

ECHO ENTERTAINMENT GROUP LIMITED

ACN 149 629 023

2013 ANNUAL GENERAL MEETING – 8 NOVEMBER 2013

JOHN O'NEILL AO - CHAIRMAN

ECHO ENTERTAINMENT GROUP



THE STAR



BOARD OF DIRECTORS



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



**Anne
Brennan**
Deputy Chair
and Non
Executive
Director



**Katie Lahey
AM**
Non Executive
Director



**Richard
Sheppard**
Non Executive
Director



**Gerard
Bradley**
Non Executive
Director



**John
Redmond**
Managing
Director and
Chief
Executive
Officer



Matt Bekier
Chief Financial
Officer and
Executive
Director

ECHO'S CONTRIBUTION TO THE ECONOMY AND TOURISM

Echo contributes significantly to the NSW, Queensland and Australian economies:

- Generated over \$358m of combined gaming taxes & levies to Government in FY13
- Employs over 8,000 staff across NSW and Queensland – total employee costs of over \$564m in FY13
- Since FY10 invested over \$1.1 billion in valuable tourism infrastructure in NSW and Queensland – with plans to spend significantly more
- Welcomed over 18 million visitors to our properties in FY13
- Generated over 20% of revenue from international visitors in FY13
- Recipient of numerous global and national awards for new tourism infrastructure
- Expanded international VIP business by 224%* since FY10

* International Rebate Business growth based on actual turnover for FY10 – FY13

ECHO ENTERTAINMENT GROUP LIMITED

ACN 149 629 023

2013 ANNUAL GENERAL MEETING – 8 NOVEMBER 2013

JOHN REDMOND – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

ECHO ENTERTAINMENT GROUP



THE STAR



CEO ADDRESS - AGENDA

1. FY13 RESULTS OVERVIEW – ACHIEVEMENTS AND PRIORITIES

2. FY14 TRADING UPDATE

3. ECHO PROPERTIES – INVESTMENT OPPORTUNITIES

FY13 FINANCIAL RESULTS OVERVIEW

- Statutory FY13 NPAT of \$83.5m for the year up 97.9% on pcp. Prior period impacted by higher significant items and a lower win rate
 - FY13 NPAT normalised for win rate and significant items – \$126.9m
- Statutory EBITDA (including significant items) up 25.8% on pcp to \$334.6m with growth from The Star offset by weakness across Queensland properties
- Normalised EBITDA of \$391.4m before significant items and after normalising at historic levels for volatility in VIP, up 3.3% on the prior period on like for like basis
- Strong performance of international VIP business with record volumes and good collection experience (front money up 35%, net trade receivables down 42%)
- Cost reduction program implemented in April 2012 reduced group operating expenditure in FY13 by an estimated \$38m. Program on track to produce additional savings in excess of \$30m in FY14 – on target to deliver on guidance of over \$60m of cost savings relative to FY12

* Normalised VIP revenue calculated using the following rates FY13: average win rate 1.62% (FY12: 1.60%) and average number of turns of front money 13.0 times (FY12: 14.0) experienced over the preceding 5 years

FY13 KEY ACHIEVEMENTS

A number of achievements in FY13 provide a solid platform for Echo to drive profitability growth in FY14 and beyond:

- Growth of international VIP business – revenue momentum, improved collections and receivables position, improved international sales presence, improved service levels
- Completion of Project Star on budget
- Delivery of cost reduction program and renegotiation of Enterprise Agreement (EA) at The Star
- Relaunch of group loyalty program – Absolute Rewards
- Strengthened balance sheet and restructure of debt facilities
- Plans established for next phase of development for The Star and investment and expansion of Queensland properties

RELAUNCH OF LOYALTY PROGRAM – ABSOLUTE REWARDS

- Relaunched loyalty program implemented in June 2013
- Loyalty program now a property wide and group wide program –customers generate and redeem benefits across gaming and non-gaming activities across all properties in the group
- Customer incentives better aligned to earn points and receive benefits at all properties
- Benefits of the award scheme continue to improve as new partnerships are offered
- Program platform established with marketing and communications support being ramped up – program expected to drive improved benefits over time



Absolute Red and
Absolute Red +



Absolute Pearl



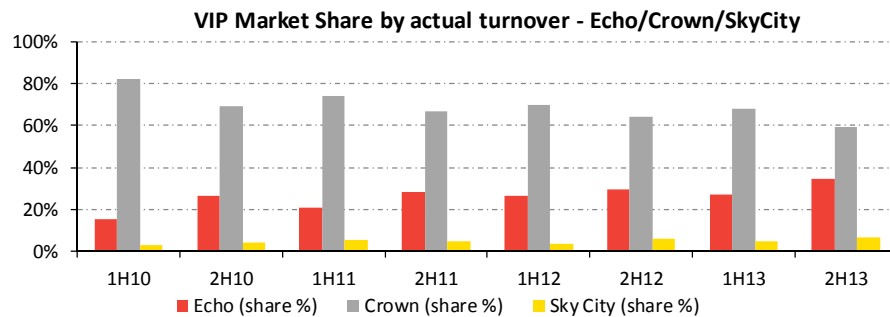
Absolute Black



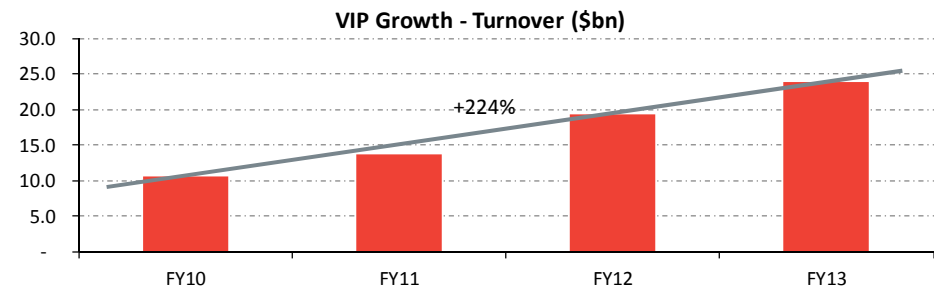
Absolute Diamond

GROWTH OF INTERNATIONAL VIP BUSINESS

- VIP “front money” up 35% in FY13, gross revenue up 43% to \$387m (normalised gross revenue up 27% to \$442m)
- VIP business has generated strong consistent revenue momentum since FY10 with significant market share improvement (total Australia/NZ market share of 34% in 2H13 vs 20% in FY10)
- Echo had 54% of total overdue credit provisioned at 30 June 2013 – total net trade receivables down 43% on pcp despite significant growth in VIP business
- Outlook remains positive given investment in significantly improved product offering at The Star, increased capacity and service improvements
- Significant opportunity to drive growth in Queensland with targeted investment



Source: Company reports



CEO ADDRESS - AGENDA

1. FY13 RESULTS OVERVIEW – ACHIEVEMENTS AND PRIORITIES

2. FY14 TRADING UPDATE

3. ECHO PROPERTIES – INVESTMENT OPPORTUNITIES

UPDATE ON GROUP YEAR TO DATE TRADING – UNAUDITED

- Normalised gross revenue* down 3.5% across the group from 1 July 2013 to 31 October 2013
- VIP business experienced very strong start to the year but volume growth has moderated – VIP business can be impacted by timing around trips by small number of large players. Momentum and full year outlook for VIP remains positive
- Discretionary consumer spend continues to be subdued – negatively impacting domestic revenue growth
- Domestic revenue growth also impacted by reduction in non-profitable marketing which drove revenue in prior period, impact from large slot jackpots paid in October 2013 and not in pcp and lower hold in PGR
- Softer revenue environment being mitigated by cost reduction program - normalised EBITDA* marginally up on prior period due to expenses below last year
- Results absorb additional levies imposed in NSW & QLD (incremental cost of around \$5m in 1Q14 not in pcp) and \$2m one-off payment made in connection with the re-negotiation of the Brisbane Treasury Enterprise Agreement
- The FY14 result will be impacted by a number of factors which include general macro-economic conditions, potential win rate volatility in the international VIP business, level of debt provisions in the international VIP business, success of the company's marketing programs and the impact of any regulatory changes

* Based on unaudited financial result. Full audited results proposed to be provided in February 2014 for period to end of 31 December 2013. Normalised VIP revenue is calculated using the following rates: For FY14 YTD average win rate 1.62% and average number of turns of front money 13.0 times, For FY13 YTD average win rate 1.60% and average number of turns of front money 14.0 times. Normalised gross revenue for the group down 2.2% normalising at consistent rates.

CEO ADDRESS - AGENDA

1. FY13 RESULTS OVERVIEW – ACHIEVEMENTS AND PRIORITIES

2. FY14 TRADING UPDATE

3. ECHO PROPERTIES – INVESTMENT OPPORTUNITIES

INVESTMENTS IN QUEENSLAND

- Significant growth opportunities exist for Echo in both Brisbane and Gold Coast
- Short, medium and long-term plans for both Treasury Brisbane and Jupiters Gold Coast have been developed
 - Perpetual licences allow for long term expansion planning horizon
 - Landholding in Gold Coast and long-term leases in Brisbane, if coupled with the Government precinct, offer capacity for expansions
- Underlying market and growth opportunity best realised through targeted and complementary investments in both Treasury Brisbane and Jupiters Gold Coast
- Scale of potential investments to be determined based on operating conditions that permit Echo to generate an appropriate return on investment for shareholders
- Subject to further work, Echo is considering investments that could exceed \$1.5bn in Queensland
 - Additional capital investment into Gold Coast property in the near term
 - Significant capital investment in Brisbane is subject to Government process and timetable
- Future of Jupiters Townsville to Echo group under consideration – recent performance has been positive however size of Townsville market provides limitations for the creation of a large-scale, integrated resort

GOLD COAST INVESTMENT AND LONG-TERM VISION

- Significant potential for long-term investment in Gold Coast – Echo determined to restore Jupiters’ iconic position in the market
- Plans under consideration for investment in the near term include:
 - New six star hotel and upgrade of existing hotel
 - Significant expansion in food and beverage offering
 - New international VIP gaming facilities
 - New pool and spa facilities
 - Private gaming rooms for domestic high rollers
- Investment subject to various approvals – target for approvals to be finalised and works to commence by second half of 2014
- Details of investment (including capital expenditure levels, timing, etc) to be outlined once requisite approvals received
- 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
- Long-term vision for the site has identified scope for potential further future development



LONG-TERM VISION

GOLD COAST – NEAR-TERM EXPANSION



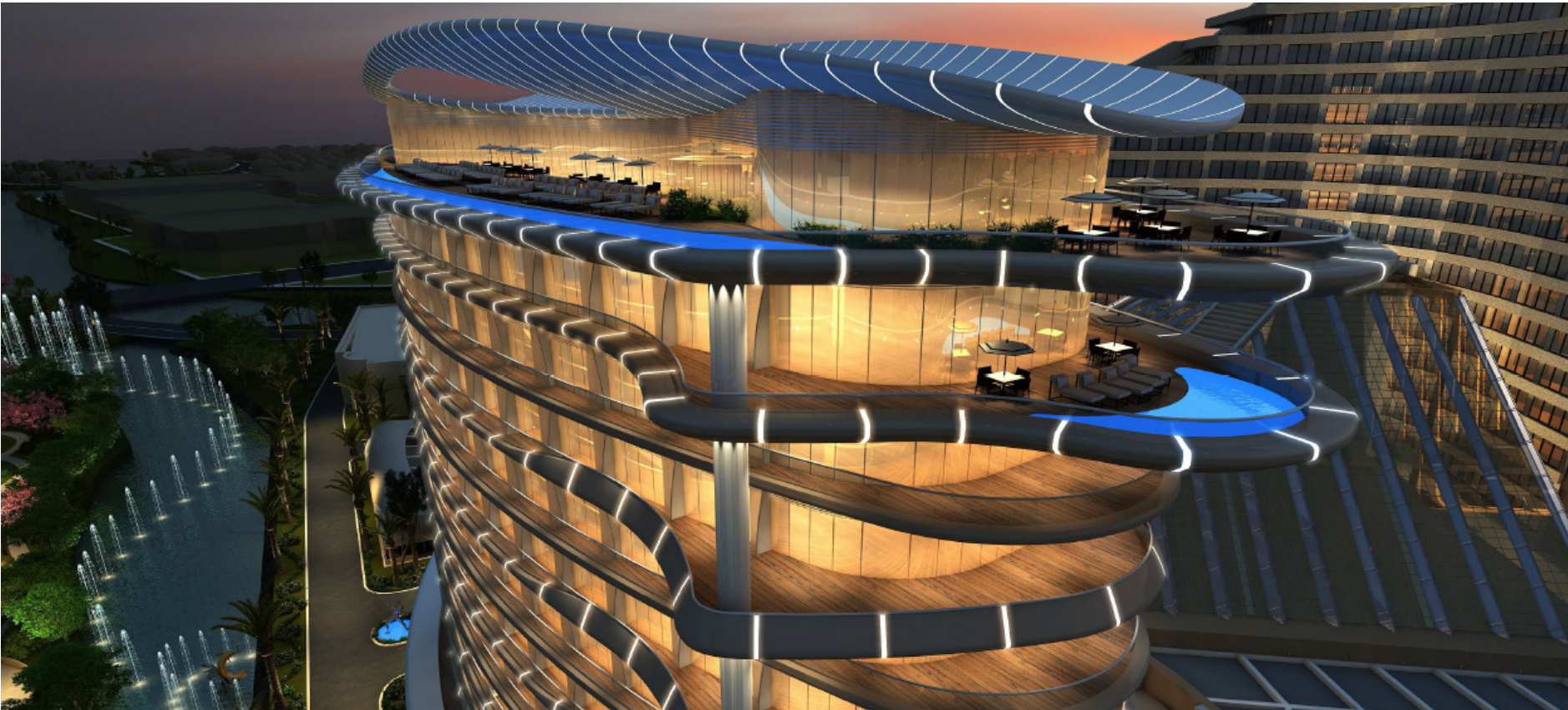
GOLD COAST – SIX STAR HOTEL SUITES



GOLD COAST – SIX STAR HOTEL INTERIOR



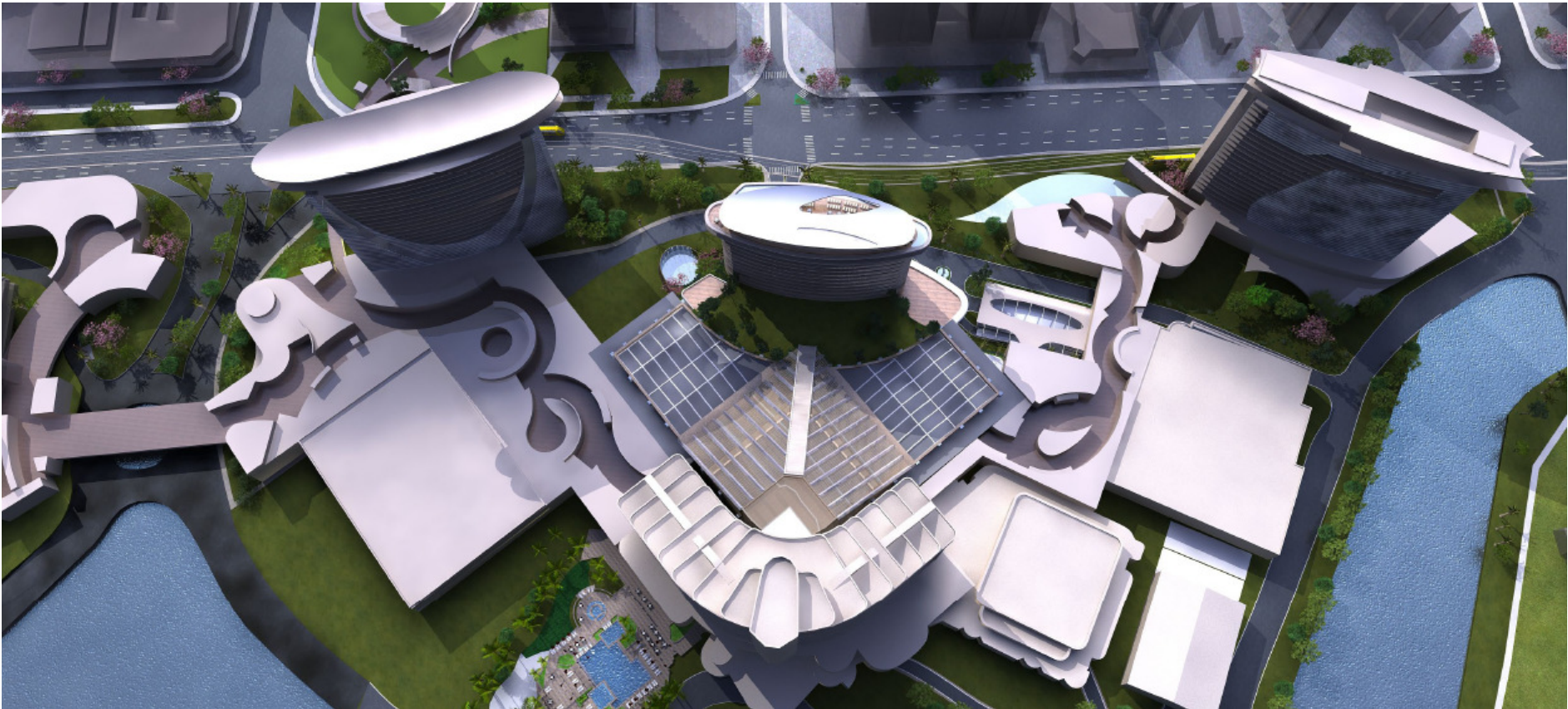
GOLD COAST – SIX STAR HOTEL



GOLD COAST – NEW BAR



GOLD COAST – LONG-TERM VISION



INVESTMENT POTENTIAL IN BRISBANE

- Queensland Government has announced intention to initiate an Expression of Interest (EOI) process for the redevelopment of the Government precinct in Brisbane's CBD before the end of the calendar year
- Echo plans to put forward a proposal that transforms the entire precinct into a large-scale, connected and integrated resort and entertainment precinct
- Investment timing subject to site availability – estimated possible start in 2017 calendar year with potential for completion in later part of 2020
 - Capital expenditure profile, potential partnerships and funding structure/s to be evolved once EOI process commences
- If successful, Echo's plans include repurposing the current Treasury Casino to restore it to a more appropriate use that can be enjoyed by the people of Brisbane and both interstate & international visitors
- Echo believes it is best placed to deliver an integrated development given the long-term leases held over a substantial part of the extended precinct
- Plans for the precinct have been developed – given competitive process, details of the investment will be released at an appropriate time

REPURPOSING OF TREASURY – UPGRADED HOTEL



REPURPOSING OF TREASURY – UPGRADED HOTEL



REPURPOSING OF TREASURY – HOTEL LOBBY



REPURPOSING OF TREASURY – UPGRADED HOTEL



REPURPOSING OF TREASURY – HOTEL ATRIUM



REPURPOSING OF TREASURY – CASINO PROPERTY



REPURPOSING OF TREASURY – CASINO PROPERTY



SYDNEY OPPORTUNITIES

- The Star now a modern, world-class entertainment destination
- Areas of opportunity to invest and further improve the asset have been identified
- Areas of investment to be undertaken at The Star over the medium term include
 - Improvement and expansion of local private gaming rooms
 - Re-investment and expansion in VIP facilities
 - Expansion in Food and Beverage offering – starting with a new buffet in 2HFY14
 - Upgrade of Astral Hotel and Residences and other refurbishment works
- Echo currently expects annual capital expenditure at The Star to approximate annual depreciation at the property over the medium term as we position The Star to maximise the underlying market opportunity
- Following NSW Government decision to progress Crown’s Unsolicited Proposal to stage 3 it is likely Echo will compete with another table game casino in Sydney post November 2019 – timing and target of investments designed to ensure that The Star will compete effectively

THE STAR – WORLD CLASS ENTERTAINMENT DESTINATION



THE STAR – NEW BUFFET



ECHO ENTERTAINMENT GROUP

CONCEPT IMAGES ONLY

31

THE STAR – SUITES RENOVATION



THE STAR – APARTMENTS RENOVATION



THE STAR – LOBBY RENOVATION



ECHO ENTERTAINMENT GROUP LIMITED

ACN 149 629 023

2013 ANNUAL GENERAL MEETING – 8 NOVEMBER 2013

THANK YOU FOR JOINING US TODAY

ECHO ENTERTAINMENT GROUP

Jupiters
HOTEL & CASINO

Jupiters
EDMONSVILLE

THE STAR

THE
TREASURY
CASINO & HOTEL

BASIS FOR PREPARATION & 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 full year ended 30 June 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 FY14 YTD results to date have not been subject to audit or review
- Normalised VIP revenue is calculated using the following rates in FY14 YTD: average win rate 1.62% (FY13 YTD: 1.60%) and average number of turns of front money 13.0 times (FY13 YTD: 14.0 times) experienced over the preceding 5 years

DISCLAIMER

- This presentation is prepared for information purposes only and does not take into consideration any individual investor's circumstances. Echo Entertainment Group recommends investors make their own assessments and seek independent professional advice before making investment decisions
- This presentation 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 Group'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 information in this presentation is provided for illustration purposes only. It is not indicative of future performance and should not be relied upon as such
- This presentation has been prepared by Echo Entertainment Group (unless otherwise indicated). Information may be reproduced provided it is reproduced accurately and not in a misleading context. Where the material is being published or issued to others, the sources and copyright status should be acknowledged. Some information included in this presentation has been provided by third parties with their consent. Echo Entertainment Group does not accept any responsibility for the accuracy or completeness of that information