

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



21 February 2013

HALF YEAR RESULTS PRESENTATION

Attached is the presentation regarding the financial results of Echo Entertainment Group Limited (***Echo Entertainment***) for the half year ended 31 December 2012.

The presentation will be webcast from 10:00am (Sydney time) today, on Echo Entertainment's website at www.echoentertainment.com.au.

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

Paula Martin
Group General Counsel & Company Secretary

ECHO ENTERTAINMENT GROUP LIMITED

HALF YEAR 2013 RESULTS PRESENTATION

21 February 2013

ECHO ENTERTAINMENT GROUP

Jupiters

Jupiters
RESTAURANT

THE STAR

THE
TREASURY
RESTAURANT

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 2012 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 2H13 results to date have not been subject to audit or review
- Normalised VIP revenue is calculated using the following rates in 1H13: average win rate 1.60% (1H12: 1.54%) and average number of turns of front money 14.0 times (1H12: 15.6 times) experienced over the preceding 5 years. Actual win rate for 1H13: 1.69% (1H12 1.76%). Actual turns for 1H13: 13.0 times (1H12: 13.7 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&As | John Redmond, CEO |

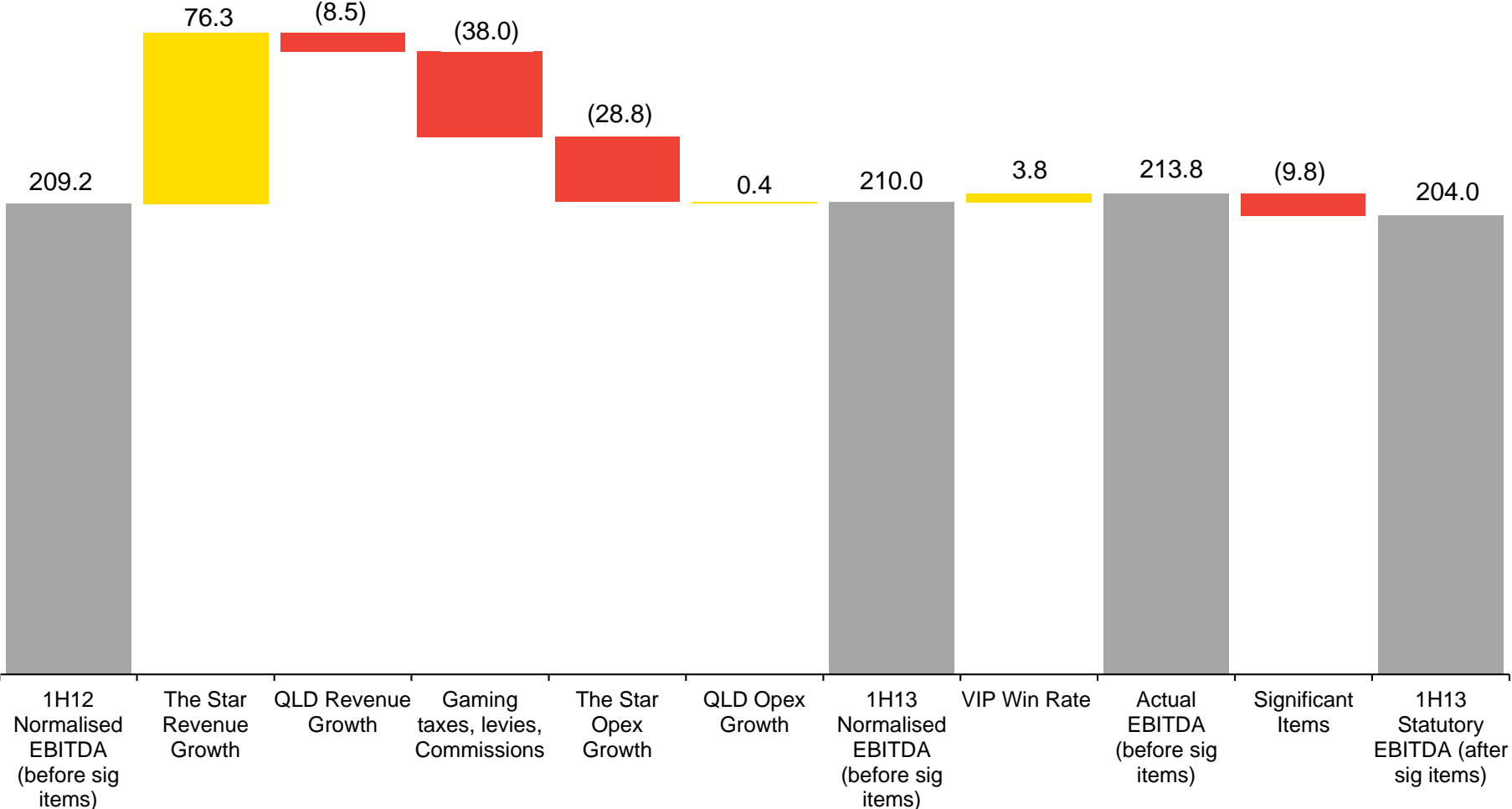
1H13 RESULTS OVERVIEW

- NPAT of \$66.5m for the half down 5.3% on the pcp. Decline in NPAT largely the result of a lower tax rate in 1H12 and higher depreciation and amortisation. Interim dividend of 4 cent per share fully franked
- Statutory EBITDA (including significant items) up 8.4% on pcp to \$204.0m with growth from The Star offset by weakness across Queensland properties. Normalised EBITDA up 0.4% on pcp to \$210.0m
- Normalised revenue at The Star (up 13.6%) gaining momentum from completed expansion. All major lines of business other than slots exhibiting strong revenue growth
 - Tables (MGF and PGR) +9.3%
 - Normalised VIP rebate +25.0% (actual +29.6%)*
 - Non-gaming +38.5%
 - Slots -0.9%
- Queensland properties negatively impacted by a soft consumer environment with normalised revenue down 2.4% on the pcp and normalised EBITDA (excluding significant items) down 6.0%
- Project Star now completed. The Star well positioned for growth as new product continues to gain traction in the market and cost optimisation initiatives across the group improve margins
- Queensland outlook continues to be driven by broader macro-economic conditions – focus on cost control to ensure earnings are protected in the near term and securing investment to drive growth in medium term
- Cost optimisation program expanded with further cost reductions to be implemented in 2H13 - total cost reduction program targeted to produce over \$60m of cost savings in FY14

* Normalised VIP revenue is calculated using the following rates in 1H13: average win rate 1.60% (1H12: 1.54%) and average number of turns of front money 14.0 times (1H12: 15.6 times) experienced over the preceding 5 years.

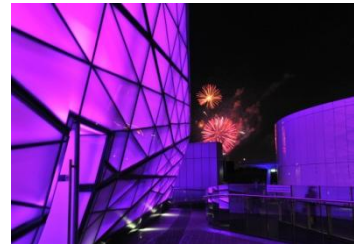
KEY DRIVERS OF 1H13 RESULT

EBITDA (\$m)



EVENT CENTRE – PROJECT STAR COMPLETED

- The Event Centre opened to the public on 24 January 2013
- Multi-use entertainment facility able to host concerts, banquets, conference and convention events
- Opening of Event Centre marks the completion of \$870m Project Star investment, completed on time and on budget
- The Star now transformed into to a world-class entertainment destination capable of competing with the best casino resorts in the region



THE STAR – THE AWARDS

- New product has been well received with numerous accolades for new areas
- Momentum continues to build in new areas of The Star – more work to do on marketing the new destination



THE STAR

- Australasia's Leading Casino Resort
- Winner for Commercial Large Project Category – NSW

OSTERIA BALLA

- One Chefs Hat
- Best New Restaurant of 2012
- The Best International Hotel Restaurant Wine List
- Winner – Interior Fitout \$300k - \$5.0m
- Three Glasses
- Best of Award



THE DARLING

- Best International New Hotel Construction and Design
- Best New Hotel Construction & Design Australia
- Best New Hotel Construction & Design Asia Pacific
- Top 60 Best New Hotels in the World
- Best Tech Hotel
- Winner – Interior Fitout



MARQUEE

- Nightclub of the Year

MOMOFUKU SEIOBO

- Three Chefs Hats
- Best New Restaurant
- The Hottest Restaurant in Australia 2012
- The Hottest Restaurant in NSW 2012
- Restaurant of the Year
- One Glass



BLACK BY EZARD

- One Chefs Hat
- Three Glasses
- Young Waiter of the Year
- Best of Award of Excellence
- Winner – Interior Fitout \$500k - \$10.0m



BISTRO 80

- Two Glasses

SOKYO

- One Glass

CHERRY

- Winner – Construction for Interior Fitout

SOVEREIGN LAKES (VIP GAMING)

- Winner – Interior Fitout



OPERATIONAL BENCHMARKS

	The Star		QLD Casinos	
	1H12	1H13	1H12	1H13
Slots				
Revenue (\$m)	125	124	144	143
NMR/machine/day	477	451	256	247
MTGM's				
Revenue (\$m)	27	34	4	4
NMR	409	357	311	276
Electronic Gaming Market share %*	8.0%	8.4%	27.3%	26.7%
Table Games (Excl VIP Rebate & MTGM)				
Revenue (\$m)	205	221	105	105
Average Daily Revenue Per Table	4,887	4,523	2,539	2,952
Revenue Per Table Open Hour	436	450	361	396
VIP Rebate (Actual)				
Front Money (\$m)	646	868	102	87
Turnover (\$m)	8,646	11,365	1,631	1,014
Turns	13.4	13.1	15.9	11.7
Hotel				
Occupancy	93%	94%	93%	92%
Revenue (\$m)	10	15	20	19
Average Cash Rate	315	282	179	180
Restaurants				
Cash Revenue (\$m)	15	19	19	20
Gross Revenue (\$m)	24	29	28	31
Bars				
Cash Revenue (\$m)	11	21	17	17
Gross Revenue (\$m)	21	39	27	29
Actual EBITDA/Revenue % (Excl significant items)	24%	22%	24%	22%
Normalised EBITDA/Revenue % (Excl significant items)	24%	22%	22%	21%
Employee Costs/Revenue % (Excl significant items)	25%	22%	30%	31%
Cost of Sales/F&B Revenue %	32%	27%	30%	29%







Comment

- The Star revenue per table (Excl VIP Rebate) lower due to increased capacity (265 tables on average for 1H13 vs 228 in 1H12)
- Revenue per table open hour up across both segments – productivity of table games improved
- The Star MTGM NMR decline impacted by additional product (514 seats on average for 1H13 vs 358 in 1H12)
- Hotel occupancy is a combination of cash and comp. Average cash rate impacted by additional capacity added (The Darling)
- EBITDA margin across business below optimal levels

* The Star share of Sydney Electronic Gaming market (Slots and MTGM's) 3 months to 30 September 2012. Queensland market share for 6 months to 31 December 2012.

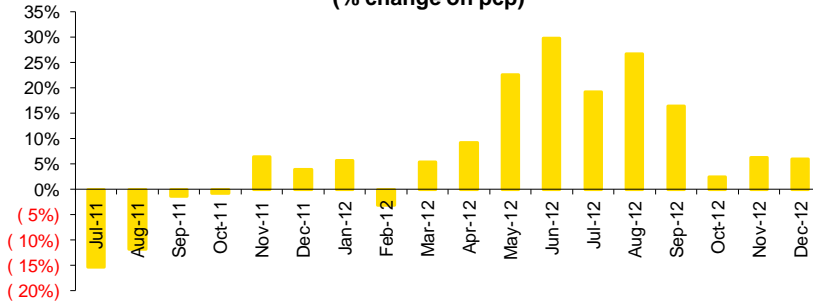
THE STAR – 1H13 PERFORMANCE TRACKING

- Overall revenue performance at The Star solid (actual +15%) although not broad-based:
 - Tables, VIP and non-gaming strong and generally in-line to above management expectations
 - Slots revenue performance soft and below management expectations
- Operating expenditure of \$256.5m (up 13%) driven by new product launched during FY12
 - Optimisation program benefits flowing through with approximately \$14m benefit in 1H13 results
 - Further cost saving initiatives being implemented with benefits from 2H13

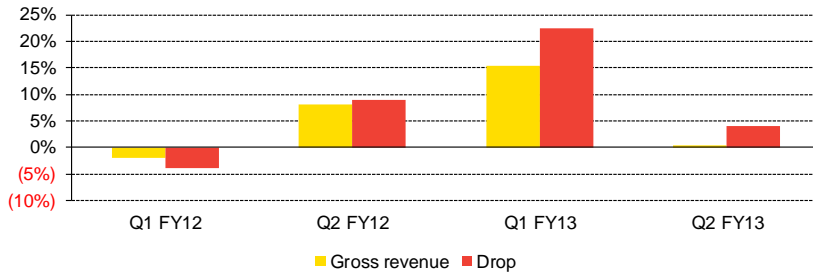
	STATUS	COMMENTS
MGF and PGR Table Revenue		Momentum building with solid growth of +13% in drop and +9% in revenue despite MTGM growth. Flow through from non-gaming operations building
MTGM Revenue		Continued strong momentum with revenue +25% on pcp in 1H13 (now +137% from 1H10). Total seats of 534 at end of 1H13
Slots Revenue		Slot revenue marginally down. Some cannibalisation from additional MTGM product. Benefits from marketing/loyalty program stagnating – rejuvenation underway
VIP Revenue		Front money up 35%. Growth across a larger number of both new and repeat customers. Business well placed to continue strong growth
Non-gaming Revenue		F&B growth strong (revenue +53%) driven by new product. The Darling hotel gaining momentum. Limited cannibalisation of existing product and momentum building well
Operating Expenditure		Opex growth driven by new product launched. The Star moving to operating phase now – costs to begin reducing as optimal operating structure established

THE STAR 1H13 REVENUE PERFORMANCE

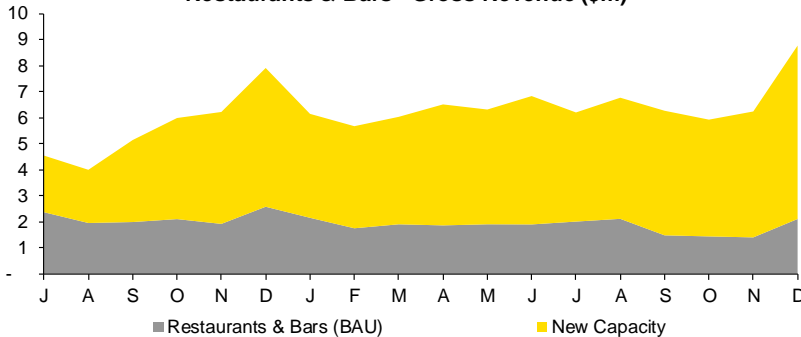
The Star - Average Daily Activity
(% change on pcp)



The Star
Table Games (ex VIP & MTGM)
PCP Revenue Growth



Restaurants & Bars - Gross Revenue (\$m)



Visitation

- Average daily activity to property up (estimated +13%)
- Non-gaming product driving incremental visitation to the property with flow through into gaming

Domestic tables (Incl MTGM)

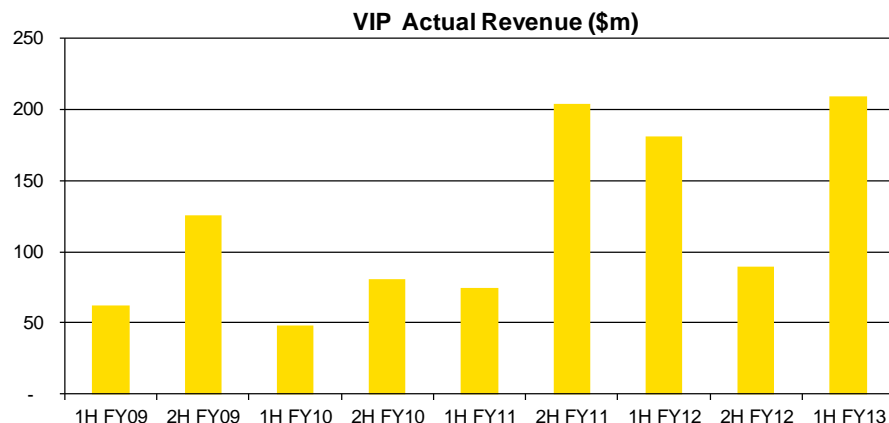
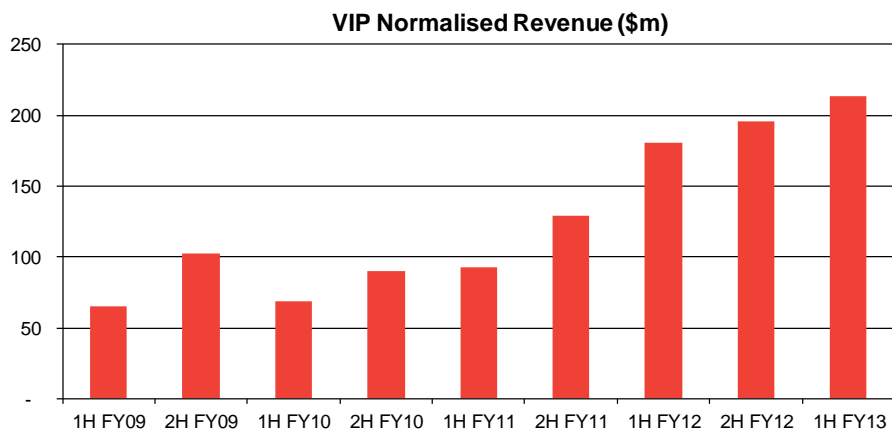
- Domestic table game performance solid with revenue +9.3% on the pcp
- Moderation of growth in 2Q13 largely driven by tougher comparatives post openings in the pcp and a lower win rate
- No cap on number of tables and relatively low penetration of table games spend provides significant growth potential to be realised over medium term

Non-gaming

- Strong performance across restaurants and bars with limited cannibalisation of existing product
- Hotel revenue up 53% on pcp with new The Darling hotel gaining momentum since opening in late October 2011
- Momentum of new non-gaming product building well

VIP BUSINESS CONTINUES POSITIVE MOMENTUM IN 1H13

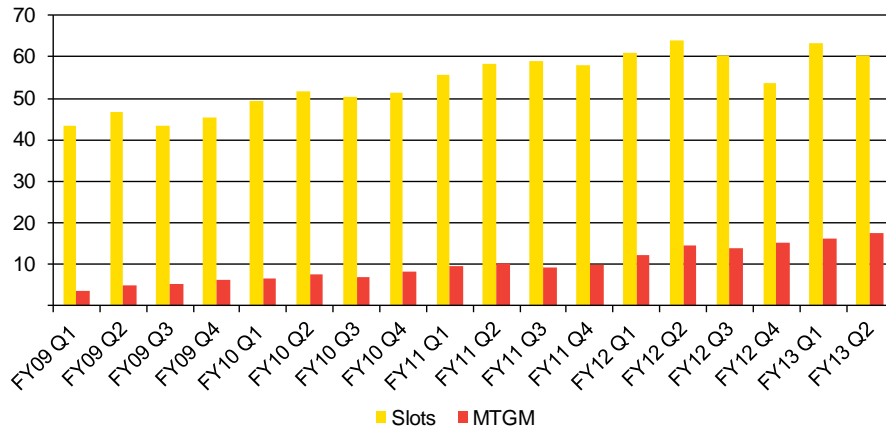
- VIP front money up 28% to \$955m, gross revenue up 15.3% to \$208.8m (normalised gross revenue up 18.5% to \$213.6m)
- Actual win rate above trend at 1.69% - turns of 13.0 slightly below historic average (14.0 times average over the last 5 years)
- VIP business has generated strong consistent revenue momentum from 1H09 - actual revenue CAGR of 35.4% (34.7% norm) from 1H09-1H13
- Outlook for VIP business remains positive - investment in significantly improved product offering, increased capacity and service to drive growth at The Star
- Queensland properties unlikely to fully realise underlying potential of markets until investment is made – clarity on Treasury Brisbane relocation remains first priority



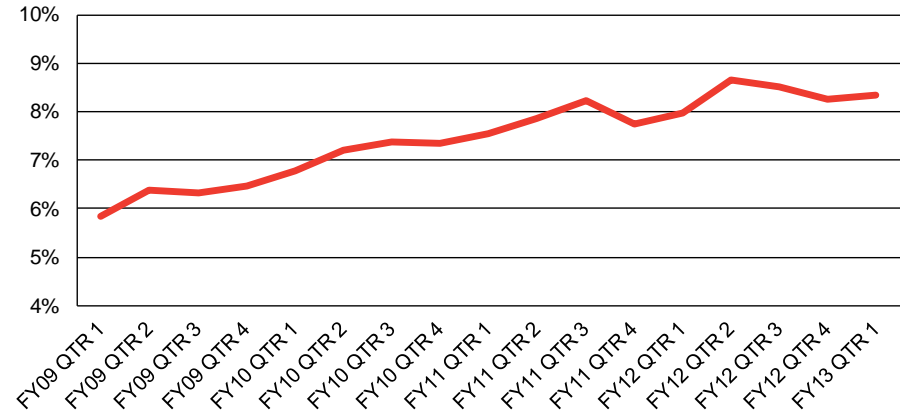
THE STAR – 1H13 REVENUE PERFORMANCE SLOTS

- Rate of slots growth at The Star has reduced over the last 12 months as effectiveness of marketing and loyalty program has stagnated
- Strong slots growth of recent years (CAGR of +8.3% from 1H09-1H13) driven by:
 - Implementation of a new loyalty program and marketing initiatives
 - Concessions around direct marketing and high bet machines
 - Implementation and leverage of new casino management system
- Re-invigoration of slots at The Star to be driven by the launch of a new loyalty program implemented 2H13:
 - Marketing incentives better aligned to drive loyalty and increase play
 - Structure incentives to drive incremental and recurring visits
 - Greater focus on player profitability
 - Greater attraction of new customer segments

Slots & MTGM Revenue (\$m)

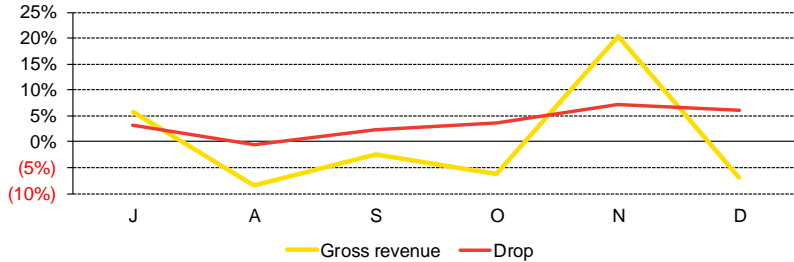


The Star - Sydney Electronic Gaming Market Share

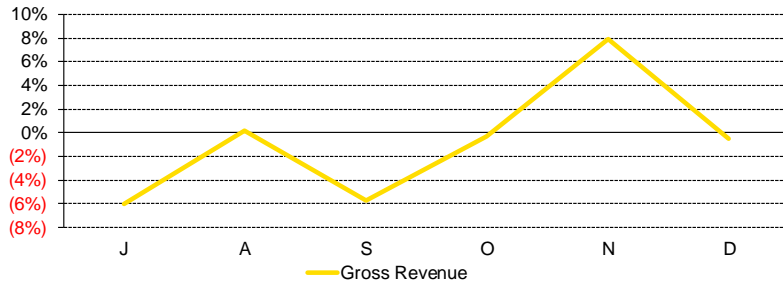


QUEENSLAND 1H13 REVENUE PERFORMANCE

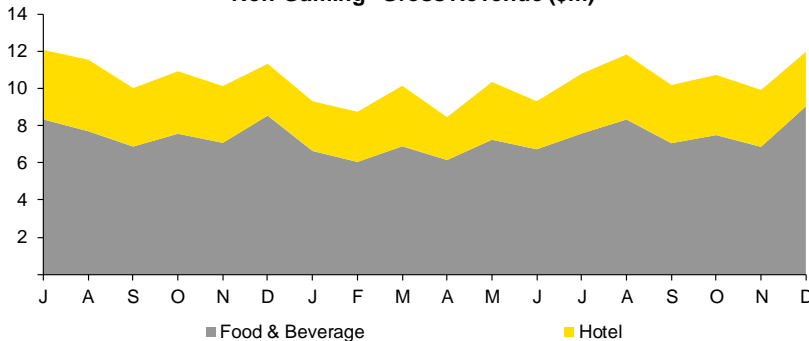
**Qld Casinos
Table Games (ex VIP & MTGM)
PCP Revenue Growth**



**Qld Casinos
Slot
PCP Revenue Growth**



Non-Gaming - Gross Revenue (\$m)



Domestic tables (Incl MTGM)

- Table game performance soft with drop +2% and revenue -1% on the pcp
- Win rate negatively impacted growth in the period
- Momentum improved slightly over course of the half year
- Brisbane table games revenue performing better than Gold Coast

Slots

- Slot revenue weak down 1.2% on pcp in 1H13
- Performance in 2Q13 (+2%) better than 1Q13 (-4%)
- Slot revenue underperformed broader market in Gold Coast and Brisbane

Non-gaming

- Revenue soft down 0.6% on the pcp
- Brisbane showing some growth with new F&B offerings gaining traction
- Gold Coast hotel revenue impacted by soft leisure travel demand

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ECHO GROUP FINANCIALS

\$ millions	1H13	1H12	Growth
	Actual	Actual	%
Gross Revenue ^a	971.8	908.2	7.0%
Variable contribution	659.3	633.7	4.0%
Operating expenditure	(445.5)	(417.0)	6.8%
EBITDA	213.8	216.8	(1.4%)
Depreciation and amortisation	(70.0)	(59.0)	(18.7%)
EBIT (before significant items)	143.8	157.8	(8.9%)
Significant Items ^c	(9.8)	(28.6)	(65.6%)
Statutory EBIT	134.0	129.2	3.7%
Net interest	39.2	40.1	(2.3%)
Tax ^d	28.3	18.9	50.1%
Statutory NPAT	66.5	70.2	(5.3%)

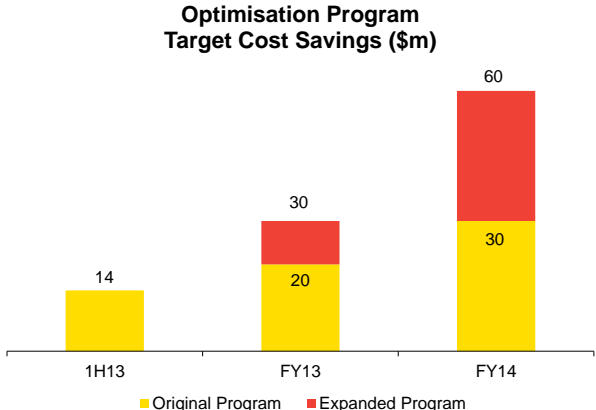
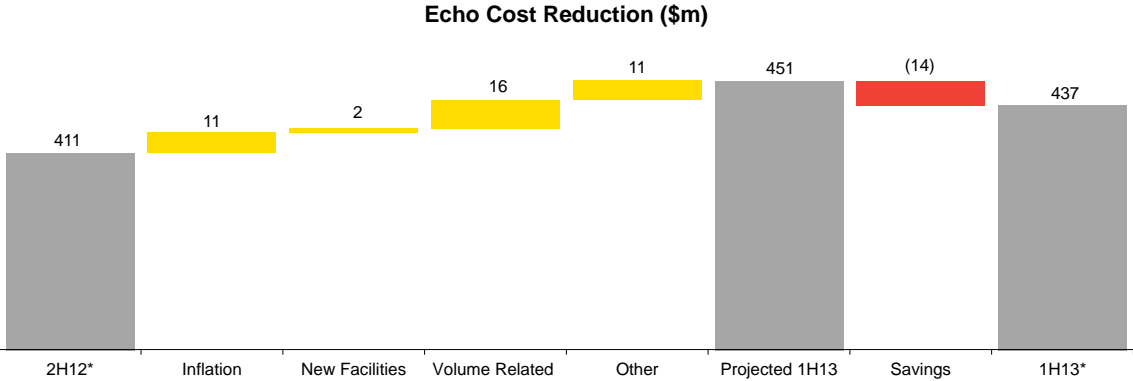
1H13	1H12	Growth
Norm ^b	Norm ^b	%
976.7	908.9	7.5%
655.4	626.2	4.7%
(445.5)	(417.0)	6.8%
210.0	209.2	0.4%
(70.0)	(59.0)	(18.7%)
139.9	150.2	(6.8%)

Note:

- a Revenue is shown as the net gaming win, but gross of rebates and commissions paid to players and third parties.
- b FY13 Normalised for average win rate 1.60% (FY12 1.54%) and average number of turns of front money 14.0 times (FY12 15.6 times) experienced over the preceding 5 years calculated on a rolling basis and excluding significant items of \$9.8m (FY12 \$28.6m).
- c 1H13 significant items include costs associated with the approved restructuring plan, including termination payments, legal and consulting fees. 1H12 significant items relate to pre-opening expenses.
- d Effective tax rate in 1H13 29.9% compared to 21.2% in 1H12.

PROGRESS OF COST REDUCTION PROGRAM

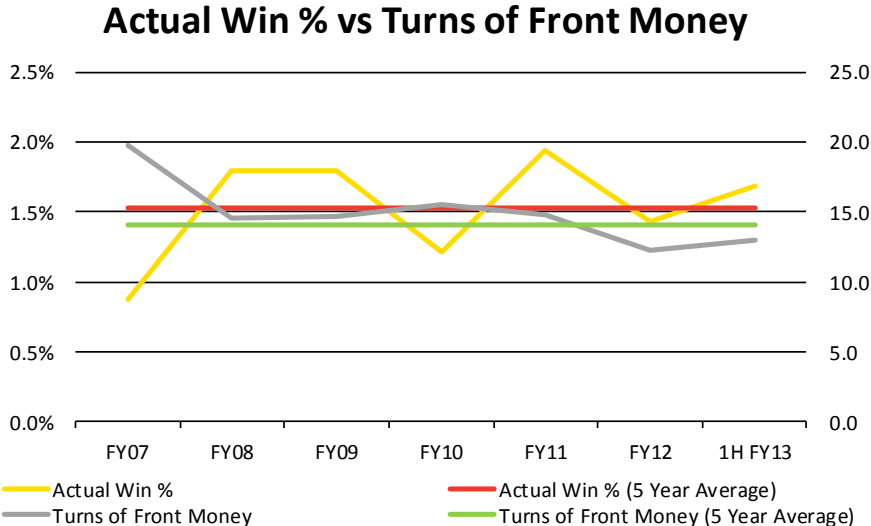
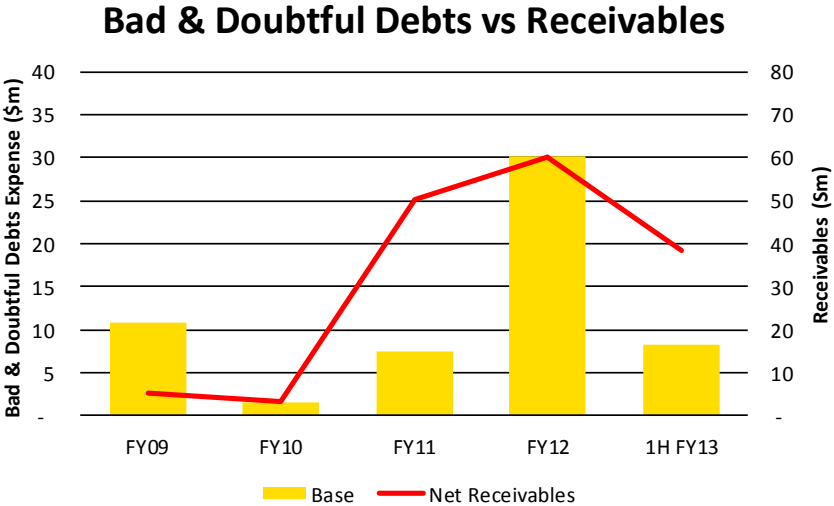
- Benefits of cost optimisation program implemented since April 2012 beginning to flow through with an estimated \$14m reduction in 1H13 group operating expenditure relative to 2H12 run rate
- Despite cost reduction program, 1H13 operating expenses increased \$28.4m on the pcp to \$445.4m (excluding significant items) due to:
 - New openings at The Star: opening of new areas occurred over the course of 1H13 (from 15 September 2012)
 - Volume growth at The Star: variable costs associated with increased domestic table, VIP and F&B volumes
- On track to exceed targeted cost savings for FY12, further cost savings initiatives being implemented in 2H13 - substantially implemented by end of March and all by the end of 2H13
- Total cost saving initiatives now targeted to exceed \$60m for FY14
- Estimated total restructuring costs of \$15m expected in 2H13 (total of \$25m for FY13)



* Excludes VIP bad and doubtful debt expenses.

VIP WIN RATE AND MANAGEMENT

- VIP business continued strong momentum in 1H13 with front money of \$955m, up 28% on the pcp
- Win rate of 1.69%, down slightly on the pcp but above the five year rolling average of 1.60%
- Total bad and doubtful debt expense for 1H13 of \$8.0m, equates to 3.8% of actual 1H13 gross VIP revenue, in-line with historical average (excluding SilkStar)
- Experienced credit team with improved internal credit and collection processes in place



BALANCE SHEET AND DIVIDEND

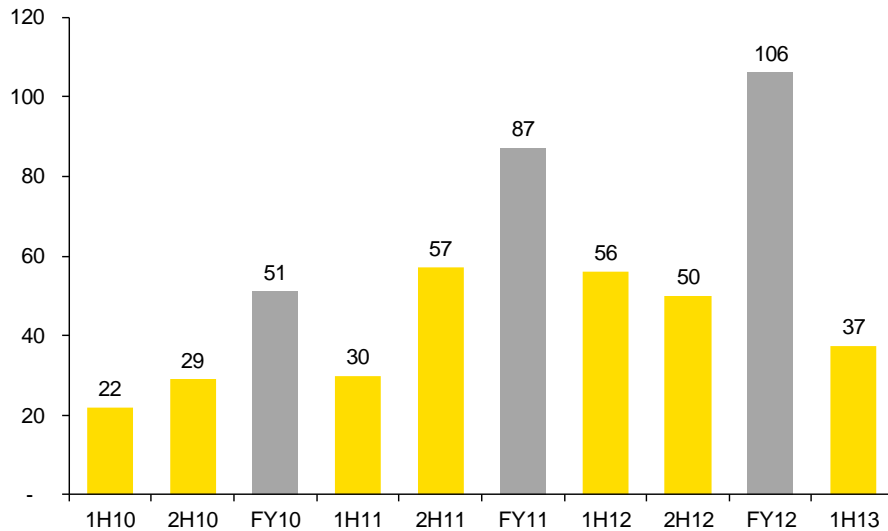
\$m	31 Dec 12	30 Jun 12
ASSETS		
Current assets		
Cash and cash equivalents	199.5	342.6
Receivables	127.6	322.3
Inventories	8.1	7.4
Current tax assets	-	38.9
Other	23.7	20.0
Total current assets	358.9	731.2
Non current assets		
Property, plant and equipment	2,022.1	1,977.8
Intangible assets	1,852.9	1,866.2
Derivative financial instruments	68.9	81.5
Other	24.0	25.4
Total non current assets	3,967.9	3,950.9
TOTAL ASSETS	4,326.8	4,682.1
LIABILITIES		
Current liabilities		
Payables	161.8	193.0
Current tax liabilities	12.4	-
Interest bearing liabilities	-	443.0
Provisions	59.6	60.2
Derivative financial instruments	30.2	27.8
Other	3.2	3.8
Total current liabilities	267.2	727.8
Non current liabilities		
Interest bearing liabilities	916.9	874.8
Deferred tax liabilities	168.0	165.6
Provisions	8.4	7.7
Derivative financial instruments	87.2	89.2
Total non current liabilities	1,180.5	1,137.3
TOTAL LIABILITIES	1,447.7	1,865.1
NET ASSETS	2,879.1	2,817.0
EQUITY		
Issued capital	2,580.5	2,580.5
Retained earnings	326.5	260.0
Reserves	(27.9)	(23.5)
TOTAL EQUITY	2,879.1	2,817.0

- Receivables balance reduced due to \$187m relating to retail component of the Entitlement Offer included in receivables at 30 June 12
- Net debt reduced to \$717m primarily due to repayment of \$443 million of bank loans using the proceeds from the Entitlement Offer in July 2012
- Interim dividend per share of 4 cents fully franked declared, in-line with target payout ratio of 50.0% NPAT statutory

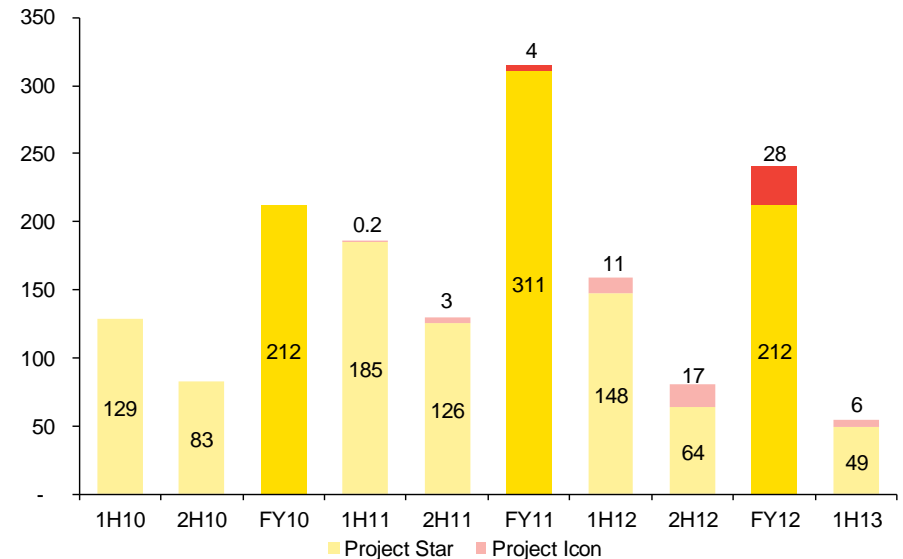
CAPITAL EXPENDITURE

- 1H13 capex \$92m*, including \$49m for Project Star and expenditure for Queensland expansion (Project Icon)
- Project Star now completed on time and on budget - \$8m remaining to be spent in 2H12
- FY13 capex expected to be under \$200m
- Capex levels coming down post completion of Project Star – discussions continuing with Queensland Government around Brisbane relocation

Capex trend excluding Project Star/Icon (\$m)



Capex trend for Project Star and Project Icon (\$m)

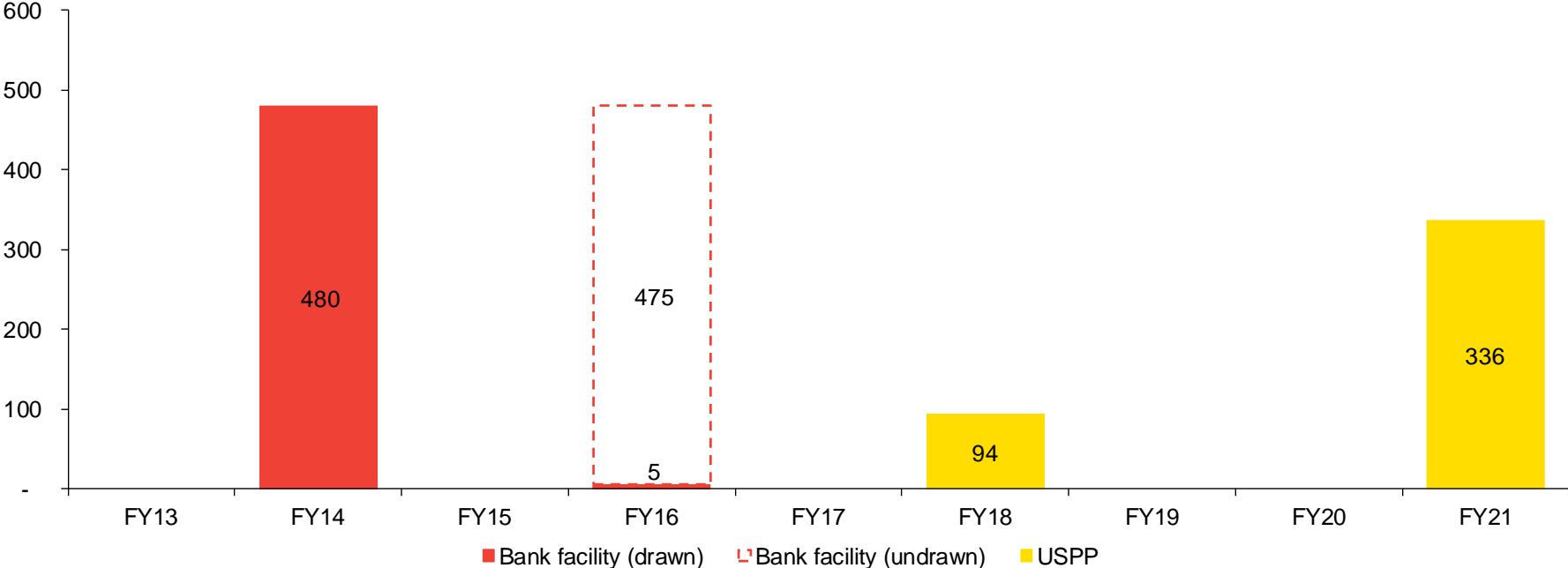


* Excludes capitalised interest of \$6m.

ECHO FUNDING

- Net debt of \$717m at 31 December 2012
- Undrawn bank facilities of \$475m at 31 December 2012 and an average debt maturity of 4.4 years
- FY13 net interest expected to be around \$85m
- Target average dividend payout ratio of 50% of statutory net profit after tax for the full year

Echo Entertainment Debt Maturity Profile (\$m)



USPP borrowings of US\$460m, are stated above at the AUD amount repayable under cross currency swaps. Debt maturities are in June of each year shown.

AGENDA

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4. Q&As John Redmond, CEO

TREASURY BRISBANE RELOCATION

- Discussion with Queensland Government over potential investment in Brisbane and Gold Coast continuing
- Given proximity of the properties, investment needs to be evaluated as a single market and positioned accordingly
- Treasury Brisbane generated actual revenue of \$271m and EBITDA of \$63m in FY12 – significantly below underlying potential of market as a result of combination of capacity constraints, lack of visitation drivers and other concession based restrictions
- Development of a large scale integrated resort in Brisbane and relocation of Treasury Brisbane has potential to realise significant underlying potential in licence
- Echo currently evaluating potential sites together with the Queensland Government for relocation of Treasury Brisbane casino
- Overall scale of investment to depend on concessions granted and location of site – capital only spent where an appropriate return will be realised

OUTLOOK AND PRIORITIES

- Key priorities for the Echo in the near term
 - Improve operational performance – through a combination of cost savings and revenue enhancing initiatives
 - Secure growth profile for Queensland properties – work with the Queensland Government to make a game changing investment in South East Queensland
 - Continue the repositioning of The Star as not only Sydney's but also one of the world's premier entertainment destinations

- Balance sheet solid and geared to deliver growth

- Outlook for The Star positive - expect to see sustained revenue growth as new product and expansions continue to gain momentum and margins improve as cost base re-aligned post the completion of the launch phase

- Queensland revenue growth more likely to follow broader macro-economic trends. Cost optimisation program in place

- Current trading for the start of 2H13 mixed. Actual gross revenue down 16.7% (+17.8% normalised) from 1 January 2013 to 17 February 2013. Core business exhibiting more modest growth, actual revenue ex VIP up 2.4%. VIP business showing strong growth in volumes over the Chinese New Year period, albeit with a lower win rate

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APPENDIX

The Star and Queensland results – Actual	Page 26
The Star and Queensland results – Normalised	Page 27
Normalised results reconciliation – 1H12 vs 1H13	Page 28
Gaming Tax – The Star	Page 29
Cash Collection Ratio	Page 30

THE STAR AND QUEENSLAND RESULTS – ACTUAL

Actual \$m	The Star			QLD			Total		
	1H13	1H12	fav/ (unfav) on pcp	1H13	1H12	fav/ (unfav) on pcp	1H13	1H12	fav/ (unfav) on pcp
Slots	124.1	125.2	(0.9%)	142.6	144.3	(1.2%)	266.6	269.5	(1.1%)
Main Gaming Floor	182.6	165.2	10.6%	72.6	72.8	(0.3%)	255.2	238.0	7.3%
PGR*	72.0	66.5	8.3%	36.0	36.3	(0.9%)	108.0	102.8	5.0%
Non-Gaming	62.0	44.8	38.5%	67.0	67.4	(0.6%)	129.0	112.2	15.0%
Total Domestic	440.7	401.6	9.7%	318.1	320.8	(0.8%)	758.9	722.5	5.0%
VIP rebate (Gross)*	190.7	147.1	29.6%	18.1	33.9	(46.5%)	208.8	181.0	15.3%
Other Revenue	1.8	2.3	(21.6%)	2.4	2.4	(0.2%)	4.2	4.7	(10.9%)
Total Gross Revenue	633.2	551.1	14.9%	338.6	357.1	(5.2%)	971.8	908.2	7.0%
Gaming taxes, levies and commissions	(236.0)	(191.9)	(22.9%)	(76.6)	(82.5)	7.2%	(312.6)	(274.5)	(13.9%)
Operating expenses	(256.5)	(227.6)	(12.7%)	(188.9)	(189.3)	0.2%	(445.4)	(417.0)	(6.8%)
EBITDA	140.7	131.5	7.0%	73.1	85.3	(14.3%)	213.8	216.8	(1.4%)
Depreciation and Amortisation	(45.3)	(36.4)	(24.4%)	(24.7)	(22.6)	(9.6%)	(70.0)	(59.0)	(18.7%)
EBIT	95.4	95.1	0.3%	48.4	62.7	(22.8%)	143.8	157.8	(8.9%)
Statutory Reconciliation									
Significant Items	(7.8)	(28.6)	(72.9%)	(2.1)	-	< 100.0%	(9.8)	(28.6)	(65.6%)
Statutory EBIT	87.6	66.5	31.8%	46.4	62.7	(26.1%)	134.0	129.2	3.7%
Net interest expense (income)							39.2	40.1	(2.3%)
Tax							28.3	18.9	50.1%
NPAT							66.5	70.2	(5.3%)
EBITDA/Revenue %	22.2%	23.9%		21.6%	23.9%		22.0%	23.9%	
VIP Front Money A\$m	868.4	645.5	34.5%	86.6	102.4	(15.4%)	955.0	747.9	27.7%
VIP Turnover A\$m	11,365.4	8,645.5	31.5%	1,014.2	1,630.7	(37.8%)	12,379.6	10,276.2	20.5%
VIP win rate	1.68%	1.70%		1.79%	2.10%		1.69%	1.76%	

* Domestic rebate revenue of \$8.5m reclassified as PGR (previously included in VIP), 1H12 revenue adjusted by \$2.3m to reflect reclassification.

THE STAR AND QUEENSLAND RESULTS – NORMALISED

Normalised** \$m	The Star			QLD			Total		
	1H13	1H12	fav/ (unfav) on pcp	1H13	1H12	fav/ (unfav) on pcp	1H13	1H12	fav/ (unfav) on pcp
Slots	124.1	125.2	(0.9%)	142.6	144.3	(1.2%)	266.6	269.5	(1.1%)
Main Gaming Floor	182.6	165.2	10.6%	72.6	72.8	(0.3%)	255.2	238.0	7.3%
PGR*	72.0	67.7	6.4%	36.0	36.6	(1.7%)	108.0	104.3	3.6%
Non-Gaming	62.0	44.8	38.5%	67.0	67.4	(0.6%)	129.0	112.2	15.0%
Total Domestic	440.7	402.8	9.4%	318.1	321.1	(0.9%)	758.9	723.9	4.8%
VIP rebate (Gross)*	194.2	155.4	25.0%	19.4	25.0	(22.4%)	213.6	180.3	18.5%
Other Revenue	1.8	2.3	(21.6%)	2.4	2.4	(0.2%)	4.2	4.7	(10.9%)
Total Gross Revenue	636.8	560.5	13.6%	339.9	348.4	(2.4%)	976.7	908.9	7.5%
Gaming taxes, levies and commissions	(243.1)	(201.6)	(20.6%)	(78.2)	(81.6)	4.2%	(321.2)	(283.2)	(13.4%)
Operating expenses	(256.5)	(227.6)	(12.7%)	(188.9)	(189.3)	0.2%	(445.4)	(417.0)	(6.8%)
Normalised EBITDA	137.2	131.7	4.1%	72.8	77.5	(6.0%)	210.0	209.2	0.4%
Depreciation and Amortisation	(45.3)	(36.4)	(24.4%)	(24.7)	(22.6)	(9.6%)	(70.0)	(59.0)	(18.7%)
Normalised EBIT	91.8	95.3	(3.6%)	48.1	54.9	(12.4%)	139.9	150.2	(6.8%)
EBITDA/Revenue %	21.5%	23.5%		21.4%	22.2%		21.5%	23.0%	
VIP Front Money N\$m	868.4	645.5	34.5%	86.6	102.4	(15.4%)	955.0	747.9	27.7%
VIP Turnover N\$m	12,118.7	10,088.0	20.1%	1,208.4	1,599.7	(24.5%)	13,327.1	11,687.7	14.0%
VIP win rate	1.60%	1.54%		1.60%	1.54%		1.60%	1.54%	

* Domestic rebate revenue of \$8.5m reclassified as PGR (previously included in VIP), 1H12 revenue adjusted by \$3.7m to reflect reclassification. Domestic rebate is not normalised in 1H13

** Normalised VIP revenue is calculated using the following rates in 1H13: average win rate 1.60% (1H12: 1.54%) and average number of turns of front money 14.0 times (1H12: 15.6 times) experienced over the preceding 5 years

NORMALISED RESULTS RECONCILIATION – 1H12 & 1H13

Normalised** \$m	The Star			QLD			Total		
	1H13	1H12	fav/ (unfav) on pcp	1H13	1H12	fav/ (unfav) on pcp	1H13	1H12	fav/ (unfav) on pcp
Slots	124.1	125.2	(0.9%)	142.6	144.3	(1.2%)	266.6	269.5	(1.1%)
Main Gaming Floor	182.6	165.2	10.6%	72.6	72.8	(0.3%)	255.2	238.0	7.3%
PGR*	72.0	66.5	8.3%	36.0	36.3	(0.9%)	108.0	102.8	5.0%
Non-Gaming	62.0	44.8	38.5%	67.0	67.4	(0.6%)	129.0	112.2	15.0%
Total Domestic	440.7	401.6	9.7%	318.1	320.8	(0.8%)	758.9	722.4	5.0%
VIP rebate (Gross)*	194.2	144.3	34.6%	19.4	22.9	(15.4%)	213.6	167.2	27.8%
Other Revenue	1.8	2.3	(21.6%)	2.4	2.4	(0.2%)	4.2	4.7	(10.9%)
Total Gross Revenue	636.8	548.3	16.1%	339.9	346.0	(1.8%)	976.7	894.3	9.2%
Gaming taxes, levies and commissions	(243.1)	(195.0)	(24.7%)	(78.2)	(79.7)	1.9%	(321.2)	(274.5)	(17.0%)
Operating expenses	(256.5)	(227.6)	(12.7%)	(188.9)	(189.3)	0.2%	(445.4)	(417.0)	(6.8%)
Normalised EBITDA	137.2	125.7	9.1%	72.8	77.1	(5.5%)	210.0	202.7	3.6%
Depreciation and Amortisation	(45.3)	(36.4)	(24.4%)	(24.7)	(22.6)	(9.6%)	(70.0)	(59.0)	(18.7%)
Normalised EBIT	91.8	89.2	2.9%	48.1	54.5	(11.8%)	139.9	143.7	(2.6%)
EBITDA/Revenue %	21.5%	22.9%		21.4%	22.3%		21.5%	22.7%	
VIP Front Money N\$m	868.4	645.5	34.5%	86.6	102.4	(15.4%)	955.0	747.9	27.7%
VIP Turnover N\$m	12,118.7	9,008.0	34.5%	1,208.4	1,428.5	(15.4%)	13,327.1	10,436.5	27.7%
VIP win rate	1.60%	1.60%		1.60%	1.60%		1.60%	1.60%	

* Domestic rebate revenue of \$8.5m reclassified as PGR (previously included in VIP), 1H12 revenue adjusted by \$2.3m to reflect reclassification.

** Normalised VIP revenue is calculated using average win rate 1.60% and average number of turns of front money 14.0 times (FY12 restated at FY13 normalisation rate)

GAMING TAX – THE STAR

- The Star gaming tax increased 13.1% to \$123.9m as a result of gaming revenue growth (including VIP) and a base tax increase on domestic revenues of 1% to 27.5% for FY13
- Average tax rate (excluding VIP and Domestic Rebate) now around 28%
- FY13 domestic gaming revenue taxed at 27.5% up to an estimated threshold of \$673.7m with a progressive tax rate increase applying to incremental revenue above that level (as per table below)
- VIP gaming revenues taxed at a flat 10% rate

FY13 - Tax Bands			
Lower Band	Upper Band		Tax Rate
0	673,700,000		27.50%
673,700,000	679,400,000		28.50%
679,400,000	685,000,000		29.50%
685,000,000	690,700,000		30.50%
690,700,000	696,200,000		31.50%
696,200,000	701,800,000		32.50%
701,800,000	707,500,000		33.50%
707,500,000	713,100,000		34.50%
713,100,000	718,700,000		35.50%
718,700,000	724,300,000		36.50%
724,300,000	729,900,000		37.50%
729,900,000	735,600,000		38.50%
735,600,000	741,100,000		39.50%
741,100,000	746,800,000		40.50%
746,800,000	752,400,000		41.50%
752,400,000	758,000,000		42.50%
758,000,000	763,600,000		43.50%
763,600,000	769,200,000		44.50%
769,200,000	774,900,000		45.50%
774,900,000	780,400,000		46.50%
780,400,000	786,000,000		47.50%
786,000,000	791,700,000		48.50%
791,700,000	797,300,000		50.00%
797,300,000	802,900,000		50.00%
802,900,000	808,500,000		50.00%
808,500,000	999,999,999		50.00%

Tax rates include GST and the Community Benefit Levy

Bands rounded up to the nearest hundred thousand

CASH COLLECTION RATIO

Category \$m	Dec-12	Jun-12	Dec-11	Jun-11
Cash flows from operating activities before interest and income tax				
Net cash receipts in the course of operations	933.8	1,643.6	851.2	1,477.4
Payments to suppliers, service providers and employees	(560.2)	(1,046.9)	(542.9)	(799.6)
Payment of government levies, gaming taxes and GST	(195.2)	(359.4)	(175.0)	(315.7)
Net cash inflows from operating activities before interest and income tax	178.4	237.3	133.3	362.1
Profit before net finance costs and income tax	134.0	143.8	129.2	347.2
Depreciation and Amortisation	(70.0)	(122.1)	(59.0)	(98.7)
EBITDA	204.0	265.9	188.2	445.9
Cash Collection	87%	89%	71%	81%

- Echo's cash collection ratio (Statutory EBITDA/net cash inflows from operating activities before interest and tax) is up 16% on the pcp, due to better customer collections and net cash receipts in the course of operations

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 MTGM's
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 business, calculated on a rolling basis ending 30 June
PCP	Prior comparable period
PGR	Private gaming room
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	International Rebate Business

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