

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



24 February 2012

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 2011.

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
General Counsel (QLD) & Company Secretary

Echo Entertainment 1H12 Half Year Results Presentation

24th February 2012

ECHO ENTERTAINMENT GROUP

Jupiters
and more

Jupiters
and more

THE STAR

THE
TREASURY

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's financial report for the half year ended 31 December 2011 and other disclosures made via the Australian Securities Exchange
- Echo Entertainment Group results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures including normalised results which are also used internally by management to assess the performance of the business
- Non-IFRS measures have not been subject to audit or review
- Normalised revenue is calculated using an average win rate (1.54%) and average number of turns of front money (15.6 times) experienced over the last 5 years, calculated on a rolling basis
- Normalised EBIT (Underlying Earnings) and Normalised EBITDA are calculated based on normalised revenue and corresponding normalised commission and rebate expenses and taxes. Pre opening expenses in relation to the expansion of The Star prior to the commencement of the new operation are excluded from normalised results

Agenda

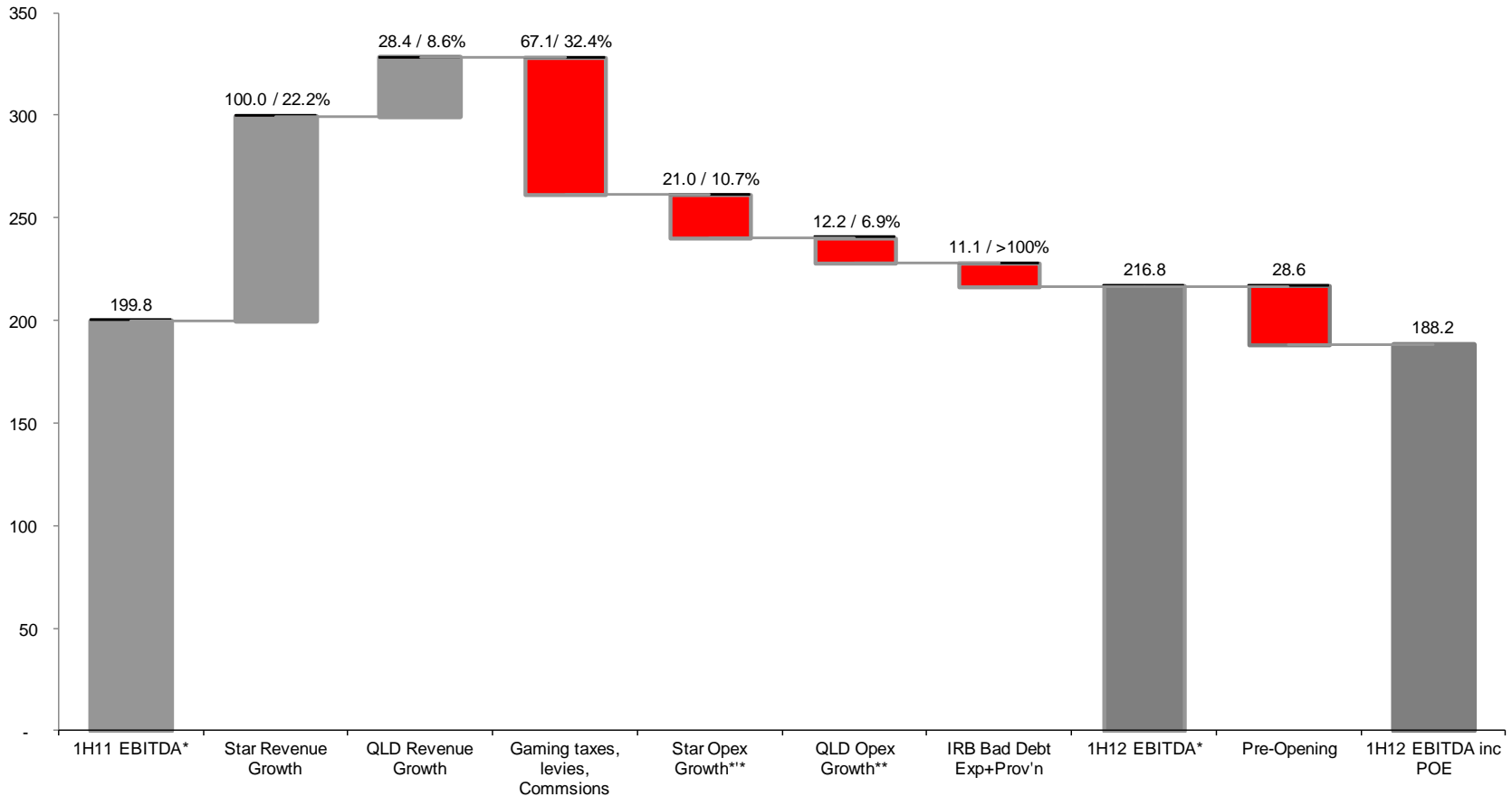
- | | |
|---------------|-------------------|
| 1. Overview | Larry Mullin, CEO |
| 2. Financials | Matt Bekier, CFO |
| 3. Q&As | Larry Mullin, CEO |

1H12 results overview

- NPAT of \$70.2m not comparable to pcg given demerger. Interim dividend per share of 4.0c declared
- 1H12 a “half of transition” as The Star transformation gathers momentum towards completion later in the year on budget and within timetable
- Pleasing growth at The Star with revenue up 22.2% in half and acceleration post 15 September initial opening
 - Slot revenues up 10%
 - MGF table revenues up 7%
 - PGR revenues up 4%
 - VIP revenue up 122% (100% normalised)
- Actual EBITDA (excluding pre opening expense) up 8.6% to \$216.8m due to solid revenue growth and a positive win rate offset by higher initial operating costs post The Star openings, increased bad debt provisions and a soft consumer environment. Normalised EBITDA of \$209.2m down 2.1% on the pcg.
- Growth strategy and program on track

Key drivers of 1H12 result

EBITDA (\$m)



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

* Result excludes pre opening costs of \$28.6m (FY'12) and \$3.6m (FY'11)

** Excludes Net Bad and Doubtful Debts

The Star – Successive openings in 2012

Non-gaming

Gaming

- Significant new product opened over the course of 2Q12
- Key mass market visitation drivers still to come

| FY12 | | | | | | | |
|----------------------------|----------------|------------------|--------------------|----------------------|---------------------|--------------------|--------------------|
| July | August | September | October | November | December | 2H12 | FY13 |
| Vestibule | Gaming Area 5A | Pirrama Rd Entry | Sokyo | Retail Phase 3 | Pymont St Entry | Nightclub | Events Centre |
| Gaming Area 1C | Gaming Area 5B | Black by Ezard | Momofuku | Signature Suites | MGF Café | Sovereign Lakes | Golden Century |
| | | Balla | Zumbo Patisserie | MGF Area 3B | Retail Phase 4 | VIP suites refurb | |
| | | Cherry Bar | Spa | MGF Area 7B | Gaming Area 2 | Hotel room refurb | |
| | | Retail Phase 1 | The Darling | Cage Area 3B | Gaming Area 7C | | |
| | | SR Outdoor | Retail Phase 2 | Baccarat Area 8A | VIP salons | | |
| | | Cage Area 7 | | | | | |
| | | Sports Theatre | | | | | |
| Additional product: | | | | | | | |
| | 8 Tables | 18 Tables | 174 seats | 3 outlets | Access | Up to 1,500 guests | Up to 4,000 guests |
| | | 81 MTGMs | 12 treatment rooms | 14 hotel room suites | 1 outlet | 10 gaming salons | 220 Seats |
| | | 346 seats | 157 rooms | | 84 tables | 10 suites | |
| | | Access | 3 outlets | | 217 MTGMs | 37 rooms | |
| | | 13 outlets | | | 4 VIP gaming suites | | |
| | | 100 EGMs | | | | | |

The Star – Opened 15 Sept – Entrance and Cherry



The Star – Opened 15 Sept – Balla & Black



The Star – Opened 15 Sept – Retail & Café Court



The Star - Opened 25 Oct – The Darling



The Star - Opened 25 Oct – Restaurants and Spa



Momofuku Seiobo



Sokyo



Spa relaxation area



Spa reception

The Star - Opened January 2012 – VIP salons



ECHO ENTERTAINMENT GROUP

The Star – Positive response to openings



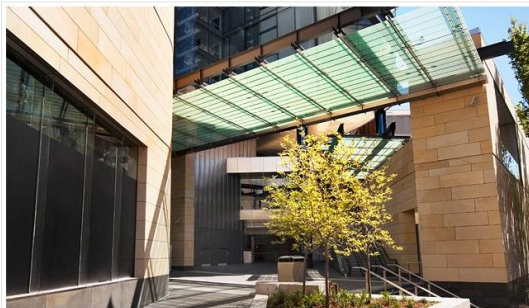
Celebrity dining is the new black



Glittering celebrity galaxy at The Star casino relaunch

Hotel of the Week - The Darling Hotel and Spa, Sydney

CHRISTINE MCCABE The Australian November 01, 2011 5:28PM



The just-opened Darling Hotel and Spa, Sydney, is part of the \$670 million redevelopment of The Star casino complex. GALLERY
Source: The Australian

Leo's Wonder-ful night out

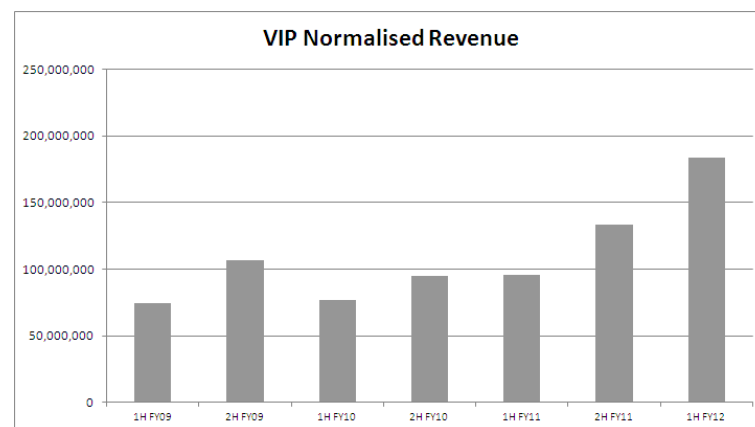
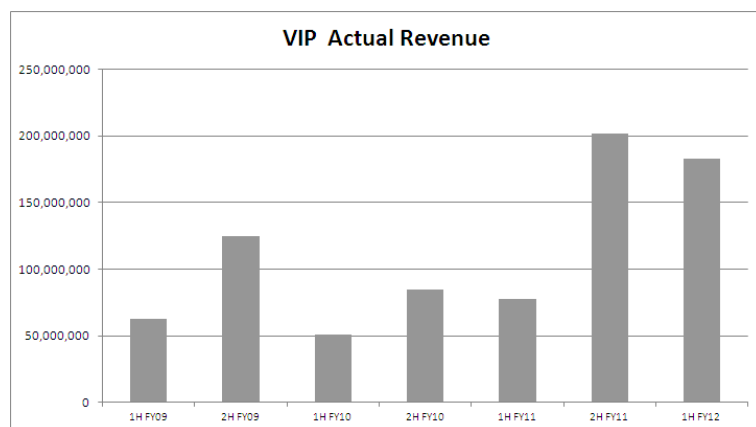


Why Momofuku Seiobo will change Sydney dining



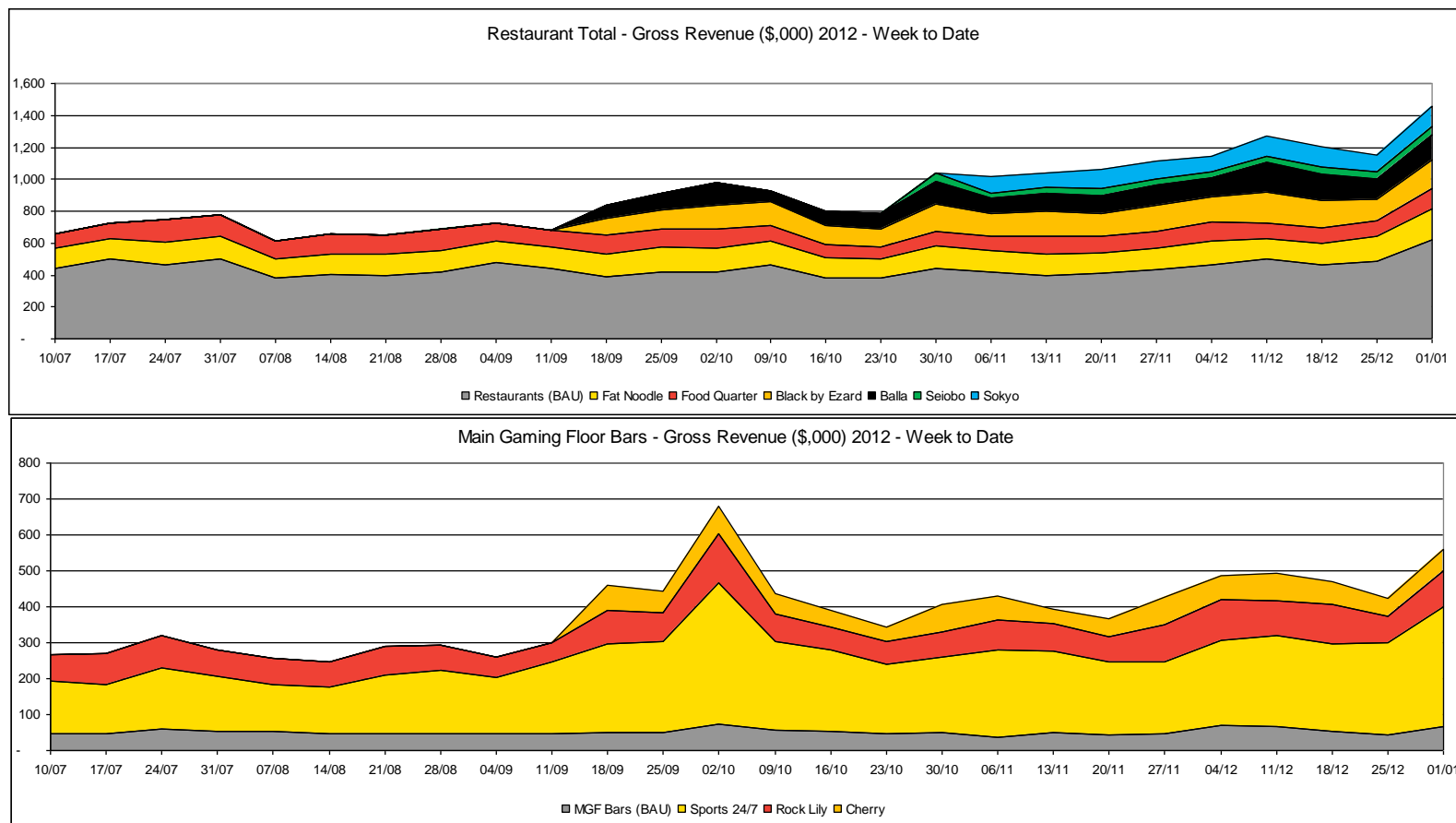
IRB continues strong growth in 1H12

- IRB business continues strong momentum with gross revenue up 134.8% to \$183.3m (normalised gross revenue up 92.2% to \$184.1m).
- Win rate solid and above trend at 1.75% - but turns lower at 13.7 times compared to 15.6 times average over the last 5 years
- Bad debt provisioning and expense of \$10.7m – equivalent to 5.8% of gross revenue
- Actual revenue CAGR of 35.2% (43.2% norm) from 1H09-1H12
- Strong growth expected to continue driven by capacity added in December and January with 14 additional salons at The Star taking total capacity to 21 salons at The Star



The Star restaurants and bars – Solid initial results

- Initial performance of the new signature restaurants and bars solid with limited cannibalisation evident in existing areas
- Restaurant and bar revenue up 19.9% to \$26.8m in 1H12



Project Star – Update on progress

| | Status | Comments |
|--------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capex |  | <ul style="list-style-type: none"> Project Star capex 85% spent, tracking on time and budget Remaining capex now 95% let with majority at fixed price |
| Slots |  | <ul style="list-style-type: none"> 27.2% revenue growth 1H09-1H12 Loyalty program significant driver of growth Expect continued growth with commissioning of traffic drivers |
| MTGMs |  | <ul style="list-style-type: none"> Significant increase in product (615 seats at end of 1H12) Demand has remained strong (1H12 NMR of \$392/day) Growth to be driven by product innovation and capacity |
| VIP |  | <ul style="list-style-type: none"> Actual revenue CAGR of 42.9% since 1H09 (40.5% norm) Full benefit of improved product and capacity still to come Management team strengthened |
| Non-gaming |  | <ul style="list-style-type: none"> Restaurant and bar covers strong with limited cannibalisation Early days for The Darling but cash occupancy improving Positive reviews on new product |
| MGF and PGR tables |  | <ul style="list-style-type: none"> Trajectory improved since 2Q12 openings although business still at low levels relative to market potential Key mass drivers (events centre and nightclub) to come Momentum expected to continue to build |

Key milestones to realise potential of Echo

Milestone

Make NSW licence competitive

Attract experienced casino talent

Demerge from TAH

Manage disruption during expansion

Complete Star expansion on time/budget

Obtain Qld concessions

Create Entertainment destinations

Drive earnings and efficiency post expansion

Deliver a distinctive service experience everywhere, every time

Complete Qld expansion projects on time and budget

Status

Partially completed

Strong team in place

Completed June 2011

Completed – growth sustained during Star construction

On track

Process on track – main concessions received

Underway - events centre to be completed 2HFY13

Focus on bottom line through: (1) driving top-line growth and margins at The Star, (2) optimising post demerger corporate costs across the group

Early days – measurement system and target metrics established

Early days – need to obtain all concessions first

2008

2012

2018

Outlook and summary

- Project Star on plan and on budget
- Balance sheet solid and geared to deliver growth
- Growth trajectory for Echo in 2H12 to improve despite weak consumer environment
 - 2H12 expected to see sustained revenue growth driven by new product and expansions at The Star – although margins to remain below optimal levels as business completes launch phase
 - Cost management and re-organisation program at The Star and across the group to begin implementation during 2H12 with target FY14 for achievement of optimal margins
 - Queensland growth expected to accelerate in 2H12 given impact of floods on pcg and the roll-out of additional EGMs following the approval of our voluntary pre-commitment system in February
- True value of The Star to be realised over time as all traffic drivers are implemented
- Current trading for the start of 2H12 solid given cautious consumer environment. Revenues up 6.3% (15.2% normalised) from 1 January 2012 to 18 February 2012. Revenue ex VIP up 4.9%.

Agenda

1. Overview and Strategy

Larry Mullin, CEO

2. Financials

Matt Bekier, CFO

3. Q&As

Larry Mullin, CEO

Echo group financials

| \$ millions | 1H 12 | 1H 11 | Growth | 1H 12 | 1H 11 | Growth |
|-------------------------------|--------------|--------------|-----------------|--------------|--------------|----------------|
| | Actual | Actual | % | Norm** | Norm** | % |
| VIP Turnover | 10,443.2 | 6,173.5 | 69.2% | 11,928.0 | 6,216.0 | 91.9% |
| Revenue | 908.2 | 779.8 | 16.5% | 908.9 | 797.7 | 14.0% |
| Variable Contribution | 633.8 | 572.4 | 10.7% | 626.2 | 586.2 | 6.8% |
| Operating expenditure | (417.0) | (372.6) | 11.9% | (417.0) | (372.6) | 11.9% |
| EBITDA * | 216.8 | 199.8 | 8.6% | 209.2 | 213.6 | (2.1%) |
| Depreciation and Amortisation | (59.0) | (47.1) | 25.3% | (59.0) | (47.2) | 25.0% |
| Underlying EBIT * | 157.8 | 152.7 | 3.3% | 150.2 | 166.4 | (9.7%) |
| Pre opening expenses | (28.6) | (3.6) | >100% | | | |
| EBIT | 129.2 | 149.1 | (13.3%) | | | |
| Net interest | (40.1) | 0.1 | (>100%) | | | |
| Tax | (18.9) | (45.2) | (58.2%) | | | |
| NPAT | 70.2 | 104.0 | (32.5%) | | | |

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

* Actual and Normalised EBITDA and EBIT excludes pre opening costs of \$28.6m (FY'12) and \$3.6m (FY'11),

** Normalised for average win rate (1.54%) and average number of turns of front money (15.6 times) experienced over the last 5 years, calculated on a rolling basis.

FY12 1H revenue analysis

Percent revenue growth on pcp

| The Star | 1H12 | 1Q12 | 2Q12 |
|------------------------|--------|---------|--------|
| EGMs | 9.7% | 9.6% | 9.8% |
| MGR (incl MTGMS) | 6.6% | 4.2% | 8.9% |
| PGR | 4.0% | (6.5%) | 16.9% |
| VIP (Normalised Gross) | 99.1% | 93.5% | 105.1% |
| Non-gaming | (5.0%) | (22.4%) | 12.9% |

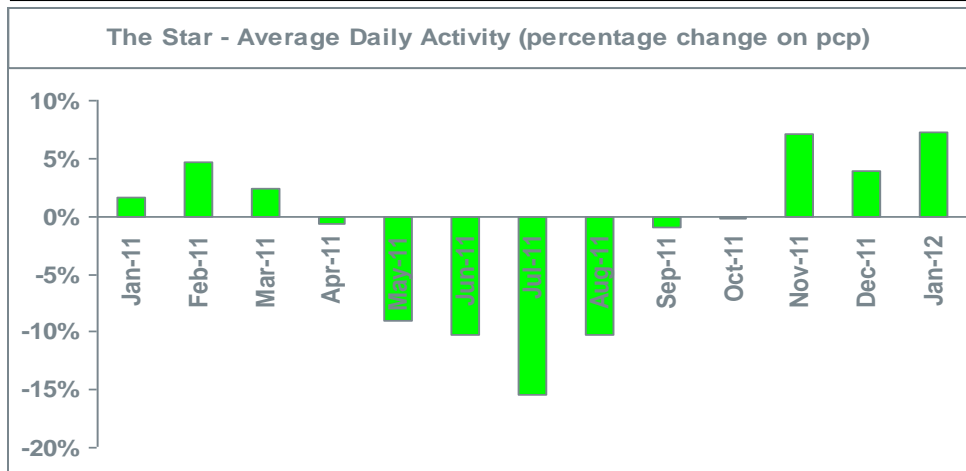
| Queensland | 1H12 | 1Q12 | 2Q12 |
|------------------------|--------|---------|---------|
| EGMs | 0.3% | 0.6% | 0.0% |
| MGR (incl MTGMS) | 5.1% | 3.3% | 6.9% |
| PGR | 4.1% | 21.2% | (10.5%) |
| VIP (Normalised Gross) | 54.9% | (34.1%) | 200.3% |
| Non-gaming | (2.0%) | 2.9% | (6.7%) |

Observations:

- Consumers remained cautious over the half
- VIP volumes up strongly with healthy win rate
- EGM's solid and continue on the momentum built over the last 2 years
- Table games and non-gaming gained momentum in 2Q12 driven by openings
- Consumer demand in core markets soft
- PGR win rate in 2Q12 impacted revenue growth compared to pcp
- Non-gaming impacted by theatre refurbishment at Jupiters Gold Coast

Discussion of results – KPIs

| Key Performance Indicators | ACTUAL | | NORMALISED | |
|----------------------------|-----------|-----------|------------|-----------|
| | 1H 12 | 1H 11 | 1H 12 | 1H 11 |
| Revenue % gaming | 87% | 85% | 87% | 85% |
| EGM NMR | \$327 | \$316 | \$327 | \$316 |
| MTGM Average Units | 433 | 314 | 433 | 314 |
| MTGM NMR | \$392 | \$416 | \$392 | \$416 |
| TG Average Tables | 473 | 435 | 473 | 435 |
| TG Revenue/Table/Day | \$5,620 | \$4,733 | \$5,629 | \$4,954 |
| TG Revenue/TG staff | \$231,130 | \$196,484 | \$231,503 | \$205,673 |
| VIP Front Money \$M | 763.2 | 397.7 | 763.2 | 397.7 |
| EBITDA Margin | 23.9% | 25.6% | 23.0% | 26.8% |
| Revenue/staff | \$133,683 | \$125,802 | \$133,800 | \$128,662 |
| Revenue/staff opex | 3.5x | 3.4x | 3.5x | 3.5x |
| Capex \$M | 215 | 215 | 215 | 215 |



Observations:

- Inconsistency in entrances and timing of opening makes 1H12 visitation data difficult to compare
- Activity index shows a consistent improvement in visitation over the course of 1H12 as new areas opened
- Visitation to The Star expected to continue to improve as market drivers open over the course of the next 12 months

Echo progressing to the next phase

- Significant increase in The Star operating expenses during 1H12, up 30% to \$256.3m due to pre opening expenses and deliberate over-servicing to encourage customer intent to return
- The Star now entering operating phase - cost management program to be initiated from 2H12 with the objective of optimising operating margins by product type by FY14
- Echo Group also moving into next phase of maturity. Demerger activities have been accelerated to be completed by April. Now focus on cost optimisation across the group



Construction

- Disruption management
- Delivery to budget
- OH&S

Opening

- Customer trial and customer intent to return
- Rebranding of The Star as a premier entertainment destination

Operating

- Fully realise revenue potential of the market
- Streamline cost base to most efficient structure

Reduce run rate of expenses by \$30m by FY 2014

2010

2011

2012

Demerger

- Build up standalone operations
- De-connect from Tabcorp

Operating

- Streamline cost base to most efficient structure across all properties

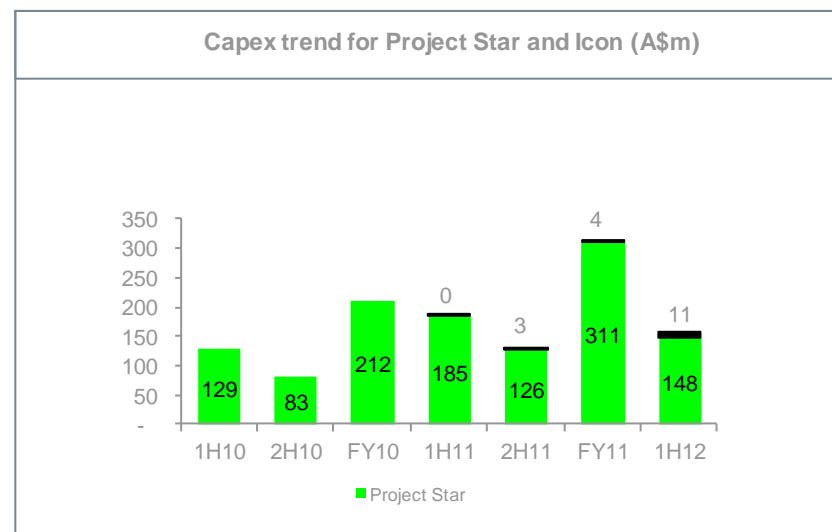
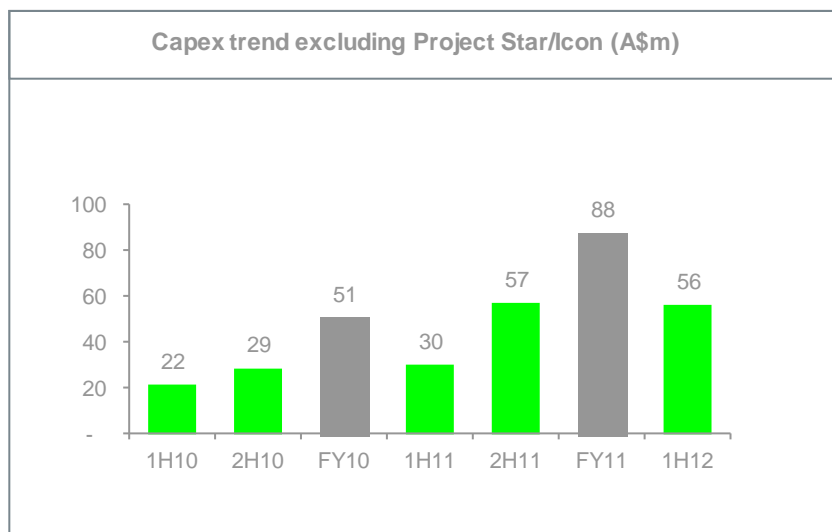
Pre opening expenses in 1H12

- Significant pre opening expenses (POE) in 1H12 associated with the launch of The Star
- Majority of expenses related to:
 - Advertising and promotions around two major launch events and the re-branding of The Star
 - Employee and other costs of new areas prior to opening
- Level of POE required for what is a transformational investment and turnaround
- A further \$7m to \$8m of pre opening expenses for 2H12 associated with the nightclub and Golden Century opening

| \$M | The Star |
|---------------------------------------|-------------|
| Actual | 1H12 |
| Launch Costs, Advertising & Promotion | 16.3 |
| Employee and Other Costs | 10.0 |
| Venue Startup Costs | 2.3 |
| Pre opening expenses | 28.6 |

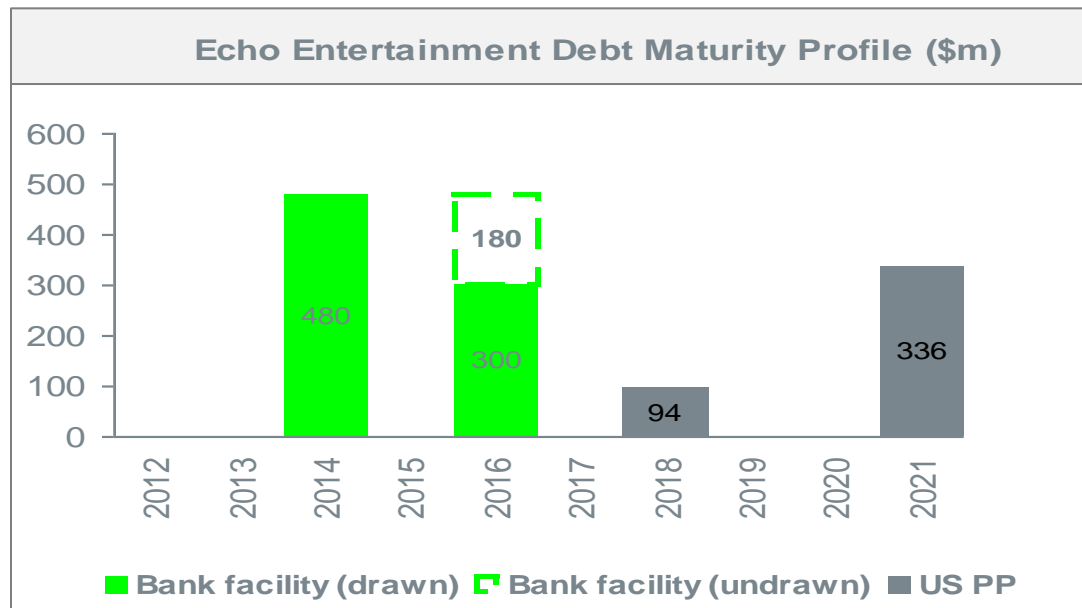
Capital expenditure

- 1H12 capex \$215m, including \$148m for Project Star and \$11m for Queensland expansion (Project Icon)
- Project Star capex of \$870m around 85% complete with total project scope unchanged
- Concept development and approvals for Icon progressing. A number of approvals received in 1H12. We continue to work with the government for the remaining approvals
- FY12 capex expected to be between \$340m and \$360m
- FY12 D&A expense expected to be between \$120m and \$130m
- FY13 capex likely to be lower than previously advised



Echo funding

- Net debt of A\$1,107m at 31 December 2011
- Undrawn bank facilities of \$180m at 31 December 2011 and an average debt maturity of 5.2 years
- FY12 net interest expected to be in the range of \$90m to \$95m
- Planned average dividend payout ratio of 50% of net profit after tax for the full year and through growth phase of the business to fund capital expenditure programs



Note: USPP borrowings above are stated at the AUD amount repayable under cross currency swaps. Debt maturities are all in June of each year shown.

Balance sheet and dividend

| \$m | 31-Dec-11 | 30-Jun-11 |
|--------------------------------------|----------------|----------------|
| Current Assets | | |
| Cash and cash equivalents | 109.9 | 108.2 |
| Receivables | 135.8 | 87.6 |
| Other | 43.0 | 32.8 |
| Total Current Assets | 288.7 | 228.6 |
| Non-Current Assets | | |
| Property, plant and equipment | 1,905.0 | 1,764.6 |
| Licences and Intangible assets | 1,868.6 | 1,863.2 |
| Derivative financial instruments | 71.5 | 11.7 |
| Other non-current assets | 26.1 | 23.4 |
| Total Non-Current Assets | 3,871.2 | 3,662.9 |
| Total Assets | 4,159.9 | 3,891.5 |
| Current Liabilities | | |
| Payables | 168.3 | 155.0 |
| Derivative financial instruments | 24.3 | 27.7 |
| Other current liabilities | 70.3 | 58.9 |
| 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 |
| Derivative financial instruments | 70.6 | 22.1 |
| Other non-current liabilities | 8.1 | 7.4 |
| 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 |
| Shareholders' Equity | | |
| Issued capital | 2,138.0 | 2,138.0 |
| Retained earnings | 315.5 | 245.3 |
| Reserves | (15.0) | (5.3) |
| Total shareholders' equity | 2,438.5 | 2,378.0 |

- Net Debt increased to \$1,107m* due primarily to:
 - Timing of capex on projects in 1H12
 - Cashflow impact of pre opening costs associated with The Star launch
- Growth in receivables reflects continued ramp-up in VIP business
- Interim dividend per share of 4.0c declared

* Gross and Net Debt include capitalised borrowing costs but do not include mark-to-market value of financial derivatives.

Agenda

1. Overview and Strategy

Larry Mullin, CEO

2. Financials

Matt Bekier, CFO

3. Q&As

Larry Mullin, CEO

Appendix

| | |
|----------------------------------------------|---------|
| The Star and Queensland results – Actual | Page 30 |
| The Star and Queensland results – Normalised | Page 31 |
| Operating Expenses – The Star | Page 32 |
| Expense Growth – Echo | Page 33 |
| Gaming Tax – The Star | Page 34 |

The Star and Queensland results - Actual

| ACTUAL | The Star | | | QLD | | | Total | | |
|--------------------------------------|----------|---------|---------------|---------|---------|---------------|----------|---------|---------------|
| \$m | 1H 12 | 1H 11 | Change on pcp | 1H 12 | 1H 11 | Change on pcp | 1H 12 | 1H 11 | Change on pcp |
| EGM | 125.2 | 114.1 | 9.7% | 144.3 | 143.9 | 0.3% | 269.5 | 258.0 | 4.5% |
| Main gaming floor | 165.2 | 155.0 | 6.6% | 72.8 | 69.3 | 5.1% | 238.0 | 224.3 | 6.1% |
| PGR | 64.7 | 62.2 | 4.0% | 35.8 | 34.4 | 4.1% | 100.5 | 96.6 | 4.0% |
| Non-Gaming | 44.8 | 47.1 | (5.0%) | 67.4 | 68.8 | (2.0%) | 112.2 | 115.9 | (3.2%) |
| Total domestic | 399.9 | 378.4 | 5.7% | 320.3 | 316.4 | 1.2% | 720.2 | 694.8 | 3.7% |
| VIP rebate (Gross) | 148.9 | 67.1 | 121.9% | 34.4 | 10.9 | 215.6% | 183.3 | 78.0 | 134.8% |
| Other revenue | 2.3 | 5.6 | (58.9%) | 2.4 | 1.4 | 71.4% | 4.7 | 7.0 | (32.9%) |
| Total revenue | 551.1 | 451.1 | 22.2% | 357.1 | 328.7 | 8.6% | 908.2 | 779.8 | 16.5% |
| Gaming taxes, levies and commissions | (191.9) | (137.8) | 39.3% | (82.5) | (69.6) | 18.5% | (274.4) | (207.4) | 32.3% |
| Operating expenses | (227.7) | (194.0) | 17.4% | (189.3) | (178.6) | 6.0% | (417.0) | (372.6) | 11.9% |
| EBITDA | 131.5 | 119.3 | 10.2% | 85.3 | 80.5 | 6.0% | 216.8 | 199.8 | 8.5% |
| Depreciation and amortisation | (36.4) | (26.8) | 35.8% | (22.6) | (20.3) | 11.3% | (59.0) | (47.1) | 25.3% |
| EBIT | 95.1 | 92.5 | 2.8% | 62.7 | 60.2 | 4.2% | 157.8 | 152.7 | 3.3% |
| EBITDA/Revenue % | 23.9% | 26.4% | | 23.9% | 24.5% | | 23.9% | 25.6% | |
| VIP front money A\$m | 657.7 | 329.5 | 99.6% | 105.6 | 68.2 | 54.8% | 763.2 | 397.7 | 91.9% |
| VIP turnover A\$m | 8,775.2 | 5,399.5 | 62.5% | 1,668.0 | 774.1 | 115.5% | 10,443.2 | 6,173.5 | 69.2% |
| VIP win rate | 1.70% | 1.20% | | 2.10% | 1.40% | | 1.75% | 1.26% | |
| Pre opening expenses | | | | | | | (28.6) | (3.6) | (>100%) |
| Net interest (expense)/income | | | | | | | (40.1) | 0.1 | (>100%) |
| Tax | | | | | | | (18.9) | (45.2) | (58.2%) |
| NPAT | | | | | | | 70.2 | 104.0 | (32.5%) |

Note: Queensland is the combination of Jupiters and Treasury segments as per the statutory accounts

* EBITDA and EBIT excludes pre opening costs of \$28.6m (FY'12) and \$3.6m (FY'11),

The Star

- Revenue growth 22%
- The Star re-launch initiated from 2Q12
- Domestic business gaining momentum post launch
- EGM business continues to grow solidly

Queensland

- Domestic business impacted by a tough consumer environment
- Non-gaming softness partly caused by theatre redevelopment in Gold Coast

VIP

- Growth rate assisted by high win rate
- Continued underlying growth driven by investment in marketing and jets

The Star and Queensland results - Normalised

| NORMALISED | The Star | | | QLD | | | Total | | |
|--------------------------------------|----------|---------|---------------|---------|---------|---------------|----------|---------|---------------|
| \$m | 1H 12 | 1H 11 | Change on pcp | 1H 12 | 1H 11 | Change on pcp | 1H 12 | 1H 11 | Change on pcp |
| EGM | 125.2 | 114.1 | 9.7% | 144.3 | 143.9 | 0.3% | 269.5 | 258.0 | 4.5% |
| Main gaming floor | 165.2 | 155.0 | 6.6% | 72.8 | 69.3 | 5.1% | 238.0 | 224.3 | 6.1% |
| PGR | 64.7 | 62.2 | 4.0% | 35.8 | 34.4 | 4.1% | 100.5 | 96.6 | 4.0% |
| Non-Gaming | 44.8 | 47.1 | (5.0%) | 67.4 | 68.8 | (2.0%) | 112.2 | 115.9 | (3.2%) |
| Total Domestic | 399.9 | 378.4 | 5.7% | 320.3 | 316.4 | 1.2% | 720.2 | 694.8 | 3.7% |
| VIP rebate (Gross)** | 158.3 | 79.5 | 99.1% | 25.7 | 16.2 | 54.9% | 184.0 | 95.7 | 92.2% |
| Other revenue | 2.3 | 5.6 | (58.9%) | 2.4 | 1.6 | 50.0% | 4.7 | 7.2 | (34.7%) |
| Total revenue | 560.5 | 463.5 | 21.0% | 348.4 | 334.2 | 4.2% | 908.9 | 797.7 | 14.0% |
| Gaming taxes, levies and commissions | (201.6) | (138.1) | 46.0% | (81.6) | (73.4) | 10.8% | (283.2) | (211.5) | 33.9% |
| Operating expenses | (227.2) | (194.0) | 17.4% | (189.3) | (178.6) | 6.0% | (417.0) | (372.6) | 11.9% |
| Normalised EBITDA* | 131.7 | 131.4 | 0.1% | 77.5 | 82.2 | (5.5%) | 209.2 | 213.6 | (2.1%) |
| Depreciation and amortisation | (36.4) | (26.8) | 35.8% | (22.6) | (20.4) | 10.8% | (59.0) | (47.2) | 25.0% |
| Normalised EBIT* | 95.3 | 104.6 | (9.1%) | 54.9 | 61.8 | (10.9%) | 150.2 | 166.4 | (9.7%) |
| EBITDA/Revenue % | 23.5% | 28.4% | | 22.2% | 24.6% | | 23.0% | 26.8% | |
| VIP front money A\$M | 657.7 | 329.5 | 99.6% | 105.6 | 68.2 | 54.8% | 763.2 | 397.7 | 91.9% |
| VIP turnover A\$M | 10,278.1 | 5,149.9 | (100.0%) | 1,649.9 | 1,066.0 | 54.8% | 11,928.0 | 6,216.0 | 91.9% |
| VIP win rate | 1.54% | 1.54% | | 1.54% | 1.54% | | 1.54% | 1.54% | |
| Normalised EBIT* | 95.3 | 104.6 | (8.9%) | 54.9 | 61.8 | (11.2%) | 150.2 | 166.4 | (9.7%) |
| Reconciliation to statutory NPAT | | | | | | | | | |
| Pre opening expenses | | | | | | | (28.6) | (3.6) | (>100%) |
| Normalisation adjustment | | | | | | | 7.6 | (13.7) | 155.5% |
| Statutory EBIT | | | | | | | 129.2 | 149.1 | 13.3% |
| Net interest (expense)/income | | | | | | | (40.1) | 0.1 | (>100%) |
| Tax | | | | | | | (18.9) | (45.2) | 58.2% |
| NPAT | | | | | | | 70.2 | 104.0 | 32.5% |

Note: Queensland is the combination of Jupiters and Treasury segments

* Actual EBITDA and EBIT excludes pre opening costs of \$28.6m (FY'12) and \$3.6m (FY'11), Normalised and segment EBITDA and EBIT excludes these costs

** Normalised for average win rate experienced over the last 5 years (1.54%) and average number of turns of front money (15.6 times)

The Star

- Revenue growth 21%
- The Star re-launch initiated from 2Q12
- Domestic business gaining momentum post launch
- EGM business continues to grow solidly

Queensland

- Domestic business impacted by a tough consumer environment
- Non-gaming softness partly caused by theatre redevelopment in Gold Coast

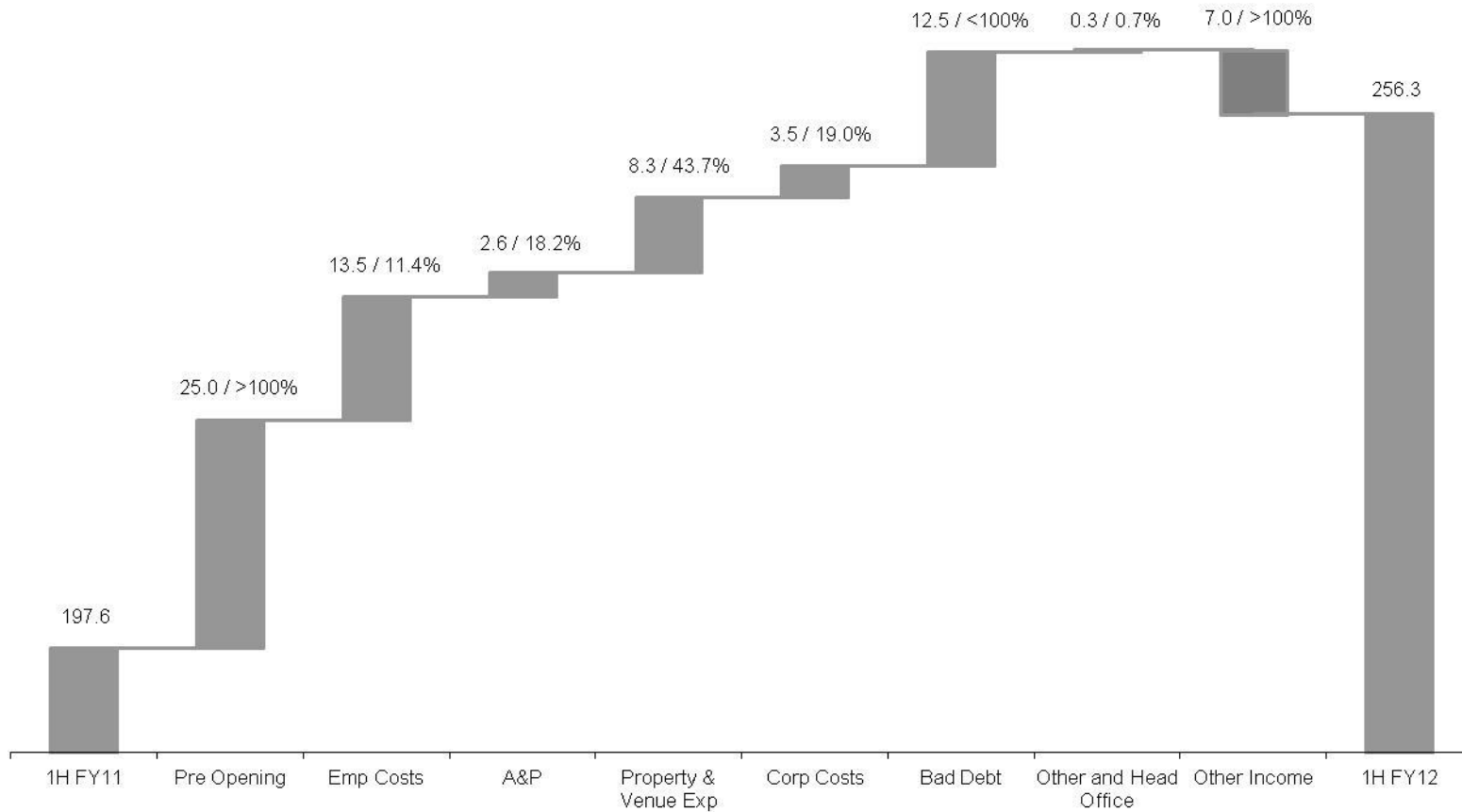
VIP

- Growth rate assisted by high win rate
- Continued underlying growth driven by investment in marketing and jets

Operating expenses – The Star

1H expense growth (including pre opening expenses)

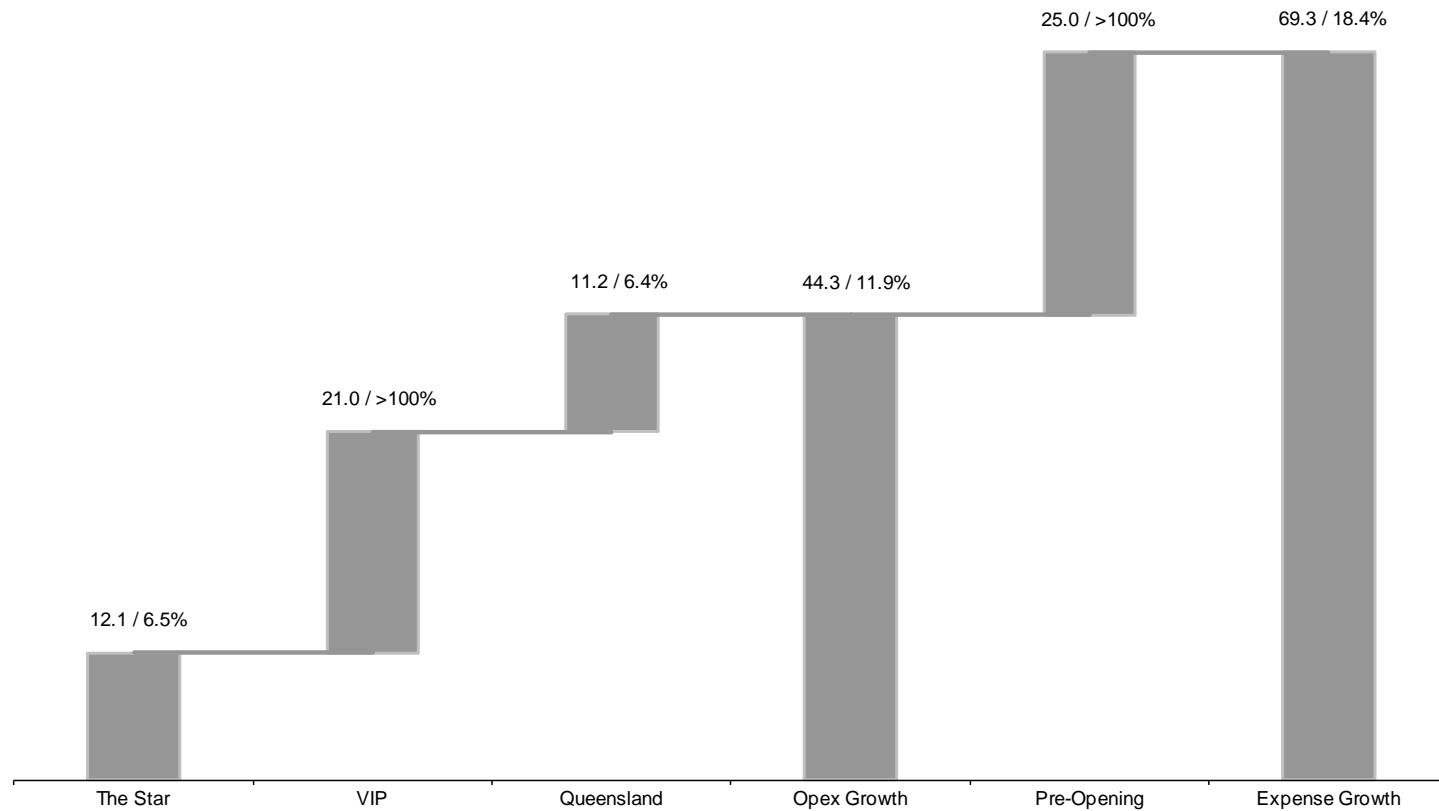
\$m / % change on last year



Expense growth – Echo

1H expense growth (including pre opening expenses)

\$m / % change on last year within Category



Gaming tax – The Star

- The Star gaming tax increased 20% to \$111m driven by gaming revenue growth (including VIP) and an increase in the base tax rate on domestic revenues by 1% to 26.5% during FY12
- FY12 domestic gaming revenue taxed at 26.5% up to an estimated threshold of \$653m with a progressive tax rate increase applying to incremental revenue above that level (as per table below)
- IRB gaming revenues taxed at a flat 10% rate
- Domestic gaming revenue base tax rate increases a further 1% in FY13 to 27.5% (as per table below) and all tax bands are indexed at CPI

| FY12 | | | FY13 | | | FY14 | | |
|-------------|-------------|----------|-------------|-------------|----------|-------------|-------------|----------|
| Lower Band | Upper Band | Tax Rate | Lower Band | Upper Band | Tax Rate | Lower Band | Upper Band | Tax Rate |
| 0 | 652,800,000 | 26.5% | 0 | 677,700,000 | 27.5% | 0 | 696,000,000 | 27.5% |
| 652,800,000 | 658,300,000 | 27.5% | 677,700,000 | 683,400,000 | 28.5% | 696,000,000 | 701,900,000 | 28.5% |
| 658,300,000 | 663,700,000 | 28.5% | 683,400,000 | 689,000,000 | 29.5% | 701,900,000 | 707,700,000 | 29.5% |
| 663,700,000 | 669,200,000 | 29.5% | 689,000,000 | 694,700,000 | 30.5% | 707,700,000 | 713,500,000 | 30.5% |
| 669,200,000 | 674,600,000 | 30.5% | 694,700,000 | 700,300,000 | 31.5% | 713,500,000 | 719,300,000 | 31.5% |
| 674,600,000 | 680,000,000 | 31.5% | 700,300,000 | 705,900,000 | 32.5% | 719,300,000 | 725,000,000 | 32.5% |
| 680,000,000 | 685,500,000 | 32.5% | 705,900,000 | 711,600,000 | 33.5% | 725,000,000 | 730,900,000 | 33.5% |
| 685,500,000 | 690,900,000 | 33.5% | 711,600,000 | 717,200,000 | 34.5% | 730,900,000 | 736,600,000 | 34.5% |
| 690,900,000 | 696,400,000 | 34.5% | 717,200,000 | 722,900,000 | 35.5% | 736,600,000 | 742,500,000 | 35.5% |
| 696,400,000 | 701,800,000 | 35.5% | 722,900,000 | 728,500,000 | 36.5% | 742,500,000 | 748,200,000 | 36.5% |
| 701,800,000 | 707,200,000 | 36.5% | 728,500,000 | 734,100,000 | 37.5% | 748,200,000 | 754,000,000 | 37.5% |
| 707,200,000 | 712,700,000 | 37.5% | 734,100,000 | 739,800,000 | 38.5% | 754,000,000 | 759,800,000 | 38.5% |
| 712,700,000 | 718,100,000 | 38.5% | 739,800,000 | 745,400,000 | 39.5% | 759,800,000 | 765,600,000 | 39.5% |
| 718,100,000 | 723,600,000 | 39.5% | 745,400,000 | 751,100,000 | 40.5% | 765,600,000 | 771,400,000 | 40.5% |
| 723,600,000 | 729,000,000 | 40.5% | 751,100,000 | 756,800,000 | 41.5% | 771,400,000 | 777,300,000 | 41.5% |
| 729,000,000 | 734,400,000 | 41.5% | 756,800,000 | 762,400,000 | 42.5% | 777,300,000 | 783,000,000 | 42.5% |
| 734,400,000 | 739,900,000 | 42.5% | 762,400,000 | 768,100,000 | 43.5% | 783,000,000 | 788,900,000 | 43.5% |
| 739,900,000 | 745,300,000 | 43.5% | 768,100,000 | 773,700,000 | 44.5% | 788,900,000 | 794,600,000 | 44.5% |
| 745,300,000 | 750,800,000 | 44.5% | 773,700,000 | 779,400,000 | 45.5% | 794,600,000 | 800,500,000 | 45.5% |
| 750,800,000 | 756,200,000 | 45.5% | 779,400,000 | 785,000,000 | 46.5% | 800,500,000 | 806,200,000 | 46.5% |
| 756,200,000 | 761,600,000 | 46.5% | 785,000,000 | 790,600,000 | 47.5% | 806,200,000 | 812,000,000 | 47.5% |
| 761,600,000 | 767,100,000 | 47.5% | 790,600,000 | 796,300,000 | 48.5% | 812,000,000 | 817,900,000 | 48.5% |
| 767,100,000 | 772,500,000 | 48.5% | 796,300,000 | 801,900,000 | 50.0% | 817,900,000 | 823,600,000 | 50.0% |
| 772,500,000 | 778,000,000 | 49.5% | 801,900,000 | 807,600,000 | 50.0% | 823,600,000 | 829,500,000 | 50.0% |
| 778,000,000 | 783,400,000 | 50.0% | 807,600,000 | 813,200,000 | 50.0% | 829,500,000 | 835,200,000 | 50.0% |
| 783,400,000 | 999,999,999 | 50.0% | 813,200,000 | 999,999,999 | 50.0% | 835,200,000 | 999,999,999 | 50.0% |

Note: Tax rates include GST and the NSW Community Benefit Levy, Bands index at CPI and rounded up to the nearest hundred thousand. NSW CPI assumptions based on Access Economics forecasts

Disclaimer

- This presentation is prepared for information purposes only and does not take into consideration any individual investor's circumstances. Echo Entertainment Group recommends investors make their own assessments and seek independent professional advice before making investment decisions.
- This presentation may include forward looking statements and references which, by their very nature, involve inherent risks and uncertainties. These risks and uncertainties may be matters beyond Echo Entertainment Group's control and could cause actual results to vary (including materially) from those predicted. Forward looking statements are not guarantees of future performance.
- This presentation has been prepared by Echo Entertainment Group (unless otherwise indicated). Information may be reproduced provided it is reproduced accurately and not in a misleading context. Where the material is being published or issued to others, the sources and copyright status should be acknowledged. Some information included in this presentation has been provided by third parties with their consent. Echo Entertainment Group does not accept any responsibility for the accuracy or completeness of that information.