



ASX Announcement

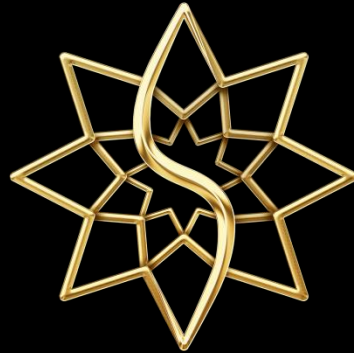
23 August 2017

FULL YEAR RESULTS PRESENTATION

Attached is the presentation regarding the financial results of The Star Entertainment Group Limited (***The Star Entertainment Group***) for the year ended 30 June 2017, to be presented by Matt Bekier, Managing Director and Chief Executive Officer, and Chad Barton, Group Chief Financial Officer.

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

The information contained in this announcement should be read in conjunction with today's announcement of The Star Entertainment Group's full year results.



THE STAR

ENTERTAINMENT
GROUP

THE STAR ENTERTAINMENT GROUP

2017 RESULTS PRESENTATION

WEDNESDAY
23 AUGUST
2017

THE STAR ENTERTAINMENT GROUP

THE STAR ENTERTAINMENT GROUP LIMITED (ASX: SGR)

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 The Star Entertainment Group Limited's financial report for the year ended 30 June 2017 and other disclosures made via the Australian Securities Exchange
- ◆ The Star 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 1H FY2018 results to date have not been subject to audit or review
- ◆ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover
- ◆ Normalised EBIT and Normalised EBITDA (Underlying Earnings) are calculated based on normalised gross revenue and normalised taxes. Significant items are excluded from the normalised results
- ◆ Queensland results referred to in this presentation relate to The Star Gold Coast and Treasury Brisbane segments as reported in the statutory accounts

DISCLAIMER

- ◆ This presentation is prepared for information purposes only and does not take into consideration any individual investor's circumstances. The Star 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 The Star 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
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THE STAR ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

MATT BEKIER – CEO

2. FINANCIALS

CHAD BARTON – CFO

3. OUTLOOK AND PRIORITIES

MATT BEKIER – CEO

4. Q&A

OVERVIEW

2017 HIGHLIGHTS

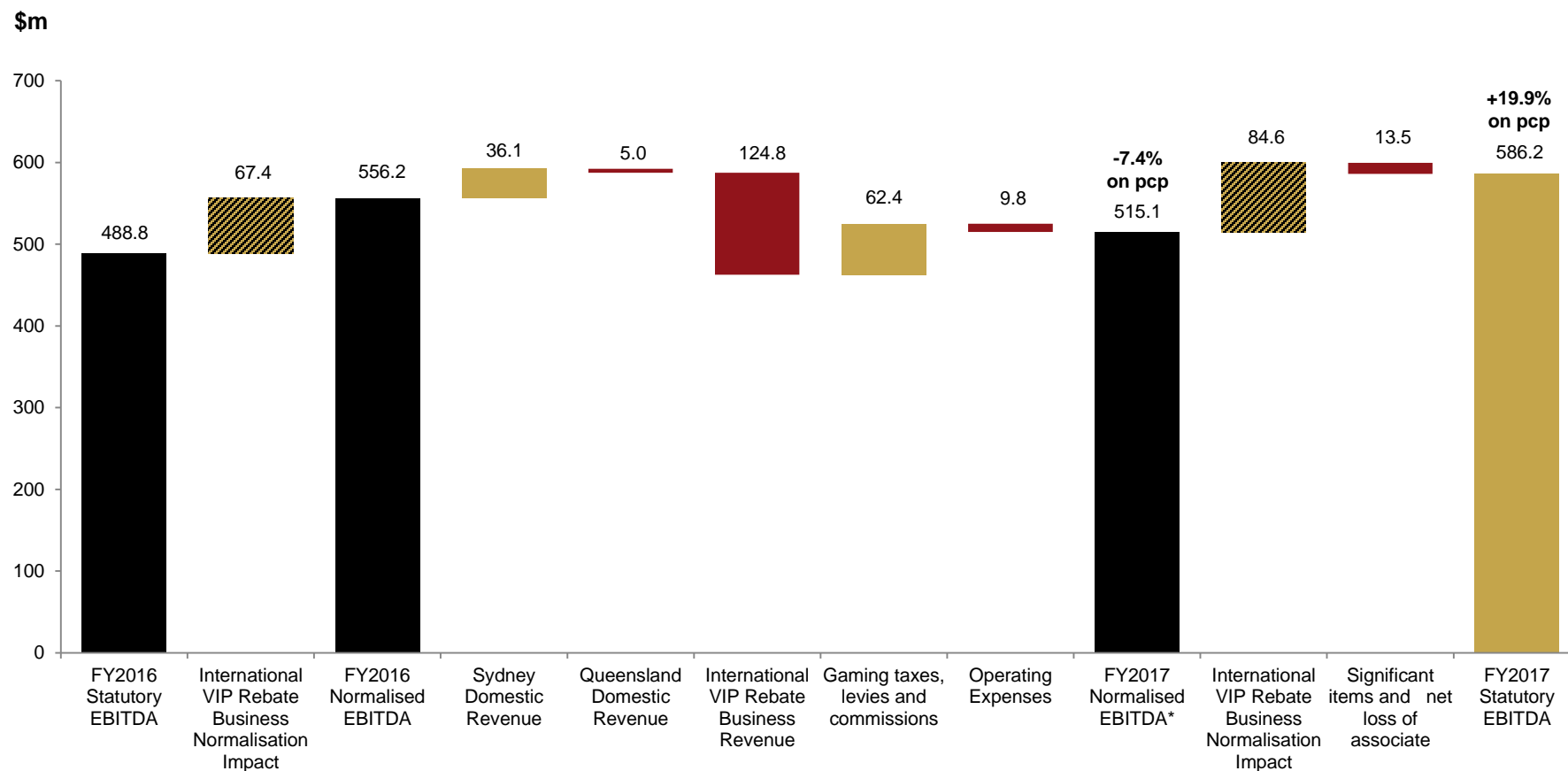
STRONG STATUTORY RESULTS *	<ul style="list-style-type: none"> ◆ Statutory revenue of \$2,432m, up 3.2% on pcp (normalised \$2,337m, down 3.9%) ◆ Statutory EBITDA of \$586m, up 19.9% on pcp (normalised \$515m, down 7.4%) ◆ Statutory NPAT of \$264m, up 36.0% on pcp (normalised \$214m, down 11.1%) ◆ Effective cost management continued. Operational expenses up 1.0%, absorbing investments in marketing, loyalty relaunch and wage indexation
COMMISSIONED INVESTMENTS DRIVE 2H REVENUE GROWTH	<ul style="list-style-type: none"> ◆ Sydney 2H FY2017 domestic revenue up 6.0% on pcp (1H up 0.6%) ◆ Gold Coast 2H FY2017 domestic revenue up 9.9% on pcp (1H down 3.6%)
EFFECTIVE INTERNATIONAL VIP DIVERSIFICATION	<ul style="list-style-type: none"> ◆ Front money up 3.4% on pcp (up 2.5% in 2H FY2017 on pcp). International VIP Rebate ex North Asia front money up 91.4% on pcp. Premium Mass growing strongly ◆ Continuing effective credit processes and collections – past due receivables consistent with prior year
SIGNIFICANT GROWTH INVESTMENTS PROGRESSED	<ul style="list-style-type: none"> ◆ Major capital works completed in FY2017 within budget <ul style="list-style-type: none"> • Sydney – upgrades to MGF, Astral Tower and carpark; new entry level PGR • Gold Coast – upgrades to MGF, hotel rooms and lobby; new F&B offerings ◆ Gold Coast 6 star hotel tower with VIP gaming scheduled to open in advance of the April 2018 Commonwealth Games
BALANCE SHEET SUPPORTS PLANNED INVESTMENTS	<ul style="list-style-type: none"> ◆ Strong balance sheet maintained – 1.3 x Net Debt/ Statutory FY2017 EBITDA ◆ Strategic initiatives and capital works program progressing to plan
DIVIDENDS INCREASED	<ul style="list-style-type: none"> ◆ Final dividend per share of 8.5 cents fully franked, up 13.3% on pcp ◆ Total dividend per share of 16.0 cents fully franked, up 23.1% on pcp

* Normalised EBITDA is before equity accounted investments loss of \$0.7m and significant items loss of \$12.8m. Normalised NPAT is after equity accounted investments loss of \$0.7m and before significant items loss of \$12.8m.

Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on turnover and are before significant items.

OVERVIEW

KEY DRIVERS OF 2017 RESULTS



* Before equity accounted investments loss of \$0.7m and significant items loss of \$12.8m.

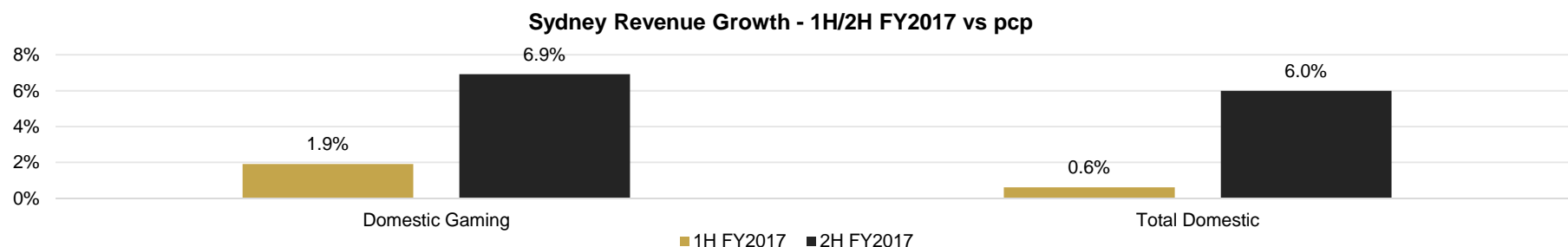
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OVERVIEW

KEY DRIVERS – SYDNEY

Statutory gross revenue of \$1,686m, up 1.8% on pcp (\$1,596m normalised, down 8.5% on pcp). EBITDA (excluding significant items) of \$401m, up 32.6% on pcp (\$321m normalised*, down 16.0%)

- ◆ Domestic revenue growth of 0.6% on pcp in 1H FY2017 impacted by capital works. Growth of 6.0% in 2H FY2017 as disruption eased and customers showed early positive response to completed investments
 - Slots revenue up 1.8% in FY2017 on pcp (up 6.4% in 2H FY2017 on pcp)
 - Domestic Tables revenue up 5.7% in FY2017 on pcp (up 7.2% in 2H FY2017 on pcp)
 - NMR in new PGR up 20% in 2H FY2017 following opening in 2Q FY2017
 - Average hotel cash room rates up 9.8% in FY2017 on pcp
- ◆ Visitation up 1.4% in FY2017 on pcp. MGF visitation impacted by disruption in first half. Total spend per visitor over FY2017 up 1.8% on pcp
- ◆ International VIP Rebate business turnover of \$33.5bn (down 29.4% on pcp), impacted by disruption to the North Asia market
- ◆ Operating costs of \$614m, down 0.8% as continued cost control offset investments in loyalty, marketing, wage indexation and higher domestic gaming volumes
- ◆ FY2017 average non-rebate gaming tax rate of 32.6% versus 31.9% in FY2016 (including 50% marginal tax rate)
- ◆ The Darling recognised as Sydney's only Forbes 5 Star rated hotel, reflecting customer service improvements



* Before equity accounted investments and significant items.

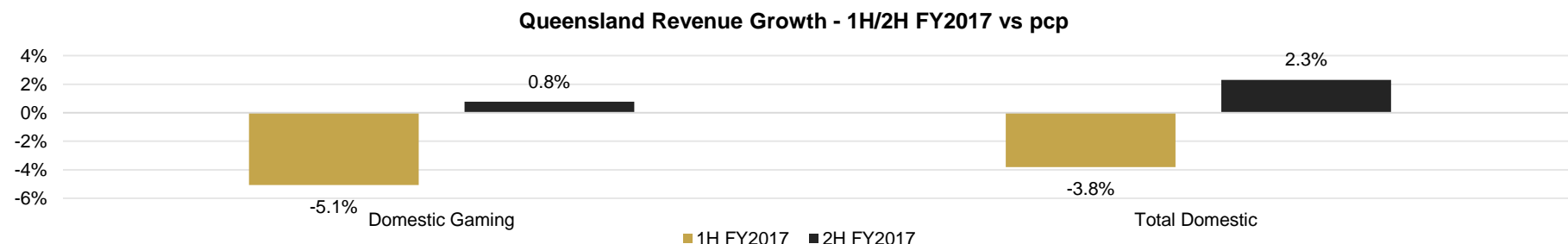
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OVERVIEW

KEY DRIVERS – QUEENSLAND

Statutory gross revenue of \$746m, up 6.5% (\$742m normalised, up 7.9% on pcp). EBITDA (excluding significant items) of \$199m, up 6.6% (\$194m normalised*, up 11.5%)

- ◆ Domestic revenue down 0.8% on pcp. Solid performance at Gold Coast as disruption eased and investments commissioned (domestic revenue up 9.9% in 2H FY2017 on pcp). Brisbane domestic revenue impacted by competitor investments, limited capital investment at Treasury and impact of Queens Wharf Brisbane construction work
 - Slots revenue down 2.8% in FY2017 on pcp (down 1.8% in 2H FY2017 on pcp)
 - Domestic Tables revenue down 1.4% in FY2017 on pcp (up 4.1% in 2H FY2017 on pcp)
 - Average hotel cash room rates up 18.1% in FY2017 on pcp
- ◆ Queensland visitation declined 6.8%, partly due to impact of disruption at the Gold Coast. Spend per visitor was up 6.4% on pcp driven by new F&B offerings and higher yields and availability from the refurbished hotel at the Gold Coast
- ◆ International VIP Rebate business turnover of \$6.2bn (up 199% on pcp) driven by improved gaming and hotel offerings, and increased marketing
- ◆ Operating costs of \$357m up 4.3% on pcp driven by increased activity, investments in loyalty, marketing, The Star Gold Coast rebranding and wage indexation



* Before equity accounted investments and significant items.

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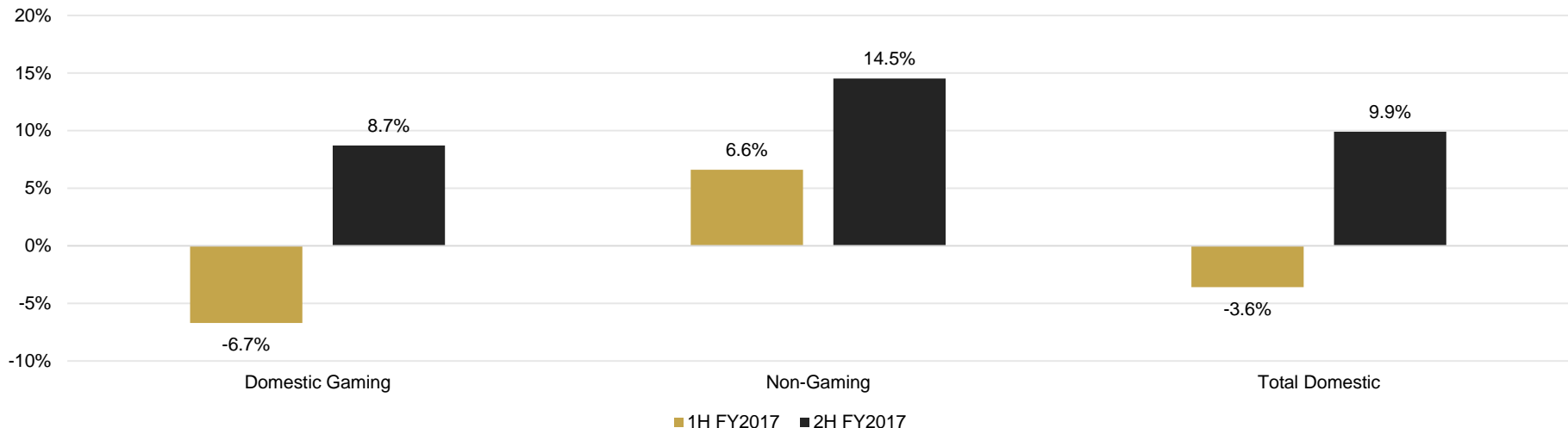
OVERVIEW

KEY DRIVERS – GOLD COAST REFURBISHMENT

Gold Coast revenue performance in FY2017 reflected disruption from capital works in 1H FY2017, with new and refurbished assets commissioned at end 1H FY2017 driving growth in 2H FY2017

- ◆ 2H FY2017 total domestic revenue growth of 9.9% on pcp (-3.6% in 1H FY2017)
- ◆ Capital works completed 1H FY2017 included:
 - Upgrade to 596 hotel rooms (average hotel cash rate up 23.1% in FY2017 on pcp, hotel cash revenue up 39.1% in 2H FY2017 on pcp)
 - Refurbished Atrium Bar, two new restaurants (F&B cash revenue up 6.2% in 2H FY2017 on pcp)
 - MGF refreshed
- ◆ Near term capital works priority is completion of 6 star hotel, including new domestic PGR (Sovereign Room), new International VIP salons, expanded MGF and F&B. To be opened in advance of the April 2018 Commonwealth Games

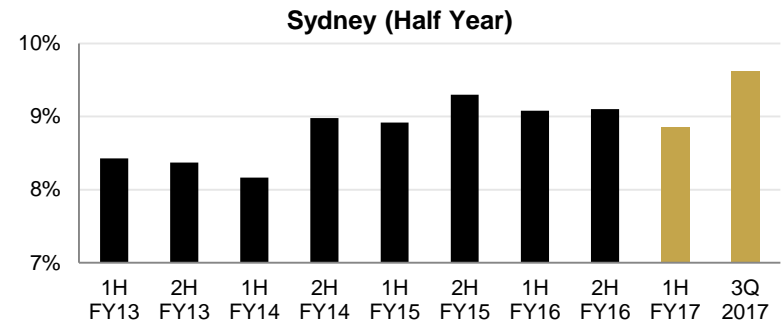
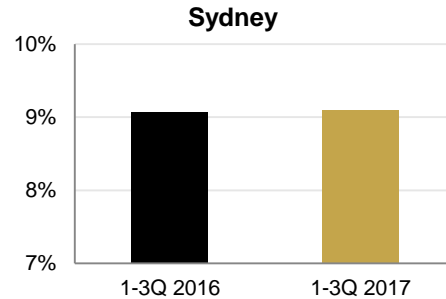
Gold Coast Revenue Growth - 1H/2H 2017 vs pcp



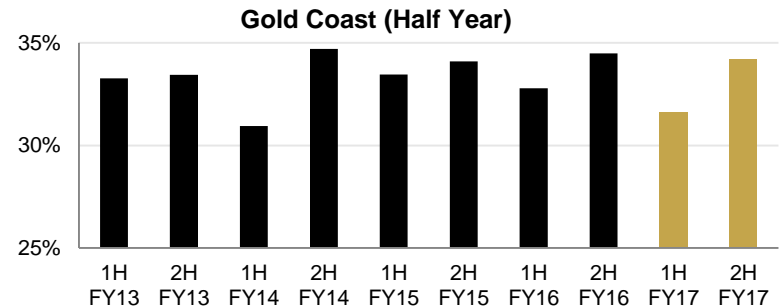
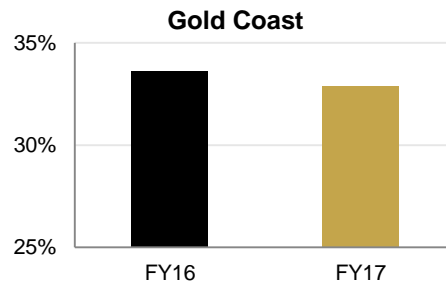
OVERVIEW

EGM MARKET SHARE

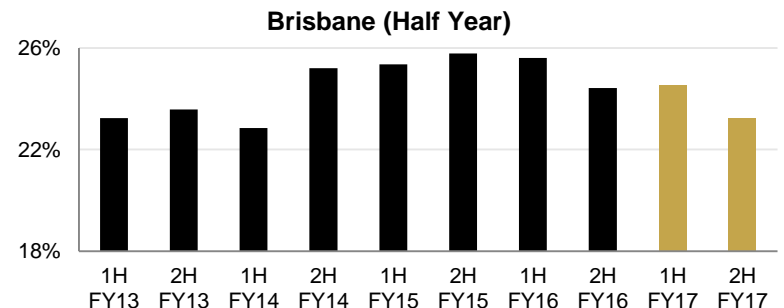
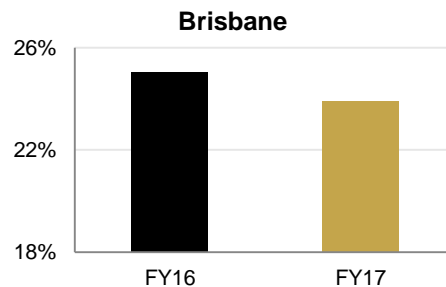
- ◆ Sydney increased market share to 9.6% in 3Q FY2017 as disruption eased, slot machines availability returned and gaming and non-gaming investments were completed



- ◆ Gold Coast increased market share to 34.2% in 2H FY2017 as disruption eased, slot machine availability returned, and non-gaming investments were completed



- ◆ Brisbane market share declined to 23.9% due to competitor investments (property, gaming product, F&B discounts and loyalty program), lack of investment at Treasury and impact of QWB construction work



Source: Liquor and Gaming NSW, Office of Liquor and Gaming Regulation – Queensland Government, and The Star Entertainment Group data

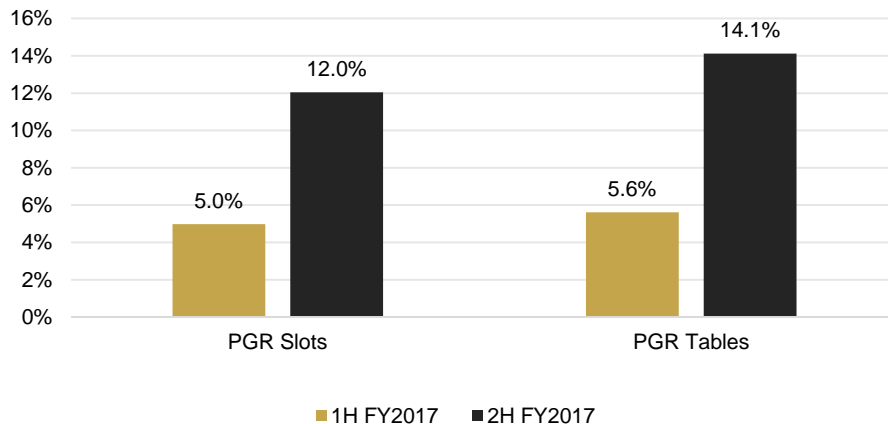
Note: Sydney market share data includes both slots and MTGMs (Q4 FY2017 market data not yet available). Queensland market share data includes slots and fully automated MTGMs (excludes hybrid product), unless otherwise noted

OVERVIEW

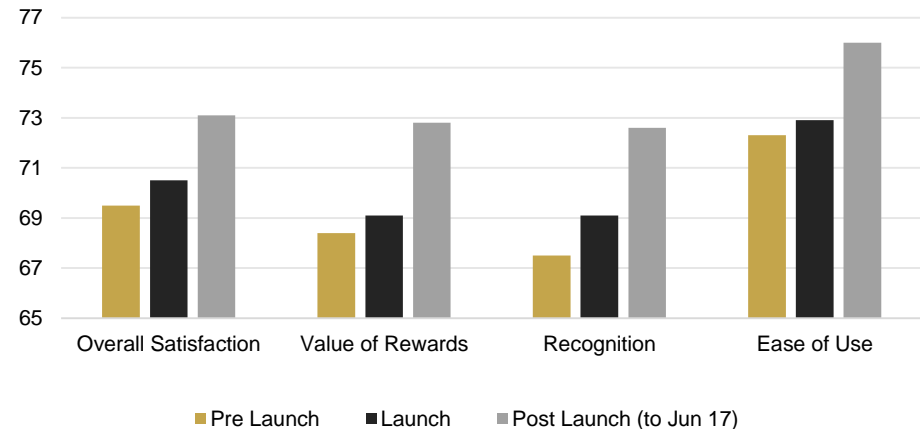
LOYALTY

- ◆ Relunched loyalty program showing positive initial signs
- ◆ Member perception improving since relaunch in November 2016
- ◆ Group PGR revenues up 13.3% in 2H FY2017 on pcp, outperforming MGF revenues
 - Group PGR revenue growth higher in 2H FY2017 than in 1H FY2017 reflecting loyalty relaunch, improved customer service and upgraded offerings
- ◆ New member acquisition showing initial signs of improving quality – increased visitation within first 4 weeks of signing up and higher average gaming spend per trip in 2H FY2017 on pcp
- ◆ Focus on further refinements
 - Enhance overall customer experience – member sign-up process, digital penetration
 - Enhance customer engagement – CRM, direct marketing

PGR Revenue Growth - 1H / 2H FY2017 vs pcp



**Loyalty Member Perception - Launch vs Post-Launch
(50= no preference)**

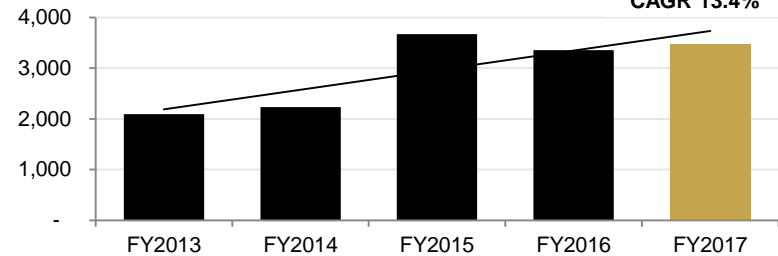


OVERVIEW

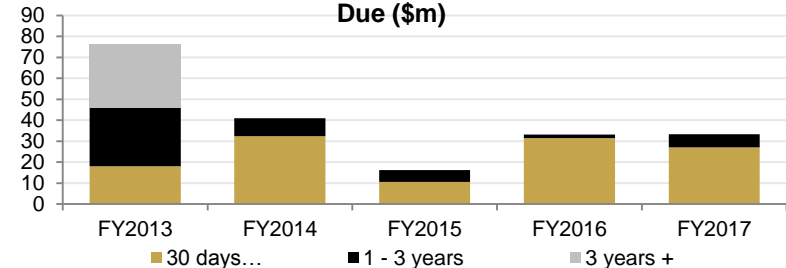
KEY DRIVERS – INTERNATIONAL VIP REBATE BUSINESS

- ◆ Diversification strategy enabled front money growth in FY2017 on pcp despite disruption to the North Asia market. Front money of \$3.5bn up 3.4% on pcp (up 2.5% in 2H FY2017 on pcp). Premium Mass customers from 13 countries
- ◆ Turnover of \$39.7bn (down 19.9% on pcp, up 10.8% per annum 5 year CAGR) reflected impact of disruption to the North Asia market and high actual win rate of 1.59%. Turnover excluding North Asia up 100.9% on pcp. Turns declined to 11.4 times (14.8 in pcp)
- ◆ Statutory revenue of \$639.6m (up 7.3% on pcp) driven by the high win rate. Normalised gross revenue of \$544.7m (down 18.6% on pcp)
- ◆ Queensland normalised gross revenue up 213.3% on pcp driven by improved product and marketing at Gold Coast in advance of new VIP capacity in 6 star hotel becoming available in 1Q CY2018
- ◆ Revenue share deals experienced low win rates in 2H FY2017. Adjusting commissions on revenue share agreements to an assumed 1.35% win rate would increase commissions by \$14.9m
- ◆ Effective credit processes and collections with International VIP Rebate net receivables past due not impaired greater than 30 days of \$33m (flat on 30 June 2016)
- ◆ Continued focus on low cost/ low risk execution
 - Continued expansion of sales teams in Premium Mass and new markets
 - Leverage destination and resort offerings as competitive advantages
 - Aircraft rationalisation program underway

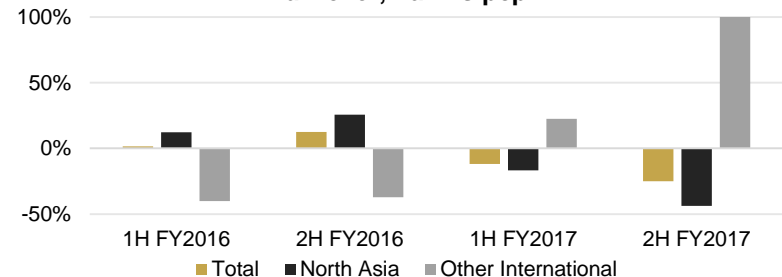
International VIP Rebate Business Front Money (\$m)



International VIP Rebate Net Receivables Past Due (\$m)



Turnover, half vs pcp



Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on turnover.
 Note: Net trade receivables excludes debt not due (0-30 days)

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FINANCIALS

PROFIT AND LOSS

\$m	FY2017 Statutory	FY2016 Statutory	Fav/(unfav)	Growth %	FY2017 Normalised ²	FY2016 Normalised ²	Fav/(unfav)	Growth %
Domestic Gaming Revenue	1,544.6	1,514.8	29.8	2.0%	1,544.6	1,514.8	29.8	2.0%
International VIP Rebate (Gross)	639.6	596.3	43.3	7.3%	544.7	669.5	(124.8)	(18.6%)
Non-gaming & Other Revenue	248.0	246.6	1.4	0.6%	248.0	246.6	1.4	0.6%
Gross Revenue¹	2,432.2	2,357.7	74.5	3.2%	2,337.3	2,431.0	(93.7)	(3.9%)
Gaming taxes, levies and commissions	(861.7)	(907.9)	46.2	5.1%	(851.4)	(913.8)	62.4	6.8%
Operating Expenditure	(970.8)	(961.0)	(9.8)	(1.0%)	(970.8)	(961.0)	(9.8)	(1.0%)
EBITDA (before significant items)³	599.7	488.8	110.9	22.7%	515.1	556.2	(41.1)	(7.4%)
Depreciation and Amortisation	(164.5)	(163.8)	(0.7)	(0.4%)	(164.5)	(163.8)	(0.7)	(0.4%)
EBIT (before significant items)	435.2	325.0	110.2	33.9%	350.6	392.4	(41.8)	(10.6%)
Share of net (loss)/profit of associate	(0.7)	-	(0.7)	(100.0%)	(0.7)	-	(0.7)	(100.0%)
Statutory EBIT (before significant items)	434.5	325.0	109.5	33.7%	349.9	392.4	(42.5)	(10.8%)
Net interest	(41.7)	(45.8)	4.1	9.0%	(41.7)	(45.8)	4.1	9.0%
Tax (before significant items) ⁴	(119.5)	(84.8)	(34.7)	(40.9%)	(93.7)	(105.3)	11.6	11.0%
NPAT (before significant items)	273.3	194.4	78.9	40.6%	214.5	241.3	(26.8)	(11.1%)
Significant items (after tax) ⁵	(8.9)	-	(8.9)	(100.0%)				
Statutory NPAT	264.4	194.4	70.0	36.0%				
Earnings per share (cents)	32.0	23.6	8.4	36.0%	26.0	29.2	3.2	(11.1%)
Total Dividends per share (cents)	16.0	13.0	3.0	23.1%				

Notes:

1 Revenue is shown as the net gaming win, but gross of rebates and commissions paid to players and third parties.

2 Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. The normalisation rate is 1.35%. Normalised earnings excludes significant items.

3 Statutory EBITDA of \$586m is after equity accounted investments loss of \$0.7m and significant items loss of \$12.8m.

4 Tax is calculated for statutory and normalised purposes based on the statutory effective tax rate paid in the period (FY2017 is 30.4%, FY2016 was 30.4%).

5 Significant items include costs relating to the unutilized aircraft, including unavoidable lease payments, maintenance and other costs as a result of the disruption to the North Asia market.

FINANCIALS

BALANCE SHEET

\$m	June 2017	June 2016
ASSETS		
Current Assets		
Cash and cash equivalents	113.7	159.0
Trade and other receivables	192.7	130.3
Inventories	11.9	9.0
Derivative financial instruments	48.4	14.5
Other assets	60.9	38.5
Total current assets	427.6	351.3
Non current assets		
Property, plant and equipment	2,360.5	2,120.9
Intangible assets	1,851.8	1,836.7
Derivative financial instruments	151.1	242.0
Investment in associate and joint venture entities	212.4	29.3
Other assets	11.9	15.2
Total Non current assets	4,587.7	4,244.1
TOTAL ASSETS	5,015.3	4,595.4
LIABILITIES		
Current liabilities		
Trade and other payables	324.5	261.9
Interest bearing liabilities	130.0	-
Income tax payable	28.8	20.8
Provisions	66.5	58.3
Derivative financial instruments	18.4	17.8
Other liabilities	21.1	20.9
Total current liabilities	589.3	379.7
Non current liabilities		
Interest bearing liabilities	915.0	813.5
Deferred tax liabilities	188.2	181.9
Provisions	9.9	14.6
Derivative financial instruments	37.3	58.0
Total non current liabilities	1,150.4	1,068.0
TOTAL LIABILITIES	1,739.7	1,447.7
NET ASSETS	3,275.6	3,147.7
EQUITY		
Share capital	2,580.5	2,580.5
Retained earnings	702.3	561.8
Reserves	(7.2)	5.4
TOTAL EQUITY	3,275.6	3,147.7

- ◆ Cash conversion of EBITDA at 97% (98% in FY2016)
- ◆ Debt levels up but gearing remains conservative
 - FY2017 net debt of \$787m, up \$313m on 30 June 2016 due to increased capital expenditure and investments
 - Gearing levels conservative at 1.3 times FY2017 Net Debt/ Statutory FY2017 EBITDA
 - Interest cover ratio of 10.1 times (Statutory FY2017 EBIT/ Net Interest)
- ◆ Key balance sheet changes reflect execution of strategy
 - Property, plant and equipment increase due to capital expenditure, mainly at Sydney and Gold Coast
 - Investment in associates reflects investments in conjunction with CTF and FEC, including Queen's Wharf Brisbane and acquisition of Sheraton Grand Mirage Gold Coast
 - Trade and other receivables increase due to VIP volumes in June 2017, however amounts past due remained consistent with prior year
- ◆ Current interest bearing liabilities of \$130m due to maturation of first USPP tranche (US\$100m in June 2018)
- ◆ Movement of derivative financial instruments under non current assets relate to cross currency swap movements on USPP debt

Note: Net debt shown as interest bearing liabilities less cash and cash equivalents less the net impact of derivative financial instruments

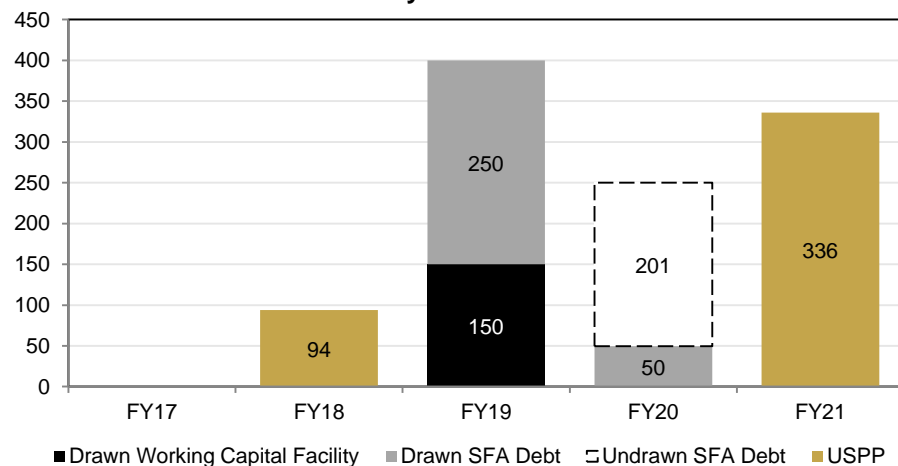
FINANCIALS

FUNDING

DEBT MATURITY PROFILE AT 30 JUNE 2017

- ◆ Undrawn bank facilities of \$201m and average drawn debt maturity of 2.3 years
- ◆ Debt maturity profile at 30 June 2017 reflects two USPP programs subject to interest rate and currency swaps
 - US\$100 million facility maturing June 2018, \$94 million after currency swap
 - US\$360 million facility maturing June 2021, \$336 million after currency swap

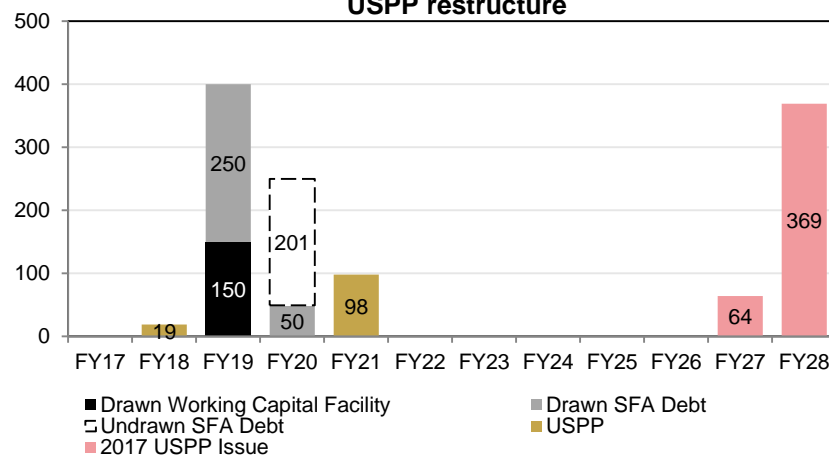
Debt Maturity Profile 30 June 2017



RESTRUCTURE OF USPP

- ◆ SGR successfully restructured its USPP notes and related hedges in early 1H FY2018 to increase tenor and reduce interest expenses
- ◆ Average drawn debt maturity of 5.2 years (2.3 years at 30 June 2017)
- ◆ Total available facilities of \$1,200 million (\$1,080 million at 30 June 2017)
- ◆ Underlying USPP interest expense expected to reduce by approximately \$17 million as a result of restructure
- ◆ Expected FY2018 net finance costs (excluding one-off items from USPP restructure) of \$40-45 million
- ◆ One-off loss of \$30-34 million (post tax) expected in FY2018 as a result of restructure

Debt Maturity Profile 30 June 2017 – Proforma with USPP restructure

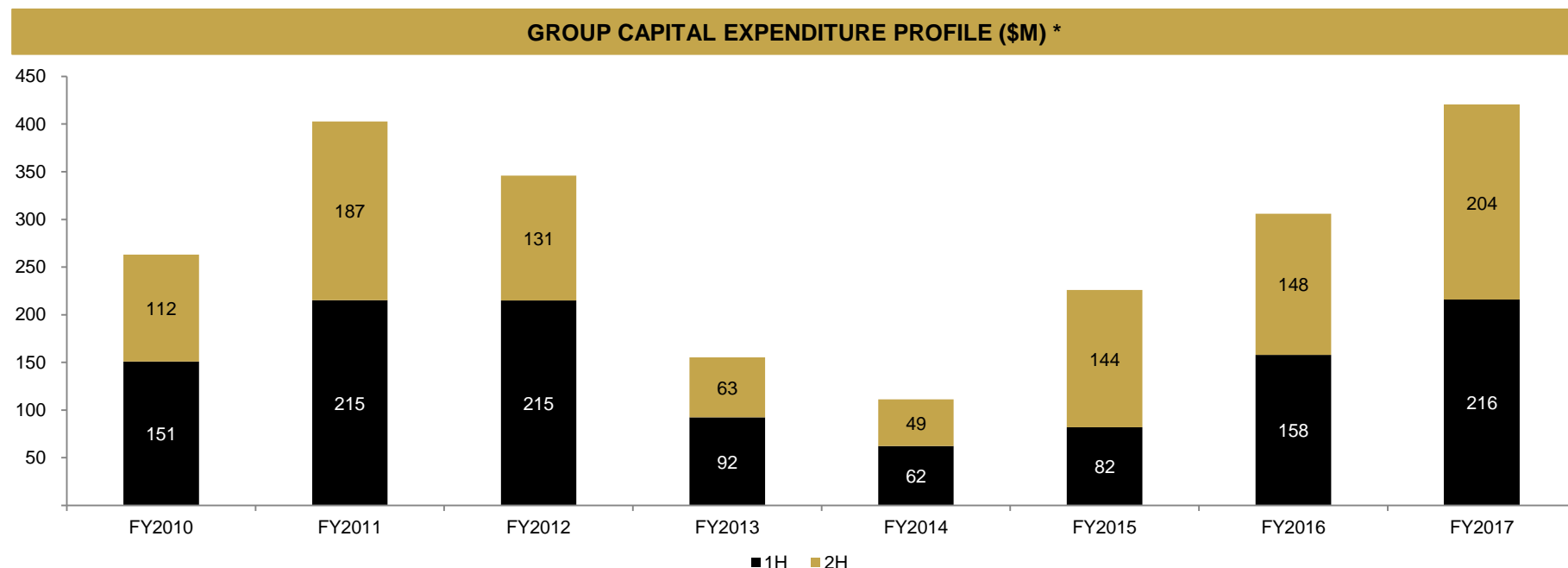


Note: Net Debt shown as interest bearing liabilities less cash and cash equivalents less the net impact of derivatives financial instruments

FINANCIALS

CAPITAL EXPENDITURE

- ◆ FY2017 capital expenditure of \$420m (\$309m growth and \$111m maintenance), up \$114m on pcp due to capital works at Sydney (Astral Tower & Residences refurbishment, North West MGF expansion) and the Gold Coast (Hotel and Atrium refurbishment, new all suite hotel)
- ◆ FY2018 capital expenditure expected to be similar to FY2017, excluding up to \$100m investment for Queen's Wharf Brisbane (comprising equity contributions to Destination Brisbane Consortium (DBC)) and the first joint venture tower at The Star Gold Coast (comprising equity contributions to Destination Gold Coast (DGC))
- ◆ Capital expenditure in FY2019 and FY2020 is expected to decline as works in progress complete. Contributions to DBC and DGC will progressively increase over that period
- ◆ D&A for FY2017 of \$164m, up 0.4% on pcp, in line with prior guidance. D&A in FY2018 is expected to be \$180m - \$190m

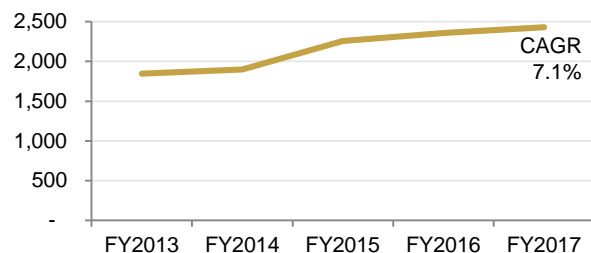


* Excludes contributions by the Group to DBC

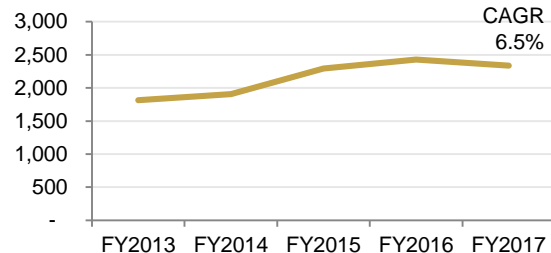
FINANCIALS

KEY METRICS

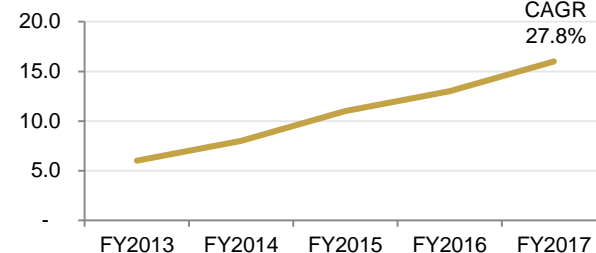
Statutory Gross Revenue (\$m)



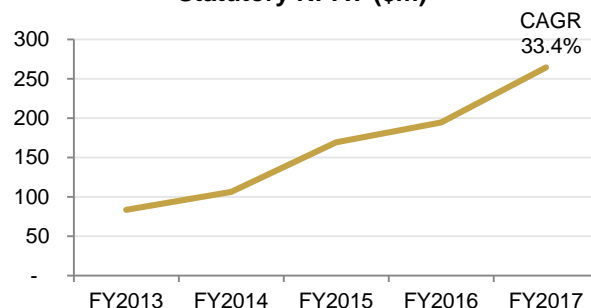
Normalised Gross Revenue (\$m)



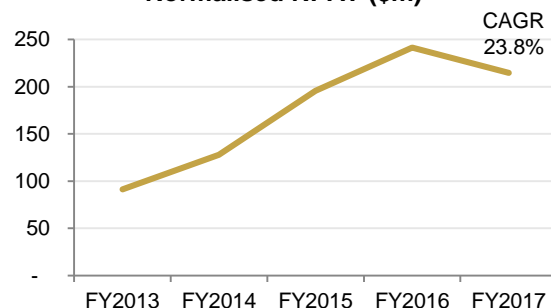
Dividend Per Share (cents)



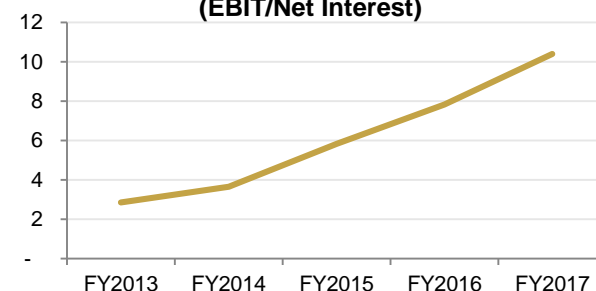
Statutory NPAT (\$m)



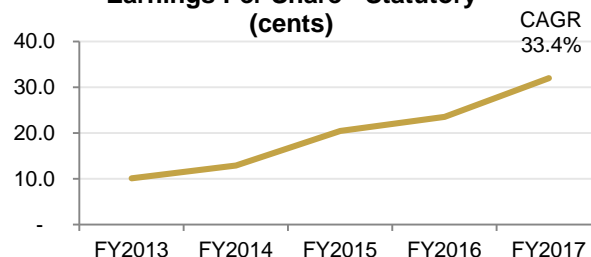
Normalised NPAT (\$m)



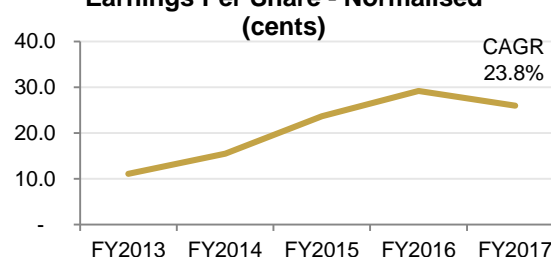
Interest Cover Ratio (EBIT/Net Interest)



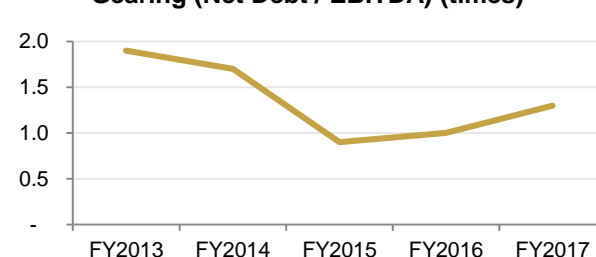
Earnings Per Share - Statutory (cents)



Earnings Per Share - Normalised (cents)



Gearing (Net Debt / EBITDA) (times)



Note: EBIT/ Net Interest Expenses ratio and Gearing based on 12 month trailing statutory. Earnings Per Share (EPS) calculated on the basis of weighted average number of shares of 825.7m. FY2013 and FY2017 after adjusting for significant items

THE STAR ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

MATT BEKIER – CEO

2. FINANCIALS

CHAD BARTON – CFO

3. OUTLOOK AND PRIORITIES

MATT BEKIER – CEO

4. Q&A

OUTLOOK AND PRIORITIES

2018 PRIORITIES AND TRADING UPDATE

- ◆ FY2018 priorities are focused on executing previously disclosed long-term strategy:
 1. Improve earnings across the Group through continued focus on domestic gaming and operating efficiency
 2. Deliver on the next stage of the capital program
 - Sydney – complete Astral Residences upgrade, progress lobby and Porte Cochere redevelopment, progress Sovereign Room expansion
 - Gold Coast – complete 6 star hotel including upgraded and expanded gaming, and new F&B
 - Queen's Wharf Brisbane – complete demolition, commence excavation and finalise Plan of Development
 3. Progress planning approvals for JV developments with CTF and FEC in Sydney and the Gold Coast
 4. Continue diversification of the Group's international revenue base into global VIP Rebate and Premium Mass
 5. Continue drive to differentiate value proposition at each property – including brand, loyalty, customer service, F&B
- ◆ Trading in early FY2018 is exhibiting domestic gaming volume growth on pcp, primarily driven by Sydney and the Gold Coast. Domestic gaming revenues have been impacted by lower table hold rates in early FY2018, which can fluctuate over relatively short periods of time

OUTLOOK AND PRIORITIES

DESTINATIONAL INTEGRATED RESORTS OVERVIEW

THE STAR SYDNEY



Expand property to:

- ◆ ~1,000 premium hotel rooms and residences (including The Ritz-Carlton)
- ◆ ~50 F&B offerings
- ◆ Signature gaming
- ◆ Lyric theatre
- ◆ Multi-use event centre

THE STAR GOLD COAST



Expand property to:

- ◆ ~1,400 premium hotel rooms and residences
- ◆ Over 20 F&B offerings
- ◆ Signature gaming
- ◆ New resort facilities and retail outlets

Potential for further long-term growth with precinct masterplan

QUEEN'S WHARF BRISBANE



Expected ~\$2bn* budget for new integrated resort:

- ◆ ~1,100 premium hotel rooms over multiple brands
- ◆ Over 50 F&B offerings
- ◆ Signature gaming
- ◆ 12 football fields of public space
- ◆ Repurposed heritage buildings

Note: Images are concept only. Property capital projects are subject to all approvals. * The Star has a 50% ownership share in Queen's Wharf Brisbane and will operate the facility once complete (joint venture to pay The Star an operator fee)

OUTLOOK AND PRIORITIES

SYDNEY – DEVELOPMENTS

- ◆ Major FY2018 capital works projects in progress include:
 - Completion of Astral Residences upgrade
 - Astral Lobby and Porte Cochere redevelopment
 - Enabling works for Sovereign Room expansion
- ◆ Longer term capital works projects include expansion and upgrade to Sovereign Room, new F&B offerings and other property enhancements
- ◆ Planned FY2018-20 capital expenditure of ~\$400m for growth and maintenance, excluding joint venture developments
- ◆ Development Application for The Ritz-Carlton joint venture tower (~\$500m, 400 keys, The Star 1/3 share) expected to be submitted in 1H FY2018. Around 3 year construction period after all approvals and satisfactory apartment presales
- ◆ Funding provided through partner contributions, existing and new debt facilities, and free cash flow generation



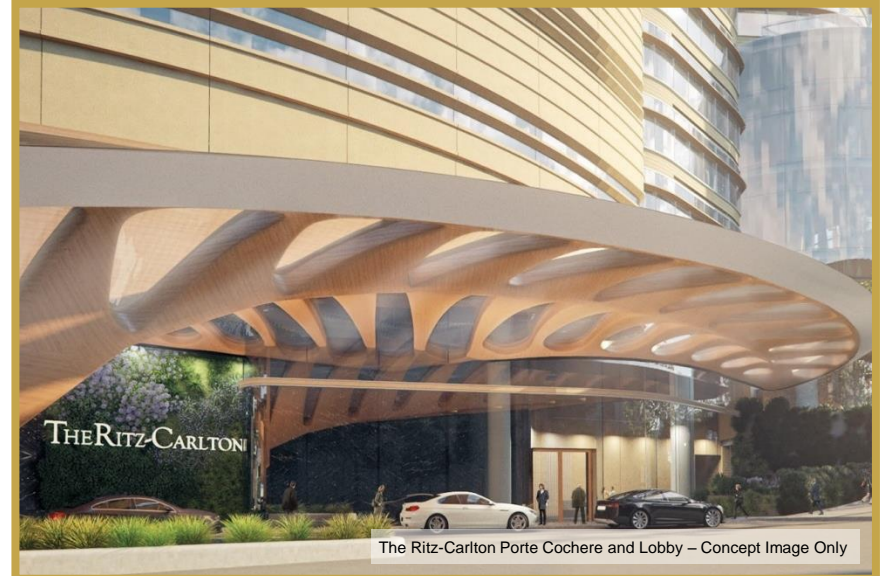
The Star Sydney – Key Dates*

1H FY2018	Complete Astral Residences upgrade and lobby interface
	Submit Development Application for joint venture tower
	Commence enabling works for Sovereign Room
CY2018	Complete Astral Lobby and Porte Cochere
FY2021	Complete Sovereign Room expansion

* Subject to planning and other approvals

OUTLOOK AND PRIORITIES

SYDNEY – WORKS IN PROGRESS/ PLANNING



* Subject to planning and other approvals

OUTLOOK AND PRIORITIES

GOLD COAST – DEVELOPMENTS AND MASTERPLAN

- ◆ Major FY2018 capital works projects in progress include:
 - Complete 6 star hotel with new PGR, extended MGF and new VIP salons (on track to open by April 2018 Commonwealth Games)
 - New F&B (Cherry Bar, Food Quarter, Sports Bar)
- ◆ Planned FY2018-20 capital expenditure of ~\$275m for growth and maintenance (majority in FY2018), excluding joint venture developments
- ◆ Longer term capital works projects include planning and development of precinct masterplan in conjunction with CTF and FEC
- ◆ Presales commencing 1H FY2018 for new joint hotel and apartment venture tower (~\$400m, 700 key hotel, The Star 1/3 share). Around 3 year construction period after all approvals and satisfactory apartment presales
- ◆ Funding provided through partner contributions, existing and new debt facilities, and free cash flow generation



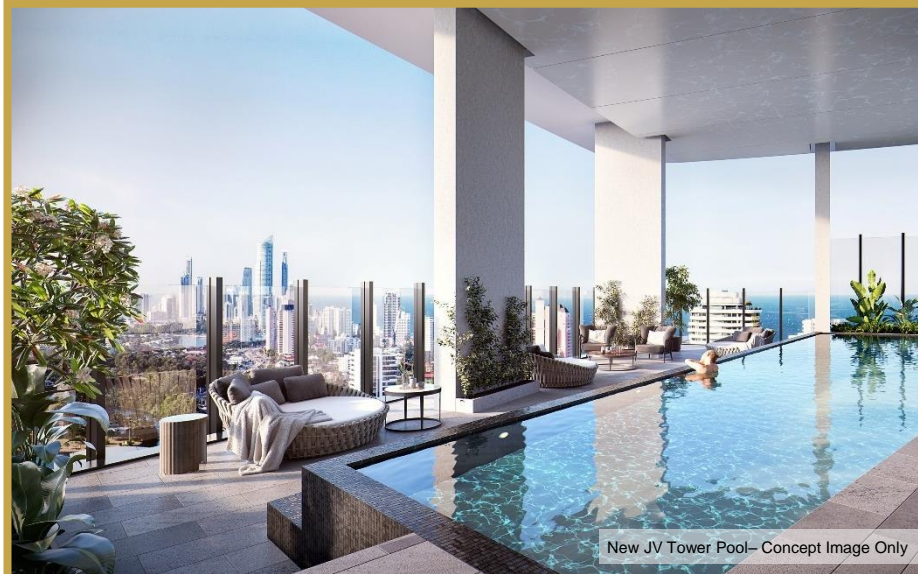
The Star Gold Coast – Key Dates*

1H FY2018	Commence pre-sales of apartments in joint venture tower
By April 2018	Opening of 6 star hotel including new PGR, extended MGF and new VIP salons in advance of Commonwealth Games
FY2021	Complete new residential and hotel tower and associated facilities

* Subject to planning and other approvals

OUTLOOK AND PRIORITIES

GOLD COAST – WORKS IN PROGRESS/ PLANNING



* Subject to planning and other approvals

OUTLOOK AND PRIORITIES

QUEEN'S WHARF BRISBANE

- ◆ Expected ~\$2bn budget for Integrated Resort, excluding Treasury repurposing and DBC partners' residential developments
- ◆ Initial works (demolition and enabling) on schedule and on budget
- ◆ Design being refined in conjunction with planning approvals
- ◆ Funding provided through partner contributions, existing and new debt facilities, and free cash flow generation

Queen's Wharf Brisbane – Key Dates*

CY2018	Complete demolition and commence excavation
CY2019	Complete excavation and basement car park
CY2020	Construction progresses above ground
CY2021	Commence internal fit out of Integrated Resort
CY2022	Integrated Resort opens including public realm areas
CY2024	Expected opening of repurposed Treasury Building

Queen's Wharf Brisbane – Overview

Treasury Brisbane		◆ ~ 150 hotel rooms
1 Repurposing (100% The Star)		◆ ~ 550 car parks
		◆ ~ 10,000sqm retail space
		◆ ~ 1,100 premium hotel rooms over multiple brands
2 Development (50% The Star / 25% CTF / 25% FEC)		◆ Over 50 F&B offerings
		◆ Signature gaming
		◆ 12 football fields of public space
		◆ Repurposed heritage buildings
		◆ ~ 2,000 apartments
Residential Development		◆ ~ 2,000sqm retail space
3	(50% CTF / 50% FEC)	

* Subject to planning and other approvals



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APPENDIX

SYDNEY AND QUEENSLAND RESULTS – STATUTORY

\$m	Sydney				Queensland				Total			
	FY2017	FY2016	fav/ (unfav)	fav/ (unfav)	FY2017	FY2016	fav/ (unfav)	fav/ (unfav)	FY2017	FY2016	fav/ (unfav)	fav/ (unfav)
Slots	318.6	312.9	5.7	1.8%	308.8	317.6	(8.8)	(2.8%)	627.4	630.5	(3.1)	(0.5%)
Domestic Tables	680.4	644.0	36.4	5.7%	236.8	240.2	(3.4)	(1.4%)	917.2	884.3	32.9	3.7%
Non-Gaming	135.9	142.3	(6.4)	(4.5%)	104.9	98.0	6.9	7.1%	240.8	240.3	0.5	0.2%
Total Domestic	1,134.9	1,099.2	35.7	3.2%	650.5	655.9	(5.4)	(0.8%)	1,785.4	1,755.1	30.3	1.7%
International VIP Rebate (Gross)	547.9	555.1	(7.2)	(1.3%)	91.7	41.2	50.5	122.7%	639.6	596.3	43.3	7.3%
Other Revenue	3.0	2.5	0.5	22.3%	4.2	3.8	0.4	11.6%	7.2	6.3	0.9	14.0%
Total Gross Revenue	1,685.8	1,656.8	29.0	1.8%	746.4	700.9	45.5	6.5%	2,432.2	2,357.7	74.5	3.2%
Gaming taxes, levies and commissions	(670.6)	(735.2)	64.6	8.8%	(191.1)	(172.7)	(18.4)	(10.6%)	(861.7)	(907.9)	46.2	5.1%
Operating expenses	(614.1)	(619.2)	5.1	0.8%	(356.7)	(341.8)	(14.9)	(4.3%)	(970.8)	(961.0)	(9.8)	(1.0%)
EBITDA	401.1	302.4	98.7	32.6%	198.6	186.4	12.2	6.6%	599.7	488.8	110.9	22.7%
Depreciation and Amortisation	(100.2)	(101.7)	1.5	1.4%	(64.3)	(62.1)	(2.2)	(3.6%)	(164.5)	(163.8)	(0.7)	(0.4%)
EBIT	300.9	200.7	100.2	49.9%	134.3	124.3	10.0	8.0%	435.2	325.0	110.2	33.9%
Share of net (loss)/profit of associate									(0.7)	-	(0.7)	-
Significant Items									(12.8)	-	(12.8)	-
Statutory EBIT									421.7	325.0	96.7	29.8%
Net interest (expense)/income									(41.7)	(45.8)	4.1	9.0%
Tax									(115.6)	(84.8)	(30.8)	(36.3%)
Statutory NPAT									264.4	194.4	70.0	36.0%
EBITDA/Revenue %	23.8%	18.2%	5.6%		26.6%	26.6%	0.0%		24.7%	20.7%	4.0%	
VIP Rebate Front Money \$m	2,896.5	3,140.1	(243.6)	(7.8%)	570.7	213.0	357.7	167.9%	3,467.2	3,353.1	114.1	3.4%
VIP Rebate Turnover \$m	33,482.5	47,428.5	(13,946.0)	(29.4%)	6,169.9	2,060.1	4,109.8	199.5%	39,652.4	49,488.6	(9,836.2)	(19.9%)
VIP Rebate Win rate	1.62%	1.17%	0.45%		1.42%	2.00%	(0.58%)		1.59%	1.20%	0.39%	

Note: VIP Rebate Win rate of 1.59% in FY2017 excludes the Premium Mass business (1.58% including Premium Mass).

APPENDIX

SYDNEY AND QUEENSLAND RESULTS – NORMALISED

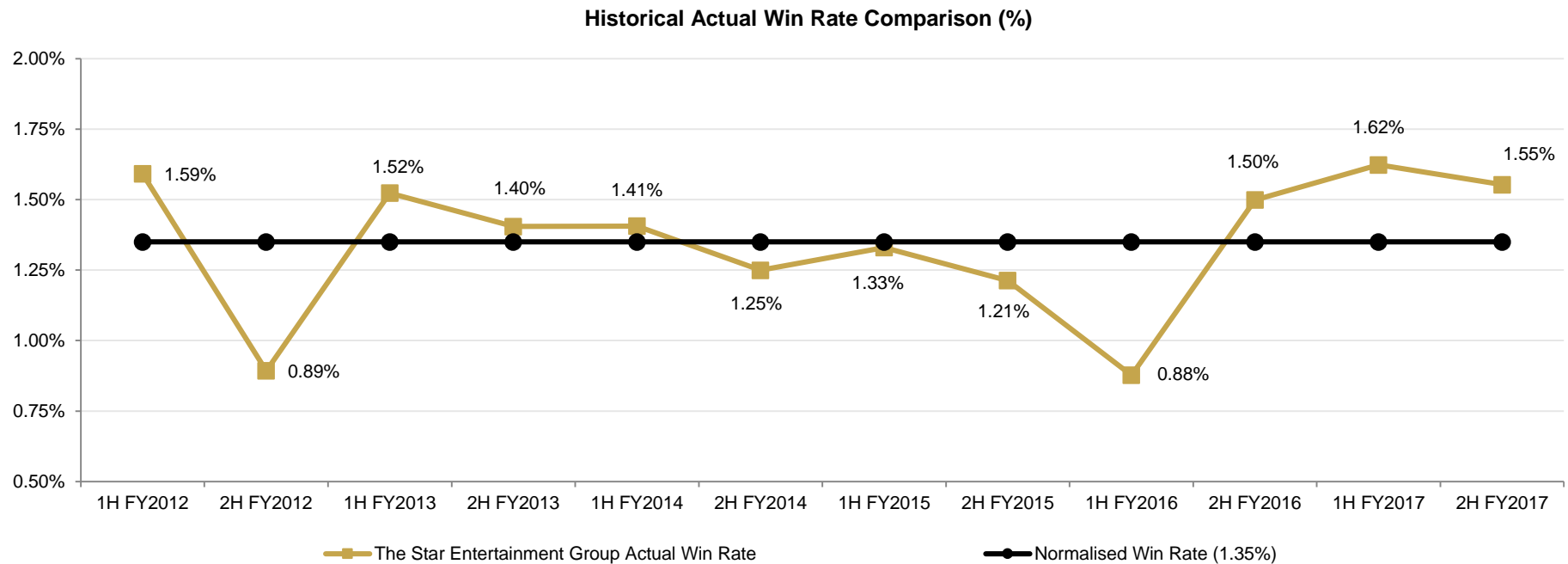
\$m	Sydney				Queensland				Total			
	FY2017	FY2016	fav/ (unfav)	fav/ (unfav)	FY2017	FY2016	fav/ (unfav)	fav/ (unfav)	FY2017	FY2016	fav/ (unfav)	fav/ (unfav)
Slots	318.6	312.9	5.7	1.8%	308.8	317.6	(8.8)	(2.8%)	627.4	630.5	(3.1)	(0.5%)
Domestic Tables	680.4	644.0	36.4	5.7%	236.8	240.2	(3.4)	(1.4%)	917.2	884.3	32.9	3.7%
Non-Gaming	135.9	142.3	(6.4)	(4.5%)	104.9	98.0	6.9	7.1%	240.8	240.3	0.5	0.2%
Total Domestic	1,134.9	1,099.2	35.7	3.2%	650.5	655.9	(5.4)	(0.8%)	1,785.4	1,755.1	30.3	1.7%
International VIP Rebate (Gross) ¹	457.6	641.7	(184.1)	(28.7%)	87.1	27.8	59.3	213.3%	544.7	669.5	(124.8)	(18.6%)
Other Revenue	3.0	2.5	0.5	22.3%	4.2	3.8	0.4	11.6%	7.2	6.3	0.9	14.0%
Total Gross Revenue	1,595.5	1,743.5	(148.0)	(8.5%)	741.8	687.5	54.3	7.9%	2,337.3	2,431.0	(93.7)	(3.9%)
Gaming taxes, levies and commissions	(660.8)	(742.5)	81.7	11.0%	(190.6)	(171.3)	(19.3)	(11.3%)	(851.4)	(913.8)	62.4	6.8%
Operating expenses	(614.1)	(619.2)	5.1	0.8%	(356.7)	(341.8)	(14.9)	(4.3%)	(970.8)	(961.0)	(9.8)	(1.0%)
Normalised EBITDA	320.6	381.8	(61.2)	(16.0%)	194.5	174.4	20.1	11.5%	515.1	556.2	(41.1)	(7.4%)
Depreciation and Amortisation	(100.2)	(101.7)	1.5	1.4%	(64.3)	(62.1)	(2.2)	(3.6%)	(164.5)	(163.8)	(0.7)	(0.4%)
Normalised EBIT	220.4	280.1	(59.7)	(21.3%)	130.2	112.3	17.9	15.9%	350.6	392.4	(41.8)	(10.6%)
Share of net (loss)/profit of associate									(0.7)	-	(0.7)	-
Normalised EBIT after share of net (loss)/profit of associate									349.9	392.4	(42.5)	(10.8%)
Net interest (expense)/income									(41.7)	(45.8)	4.1	9.0%
Tax									(93.7)	(105.3)	11.6	11.0%
Normalised NPAT									214.5	241.3	(26.8)	(11.1%)
EBITDA/Revenue %	20.1%	21.9%	(1.8%)		26.2%	25.4%	0.8%		22.0%	22.9%	(0.9%)	
VIP Rebate Front Money \$m	2,896.5	3,140.1	(243.6)	(7.8%)	570.7	213.0	357.7	167.9%	3,467.2	3,353.1	114.1	3.4%
VIP Rebate Turnover \$m	33,482.5	47,428.5	(13,946.0)	(29.4%)	6,169.9	2,060.1	4,109.8	199.5%	39,652.4	49,488.6	(9,836.2)	(19.9%)
VIP Rebate Win rate	1.35%	1.35%			1.35%	1.35%			1.35%	1.35%		

Note: ¹ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on turnover

APPENDIX

INTERNATIONAL VIP REBATE BUSINESS NORMALISATION

- ◆ Normalised win rate of 1.35% is in line with the Group's win rate experience and consistent with the Australia and New Zealand market practice
- ◆ FY2017 win rate of 1.59% excludes the Premium Mass business (1.58% including Premium Mass)



APPENDIX

INTERNATIONAL VIP REBATE BUSINESS NORMALISATION

FY2017 Results Comparison (\$m)	FY2017	Change vs Statutory	FY2017 Norm @1.35%
Total Domestic	1,785.4		1,785.4
International VIP Rebate (Gross)	639.6	(94.9)	544.7
Other Revenue	7.2		7.2
Total Gross Revenue	2,432.2	(94.9)	2,337.3
Gaming taxes, levies and commissions	(861.7)	10.3	(851.4)
Operating expenses	(970.8)		(970.8)
EBITDA	599.7	(84.6)	515.1
Depreciation and Amortisation	(164.5)		(164.5)
EBIT	435.2	(84.6)	350.6
Share of net (loss)/profit of associate	(0.7)		(0.7)
Significant items	(12.8)	12.8	-
Statutory EBIT	421.7	(71.8)	349.9
Net interest (expense)/income	(41.7)		(41.7)
Tax	(115.6)	21.9	(93.7)
Statutory NPAT	264.4	(49.9)	214.5
EBITDA/Revenue %	24.7%		22.0%
VIP Rebate Front Money \$m	3,467.2		3,467.2
VIP Rebate Turnover \$m	39,652.4		39,652.4
VIP Rebate Win rate	1.59%		1.35%

Note: VIP Rebate Win rate of 1.59% in FY2017 excludes the Premium Mass business (1.58% including Premium Mass). Normalisation adjustments only for win rate; does not include other adjustments such as commissions and doubtful debts

FINANCIALS

NET DEBT AND INTEREST EXPENSE

Net Debt Calculation (\$m)

Assets

Cash and cash equivalents	114
Current derivative financial instruments	48
Non current derivative financial instruments	151
Total Assets	313

Liabilities

Current interest bearing liabilities	(130)
Current derivative financial instruments	(18)
Non current interest bearing liabilities	(915)
Non current derivative financial instruments	(37)
Total Liabilities	(1,100)
Net Debt	(787)

Net Interest Expense Composition (\$m)

USPP coupon payments	(21)
Interest rate swap expense	(19)
Bank debt interest, fees and other charges	(13)
Interest income and capitalised interest	11
Net Interest Expense	(42)

APPENDIX

OPERATIONAL BENCHMARKS

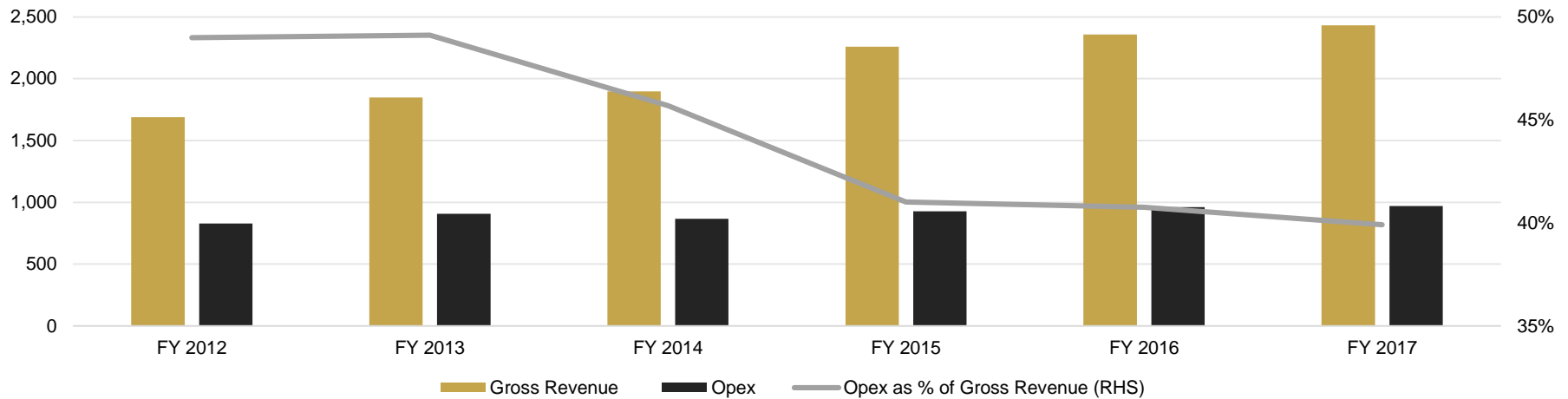
Operational Metrics	Sydney		Queensland	
	FY2017	FY2016	FY2017	FY2016
Slots				
Revenue (\$m)	319	313	309	318
NMR/machine/day	583	572	270	288
MTGMs				
Revenue (\$m)	102	99	39	36
NMR/machine/day	504	535	318	290
Domestic Tables (excl. MTGM)				
Revenue (\$m)	576	545	198	204
Hold %	18.6%	18.7%	18.5%	18.5%
VIP Rebate (Actual)				
Front Money (\$m)	2,897	3,140	571	213
Turnover (\$m)	33,482	47,429	6,170	2,060
Turns	11.6	15.1	10.8	9.7
Win Rate	1.62%	1.17%	1.42%	2.00%
Hotels				
Occupancy	97%	94%	90%	93%
Cash Revenue (\$m)	19	26	26	23
Average Cash Rate	301	274	237	201
Restaurants				
Cash Revenue (\$m)	44	42	41	36
Gross Revenue (\$m)	71	66	64	60
Bars				
Cash Revenue (\$m)	43	43	24	24
Gross Revenue (\$m)	98	88	50	53
Statutory EBITDA/Revenue %	24%	18%	27%	27%
Normalised EBITDA/Revenue %	20%	22%	26%	25%
Employee Costs/Revenue %	20%	20%	27%	28%

APPENDIX

OPERATING EFFICIENCY

- ◆ Group operating costs have grown from \$827m in FY2012 to \$971m in FY2017 (3.2% CAGR), whilst statutory gross revenue has grown from \$1.7bn to \$2.4bn over the same period (7.6% CAGR)
- ◆ Operating costs as share of statutory gross revenue has declined from 49.0% to 39.9% over FY2012 to FY2017
- ◆ Ongoing cost management program to offset CPI impacts delivered benefits of \$48m in FY2017 and \$46m in FY2016

Statutory Gross Revenue and Operating Costs (\$m)



APPENDIX

CASH CONVERSION

Category \$m	Jun-17	Jun-16
Cash flows from operating activities before interest and income tax		
Net cash receipts from customers (inclusive of GST)	2,348.3	2,287.6
Payments to suppliers and employees (inclusive of GST)	(1,259.4)	(1,307.7)
Payment of government levies, gaming taxes and GST	(521.0)	(502.5)
Net cash inflows from operating activities before interest and income tax	567.9	477.4
Profit before net finance costs and income tax	421.7	325.0
Add back depreciation and amortisation	164.5	163.8
EBITDA	586.2	488.8
Cash conversion	97%	98%

APPENDIX

INTERNATIONAL VIP REBATE BUSINESS RECEIVABLES

International VIP Rebate Business Receivables (Before provisions)	0 - 30 days	30 days - 1 year	1 - 3 years	3 years +	Total
June 2017 (\$m)					
Not yet due	129.3				129.3
Past due not impaired		27.1	6.2		33.3
Considered impaired		2.8	11.2		14.0
Total	129.3	29.9	17.4	0.0	176.6
June 2016 (\$m)					
Not yet due	77.2				77.2
Past due not impaired		31.5	1.7		33.2
Considered impaired		11.5	1.3		12.8
Total	77.2	43.0	3.0	0.0	123.2
June 2015 (\$m)					
Not yet due	82.0				82.0
Past due not impaired		10.5	5.7		16.2
Considered impaired		5.3	4.1		9.4
Total	82.0	15.8	9.8	0.0	107.6

- ◆ 30 June 2017 net receivables past due not impaired greater than 30 days of \$33.3m (81% of net receivables balance less than 1 year), flat on June 2016
- ◆ Receivables balance less than 1 year impacted by high win rate of 1.59% in FY2017

APPENDIX

GLOSSARY

Term	Definition
CAGR	Compound Annual Growth Rate
Capital expenditure (capex)	Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes investments in associates and equity acquisitions
D&A	Depreciation and Amortisation
DBC	Destination Brisbane Consortium
DGC	Destination Gold Coast Consortium
Domestic Tables	Domestic Tables includes main gaming floor table games, private gaming room table games, domestic rebate table games
EGM	Electronic gaming machine – includes both slots and MTGMs
F&B	Restaurants and bars
MGF	Main gaming floor
MTGM	Multi-terminal gaming machine or electronic table game
NMR	Net revenue per machine
Normalised revenue	Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% of actual turnover
pcp	Prior comparable period
PGR	Private gaming room
Premium Mass	International loyalty program business (non-commission)
Rebate	International VIP 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 The Star Entertainment Group and: <ul style="list-style-type: none"> ◆ Outside the ordinary course of business (e.g. the cost of significant reorganisations or restructuring); or ◆ Part of the ordinary activities of the business but unusual due to their size and nature (e.g. impairment of assets)



THE STAR