ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP

5 February 2014

HALF YEAR RESULTS ANNOUNCEMENT AND ACCOUNTS

Echo Entertainment Group Limited (***Echo***) provides the following documents in accordance with ASX Listing Rule 4.2A:

1. Media Release; and
2. Directors' Report and Financial Report for the half-year ended 31 December 2013.

Interim Dividend

The Directors have declared an interim dividend of 4 cents per share, fully franked at the company tax rate of 30%, to be paid on 14 March 2014.

The Record Date for the purpose of entitlement to the interim dividend will be 14 February 2014.

The Ex-dividend Date is 10 February 2014.

Dividend Reinvestment Plan

Echo's Dividend Reinvestment Plan (***DRP***) will operate for the interim dividend. There will be no discount and no underwriting applicable to the DRP. The price at which shares will be issued under the DRP for the interim dividend is the daily volume weighted average market price of Echo shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of ten business days beginning on the second business day after the Record Date.

Shareholders who may participate in the DRP are those with a registered address in Australia or New Zealand. To participate in the DRP for the interim dividend, DRP elections must be received by Echo's share registry (Link Market Services Limited) by the end of the business day following the Record Date (17 February 2014).

Information regarding the DRP can be found on Echo's website at **www.echoentertainment.com.au**.

Paula Martin
Group General Counsel & Company Secretary

5 February 2014

Echo Entertainment Group 2014 half year results[1]

Highlights

- Reported NPAT of $46.1 million down 30.5% on prior corresponding period **(pcp)**, substantially due to one-off expense of $22.2 million (pre-tax) from extinguishing out-of-the-money interest rate swaps positions and lower actual win rate in the VIP business
- Normalised NPAT, excluding significant items, $71.5 million, up 1.3% on pcp. Result includes $7.3 million (before tax) of additional levies imposed in NSW and QLD during 1H14
- Normalised EBITDA, excluding significant items, $210.3 million, up 0.2% on pcp:
  - Domestic revenues down 3.5% due to soft consumer sentiment and lower hold in private gaming rooms **(PGRs)**
  - VIP business normalised gross revenue down 9% on pcp, earnings flat on pcp as a result of reduced average commission and rebates
  - Operating expenses[2] down 4.5% on pcp due to cost optimisation program delivering benefits in excess of target
- Development approvals being sought for $345 million expansion and refresh of Jupiters Gold Coast. Investment expected to commence in FY15 (subject to third party approvals)
- Agreement entered into for the sale of Jupiters Townsville for $70 million (subject to regulatory approval)
- Restructure of interest rate swaps to lower future interest expenses
- Interim dividend per share of 4 cents fully franked declared
- Domestic revenue growth on pcp across every property in January 2014

[1] This media release should be read in conjunction with Echo Entertainment Group Limited's Half Year 2014 Results Presentation and Directors' Report and Financial Report for the half year ended 31 December 2013
[2] Operating expenses exclude gaming taxes, levies and commissions and significant items

Group performance overview

Echo Entertainment Group Limited **(Echo)** today reported Normalised Net Profit After Tax **(NPAT)**, excluding significant items, of $71.5 million, up 1.3% on the pcp. Statutory NPAT, including significant items, of $46.1 million was down 30.5% on the pcp, impacted by a lower win rate in the VIP business and one-off expenses of $22.2 million (pre tax) from restructuring facilities and closing out out-of-the-money interest rate swaps.

Normalised EBITDA (excluding significant items) was up 0.2% on pcp to $210.3 million. Normalisation adjusts for fluctuations in the win rate and turns of front money in the VIP business based on Echo's actual experience over a rolling five year period.[3]

Normalised gross revenue was $930 million, down 4.8% on pcp (actual[4] gross revenue was $901 million, down 7.3%). Conditions in Echo's domestic businesses remained challenging with revenues negatively affected by soft consumer sentiment as well as lower win rate in PGRs. VIP Rebate volumes were down on pcp following strong growth in1H13 (VIP Rebate front money up 28% on pcp in 1H13).

Operating expenses[5] of $425 million, down 4.5% on the pcp, were well contained in 1H14 as the benefits of the cost reduction program continue to be realised across the Group. No significant operating expense items were recorded in 1H14 (1H13: $9.8 million).

Statutory earnings per share were 5.6 cents, down 31% on the pcp. A fully franked interim dividend of 4 cents per share was declared.

Chairman John O'Neill AO said: "1H14 continued to be a challenging year with soft underlying consumer sentiment across our major markets. The reduction in the cost base through the cost optimisation program undertaken over the last 12 months has been an important step in both protecting earnings in the current environment and positioning Echo for future growth. The Board recognises that the key to success is delivering better operational and financial performance and we continued to make significant strides towards this goal during 1H14.

[3] 1H14 earnings are normalised based on turns of front money of 13.0 times and win rate of 1.62%. 1H13 earnings were normalised based on turns of front money of 14.0 times and win rate of 1.60%

[4] Actual revenue for statutory purposes was $867.8m, down 4.9% on prior period and is calculated as the net gaming win, less player rebates and promotional allowances, but gross of commissions and rebates paid to third parties

[5] Operating expenses exclude gaming taxes, levies and commissions and significant items

Significant growth opportunities exist for Echo in all of our major markets. We especially welcome the Queensland Government's vision for Integrated Resort Developments in Queensland. As announced previously, Echo is progressing with the $345 million redevelopment of Jupiters Gold Coast to transform the property into an internationally competitive Integrated Resort. The sale of Jupiters Townsville will allow us to better focus on the assets where we see most potential for Echo."

Segment performance

The segment results for the six months ended 31 December 2013 were as follows:

The Star: Actual EBITDA $134.6 million, down 4.3%. Actual EBIT $90.0 million, down 5.7%.

Revenue at The Star in Sydney was down 6.5% (down 3.9% normalised). Actual EBITDA declined 4.3% (up 4.1% normalised). Trading in the period was soft, impacted by subdued discretionary consumer spend and lower hold rates in the PGR. Operating expenses were down 2.8% to $249.4 million due to cost reduction initiatives implemented.

Queensland casinos: Actual EBITDA $61.8 million, down 15.5%. Actual EBIT $34.0 million, down 29.8%.

The Queensland properties were impacted by the same factors as The Star. Revenue decreased 8.7% (down 6.6% normalised) and EBITDA fell 15.5% on an actual basis (down 7.3% normalised). Operating expenses were well controlled, down 6.9% on the pcp to $175.9 million, driven by the cost reduction program.

The results of the **VIP Rebate business** are embedded in the segment performance above. Actual gross revenue of $166.1 million was down 20.5%, driven by a combination of softer volumes (front money down 3.5% on the pcp) and a lower win rate (1.56% compared to 1.69% in the pcp). The average commissions and rebates in the VIP business were down on the pcp. Receivables and bad debts were well managed, with net trade receivables down $19.2 million (16.9%) on balance on 31 December 2012. Despite the decline in volumes in the period, Echo's VIP Rebate business has now delivered compound annual revenue growth of 31% from 1H10-14 and is well positioned for future expansion.

MEDIA RELEASE

ECHO ENTERTAINMENT GROUP

Trading update and outlook for FY14

In January, domestic revenue has shown growth on last year in every property, with EGMs, particularly in Queensland, experiencing a strong start to the year. Bookings in the VIP Rebate business for the Chinese New Year period have been solid. Given the short period, fluctuations based on win rate and timing of Chinese New Year, revenue figures are not directly comparable to prior year.

The full 2014 financial year result will be impacted by a number of factors which include general macro-economic conditions, one-off financing expenses incurred in 1H14 outlined above, potential hold and win rate volatility in the PGR and VIP Rebate business, level of debt provisions, success of the company's marketing programs and the impact of any regulatory changes.

Chief Executive Officer, John Redmond, said: "We have made an encouraging start to the period. With the cost optimisation program largely complete, EBA renegotiated at The Star and Treasury Brisbane and the new group loyalty program launched, Echo has the right platform to drive improvement in the operational performance of the assets, and a stronger return on investment at The Star.

While the Queensland properties have experienced soft revenues in 1H14, the modernisation of the regulatory environment for electronic gaming machines will help provide revenue momentum in the second half and into next year."

Echo is facing a period with exciting growth opportunities, particularly in South East Queensland.

Along with Echo's ongoing plans to invest in the development of The Star, these projects entail potentially considerable investment by the company. The Board has commenced a review of capital funding options to ensure that all projects are optimally funded to deliver superior returns to Echo shareholders commensurate with the risks.

Given the confidential nature of the Queensland Government's bid process for Integrated Resort developments, there is limited ability to provide information while engaged in the process.

MEDIA RELEASE

ECHO ENTERTAINMENT GROUP

For more information:

Financial analysts:	Harry Theodore, Head of Strategy, Investor Relations and Group Reporting, 02 9657 8040
Media:	Peter Brookes, Citadel, 02 9290 3033

MEDIA RELEASE

ECHO ENTERTAINMENT GROUP

Echo Entertainment Group half year results to 31 December 2013

• Reported	
• Statutory revenue	$867.8 million, down 4.9%
• EBITDA	$196.4 million, down 3.7%
• EBIT	$124.0 million, down 7.5%
• NPAT	$46.1 million, down 30.5%
• Earnings Per Share	5.6 cents, down 30.9%
• Normalised (Underlying)	
• Revenue	$929.6 million, down 4.8%
- The Star	$612.2 million, down 3.9%
- Queensland	$317.5 million, down 6.6%
• EBITDA	$210.3 million, up 0.2%
- The Star	$142.8 million, up 4.1%
- Queensland	$67.5 million, down 7.3%
• EBIT	$137.9 million, down 1.5%
- The Star	$98.1 million, up 6.8%
- Queensland	$39.7 million, down 17.4%
• NPAT	$71.5 million, up 1.3%
• Interim dividend per share	4 cents (fully franked)
• Balance sheet	
• Gross Debt	$892.8 million
• Net Debt[6]	$765.8 million
• Net Debt/EBITDA (actual)[7]	1.9x (based on annualised 1H14)

[6] Net Debt is stated after adjusting for cash and cash equivalents

Echo Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: EGP

and its controlled entities

Directors' Report and Financial Report

for the half year ended 31 December 2013

Contents

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 half year ended 31 December 2013.

1. Principal activities

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

2. Directors

The names and details of the Company's Directors in office during the half year ended 31 December 2013 and until the date of this report (except as otherwise stated) are set out below.

John O'Neill AO	Chairman and Non-Executive Director
Anne Brennan	Deputy Chair and Non-Executive Director
John Redmond	Managing Director and Chief Executive Officer
Matt Bekier	Chief Financial Officer and Executive Director
Katie Lahey AM	Non-Executive Director
Richard Sheppard	Non-Executive Director
Gerard Bradley	Non-Executive Director

At the date of this report, the Company Directors had the following relevant interests in the securities of the Company:

	Number of ordinary shares		
Director	**Held at 30 June 2013**	**Acquired during the half year ended 31 December 2013**	**Held at 5 February 2014**
John O'Neill AO	46,120	Nil	46,120
Anne Brennan	10,000	Nil	10,000
John Redmond	Nil	150,000	150,000
Matt Bekier	206,264	1,516	207,780
Katie Lahey AM	Nil	7,142	7,142
Richard Sheppard	Nil	50,000	50,000
Gerard Bradley	Nil	15,000	15,000

3. Financial results and review of operations

Net profit after tax of the Group for the half year ended 31 December 2013 was $46.1 million, 30.5% below the previous corresponding period. This result is after significant items of $15.5 million ($22.2 million before tax) relating to the restructure of financing arrangements as announced via the Australian Securities Exchange (ASX) on 10 December 2013.

Profit before income tax expense and net finance costs (EBIT) was $124.0 million, 7.5% below the previous corresponding period. Earnings were soft due to subdued consumer sentiment in the domestic market, lower hold in the private gaming rooms and a lower win rate in the VIP business as compared with the prior corresponding period. The Group also absorbed $7.3 million of new Government levies and charges in the period. Operating costs were well controlled with expenses down 4.5% on the previous corresponding period, reflecting the effectiveness of the cost optimisation program.

Revenue was $867.8 million, 4.9% below the previous corresponding period.

The Group comprises the following three operating segments:

- The Star;
- Jupiters; and
- Treasury.

The activities and results for these operations are discussed below.

3.1. The Star

The Group operates The Star in Sydney. The Star achieved EBIT of $90.0 million, 5.7% below the previous corresponding period.

The Star's revenue decreased by 6.5% to $592.3 million as compared with the previous corresponding period. Revenue for the period was impacted by subdued discretionary consumer spend, lower hold rates in the private gaming rooms, a decline in volume of VIP business and a new casino supervisory levy. Operating expenses were down 3.6% due to the cost optimisation program.

The volume of VIP business was impacted by the timing of trips to The Star by a small number of large players. The win rate was down to 1.53% compared to 1.69% in the previous corresponding period. Receivables and bad debts were well managed, with net trade receivables down compared to 31 December 2012 levels.

3.2. Jupiters

In Queensland, the Group operates Jupiters Hotel and Casino on the Gold Coast and Jupiters Townsville. 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 $15.1 million, 43.0% below the previous corresponding period. The segment's revenue decreased by 13.6% to $171.1 million. The result was impacted by the continuation of a tough consumer environment, lower hold in the private gaming rooms, a decline in the VIP business and construction activity around the Gold Coast property. Operating expenses were below the previous corresponding period due to savings achieved under the cost optimisation program.

The introduction of ticket-in, ticket-out (TITO) and KCMS in Queensland was completed in December 2013 and is expected to result in increased revenues during the second half of the year.

3.3. Treasury

The Group operates Treasury Casino and Hotel in Brisbane. Treasury achieved EBIT of $18.9 million, 13.7% below the previous corresponding period. The segment's revenue decreased by 1.9% to $137.9 million which was also impacted by a tough consumer environment. The benefit of lower operating costs were offset by higher levies imposed by the Government.

3.4. Restructure of financing arrangements

During the half year, the Group completed a program to close out a number of its out-of-the-money interest rate swaps (IRS) and to restructure lending arrangements. The close-out of the swap positions coincided with a partial restructuring of the Group's lending arrangements. This resulted in a reduction of the syndicated revolving facility by $150 million and the establishment of a $150 million bridge facility. The Group expects to refinance the bridge with alternative facilities in the second half of the year as the medium-term capital expenditure profile for the Group becomes more certain. The expense associated with closing out the out-of-the-money IRS and financing restructure is $22.2 million before tax and has been treated as a significant item in the Financial Report. This initiative will lead to lower financing costs in future periods.

3.5. Casino Licences

3.5.1. New South Wales Licence

In New South Wales, The Star's casino licence continues until 2093 and includes exclusivity arrangements with the New South Wales Government that support a single casino licence in New South Wales until November 2019. On 11 November 2013, the New South Wales Government announced that it had entered into a binding agreement with Crown Resorts Limited (Crown) to develop a restricted gaming facility at Barangaroo South (Crown Sydney Hotel Resort).

The development of the Crown Sydney Hotel Resort is subject to a number of requirements, including the issue of a gaming licence by the NSW Independent Liquor and Gaming Authority (ILGA), the grant of all necessary planning approvals and finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease.

3.5.2. Queensland 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.

3.5.3. Integrated Resort Development Competitive Bid Processes

On 19 December 2013, the Queensland Government launched two competitive bid processes in relation to up to three potential new integrated resort developments in Queensland for which additional casino licences may be awarded, namely:

- one additional casino licence to be available for the redevelopment of an integrated resort in the Brisbane central business district precinct, known as the Queen's Wharf Brisbane development precinct; and
- up to two additional casino licences for other integrated resort developments outside Brisbane.

The Queensland Government has announced a proposed timeline for the competitive bid process for the Queen's Wharf Brisbane development that will require the submission of detailed proposals by late 2014. It is expected that the successful bidder will be announced by the Queensland Government in early 2015.

The Group has commenced the process of registering its interest in the Queen's Wharf Brisbane development in line with previous announcements. The Company will not comment on the competitive bid processes other than to the extent permitted under the terms of the competitive bid processes.

4. Earnings per share (EPS)

Basic EPS for the period was 5.6 cents (30 June 2013: 8.1 cents), 30.9% below the previous corresponding period. EPS is disclosed in note 6 of the Financial Report.

5. Dividends

5.1. Interim Dividend

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

Since the end of the half year ended 31 December 2013, the Directors have declared an interim dividend of 4 cents per ordinary share, fully franked (December 2012: 4 cents). The aggregate amount of the interim dividend expected to be paid on 14 March 2014 out of retained earnings at 31 December 2013, but not recognised as a liability at the end of the half year, is approximately $33.0 million.

6. Significant events after the end of the half year

6.1. Agreement for the sale of Jupiters Townsville

As announced to the ASX on 24 January 2014, the Group entered into an agreement to sell its Jupiters Townsville complex to Colonial Leisure Group (CLG) for $70 million. The transaction is for the sale of all the shares and units in Breakwater Island Limited and Breakwater Island Trust respectively. Completion of the sale is subject to required regulatory approvals being obtained. The agreement is not subject to finance, or the approval of CLG or the Company's shareholders.

6.2. Planned Managing Director and CEO transition

The Company's Managing Director and CEO, Mr John Redmond, will retire from the Company during the second half of the financial year and return to the United States of America. The Company's Board of Directors has appointed Mr Matt Bekier, current Chief Financial Officer and Executive Director into the role of Managing Director and CEO, effective upon the end of Mr Redmond's employment, subject to any required regulatory approvals being obtained. The details of Mr Bekier's appointment are set out in a separate announcement made to the ASX on 5 February 2014.

No other matters or circumstances have arisen since 31 December 2013 which are not otherwise dealt with in this report or in the Financial Report, that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years. Refer also to note 11 of the Financial Report.

7. Rounding of amounts

Echo Entertainment Group Limited is a company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. 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.

8. 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 review of the Financial Report for the half year ended 31 December 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

John O'Neill AO
Chairman
Sydney
5 February 2014

Building a better
working world

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

In relation to our review of the financial report of Echo Entertainment Group Limited for the half-year ended 31 December 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
5 February 2014

Consolidated statement of comprehensive income

For the half year ended 31 December 2013

	Note	**December 2013 $m**	December 2012 $m
Revenue	3	**867.8**	912.6
Other income		**1.1**	2.0
Government taxes and levies		**(180.8)**	(188.3)
Commissions and fees		**(65.2)**	(65.1)
Employment costs		**(260.0)**	(283.2)
Depreciation, amortisation and impairment		**(72.4)**	(70.0)
Cost of sales		**(38.8)**	(43.1)
Property costs		**(37.9)**	(38.5)
Advertising and promotions		**(35.4)**	(38.2)
Other expenses		**(54.4)**	(54.2)
Profit before income tax expense and net finance costs		**124.0**	134.0
Finance income		**2.3**	1.6
Finance costs	4	**(60.8)**	(40.8)
Profit before income tax	4	**65.5**	94.8
Income tax expense		**(19.4)**	(28.3)
Net profit after tax		**46.1**	66.5
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Change in the fair value of cash flow hedges taken to equity net of tax		**17.5**	(4.5)
Total comprehensive income for the period		**63.6**	62.0
Earnings per share:			
Basic and diluted earnings per share (cents per share)	6	**5.6**	8.1
Dividends per share:			
Fully franked interim dividend per share (cents per share)	5	**4**	4

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

Consolidated statement of financial position

As at 31 December 2013

	Note	**December 2013 $m**	June 2013 $m
ASSETS			
Current assets			
Cash and cash equivalents		**127.0**	265.5
Trade and other receivables		**106.0**	84.8
Inventories		**7.4**	7.2
Income tax receivables		**20.7**	1.3
Derivative financial instruments	8	**4.8**	3.4
Other		**27.3**	14.7
		293.2	376.9
Non current assets			
Property, plant and equipment		**1,989.9**	2,006.2
Intangible assets		**1,855.2**	1,848.3
Derivative financial instruments	8	**104.7**	91.8
Other		**30.8**	22.4
		3,980.6	3,968.7
TOTAL ASSETS		**4,273.8**	4,345.6
LIABILITIES			
Current liabilities			
Trade and other payables		**156.2**	184.0
Interest bearing liabilities	7	**150.0**	-
Provisions		**55.9**	58.5
Derivative financial instruments	8	**14.6**	30.3
Other		**17.2**	11.4
		393.9	284.2
Non current liabilities			
Interest bearing liabilities	7	**742.8**	972.8
Deferred tax liabilities		**180.8**	160.4
Provisions		**8.2**	8.0
Derivative financial instruments	8	**37.8**	57.6
		969.6	1,198.8
TOTAL LIABILITIES		**1,363.5**	1,483.0
NET ASSETS		**2,910.3**	2,862.6
EQUITY			
Share capital		**2,580.5**	2,580.5
Retained earnings		**340.2**	310.5
Reserves		**(10.4)**	(28.4)
TOTAL EQUITY		**2,910.3**	2,862.6

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

Consolidated statement of cash flows

For the half year ended 31 December 2013

	Note	**December 2013 $m**	December 2012 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**851.9**	933.8
Payments to suppliers, service providers and employees		**(522.9)**	(560.2)
Payment of government levies, gaming taxes and GST		**(190.0)**	(195.2)
Interest received		**2.5**	1.6
Income tax (paid) / received		**(25.8)**	25.5
Net cash inflow from operating activities		**115.7**	205.5
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(61.7)**	(95.3)
Purchase of other non current assets		**(9.6)**	-
Net cash (outflow) from investing activities		**(71.3)**	(95.3)
Cash flows from financing activities			
Proceeds from interest bearing liabilities	7	**150.0**	48.0
Repayment of interest bearing liabilities	7	**(250.0)**	(443.0)
Repayment of derivative financial instruments		**(22.6)**	-
Proceeds from Entitlement offer		**-**	186.9
Finance costs		**(43.9)**	(45.2)
Dividends paid	5	**(16.4)**	-
Net cash (outflow) from financing activities		**(182.9)**	(253.3)
Net (decrease) in cash and cash equivalents		**(138.5)**	(143.1)
Cash and cash equivalents at the beginning of the financial year		**265.5**	342.6
Cash and cash equivalents at end of period		**127.0**	199.5

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

Consolidated statement of changes in equity

For the half year ended 31 December 2013

	Ordinary shares $m	Retained earnings $m	Hedging reserve $m	Share based payment reserve $m	Total equity $m
Balance at 1 July 2013	**2,580.5**	**310.5**	**(29.5)**	**1.1**	**2,862.6**
Profit for the period	**-**	**46.1**	**-**	**-**	**46.1**
Accumulated losses reclassified to income statement	**-**	**-**	**17.4**	**-**	**17.4**
Other comprehensive income	**-**	**-**	**0.1**	**-**	**0.1**
Total comprehensive income for the period	**-**	**46.1**	**17.5**	**-**	**63.6**
Dividends provided for or paid	**-**	**(16.4)**	**-**	**-**	**(16.4)**
Employee share scheme	**-**	**-**	**-**	**0.5**	**0.5**
Balance at 31 December 2013	**2,580.5**	**340.2**	**(12.0)**	**1.6**	**2,910.3**
Balance at 1 July 2012	2,580.5	260.0	(24.2)	0.7	2,817.0
Profit for the period	-	66.5	-	-	66.5
Other comprehensive income	-	-	(4.5)	-	(4.5)
Total comprehensive income for the period	-	66.5	(4.5)	-	62.0
Employee share scheme	-	-	-	0.1	0.1
Balance at 31 December 2012	2,580.5	326.5	(28.7)	0.8	2,879.1

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

Notes to the consolidated financial statements

For the half year ended 31 December 2013

1 Corporate information

Echo Entertainment Group Limited (the ***Company***) is a company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Financial Report of the Company for the half year ended 31 December 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 98/0100. 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.

This half year Financial Report was authorised for issue on 5 February 2014 in accordance with a resolution of the directors.

2 Significant accounting policies

Basis of preparation of half year report

The principal accounting policies adopted in the preparation of this half year Financial Report are consistent with those applied in the annual Financial Report for the year ended 30 June 2013, except for new and amended standards which became applicable and are listed below.

The half year Financial Report is a general purpose Financial Report which has been prepared in accordance with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The half year Financial Report does not include all the notes of the type normally included in an annual Financial Report. Accordingly, this report is to be read in conjunction with the audited Annual Report for the year ended 30 June 2013, and any public announcements made by the Company during the interim reporting period in accordance with its continuous disclosure obligations under the ASX listing rules.

Changes in accounting policies and disclosures

The Group has adopted the following new and amended accounting standards, which are applicable for the period ended 31 December 2013:

AASB 10	Consolidated Financial Statements
AASB 11	Joint Arrangements
AASB 12	Disclosure of Interests in Other Entities
AASB 13	Fair Value Measurements
AASB 119 (2011)	Employee Benefits
AASB 134	Interim Financial Reporting
AASB 2012-5	Amendments arising from Annual Improvements 2009-2011 Cycle
AASB 2012-6	Amendments - Mandatory Effective Date of AASB 9 and Transition Disclosures
AASB 2012-9	Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
AASB 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to AASB 7

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

3 Revenue

	December 2013 $m	December 2012 $m
Gross revenue	**901.3**	971.8
Player rebates and promotional allowances	**(33.5)**	(59.2)
	867.8	912.6

4 Significant items

	December 2013 $m	December 2012 $m
Profit before income tax is stated after charging the following significant items:		
Restructuring costs [a]	**-**	9.8
Finance costs - debt and derivative restructuring costs [b]	**22.2**	-
	22.2	9.8

a Restructuring costs include costs associated with the Group's approved restructuring plan, including termination payments, legal and consulting fees.

b Finance costs include an amount of $22.2m relating to costs associated with the close out of a number of the Group's out-of-the-money interest rate swaps (IRS) and the restructure of lending arrangements. Refer to notes 7 and 8.

5 Dividends

Dividends declared and paid during the half year on ordinary shares:		
Dividend paid during the half year in respect of the year ended 30 June 2013 [a]	**16.4**	-

a A final dividend of 2 cents per share fully franked for the year ended 30 June 2013 was declared on 22 August 2013 and paid on 9 October 2013.

Dividends declared after the end of the half year:		
Aggregate amount of the dividend expected to be paid on 14 March 2014 out of retained earnings at 31 December 2013, but not recognised as a liability at the end of the half year [b]	**33.0**	33.0

b Since the end of the half year, the directors have declared an interim dividend of 4 cents per ordinary share (31 December 2012: 4 cents), fully franked.

6 Earnings per share

Net profit after tax attributable to ordinary shareholders	**46.1**	66.5
Basic and diluted earnings per share (cents per share)	**5.6**	8.1

	December 2013 Number	December 2012 Number
Number of shares used for earnings per share calculation		
Basic and diluted weighted average number of shares on issue	**825,672,730**	825,672,730

7 Interest bearing liabilities

	December 2013 $m	June 2013 $m
Current		
Bank loans – unsecured [a]	**150.0**	-
Non current		
Bank loans – unsecured [a]	**228.7**	477.8
Private placement - US dollar [b]	**514.1**	495.0
	742.8	972.8
Total borrowings	**892.8**	972.8

a Bank loans

During the half year ended 31 December 2013, the Group completed a program to close out a number of its out-of-the-money interest rate swaps (IRS) and to restructure lending arrangements. The Group repaid $250m of the drawn syndicated revolving facility by reducing its cash holdings by $100m and drawing down $150m from a newly created bridge facility. The syndicated revolving facility limit has been reduced by $150m to $600m of which $365m was unutilised at 31 December 2013. The interim bridge facility is repayable within 6 months and is therefore reflected as a current liability at 31 December 2013.

Refer also to note 8 below for information on derivatives.

b US Private Placement

The Group's USPP borrowings have not changed materially during the half year.

8 Derivative financial instruments

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.

8 Derivative financial instruments (continued)

	December 2013 $m	June 2013 $m
Current assets		
Cross currency swaps	**4.4**	3.2
Forward currency contracts	**0.4**	0.2
Total current derivative financial instrument assets	**4.8**	3.4
Non-current assets		
Cross currency swaps	**102.1**	89.7
Forward currency contracts	**2.6**	2.1
	104.7	91.8
Current liabilities		
Interest rate swaps	**14.6**	30.2
Forward currency contracts	**-**	0.1
	14.6	30.3
Non-current liabilities		
Interest rate swaps	**37.8**	57.6
	37.8	57.6
Net financial assets	**57.1**	7.3

During the half year, the Group terminated $485m of its interest rate swaps (IRS) portfolio designated against its syndicated revolving facility and repaid $250m of the facility as outlined in note 7. As the debt relating to the IRS was extinguished, hedge accounting ceased and $17.4m of accumulated losses relating to these swaps was recycled from the hedge reserve to the income statement. The total charge of $22.2m, comprising $17.4m accumulated losses and $4.8m of other directly related costs, has been treated as a significant item in the result for the half year ended 31 December 2013, refer to note 4.

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.

9 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.

2013	**The Star $m**	**Jupiters $m**	**Treasury $m**	**Total $m**
Gross revenues – VIP [a b]	**159.2**	**6.8**	**0.1**	**166.1**
Gross revenues - external [a b]	**433.1**	**164.3**	**137.8**	**735.2**
Segment revenue	**592.3**	**171.1**	**137.9**	**901.3**
Segment profit before income tax expense and net finance costs (excluding significant items)	**90.0**	**15.1**	**18.9**	**124.0**
Depreciation, amortisation and impairment	**44.6**	**16.0**	**11.8**	**72.4**
Capital expenditure	**27.5**	**18.4**	**15.2**	**61.1**
2012				
Gross revenues - VIP [a b]	190.7	17.0	1.1	208.8
Gross revenues - external [a b]	442.5	181.0	139.5	763.0
Segment revenue	633.2	198.0	140.6	971.8
Segment profit before income tax expense and net finance costs (excluding significant items)	95.4	26.5	21.9	143.8
Depreciation, amortisation and impairment	45.3	14.2	10.5	70.0
Capital expenditure	68.5	15.2	14.1	97.8

a Gross revenue is presented as the net gaming win gross of player rebates and promotional allowances.
b Segment revenue is presented on an actual basis.

9 Segment information (continued)

Reconciliation of reportable segment result to profit before income tax

	December 2013 $m	December 2012 $m
Segment profit before income tax expense and net finance costs	**124.0**	143.8
Significant items (refer to note 4)	**(22.2)**	(9.8)
Unallocated items:		
- finance income	**2.3**	1.6
- finance costs (excluding significant items)	**(38.6)**	(40.8)
Profit before income tax	**65.5**	94.8

10 Contingent liabilities and commitments

Since the last annual reporting date, there have been no material changes in contingent liabilities. On 24 December 2013, the Group entered into a purchase agreement for the construction of assets to be completed in the future. The Group paid AU$9.60m (US$8.55m) during the first half of the year and are committed to pay a further US$48.5m in the next two to five year period. Other than this commitment, there have been no material changes in commitments since the last annual reporting date.

11 Subsequent events

Since 31 December 2013, the directors have declared a dividend of 4 cents per ordinary share. The total amount of the dividend is approximately $33.0m. This has not been provided for in the 31 December 2013 financial statements (refer to note 5).

On 24 January 2014, the Group entered into an agreement to sell its Jupiters Townsville complex to Colonial Leisure Group ("CLG") for $70m. The transaction is for the sale of all the shares and units in Breakwater Island Limited and Breakwater Island Trust respectively. Completion of the sale is subject to required regulatory approvals being obtained. The agreement is not subject to finance, or the approval of CLG or the Company's shareholders.

The Company's Managing Director and CEO, Mr John Redmond, will retire from the Company during the second half of the financial year and return to the United States of America. The Company's Board of Directors has appointed Mr Matt Bekier, current Chief Financial Officer and Executive Director into the role of Managing Director and CEO, effective upon the end of Mr Redmond's employment, subject to any required regulatory approvals being obtained. The details of Mr Bekier's appointment are set out in a separate announcement made to the ASX on 5 February 2014.

No other matters or circumstances have arisen since 31 December 2013 which are not otherwise dealt with in the half year Financial Report, that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' declaration

In the opinion of the directors of Echo Entertainment Group Limited ('the Company'):

(a) the financial statements and notes set out on pages 1 to 15 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position as at 31 December 2013 and of the performance for the half year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

John O'Neill AO
Chairman
Sydney
5 February 2014

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To the members of Echo Entertainment Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Echo Entertainment Group Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Echo Entertainment Group Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Echo Entertainment Group Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst + Young

Ernst & Young

John Robinson
Partner
Sydney
5 February 2014