,117,328	1.83%
8.	BNP PARIBAS NOMS PTY LTD <DRP>	14,690,115	1.78%
9.	UBS NOMINEES PTY LTD	13,200,242	1.60%
10.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PIIC A/C>	7,915,952	0.96%
11.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <GSAM A/C>	7,663,719	0.93%
12.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	7,515,128	0.91%
13.	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	6,381,600	0.77%
14.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MBA A/C>	5,447,310	0.66%
15.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	5,205,000	0.63%
16.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,424,461	0.41%
17.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	3,361,926	0.41%
18.	QIC LIMITED	3,156,653	0.38%
19.	AMP LIFE LIMITED	2,975,698	0.36%
20.	SHARE DIRECT NOMINEES PTY LTD <10026 A/C>	2,554,900	0.31%
	Total of top 20 registered shareholders	**653,368,147**	**79.13%**

* on a grouped basis

DISTRIBUTION OF SECURITIES HELD

	ORDINARY SHARES		PERFORMANCE RIGHTS(i)	
RANGE OF HOLDING	NO. OF HOLDERS	NO. OF SECURITIES	NO. OF HOLDERS	NO. OF SECURITIES
1 to 1,000	81,352	25,341,331	0	0
1,001 to 5,000	29,267	61,200,806	2	4,354
5,001 to 10,000	3,319	22,963,487	3	19,388
10,001 to 100,000	1,655	34,782,993	13	498,321
100,001 and Over	88	681,384,113	4	841,589
Total	**115,681**	**825,672,730**	**22**	**1,363,652**

i. Performance Rights were issued pursuant to Echo Entertainment's Long Term Performance Plan. Refer to the Remuneration Report on pages 65 to 83 for more information about Echo Entertainment's Long Term Performance Plan.

SHAREHOLDER INFORMATION
AS AT 5 SEPTEMBER 2013

VOLUNTARY ESCROW

There are no securities under voluntary escrow.

SHARE BUY-BACKS

There is no current or planned buy-back of Echo Entertainment's shares.

ANNUAL REPORT

This Annual Report is available online from Echo Entertainment's website **www.echoentertainment.com.au**. Annual Reports will only be sent to those shareholders who have requested to receive a copy. Shareholders who no longer wish to receive a hard copy of the Annual Report or wish to receive the Annual Report electronically are encouraged to contact the share registry. This will assist with reducing the costs of production of the hard copy of the Annual Report.

ECHO WEBSITE

Echo Entertainment's website **www.echoentertainment.com.au** offers investors a wide range of information regarding its activities and performance, including Annual Reports, interim and full year financial results, webcasts of results and Annual General Meeting presentations, major news releases and other company statements.

INVESTOR ENQUIRIES

Investors seeking information about their Echo Entertainment shares should contact Echo Entertainment's share registry. Investors should have their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) available to assist the share registry in responding to their enquiries.

SHARE REGISTRY

LINK MARKET SERVICES LIMITED

Address:	Level 12, 680 George Street Sydney NSW 2000
Postal address:	Echo Entertainment Group Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
Telephone:	+61 1300 880 923 (toll free within Australia)
Facsimile:	+61 2 9287 0303
E-mail:	echoentertainment@linkmarketservices.com.au
Website:	**www.linkmarketservices.com.au**

GENERAL ENQUIRIES

Investor information is available on Echo Entertainment's website **www.echoentertainment.com.au**, including major announcements, Annual Reports, and general company information.

SHAREHOLDER RELATIONS

Investors seeking more information about the Company are invited to contact Echo Entertainment's Shareholder Relations Team:

Address:	GPO Box 13348 George Street Post Shop Brisbane QLD 4003
Telephone:	+61 7 3228 0000
Facsimile:	+61 7 3228 0099
Email:	investor@echoent.com.au

COMPANY DIRECTORY

Registered Office

Echo Entertainment Group Limited
Level 3, 159 William Street
Brisbane QLD 4000
Telephone: + 61 7 3228 0000
Facsimile: + 61 7 3228 0099
Email: investor@echoent.com.au

Website

www.echoentertainment.com.au

New South Wales Office

80 Pyrmont Street
Pyrmont NSW 2009
Telephone: + 61 2 9777 9000

Queensland Office

Level 3
159 William Street
Brisbane QLD 4000
Telephone: + 61 7 3228 0000

Stock Exchange Listing

Echo Entertainment's securities are quoted on the Australian Securities Exchange (ASX) under the share code "EGP".

The Star

80 Pyrmont Street
Pyrmont NSW 2009
Reservations: 1800 700 700
Telephone: + 61 2 9777 9000
www.star.com.au

Jupiters Hotel & Casino Gold Coast

Broadbeach Island
Gold Coast QLD 4218
Reservations: 1800 074 344
Telephone: + 61 7 5592 8100
www.jupitersgoldcoast.com.au

Treasury Casino & Hotel Brisbane

George Street
Brisbane QLD 4000
Reservations: 1800 506 889
Telephone: + 61 7 3306 8888
www.treasurybrisbane.com.au

Jupiters Townsville Hotel and Casino

Sir Leslie Thiess Drive
Townsville QLD 4810
Reservations: 1800 079 210
Telephone: + 61 7 4722 2333
www.jupiterstownsville.com.au

AUDITOR

Ernst & Young

ABOUT THIS ANNUAL REPORT

Currency

References to currency in this Annual Report are in Australian Dollars unless otherwise stated.

Investment warning

This Annual Report may include forward looking statements and references which, by their very nature, involve inherent risks and uncertainties. These risks and uncertainties may be matters beyond Echo Entertainment's control and could cause actual results to vary (including materially) from those predicted.

Forward looking statements are not guarantees of future performance. Past performance of shares is not indicative of future performance and should not be relied upon as such. The value of investments and any income from them is not guaranteed and can fall as well as rise. Echo Entertainment recommends that investors make their own assessments and seek independent professional advice before making investment decisions.

Privacy

Echo Entertainment respects the privacy of its stakeholders. Echo Entertainment's Privacy Policy Statement is available on Echo Entertainment's website at **www.echoentertainment.com.au**.

[redacted]

ECHO ENTERTAINMENT GROUP LIMITED ACN 149 629 023