

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



5 February 2014

HALF YEAR RESULTS PRESENTATION

Attached is the presentation regarding the financial results of Echo Entertainment Group Limited (**Echo**) for the half year ended 31 December 2013, to be presented by John Redmond, Managing Director and Chief Executive Officer, and Matt Bekier, Chief Financial Officer and Executive Director.

The presentation and a link to an audio webcast of the presentation will be available on Echo's website at **www.echoentertainment.com.au** from 10:00am (Sydney time) today.

The information contained in this announcement should be read in conjunction with today's announcement of Echo's half year results.

Paula Martin
Group General Counsel & Company Secretary

ECHO ENTERTAINMENT GROUP LIMITED

HALF YEAR 2014 RESULTS PRESENTATION

5 FEBRUARY 2014

ECHO ENTERTAINMENT GROUP

Jupiters
THEATRE & CINEMA

Jupiters
THEATRE & CINEMA

THE STAR

THE STAR
TREASURY
THEATRE & CINEMA

BASIS OF PREPARATION AND NON-IFRS INFORMATION

- Information in this presentation is provided as at the date of the presentation unless specified otherwise. It should be read in conjunction with Echo Entertainment Group Limited's financial report for the half year ended 31 December 2013 and other disclosures made via the Australian Securities Exchange
- Echo Entertainment Group results are reported under International Financial Reporting Standards (IFRS). This presentation may include certain non-IFRS measures including normalised results, which are used internally by management to assess the performance of the business
- Non-IFRS measures and current trading 2H14 results to date have not been subject to audit or review
- Normalised VIP Rebate revenue is calculated using the following rates in 1H14: average win rate 1.62% (1H13: 1.60%) and average number of turns of front money 13.0 times (1H13: 14.0 times) experienced over the preceding 5 years. Actual win rate for 1H14: 1.56% (1H13 1.69%). Actual turns for 1H14: 11.6 times (1H13: 13.0 times)
- Normalised EBIT (Underlying Earnings) and Normalised EBITDA are calculated based on normalised gross revenue and corresponding normalised commission and rebate expenses and taxes. Significant items are excluded from the normalised results
- Queensland results referred to in this presentation relate to the Jupiters and Treasury segments as reported in the statutory accounts

AGENDA

1. OVERVIEW

JOHN REDMOND – CEO

2. FINANCIALS

MATT BEKIER – CFO

3. OUTLOOK AND PRIORITIES

JOHN REDMOND – CEO

4. Q&A

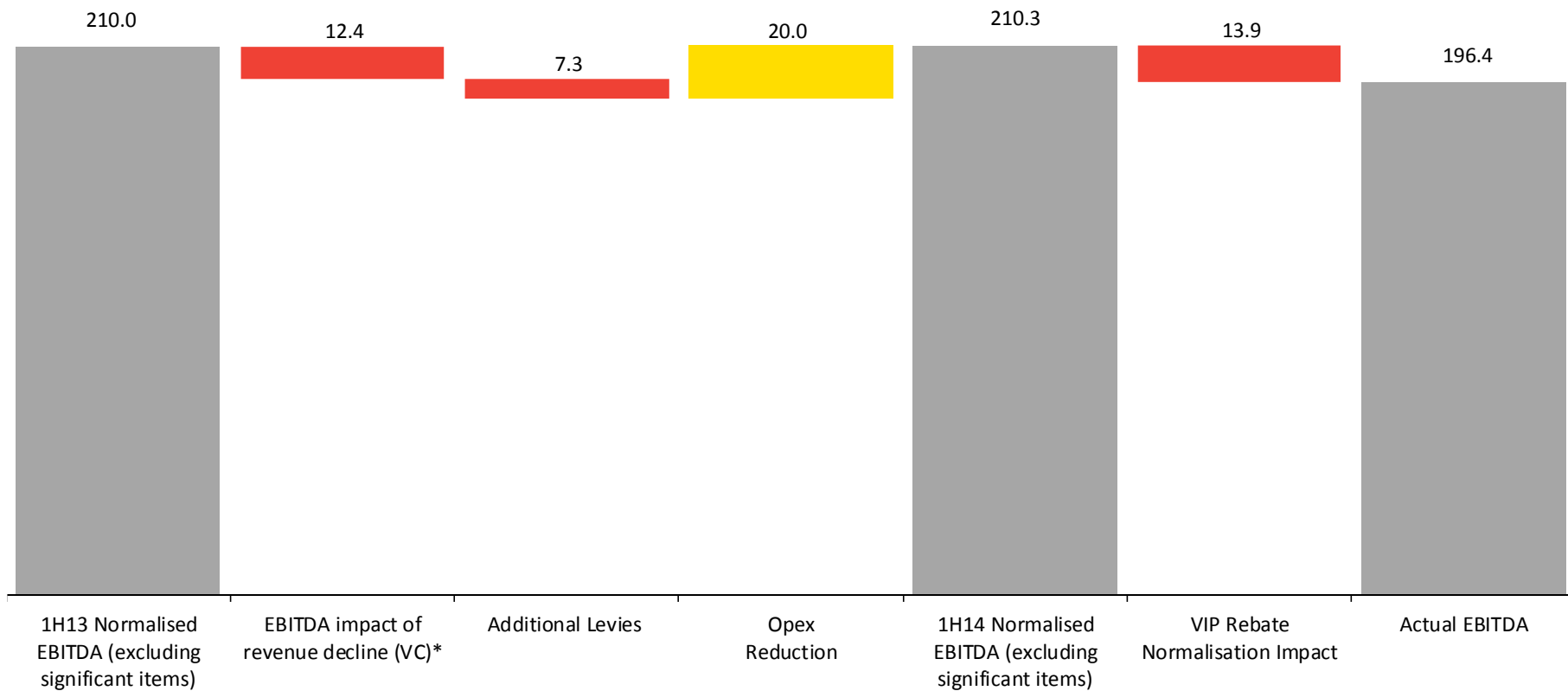
JOHN REDMOND – CEO

1H14 RESULTS OVERVIEW

- Normalised NPAT for 1H14 of \$71.5m up 1.3% on pcp. Statutory NPAT of \$46.1m down 30.5% on pcp as a result of lower win rate in VIP Rebate, lower hold in the private gaming rooms, additional levies imposed in NSW and QLD and one-off expense associated with closing out the out-of-the-money interest rate swaps
- Interim dividend of 4 cents per share fully franked, unchanged from prior year
- Normalised EBITDA (excluding significant items) of \$210.3m up 0.2%. Result impacted by softer volumes in domestic gaming and lower hold in private gaming rooms, offset by lower operating expenses. Result absorb \$7.3m additional levies and less favourable normalisation metrics
- Gross normalised revenue across the group for 1H14 of \$929.6m down 4.8% on pcp driven by:
 - Tables (MGF and PGR) down 7.4% across the group
 - Slots down 2.8%
 - Normalised VIP Rebate down 9.0% (actual down 20.5%)
 - Non-gaming up 6.3%
- The cost reduction program initiated in FY13 continues to flow through ahead of target to generate in excess of \$60m of cost savings across the group
- Domestic revenue has shown growth on pcp in every property in January

KEY DRIVERS OF 1H14 RESULT

EBITDA (\$m)



* VC excludes \$7.3m additional levies

1H14 VS 1H13 LIKE FOR LIKE GROWTH

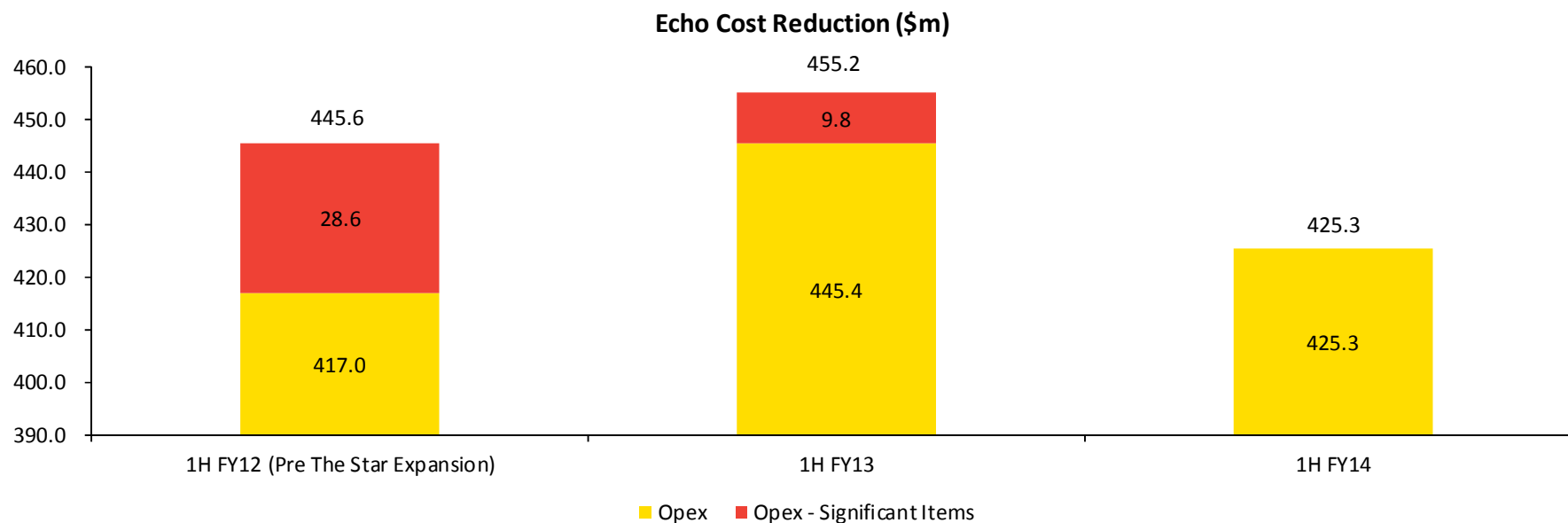
- Normalised EBITDA growth of 0.2% in 1H14 was negatively impacted by a number of items:
 - Additional levies in Queensland and NSW of \$7.3m commenced in FY14 and not in pcg
 - Hold in PGRs⁽¹⁾ in 1H14 was materially below pcg and historic levels (15.6% vs 17.5% in pcg)
 - VIP Rebate normalised commissions increased by \$1.6m as a result of high win rate on revenue share agreements (6.5% of play in 1H14 was on revenue share, win rate on revenue share play was 3.0% in 1H14)
 - 1H14 VIP Rebate results are normalised at updated rates including trading in FY13 (turns of 13.0 times and win of 1.62%) – estimated EBITDA impact of \$3.1m
- Adjusting for these factors, like-for-like growth in normalised EBITDA in 1H14 is 11.1%

\$ millions	1H14 Actual	1H13 Actual	Growth %
Normalised EBITDA	210.3	210.0	0.2%
□ Levies			
▪ NSW	-	(3.4)	
▪ QLD	-	(3.9)	
□ PGR hold and Domestic Rebate win normalised	9.8	-	
□ VIP Rebate commission on revenue share agreements	1.6	-	
□ Normalisation metric (win rate 1.62% / turns of front money 13.0 times)	-	(3.1)	
Like-for-like Normalised EBITDA comparable	221.7	199.5	11.1%

⁽¹⁾ Except for customers on a domestic rebate program

PROGRESS OF COST OPTIMISATION PROGRAM

- Cost optimisation program initiated in April 2012 and completed in 1H14 – total cost saving initiatives expected to exceed guidance of \$60m for FY14
- 1H14 opex of \$425.3m was down \$20.1m on pcip (4.5%) – despite inflation and increased operating footprint in F&B
- Previous guidance for FY14 operating expenditure to be below \$900m to deliver targeted savings. Total operating expenditure now expected to be below \$880m in FY14, allowing for increased activity in 2H14
- EBA renegotiations at The Star and Treasury Brisbane to reduce cost inflation pressures beyond FY14









OPERATIONAL BENCHMARKS

Operational Benchmarks	The Star		QLD Casinos		Comment
	1H13	1H14	1H13	1H14	
Slots					
Revenue (\$m)	124	122	143	137	□ Queensland Slots NMR lower due to combination of higher average machines in the period (3,214 in 1H14 vs 3,110 in 1H13) and lower revenue
NMR/machine/day	451	449	247	230	
MTGM's					
Revenue (\$m)	34	35	4	6	□ MTGM product momentum continues with solid growth across the group
NMR/machine/day	357	385	276	330	
Table Games (Excl Rebate & MTGM)					
Revenue (\$m)	217	197	101	94	□ Table games performance soft – impacted by combination of lower volumes and lower hold in PGRs
Hold %	18%	17%	18%	17%	
VIP Rebate (Actual)					
Front Money (\$m)	868	849	87	73	□ Hotel revenue at The Star up as The Darling gains traction and group increases focus on cash occupancy
Turnover (\$m)	11,365	9,947	1,014	706	
Turns	13.1	11.7	11.7	9.7	
Hotels					
Occupancy	94%	85%	92%	86%	□ EBITDA margin improvement as a result of cost reduction program – both cost of sales and employee cost margins showing improvement
Cash Revenue (\$m)	15	20	19	19	
Average Cash Rate	282	267	180	173	
Restaurants					
Cash Revenue (\$m)	19	19	20	19	
Gross Revenue (\$m)	29	26	31	28	
Bars					
Cash Revenue (\$m)	21	19	17	14	
Gross Revenue (\$m)	39	32	29	25	
Actual EBITDA/Revenue % (Excl significant items)	22%	23%	22%	20%	
Normalised EBITDA/Revenue % (Excl significant items)	22%	23%	21%	21%	
Employee Costs/Revenue % (Excl significant items)	22%	23%	31%	33%	







THE STAR – 1H14 PERFORMANCE TRACKING

- Overall revenue performance at The Star soft (normalised revenue down 3.9%)
 - Normalised gross gaming revenue (down 6.1%)
 - Non-gaming revenue strong as new product continues to gain momentum
- Taxes, levies, rebates and commissions down 9.5% - average tax rate 28% (including additional Government levy, excluding VIP Rebate)
- Operating expenditure of \$249.4m (down 2.8%) benefited from cost saving initiatives and reduced activity

SEGMENT	STATUS	COMMENTS
MGF and PGR Table Revenue		Table games below expectations for 1H14 with revenue down 9.0% on pcp with PGR experiencing softness impacted by lower hold
MTGM Revenue		MTGM revenue showing continued momentum with revenue up 3.3% on pcp in 1H14. Total seats of around 525 in the 1H14 period
Slots Revenue		Slot revenue down slightly on pcp in 1H14 with some MTGM cannibalisation. Benefits from the relaunched Absolute Rewards program underway with growth of 3.6% on 2H13
VIP Rebate Revenue		Front money down 2.2%. Activity levels declined in 2Q14 relative to a strong prior period. Good credit and collection performance and average commissions and rebates reduced
Non-gaming Revenue		1H14 non-gaming revenue strong, driven by the hotel segment (cash revenue up 29.2%), as well as the food & beverage, events and entertainment segments (cash revenue up 15.2%)
Operating Expenditure		Operating expenses down 2.8% on pcp as a result of the cost reduction program, as optimal operating costs continue to be refined across all segments of the property

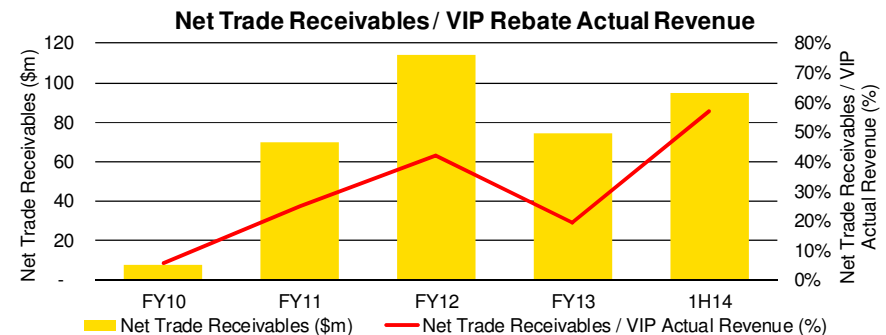
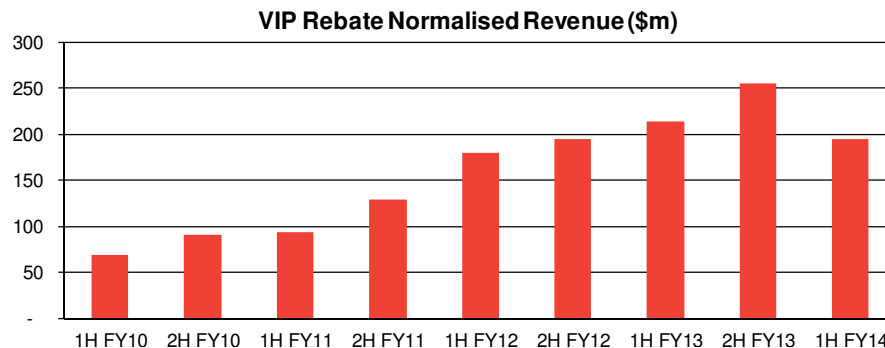
QUEENSLAND – 1H14 PERFORMANCE TRACKING

- Overall revenue performance at Queensland properties soft (normalised revenue down 6.6%)
 - Gross gaming revenue across all lines of business down on pcp impacted by a a soft consumer environment
 - Gold Coast property negatively impacted by disruption associated with light rail construction works in front of the property
 - Non-gaming revenues continue to be impacted by tough consumer environment and lack of new attractions
- Operating expenditure of \$175.9m (down 6.9%) benefited from cost saving initiatives

SEGMENT	STATUS	COMMENTS
MGF and PGR Table Revenue		Table games business across Queensland for 1H14 was below expectations with revenue down 10.1% on pcp with PGR business experiencing softness
MTGM Revenue		MTGM performance positive for 1H14 with revenue up 42.1% on the pcp. The reclassification as tables as well as high bill acceptors and TITO continues to drive growth
Slots Revenue		Slot performance of \$136.7m was below management expectations with revenue down 4.1% on pcp – acceleration post TITO/bill acceptors rollout
VIP Rebate Revenue		1H14 front money of \$72.6m down 16.1% on the pcp. Underlying VIP Rebate market potential in Queensland is unlikely to be to fully realised until capital investment is made
Non-gaming Revenue		The hotel segment performance continues to be impacted by soft leisure travel demand (cash revenue up 1.5%). F&B revenue soft largely due to bar trade (cash revenue down 7.9%)
Operating Expenditure		Operating expenses down 6.9% on pcp as the results of the cost reduction program continue to flow through

VIP REBATE BUSINESS 1H14 PERFORMANCE

- VIP Rebate front money down 3.5% to \$921.8m, normalised gross revenue down 9.0% to \$194.4m (actual gross revenue down 20.5% to \$166.1m)
- Actual win rate of 1.56% slightly below historical average at 1.62% and below prior period of 1.69%
- Average commissions down on prior period – earnings from VIP Rebate business flat despite decline in revenue
- Net trade receivables of \$94.7m up from \$74.3m at 30 June 2013, but down \$19.2m from 31 Dec 2012 level of \$113.9m
- VIP Rebate front money CAGR of 31.2% from 1H10-1H14 – momentum in business still positive despite a slowing in 1H14



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ECHO GROUP FINANCIALS

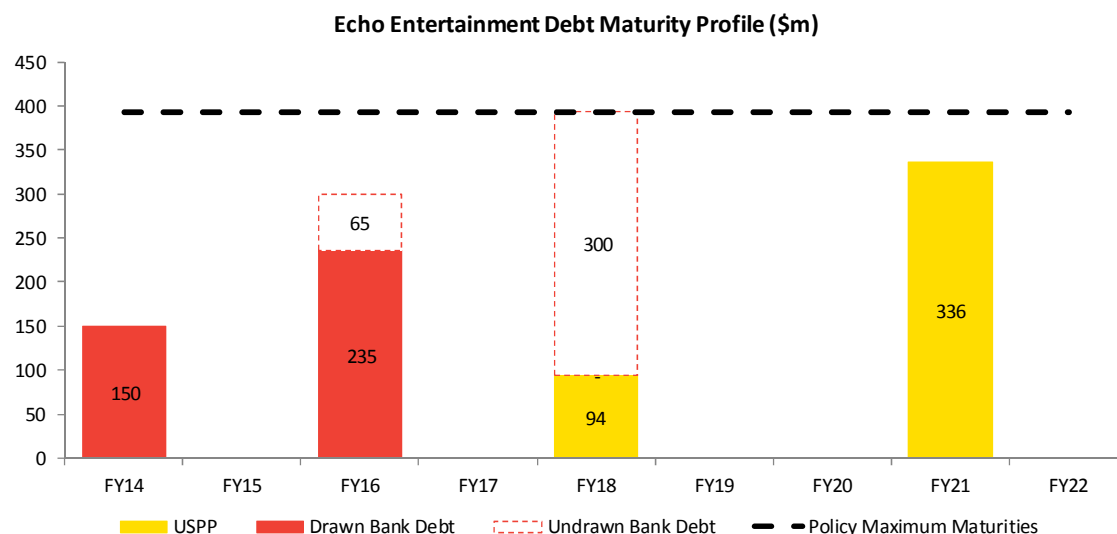
\$ millions	1H14 Actual	1H13 Actual	Growth %	1H14 Norm ²	1H13 Norm ²	Growth %
Gross Revenue ¹	901.3	971.8	(7.3%)	929.6	976.7	(4.8%)
Variable contribution	621.7	659.3	(5.7%)	635.6	655.4	(3.0%)
Operating expenditure	(425.3)	(445.4)	4.5%	(425.3)	(445.4)	4.5%
EBITDA (before significant items)	196.4	213.8	(8.2%)	210.3	210.0	0.2%
Depreciation and amortisation	(72.4)	(70.0)	(3.4%)	(72.4)	(70.0)	(3.4%)
EBIT (before significant items)	124.0	143.8	(13.8%)	137.9	139.9	(1.5%)
Net interest	36.3	39.2	7.4%	36.3	39.2	(7.3%)
Tax (before significant items) ³	26.0	31.3	16.7%	30.1	30.1	(0.1%)
NPAT (before significant items)	61.7	73.4	(16.0%)	71.5	70.7	1.3%
Significant Items (after tax) ⁴	(15.6)	(6.9)	(126.8%)			
Statutory NPAT	46.1	66.5	(30.5%)			

Note:

- Revenue is shown as the net gaming win, but gross of rebates and commissions paid to players and third parties
- 1H14 Normalised for average win rate 1.62% (1H13 1.60%) and average number of turns of front money 13.0 times (1H13 14.0 times) experienced over the preceding 5 years calculated on a rolling basis and excluding significant items pre-tax
- Tax before significant items is calculated for actual and normalised purposes based on the statutory effective tax rate paid in the period (1H14 29.6%, 1H13 29.9%)
- 1H14 significant items include finance related costs associated with the close out of a number of Echo's out-of-the-money interest rate swaps and the restructure of lending arrangements. 1H13 significant items include costs associated with the approved restructuring plan, including termination payments, legal and consulting fees

ECHO FUNDING

- 1H14 Net debt of \$765.8m (FY13 \$707.3m)
- Undrawn bank facilities of \$365.0m and average drawn debt maturity of 4.1 years
- 1H14 statutory net finance costs of \$58.5m includes costs of \$22.2m associated with the closing out of certain out of the money interest rate swaps and costs relating to restructure of debt facilities
- Close out of hedges undertaken to reduce future interest expense and provide additional balance sheet flexibility
- FY14 statutory net finance costs expected to be around \$65m (excluding one-off expenses associated with the close-out of the out of money swaps). Statutory net finance costs expected to be around \$87m for FY14
- FY15 statutory net finance costs expected to be around \$60m on constant assumptions – FY13 equivalent was \$79.4m



Swap	Annual net interest rate impact (\$m)		
	Pre Buy-back	Post Buy-back	Expiry Date
SFA Tranche 1	8.0	-	9-Jun-14
SFA Tranche 2	8.6	-	9-Jun-16
USPP Tranche 1	3.2	3.2	15-Jun-18
USPP Tranche 2	11.9	11.9	15-Jun-21
Total	31.8	15.2	

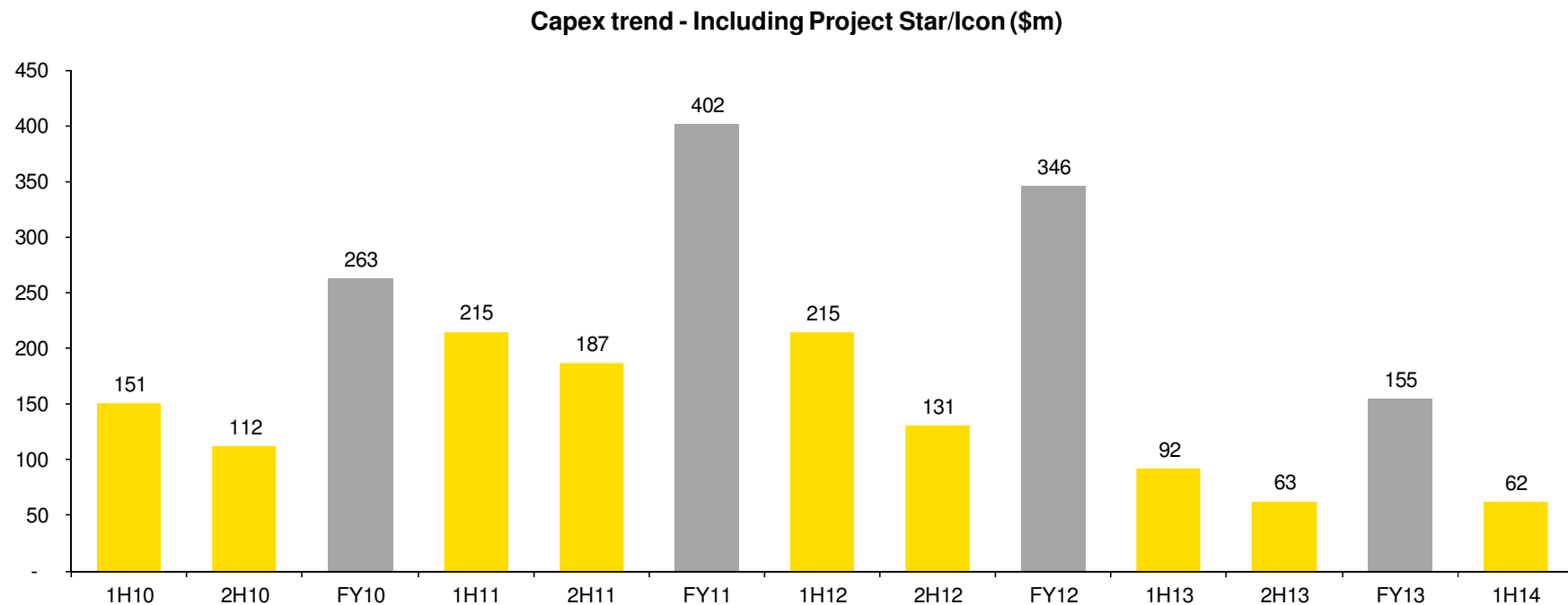
BALANCE SHEET AND DIVIDEND

\$m	31 Dec 2013	30 Jun 2013
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 receivable	20.7	1.3
Derivative financial instruments	4.8	3.4
Other	27.3	14.7
Total current assets	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	104.7	91.8
Other	30.8	22.4
Total non current assets	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	150.0	-
Provisions	55.9	58.5
Derivative financial instruments	14.6	30.3
Other	17.2	11.4
Total current liabilities	393.9	284.2
Non current liabilities		
Interest bearing liabilities	742.8	972.8
Deferred tax liabilities	180.8	160.4
Provisions	8.2	8.0
Derivative financial instruments	37.8	57.6
Total non current liabilities	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

- Cash balance reduced due to close out of interest rate swaps and repayment of debt
- Net trade receivables balance of \$94.7m includes \$47.3m of undeposited cheques that have been fully redeemed after 31 December 2013
- Net debt increased to \$765.8m due to mark to market movements of USPP debt and use of cash to close out swaps – this is largely offset by the increase in the net derivative asset from \$7.3m at 30 June 2013 to \$57.1m at 31 December 2014
- Interim dividend of 4 cents per share fully franked declared, approximately in-line with target excluding significant items

CAPITAL EXPENDITURE

- 1H14 capex \$62m with capex levels coming down post completion of Project Star – process around Brisbane opportunity to take time and proposed investment in Gold Coast to commence after required approvals received (expected FY15)
- Growth capex in 1H14 of \$34m – majority of growth capex focused on EGM opportunities in Queensland (new casino management system, new EGMs and Ticket-in/Ticket-out (TITO) implementation)
- D&A of around \$150m expected for FY14 – total capex of \$150m-\$160m expected for FY14



AGREEMENT TO SELL JUPITERS TOWNSVILLE

- As announced on 24 January 2014, Echo has entered into an agreement to sell Jupiters Townsville 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
- Once completed, expect to book a pre-tax profit on the sale of approximately \$8m after transaction costs
- Sale price of \$70m represents a multiple of 10 times FY13 actual EBITDA including corporate cost allocations for the property or 8 times FY13 EBITDA excluding all corporate cost allocations
- Transaction is subject to required regulatory approvals being obtained, which is expected to take 9-12 months
- The agreement is not subject to finance, CLG or Echo shareholder approval

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STRATEGIC PRIORITIES

- Improve operational performance at both The Star and Queensland properties
 - Continued progress made over last 12 months to set business up well for the future
 - Marketing, customer service and improvement in processes/systems underway
 - Continuing incremental investment program at The Star to further improve customer proposition
- Gold Coast Expansion
 - Expand and refresh Jupiters Gold Coast to restore the property's competitiveness in the region
 - Modernisation of regulatory environment on EGMs and additional gaming product to support returns on investment
 - Leverage existing significant asset and market potential
- Queen's Wharf Brisbane Development Process
 - Queensland Government announced competitive bid process and expected timeline on 19 December 2013
 - Bid process expected to be completed by the end of 2014 with the winning bid to be selected early in 2015
 - Given the confidential nature of the bid process there is limited ability to provide information while engaged in the process
- Capital Options Review
 - Review of capital funding options commenced to ensure all projects are optimally funded to deliver superior returns to Echo shareholders commensurate with risks

STRATEGIC PRIORITIES – GOLD COAST EXPANSION

- Development approval being sought for \$345m expansion and refresh of Jupiters Gold Coast announced at 2013 AGM
- Investment subject to various third party approvals – target for approvals to be finalised and works expected to commence in FY15
- Investment to include:
 - New six star hotel and upgrade of existing hotel
 - Significant expansion in food and beverage offering
 - New VIP Rebate gaming facilities
 - New pool facilities
 - Private gaming rooms for domestic high rollers
- Plans would leverage existing asset and result in Jupiters Gold Coast being transformed into a modern resort capable of competing with the best Integrated Resorts in the region
- Returns on investment expected to exceed cost of capital
- Long-term vision for the site has identified scope for potential further future development

STRATEGIC PRIORITIES – GOLD COAST EXPANSION



TRADING UPDATE AND 2H14 OUTLOOK

- Domestic revenue has shown growth on last year in every property in January - EGMs experiencing a strong start to the year, particularly in Queensland, and VIP Rebate has seen solid bookings for Chinese New Year
- Given the short period, fluctuations based on win rate or hold and timing of Chinese New Year, revenue figures are not directly comparable to prior year
- Cost optimisation program and improved profit focus continuing to support improved earnings growth in first part of 2H14
- The initiatives implemented in FY13 and 1H14 position the business well to drive earnings growth
 - The Star to leverage new product through loyalty program and improved marketing program to drive profitable domestic revenue growth
 - Queensland to benefit from modernisation of regulatory environment on EGMs (TITO, non-Qcom product, MTGM reclassification)
 - Cost saving initiatives to drive operational leverage across both The Star and Queensland properties
 - EBA at The Star and Treasury Brisbane and other initiatives to reduce cost inflation pressures
- The full 2014 financial year result will be impacted by a number of factors which include general macro-economic conditions, potential win rate and hold volatility in the VIP Rebate business and PGRs, level of debt provisions in the VIP Rebate business, success of the company's marketing programs and the impact of any regulatory changes

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THE STAR AND QUEENSLAND RESULTS – ACTUAL

Actual	The Star			QLD			Total		
\$m	1H14	1H13	fav/ (unfav) on pc	1H14	1H13	fav/ (unfav) on pc	1H14	1H13	fav/ (unfav) on pc
Slots	122.3	124.1	(1.4%)	136.7	142.6	(4.1%)	259.0	266.6	(2.8%)
Main Gaming Floor	182.5	182.6	(0.1%)	71.8	72.6	(1.2%)	254.2	255.2	(0.4%)
PGR	54.0	72.0	(25.0%)	28.1	36.0	(21.9%)	82.1	108.0	(24.0%)
Non-Gaming	73.6	62.0	18.6%	63.6	67.0	(5.0%)	137.2	129.0	6.3%
Total Domestic	432.3	440.7	(1.9%)	300.2	318.1	(5.6%)	732.6	758.9	(3.5%)
VIP Rebate (Gross)	159.2	190.7	(16.5%)	6.9	18.1	(61.8%)	166.1	208.8	(20.5%)
Other Revenue	0.8	1.8	(56.5%)	2.0	2.4	(18.0%)	2.7	4.2	(35.1%)
Total Gross Revenue	592.3	633.2	(6.5%)	309.1	338.6	(8.7%)	901.3	971.8	(7.3%)
Gaming taxes, levies and commissions	(208.3)	(236.0)	11.7%	(71.3)	(76.6)	6.9%	(279.6)	(312.6)	10.5%
Operating expenses	(249.4)	(256.5)	2.8%	(175.9)	(188.9)	6.9%	(425.3)	(445.4)	4.5%
EBITDA	134.6	140.7	(4.3%)	61.8	73.1	(15.5%)	196.4	213.8	(8.2%)
Depreciation and Amortisation	(44.6)	(45.3)	1.5%	(27.8)	(24.7)	(12.5%)	(72.4)	(70.0)	(3.4%)
EBIT	90.0	95.4	(5.7%)	34.0	48.4	(29.8%)	124.0	143.8	(13.8%)
Statutory Reconciliation									
Significant Items	-	(7.8)	(100.0%)	-	(2.1)	< 100.0%	-	(9.8)	(100.0%)
Statutory EBIT	90.0	87.6	2.7%	34.0	46.4	(26.6%)	124.0	134.0	(7.5%)
Net interest expense (income)							58.5	39.2	49.3%
Tax							19.4	28.3	(31.5%)
Statutory NPAT							46.1	66.5	(30.5%)
EBITDA/Revenue %	22.7%	22.2%		20.0%	21.6%		21.8%	22.0%	
VIP Rebate Front Money A\$m	849.1	868.4	(2.2%)	72.6	86.6	(16.1%)	921.8	955.0	(3.5%)
VIP Rebate Turnover A\$m	9,946.6	11,365.4	(12.5%)	705.7	1,014.2	(30.4%)	10,652.3	12,379.6	(14.0%)
VIP Rebate Win rate	1.60%	1.68%		0.98%	1.79%		1.56%	1.69%	

THE STAR AND QUEENSLAND RESULTS – NORMALISED

Normalised*	The Star			QLD			Total		
\$m	1H14	1H13	fav/ (unfav) on pcg	1H14	1H13	fav/ (unfav) on pcg	1H14	1H13	fav/ (unfav) on pcg
Slots	122.3	124.1	(1.4%)	136.7	142.6	(4.1%)	259.0	266.6	(2.8%)
Main Gaming Floor	182.5	182.6	(0.1%)	71.8	72.6	(1.2%)	254.2	255.2	(0.4%)
PGR	54.0	72.0	(25.0%)	28.1	36.0	(21.9%)	82.1	108.0	(24.0%)
Non-Gaming	73.6	62.0	18.6%	63.6	67.0	(5.0%)	137.2	129.0	6.3%
Total Domestic	432.3	440.7	(1.9%)	300.2	318.1	(5.6%)	732.6	758.9	(3.5%)
VIP Rebate (Gross)*	179.0	194.2	(7.8%)	15.3	19.4	(20.9%)	194.4	213.6	(9.0%)
Other Revenue	0.8	1.8	(56.5%)	2.0	2.4	(18.0%)	2.7	4.2	(35.1%)
Total Gross Revenue	612.2	636.8	(3.9%)	317.5	339.9	(6.6%)	929.6	976.7	(4.8%)
Gaming taxes, levies and commissions	(220.0)	(243.1)	9.5%	(74.0)	(78.2)	5.3%	(294.0)	(321.2)	8.5%
Operating expenses	(249.4)	(256.5)	2.8%	(175.9)	(188.9)	6.9%	(425.3)	(445.4)	4.5%
Normalised EBITDA	142.8	137.2	4.1%	67.5	72.8	(7.3%)	210.3	210.0	0.2%
Depreciation and Amortisation	(44.6)	(45.3)	1.5%	(27.8)	(24.7)	(12.5%)	(72.4)	(70.0)	(3.4%)
Normalised EBIT	98.1	91.8	6.8%	39.7	48.1	(17.4%)	137.9	139.9	(1.5%)
Net interest expense (income)							36.3	39.2	(7.3%)
Tax							30.1	30.1	(0.1%)
Normalised NPAT							71.5	70.7	1.3%
EBITDA/Revenue %	23.3%	21.5%		21.3%	21.4%		22.6%	21.5%	
VIP Rebate Front Money N\$m	849.1	868.4	(2.2%)	72.6	86.6	(16.1%)	921.8	955.0	(3.5%)
VIP Rebate Turnover N\$m	11,079.5	12,118.7	(8.6%)	947.9	1,208.4	(21.6%)	12,027.4	13,327.1	(9.8%)
VIP Win rate	1.62%	1.60%		1.62%	1.60%		1.62%	1.60%	

* Normalised VIP Rebate revenue is calculated using the following rates in 1H14: average win rate 1.62% (1H13: 1.60%) and average number of turns of front money 13.0 times (1H13: 14.0 times) experienced over the preceding 5 years

NORMALISED RESULTS RECONCILIATION – 1H13 & 1H14

Normalised*	The Star			QLD			Total		
\$m	1H14	1H13	fav/ (unfav) on pcg	1H14	1H13	fav/ (unfav) on pcg	1H14	1H13	fav/ (unfav) on pcg
Slots	122.3	124.1	(1.4%)	136.7	142.6	(4.1%)	259.0	266.6	(2.8%)
Main Gaming Floor	182.5	182.6	(0.1%)	71.8	72.6	(1.2%)	254.2	255.2	(0.4%)
PGR	54.0	72.0	(25.0%)	28.1	36.0	(21.9%)	82.1	108.0	(24.0%)
Non-Gaming	73.6	62.0	18.6%	63.6	67.0	(5.0%)	137.2	129.0	6.3%
Total Domestic	432.3	440.7	(1.9%)	300.2	318.1	(5.6%)	732.6	758.9	(3.5%)
VIP Rebate (Gross)*	179.0	183.1	(2.2%)	15.3	18.3	(16.1%)	194.4	201.4	(3.5%)
Other Revenue	0.8	1.8	(56.5%)	2.0	2.4	(18.0%)	2.7	4.2	(35.1%)
Total Gross Revenue	612.2	625.7	(2.2%)	317.5	338.8	(6.3%)	929.6	964.4	(3.6%)
Gaming taxes, levies and commissions	(220.0)	(234.8)	6.3%	(74.0)	(77.3)	4.3%	(294.0)	(312.1)	5.8%
Operating expenses	(249.4)	(256.5)	2.8%	(175.9)	(188.9)	6.9%	(425.3)	(445.4)	4.5%
Normalised EBITDA	142.8	134.3	6.3%	67.5	72.5	(6.9%)	210.3	206.8	1.7%
Depreciation and Amortisation	(44.6)	(45.3)	1.5%	(27.8)	(24.7)	(12.5%)	(72.4)	(70.0)	(3.4%)
Normalised EBIT	98.1	89.0	10.3%	39.7	47.9	(17.0%)	137.9	136.8	0.8%
Net interest expense (income)							36.3	39.2	(7.3%)
Tax							30.1	29.2	3.1%
Normalised NPAT							71.5	68.5	4.5%
EBITDA/Revenue %	23.3%	21.5%		21.3%	21.4%		22.6%	21.4%	
VIP Rebate Front Money N\$m	849.1	868.4	(2.2%)	72.6	86.6	(16.1%)	921.8	955.0	(3.5%)
VIP Rebate Turnover N\$m	11,079.5	11,331.1	(2.2%)	947.9	1,129.9	(16.1%)	12,027.4	12,460.9	(3.5%)
VIP Rebate Win rate	1.62%	1.62%		1.62%	1.62%		1.62%	1.62%	

* Normalised VIP Rebate revenue is calculated using average win rate 1.62% and average number of turns of front money 13.0 times (1H13 restated at 1H14 normalisation rate)

CASH COLLECTION RATIO

Category \$m	Dec-13	Jun-13	Dec-12	Jun-12
Cash flows from operating activities before interest and income tax				
Net cash receipts in the course of operations	851.9	1,757.4	933.8	1,643.6
Payments to suppliers, service providers and employees	(522.9)	(982.2)	(560.2)	(1,046.9)
Payment of government levies, gaming taxes and GST	(190.0)	(381.3)	(195.2)	(359.4)
Net cash inflows from operating activities before interest and income tax	139.0	393.9	178.4	237.3
Profit before net finance costs and income tax	124.0	188.6	134.0	143.8
Add back depreciation and amortisation	(72.4)	(146.0)	(70.0)	(122.1)
EBITDA	196.4	334.6	204.0	265.9
Cash collection	71%	118%	87%	89%

RECEIVABLES AGING

Receivables Aging Summary (\$m)						
Ageing	Dec-13		Jun-13		Dec-12	
	Debtor balance before provision	Ageing profile	Debtor balance before provision	Ageing profile	Debtor balance before provision	Ageing profile
3+ Years	8.9	15.2%	8.9	11.7%	8.9	11.1%
1-3 Years	21.7	37.1%	49.4	64.9%	44.8	55.9%
Less than 1 Year	27.9	47.7%	17.8	23.4%	26.4	33.0%
Total	58.5	100.0%	76.1	100.0%	80.1	100.0%

Note: excludes NSW 10% gaming tax credit

GLOSSARY

CAGR	Compound Annual Growth Rate
Capital expenditure (capex)	Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes intangible assets, investments in associates and equity acquisitions. It is shown gross of any fixed asset disposals proceeds
Customer front money	Deposits of funds at the casino cage that the player intends to use as security for casino play. Front money deposits enable a player to draw upon funds by signing markers at the table games up to the amount of the deposit
EGM	Electronic gaming machine – includes both slots and MTGMs
F&B	Food and Beverage
MGF	Main gaming floor
MTGM	Multi-terminal gaming machine or electronic table game
NMR	Net revenue per machine
Normalised revenue	Normalised revenue is calculated using an average win rate and average number of turns of front money experienced over the last 5 years in VIP Rebate business, calculated on a rolling basis ending 30 June
pcp	Prior comparable period
PGR	Private gaming room
Rebate	International Rebate Business and Domestic Rebate Business
Significant items	Significant items are items of income or expense which are, either individually or in aggregate, material to Echo and: <ul style="list-style-type: none"> ▪ Outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or ▪ Part of the ordinary activities of the business but unusual due to their size and nature
VIP Rebate	International Rebate Business

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