ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP

Jupiters Jupiters Townsville THE STAR TREASURY Casino & Hotel

24 February 2012

ANNOUNCEMENT OF HALF YEARLY RESULTS

Echo Entertainment Group Limited (***Echo Entertainment***) provides the following documents in accordance with ASX Listing Rule 4.2A:

1. Media Release; and
2. Financial Report for the half-year ended 31 December 2011.

Interim Dividend

The Directors have declared an interim dividend of 4 cents per share, fully franked at the company tax rate of 30% to be paid on 28 March 2012.

The Record Date for the purpose of entitlement to the interim dividend will be 6 March 2012.

The Ex-dividend Date is 29 February 2012.

The Dividend Reinvestment Plan which was adopted on 6 December 2011 will not apply to the interim dividend.

Paula Martin
General Counsel (QLD) & Company Secretary

MEDIA RELEASE

ECHO ENTERTAINMENT GROUP

24 February 2012

Echo Entertainment Group half year results

Highlights

- Reported net profit after tax (NPAT), including pre opening expenses, $70.2 million
    - Statutory numbers below EBIT line are not comparable to prior periods due to demerger from Tabcorp Holdings Limited
- Reported earnings before interest and tax (EBIT), excluding pre opening expenses, $157.8 million, up 3.3% on prior period
    - Strong win rate in VIP business of 1.75% vs 1.26% prior comparative period
    - VIP front money up 91.9%
    - Excludes pre-opening expenses of $28.6 million
- Normalised EBIT (excluding pre-opening expenses) $150.2 million, down 9.7%
    - Revenues up 14.0%
    - Operating expenses up 11.9% reflecting expanded operations, notably The Star and VIP business
    - Excludes $28.6 million of pre-opening expenses
- Interim dividend of 4 cents per share fully franked
- The Star expansion on timetable and budget
    - Significant new product opened between 15 September 2011 and the end of the calendar year
    - Key mass market drivers (nightclub and events centre) still to come over the next 12 months
- VIP business expanded significantly with strong momentum continuing
- Investment program in place. Above sector revenue growth prospect on back of investments and anticipated regulatory concessions.

Group performance overview

Echo Entertainment Group today reported a half year statutory net profit after tax (NPAT) of $70.2 million. As Echo Entertainment was part of the Tabcorp Holdings Limited group until its demerger, the NPAT is not comparable to previous years.

Reported earnings before interest and tax (EBIT) were $157.8 million, up 3.3% on prior period (excluding pre-opening expenses). This result benefited from a VIP business that expanded significantly and experienced win rates above historical levels, partially offset by higher initial operating expenses associated with the opening phase of The Star and higher depreciation and amortisation as a result of the capital expenditure undertaken for Project Star.

Management estimates that underlying earnings (normalised EBIT, excluding pre-opening expenses) for the business fell by 9.7% to $150.2 million. This analysis takes into account an approach to normalisation which adjusts for fluctuations in win rate and turns of front money in the VIP business based on Echo Entertainment's actual experience over a rolling five year period. Expenses are adjusted by $28.6m relating to pre-opening expenses.

Actual revenue was $908.2 million[1], up 16.5%. Echo Entertainment saw revenue grow in both New South Wales and Queensland, despite a soft consumer environment.

Operating expenses (excluding pre-opening expenses) were up 11.9%. This increase reflects the expansion of operations from the investment program and higher initial operating expenses in new areas at The Star.

Echo Entertainment has declared an interim dividend of 4 cents per share, which will be fully franked and payable on 28 March 2012 to shareholders registered at 6 March 2012. The dividend is in line with a target payout ratio of 50% of NPAT, as disclosed in the Scheme Booklet at the time of Echo Entertainment's demerger from Tabcorp Holdings Limited in June 2011.

Chairman John Story said: "The expansion plans at The Star have now been substantially delivered, on time and on budget. It is pleasing to see the steady growth in revenues at The Star and the momentum in the growth of the VIP business in particular, supporting this

[1] Revenue is shown as the net gaming win, but gross of commissions and rebates paid to third parties. In the prior year as part of Tabcorp, revenue was not grossed up for commissions and rebate payments to third parties.

investment and Echo Entertainment's broader strategy and investment plans across all of its casinos. Revenue growth has also been sustained in the Queensland casinos despite a challenging consumer environment. As announced previously, we continue to work with the Queensland Government and casino regulator in relation to optimising proposed development opportunities in Queensland."

"Echo Entertainment remains focussed upon delivering its investment program and leveraging all capacity additions to drive revenue growth. This has been a period of sweeping development and improvement at every level, led by CEO and Managing Director Larry Mullin. The period of disruption is now behind us and most of the construction is completed at The Star. Our focus has shifted towards making our operations as efficient as possible in the individual properties and across Echo Entertainment", Mr Story said.

New South Wales Casino Authority Review

In December 2011, the New South Wales Government released the independent report prepared by Ms Gail Furness SC for the Casino Liquor and Gaming Control Authority (CLGCA) on the 5 yearly licence review of The Star casino. The report followed an exhaustive nine month investigation by Ms Furness and concluded that The Star is "of good repute, having regard to character, honesty and integrity" and that "it is in the public interest that the New South Wales casino licence should continue". This standard of regulatory compliance has been maintained during a period of immense development and while significant changes have been made to achieve improved performance and a greater customer focused culture at The Star.

On 2 February 2012, the termination of the employment of the Managing Director of The Star was announced. Echo Entertainment took appropriate action in light of a contravention of the company's Code of Conduct. Our Code of Conduct is fundamental to our business and underpins our drive to ensure our casinos are great places for our employees and customers. CLGCA last week announced that it will conduct a further inquiry to consider matters arising since 2 December 2011, including the circumstances surrounding the departure of The Star's Managing Director.

Chairman John Story said, "Echo Entertainment has zero tolerance for any breach of our Code of Conduct, no matter at what level it occurs. We have demonstrated that we treat these matters extremely seriously and confidentially, will investigate thoroughly and we will act on complaints if they are substantiated.

Echo Entertainment's announcement precipitated an unprecedented campaign of media allegation, rumour and speculation concerning The Star and its management. In many instances, this has lacked factual accuracy, balance and fairness. Echo Entertainment has not participated in the public debate and is unable to comment further given the importance of protecting the privacy and reputation of the people involved and maintaining the integrity of the employee management process and appropriate regulatory oversight. We therefore welcome the announcement by CLGCA of the appointment of Ms Gail Furness SC to investigate these issues, on a basis that is both independent and expert. In the event that any matter of concern is identified, that will be addressed but, on the basis of all information available to it, the Board has full confidence in the management of Echo Entertainment and in the integrity and probity of its operations".

Segment performance

The segment results for the six months to 31 December 2011 were:

- **The Star**: EBIT $95.1 million, up 2.8%. EBITDA $131.5 million, up 10.2%. (both excluding pre-opening expenses)

  EBITDA at The Star in Sydney increased 10.2% based on actual earnings (up 0.1% on a normalised basis). Revenues were up 22.2% (21.0% on a normalised basis) as the business expanded its product offering and opened a significant amount of new product both in gaming and non-gaming over the course of the half. The revenue growth accelerated over the course of the half driven by product openings with 2Q12 revenues up 23.4% (26.7% normalised). Electronic gaming continued to perform very well, with year on year revenue growth of 9.7% despite a largely unchanged number of EGMs. Tables revenue was up 6.6%, despite disruption experienced in 1Q12. Non-gaming revenues declined 5.0% as the construction work forced closures that in 1Q12 negatively impacted revenues, but were offset in 2Q12 by a return to solid growth.

  The $870[2] million expansion of The Star casino is progressing to plan with approximately 85% of the total project and the entire main gaming floor now completed. Most of the new gaming and non-gaming areas opened in 2Q of this financial year with a series of openings from the middle of September (new harbourside entrance, sections of the main gaming floor, signature restaurants, portions of retail) to calendar year end (new hotel, spa, more restaurants and retail space, residual main gaming floor, VIP suites). The nightclub is scheduled to open in 2H12 and events centre in the second half of next financial year.

[2] Previous guidance of $960m reduced by $90m following decision to lease rather than purchase two jets. $870m Project Star capex also includes $100m licence payment made to the NSW Government.

- **Queensland casinos**[3]: EBIT $62.7 million, up 4.2%. EBITDA $85.3 million, up 6.0%.

  The three Queensland properties were impacted by a tough consumer environment. Revenues increased 8.6% and EBITDA grew by 6.0% on an actual basis (or up 4.2% and down 5.5% on a normalised basis).

  In December 2010, the Group announced a proposed investment program of $625 million for its Queensland casinos. This investment will deliver world class entertainment destinations. The investment is supported by a number of gaming concessions, the bulk of which have been approved along with the company's voluntary pre-commitment solution for its Queensland casinos. This means that the South East Queensland properties expect to commence implementing extra gaming machines, under the additional licences granted, by 4Q. Further regulatory, planning and other approvals are still required to commit to the full scope contemplated and Echo Entertainment continues to work with the Queensland government to obtain these. The first element, being the refurbishment of the Jupiters Gold Coast Theatre is due for completion in 4QFY12.

The VIP business results are imbedded in the divisional performance. Stand-alone, the VIP business had a good half, with actual (Gross) revenues of $183.3 million, up 134.8%. Normalised for win rate and turns of front money, growth would have been 92.2%. A further jet and VIP gaming product was added late in the half. The growth experienced to date in VIP bodes well for next half as The Star gets to utilise additional VIP gaming salons in the existing hotel, new VIP suites in the new hotel, the additional private jet, and a more diverse non-gaming offering at the property in Sydney.

Outlook for second half 2012

Chief Executive Officer, Larry Mullin, said that the outlook for 2H12 remained positive despite a tough consumer environment with Echo Entertainment positioned to begin reaping the benefits of the capital investments made in Sydney over the last two years.

"The first half was one of transition for Echo and The Star as we successfully brought to market the bulk of the $870m redevelopment of our biggest asset on time and budget. The opening phase continues in 2H12 with the launch of a world class nightclub and additional VIP gaming salons and suites.

[3] Queensland is the combination of Jupiters and Treasury as per the Statutory accounts.

We expect to see sustained revenue growth at The Star in 2H12 driven by the new product and expansions. Operating margins will remain below optimal levels as the business completes its launch phase.

FY12 is a momentous year with the bulk of The Star transformation being completed and the rebranding of our biggest asset starting to take shape. Two key mass market visitation drivers – the nightclub and the events centre – are yet to be added over the next 12 months to complete the project. But the business can progress now to a more steady operating model as we continue to drive revenue growth but also streamline the cost base to the most efficient structure. We remain confident in the return metrics on Project Star and expect to see sustained revenue growth and improved operating leverage as we utilise the new product over the next few years.

The Queensland properties were relatively steady in a tough consumer environment in 1H12 and while the environment is likely to remain tough into 2H12, growth should improve as we track a softer comparable period impacted by the floods."

For more information:

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Media: Brad Schmitt, General Manager Media, NSW Government Relations, 0407 995 505

Echo Entertainment half year results to 31 December 2011

- Reported

• Revenue	$908.2 million, up 16.5%
• EBITDA[4]	$216.8 million, up 8.6%
• EBIT[4]	$157.8 million, up 3.3%
• Net profit after tax	$70.2 million
• Earnings Per Share	10.2c
• Interim Dividend Per Share	4 cents (fully franked)

- Underlying

• Revenue	$908.9 million, up 14.0%
- The Star	Up 21.0%
- Queensland	Up 4.2%
• EBIT[4]	$150.2 million, down 9.7%
- The Star	Down 9.1%
- Queensland	Down 10.9%

- Balance sheet

• Gross Debt[5]	$1,210.0million
• Net Debt	$1,107 million
• Gross Debt/EBITDA (actual)	2.8 (based on 12 month trailing)

[4] Excludes pre opening expenses of $28.6m (2010: $3.6m)

[5] Gross debt comprises interest bearing liabilities, with US dollar borrowings stated at the AUD amount repayable under cross currency swaps.

Echo Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: EGP

and its controlled entities

Directors' Report and Financial Report

for the half year ended 31 December 2011

Contents

Directors' report

The directors of the Company submit their report for the consolidated entity comprising the Company and its controlled entities (collectively referred to as the Echo Entertainment Group) in respect of the half year ended 31 December 2011.

1. Principal activities

The principal activities of the Echo Entertainment Group during the half year comprised the provision of leisure and entertainment services (particularly in relation to casino gambling, entertainment and hospitality).

The Demerger of Echo Entertainment Group Limited from Tabcorp, which was implemented in June 2011, resulted in Tabcorp Holdings Limited (Tabcorp) retaining it wagering, gaming and keno businesses while Echo Entertainment Group Limited now holds the casinos business previously held by Tabcorp.

2. Directors

The names and details of the Company's directors in office during the half year and until the date of this report (except as otherwise stated) are set out below. Directors were in office for this entire period unless otherwise stated.

Current:	
John Story	Chairman and Non Executive Director
John O'Neill	Non Executive Director
Brett Paton	Non Executive Director
Larry Mullin	Managing Director and Chief Executive Officer
Matt Bekier	Chief Financial Officer and Executive Director
Pending:	
Anne Brennan	Non Executive Director subject to the receipt of all necessary regulatory approvals
John Redmond	Non Executive Director subject to the receipt of all necessary regulatory approvals

On 29 September 2011, the Company announced the proposed appointment of John Redmond and Anne Brennan as directors, subject to regulatory approval being obtained. As at the date of this report, these proposed director appointments remain subject to receipt of all necessary regulatory approvals.

3. Financial results and review of operations

Profit after income tax of the Echo Entertainment Group for the half year ended 31 December 2011 was $70.2 million, which was 32.5% below the previous corresponding period, this is not comparable due to the demerger from Tabcorp.

Earnings before interest and tax (EBIT) were $129.2 million, which was 13.3% below the previous corresponding period. This was due to pre opening expenses, higher initial operating costs post The Star's openings and increased bad debt provisions, consistent with the growth in the VIP business.

Revenue was $908.2 million, which was 16.5% above the previous corresponding period.

The Echo Entertainment Group's divisional structure comprises the following three operating segments:

- The Star;
- Jupiters; and
- Treasury.

The activities and results for these operations are discussed below.

3.1. The Star

The Echo Entertainment Group operates The Star in Sydney.

The Star achieved EBIT of $95.1 million, which was 2.8% above the previous corresponding period. The Star's revenue increased by 22.2% to $551.1 million.

3.2. Jupiters

In Queensland, the Echo Entertainment Group operates the Jupiters Hotel and Casino on the Gold Coast, and Jupiters Townsville. In addition, the Echo Entertainment Group manages the Gold Coast Convention and Exhibition Centre, and has an interest in and manages the Townsville Entertainment and Convention Centre.

Jupiters achieved EBIT of $35.9 million, which was 24.2% above the previous corresponding period. The division's revenue increased by 15.6% to $216.1 million.

3.3. Treasury

The Echo Entertainment Group operates the Treasury Casino and Hotel in Brisbane.

Treasury achieved EBIT of $26.8 million, which was 14.4% below the previous corresponding period. The division's revenue decreased by 0.5% to $141.0 million.

4. Earnings per share

Basic earnings per share for the period were 10.2 cents which was 32.4% below the previous corresponding period, this is not comparable due to the demerger from Tabcorp.

5. Dividends

The directors have declared a dividend on ordinary shares of 4.0 cents per share franked at 30% and payable on 28 March 2012.

6. Significant events after the end of the half year

No other matters or circumstances have arisen since the end of the half year ended 31 December 2011 which are not otherwise dealt with in this report or in the financial report, that have significantly affected or may significantly affect the operations of the Echo Entertainment Group, the results of those operations or the state of affairs of the Echo Entertainment Group in subsequent financial years. Refer also to Note 9 of the financial report.

7. Rounding of amounts

Echo Entertainment Group Limited is a company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. In accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded to the nearest hundred thousand dollars unless specifically stated to be otherwise.

8. Auditor's independence declaration

Attached is a copy of the auditor's independence declaration provided under section 307C of the Corporations Act 2001 in relation to the review of the half year ended 31 December 2011. This auditor's independence declaration forms part of this Directors' report.

This report has been signed in accordance with a resolution of directors.

John Story
Chairman

Brisbane
24 February 2012

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Auditor's Independence Declaration to the Directors of Echo Entertainment Group Limited

In relation to our review of the condensed financial report of Echo Entertainment Group Limited for the half-year ended 31 December 2011 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Tim Wallace
Partner

Melbourne
24 February 2012

Financial Report

Consolidated statement of comprehensive income

For the half year ended 31 December 2011

	Note	**December 2011 $m**	December 2010 $m
Revenue		**908.2**	779.8
Other income / (expense)		**6.3**	(0.1)
Government taxes and levies		**(176.5)**	(154.8)
Commissions and fees		**(98.0)**	(52.6)
Employment costs		**(265.7)**	(234.3)
Depreciation and amortisation		**(59.0)**	(47.1)
Cost of sales		**(38.6)**	(37.9)
Property costs		**(34.3)**	(24.9)
Advertising and promotions		**(50.5)**	(31.0)
Other expenses		**(62.7)**	(48.0)
Profit before income tax expense and net finance costs	2	**129.2**	149.1
Finance income		**0.8**	0.1
Finance costs		**(40.9)**	-
Profit before income tax expense		**89.1**	149.2
Income tax expense	3	**(18.9)**	(45.2)
Net profit after tax		**70.2**	104.0
Other comprehensive income			
Change in fair value of cash flow hedges taken to equity net of tax		**(10.0)**	-
Total comprehensive income for the period		**60.2**	104.0
Earnings per share:			
Basic earnings per share (cents per share)	5	**10.2**	15.1
Diluted earnings per share (cents per share)	5	**10.2**	15.1

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2011

	Note	December 2011 $m	June 2011 $m
ASSETS			
Current assets			
Cash and cash equivalents	6	**109.9**	108.2
Receivables		**135.8**	87.6
Inventories		**8.4**	6.3
Current tax assets		**-**	0.5
Other		**34.6**	26.0
Total current assets		**288.7**	228.6
Non current assets			
Property, plant and equipment		**1,905.0**	1,764.6
Intangible assets		**1,868.6**	1,863.2
Derivative financial instruments		**71.5**	11.7
Other		**26.1**	23.4
Total non current assets		**3,871.2**	3,662.9
TOTAL ASSETS		**4,159.9**	3,891.5
LIABILITIES			
Current liabilities			
Payables		**168.3**	155.0
Current tax liabilities		**8.1**	-
Provisions		**59.3**	56.8
Derivative financial instruments		**24.3**	27.7
Other		**2.9**	2.1
Total current liabilities		**262.9**	241.6
Non current liabilities			
Interest bearing liabilities		**1,217.2**	1,070.8
Deferred tax liabilities		**162.6**	171.6
Provisions		**8.1**	7.4
Derivative financial instruments		**70.6**	22.1
Total non current liabilities		**1,458.5**	1,271.9
TOTAL LIABILITIES		**1,721.4**	1,513.5
NET ASSETS		**2,438.5**	2,378.0
EQUITY			
Issued capital		**2,138.0**	2,138.0
Retained earnings		**315.5**	245.3
Reserves		**(15.0)**	(5.3)
TOTAL EQUITY		**2,438.5**	2,378.0

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half year ended 31 December 2011

	Note	**December 2011 $m**	December 2010 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**851.2**	738.6
Payments to suppliers, service providers and employees		**(542.9)**	(416.4)
Payment of government levies, gaming taxes and GST		**(175.0)**	(152.0)
Interest received		**0.8**	0.1
Income tax paid		**(15.0)**	-
Net cash flows from operating activities		**119.1**	170.3
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	6	**15.5**	-
Payment for property, plant and equipment and intangibles		**(201.4)**	(207.2)
Net cash flows used in investing activities		**(185.9)**	(207.2)
Cash flows from financing activities			
Proceeds from borrowings	6	**120.0**	-
Proceeds from related party loan		**-**	34.7
Finance costs		**(51.5)**	-
Net cash flows from financing activities		**68.5**	34.7
Net increase/(decrease) in cash held		**1.7**	(2.2)
Cash at beginning of period		**108.2**	82.3
Cash at end of period	6	**109.9**	80.1

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half year ended 31 December 2011

	Ordinary shares $m	Retained earnings/ (accumulated losses) $m	Net unrealised losses reserve $m	Common control reserve $m	Share based payment reserve $m	Total equity $m
2011						
Balance at 1 July 2011	**2,138**	**245.3**	**(5.3)**	**-**	**-**	**2,378.0**
Profit for the period	**-**	**70.2**	**-**	**-**	**-**	**70.2**
Other comprehensive income	**-**		**(10.0)**	**-**	**-**	**(10.0)**
Share based payments	**-**	**-**	**-**	**-**	**0.3**	**0.3**
Balance at 31 December 2011	**2,138.0**	**315.5**	**(15.3)**	**-**	**0.3**	**2,438.5**
2010						
Balance at 1 July 2010	-	(161.8)	-	367.9	-	206.1
Profit for the period	-	104.0	-	-	-	104.0
Dividends paid	-	(198.8)	-	-	-	(198.8)
Application of common control accounting policy	-	-	-	25.2	-	25.2
Balance at 31 December 2010	-	(256.6)	-	393.1	-	136.5

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the half year ended 31 December 2011

1. Significant accounting policies

Echo Entertainment Group Limited ('the Company') is a company domiciled in Australia. The financial report of the Company for the half year ended 31 December 2011 comprises the Company and its controlled entities (collectively referred to as 'the Group').

As part of the activities undertaken by Tabcorp Holdings Limited ('Tabcorp') to prepare the Group for its demerger in June 2011, the Company acquired Star City Holdings Limited and Jupiters Limited, effective 31 May 2011. The Group's half year financial results presented for the comparative financial year reflect the results of the Tabcorp Holdings Limited Group's ('Tabcorp Group') Casino business, assuming the acquisitions had taken place prior to 1 July 2010.

This half year financial report was authorised for issue by the directors on 24 February 2012.

(a) Statement of compliance

This general purpose financial report for the half year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* .

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited annual report for the year ended 30 June 2011, and any public announcements made by the Company during the half year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies used are consistent with those applied in the 30 June 2011 financial report.

(b) Basis of preparation

The half year financial report is presented in Australian dollars.

The half year financial report is prepared on the historical cost basis, except for derivative financial instruments that have been measured at fair value. The carrying value of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

2. Significant items

Profit before income tax expense and net finance costs include pre opening costs of $28.6 million (2010: $3.6 million). Pre opening costs are the costs incurred in relation to the expansion of The Star property prior to the commencement of the entirety of the new operations at that property (refer to Note 7).

3. Income tax expense

	December 2011 $m	December 2010 $m
Current income tax charge	**27.1**	45.2
Income tax effect in respect of derivative financial instruments	**(8.2)**	-
	18.9	45.2

4. Dividends

Dividends declared and paid during the half year on ordinary shares:	**December 2011 $m**	June 2011 $m
Final dividend paid as wholly owned subsidiary (i) (ii)	**-**	198.8

(i) On 14 October 2010, whilst a wholly owned subsidiary of Tabcorp, the directors of Star City Holdings Limited declared and settled through intercompany, a dividend to Tabcorp Investments Pty Limited, a related entity, of $142.5 million.

(ii) On 14 October 2010, whilst a wholly owned subsidiary of Tabcorp, the directors of Jupiters Limited declared and settled through intercompany, a dividend to Tabcorp Investments No.2 Pty Limited, a related entity, of $56.3 million.

Dividends declared after balance date

	December 2011 $m
Since the end of the half year, the directors declared the following dividend: Interim dividend for 2012: 4.0 cents per share.	**27.5**

The financial effect of this dividend has not been brought to account in the financial statements and will be recognised in subsequent financial reports (refer to Note 9). Dividends on ordinary shares are fully franked at a tax rate of 30%.

5. Earnings per share

(a) Earnings used in calculating earnings per share	December 2011 $m	December 2010 $m
Basic and diluted earnings per share		
Net profit after tax	**70.2**	104.0

(b) Weighted average number of shares used as the denominator	2011 Number	June 2011 Number
Basic earnings per share	**688,019,737**	688,019,737
Diluted earnings per share	**689,042,883**	688,019,737

6. Cash and cash equivalents

	December 2011 $m	June 2011 $m
Cash on hand and in banks	**98.6**	84.9
Short term deposits	**11.3**	23.3
	109.9	108.2

Patron cheques of $16.3 million not deposited at 30 June 2011 have been reclassified to receivables in the comparative period.

Cash flows from investing activities include an inflow of $15.5 million relating to the proceeds from the sale of the Lyric Theatre on 29 September 2011.

Cash flows from financing activities include an inflow of $120.0 million relating to draw downs by the Group of its Syndicated Facility Agreement during the half year.

7. Segment information

The Group's operating segments have been determined based on the internal management reporting structure and the nature of products and services provided by the Group. They reflect the business level at which financial information is provided to management for decision making regarding resource allocation and performance assessment.

The reportable segments are based on aggregated operating segments, determined by the similarity of the products and services provided.

The Group has three reportable segments:

The Star Comprises The Star's casino operations, including hotels, apartment complex, theatre, restaurants and bars.

Jupiters Comprises the casino operations at the two Queensland locations, including hotels, theatre, restaurants and bars.

Treasury Comprises Treasury's casino operations, including hotel, restaurants and bars.

	The Star $m	Jupiters $m	Treasury $m	Total $m
2011				
Segment revenues - external	551.1	216.1	141.0	908.2
Segment profit before interest and tax	**95.1**	**35.9**	**26.8**	**157.8**
Depreciation and amortisation	36.4	13.0	9.6	59.0
Capital expenditure	186.2	18.6	9.7	214.5
2010				
Segment revenues - external (i)	451.1	187.0	141.7	779.8
Segment profit before interest and tax (ii)	**92.5**	**28.9**	**31.3**	**152.7**
Depreciation and amortisation	26.8	12.1	8.2	47.1
Capital expenditure	202.4	10.0	8.1	220.5

Notes to the consolidated financial statements

For the half year ended 31 December 2011

7. Segment information continued

(i) Revenue is presented as the net gaming win, gross of commissions paid to third parties. In the Tabcorp Group 2010 financial statements, revenue was presented net of payments to third parties.

(ii) Segment revenue and results are presented on an actual basis. In the Tabcorp Group 2010 financial statements, the segment information note was presented on a normalised basis.

Reconciliation of reportable segment profit	**2011 $m**	2010 $m
Profit before interest and tax		
Segment profit before interest and tax	**157.8**	152.7
Pre opening costs[(i)]	**(28.6)**	(3.6)
Unallocated items		
- finance income	**0.8**	0.1
- finance costs	**(40.9)**	-
Consolidated profit before income tax	**89.1**	149.2

(i) Pre opening costs in relation to the expansion of The Star property prior to the commencement of the entirety of the new operations (refer to Note 2).

8. Contingent liabilities

Since the last annual reporting date, there have been no material changes in contingent liabilities.

9. Subsequent events

Since 31 December 2011, the directors have declared a dividend of 4 cents per ordinary share. The total amount of the dividend is $27.5 million. This has not been provided for in the 31 December 2011 financial statements (refer to Note 4).

There have been no other significant events occurring after the balance sheet date which may affect either the Company's operations or results of those operations or the Company's state of affairs unless otherwise stated in the financial report.

Directors' declaration

In accordance with a resolution of the directors of Echo Entertainment Group Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debt as and when they become due and payable.

On behalf of the board

John Story
Chairman

Brisbane
24 February 2012

Ernst & Young

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Independent auditor's review report to the members of Echo Entertainment Group Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Echo Entertainment Group Limited, which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of Echo Entertainment Group Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Echo Entertainment Group Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Tim Wallace
Partner

Melbourne
24 February 2012