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ECHO ENTERTAINMENT GROUP



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16 June 2014

Update on trading and guidance for FY14 earnings

Echo Entertainment Group Limited (**Echo**) today provides an update on trading and guidance on expected normalised earnings for the 2014 financial year.

Based on the revenue momentum seen in the second half of the year to date, Echo expects to report normalised FY14 EBITDA within the range of \$430m-\$435m and normalised FY14 NPAT within the range of \$150m-\$153m. The expected result is above current median analyst forecasts and reported Bloomberg consensus normalised EBITDA of \$411m (on a like for like basis).

Actual EBITDA will be impacted by the win rate and turnover experienced in the VIP Rebate business for the remainder of the financial year, and therefore is subject to potential volatility.

A revenue update for the March quarter was provided on 11 April 2014. The underlying normalised revenue trends experienced across the business in the March quarter continue to prevail to date. Across the group, normalised gross revenue grew by 10.2% on the prior comparable period (+12.1% on an actual basis) for the five months ended 31 May 2014. For the domestic business, excluding the VIP Rebate business, revenue grew 9.3% on the prior comparable period, with gaming revenues in both Sydney and Queensland showing growth during this five month period.

The cost optimisation program and improved profit focus continue to support earnings growth in the second half of the financial year. Echo now expects to deliver operating expenditure around \$870m for FY14.

The full 2014 financial year result remains subject to audit and a number of factors (which may be material in nature) which could impact results for the full year. These factors include general trading conditions in the remainder of the financial year, potential hold and win rate volatility in the Premium Gaming Rooms and VIP Rebate business and level of debtor provisions.

Echo plans to report its fully audited FY14 financial results on 13 August 2014.

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Notes:

Normalised VIP Rebate business revenue is calculated using a win rate of 1.62% and average number of turns of customer front money of 13.0 times. The actual 60 month (to 31 May 2014) rolling average win rate is 1.56% and average number of turns of customer front money of 12.7 times.

Normalised EBITDA is calculated based on normalised gross revenue and corresponding normalised commission and rebate expenses and taxes. Significant items are excluded from normalised results.

This trading update 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.

For more information:

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