

Echo Entertainment Group Profile

Citigroup Aust & NZ Investment Conference
25 October 2011

ECHO ENTERTAINMENT GROUP



THE STAR

ETN
TREASURY
CASINO & HOTEL

Summary

- Echo Entertainment is a leading Australian entertainment and gaming company
- Echo operates four long-term casino licences in attractive markets that provide substantial strategic value
- Echo has a strong growth profile over the next six years that is driven by major redevelopment of key assets:
 - The Star in Sydney – Development nearing completion with earnings upside to be realised from 2HFY12
 - Queensland – Major redevelopments of SE Queensland properties starting FY12 with completion from FY15
 - VIP – Significant investment made in VIP offering to drive strong growth immediately
- Redeveloped properties and a focus on entertainment will reposition current assets as world class entertainment destinations
- Echo's solid balance sheet positions the business well to realise the significant growth potential

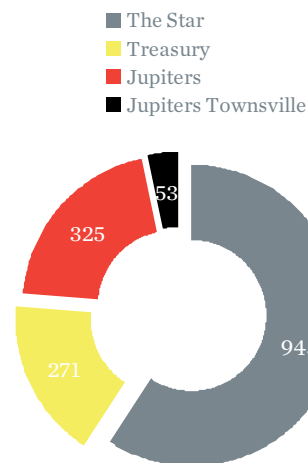
Echo Entertainment Group Profile

- Former casinos division of Tabcorp, demerger effective June 2011
- Owns and operates four casinos in
 - Sydney (The Star)
 - Queensland (Jupiters Gold Coast, Treasury Brisbane and Jupiters Townsville)
- Long-dated casino licences with Sydney (to 2093), Gold Coast (perpetual), Brisbane (perpetual, property lease to 2070) and Townsville (perpetual)
- Demerger means Echo is now a large pure-play casino company with an open shareholder register

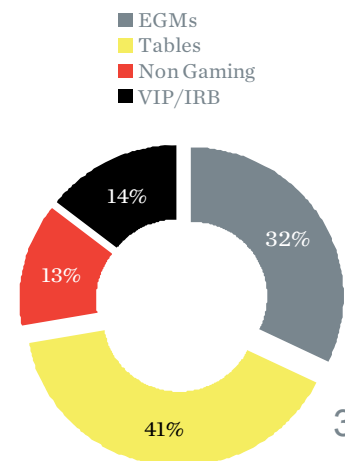
Echo property profiles as at 31 December 2010

	The Star	Jupiters Hotel & Casino	Treasury Hotel & Casino	Jupiters Townsville	Total for Echo
Tables	202	96	91	26	415
MTGMs	261	35	43	10	349
EGMs	1,500	1,368	1,280	346	4,494
Restaurants	5	6	6	3	20
Hotel rooms	490	594	130	194	1,408
Theatres	1	1	n/a	n/a	2
Conference & Banquet facilities	Y	Y	Y	Y	Y
Visitors/day	>25,000	>12,000	>11,000	>2,000	>50,000
Employees	3,618	2,083	1,632	476	7,809

Revenue by property – FY11 (\$m)



Revenue by Product - FY11



Strategic use of entertainment to leverage assets

- **Secure long-term licences in attractive markets** are Echo's most valuable assets – but can be better developed and better utilised by increasing customer traffic
- **Real expansion opportunities** at The Star, Queensland and VIP – to start being realised from FY12

Tapping the potential of our underlying markets:

1. Securing enough gaming capacity to meet the potential demand in our markets

Gaming concessions at The Star secured to date provide significant capacity to grow into the future. In principle agreement in Queensland providing for a significant capacity increase



2. Creating compelling reasons for customers to come to our properties to fully utilise that capacity

Making The Star an entertainment destination

- \$870m investment underway to transform The Star to a world class entertainment destination
- Gaming concessions secured (unlimited tables, re-classification of MTGMs) provide a strong base for investment - 60% expansion to MGF
- Transformational investment in non-gaming offering - entertainment now core to casino marketing strategy and a competitive advantage
- 85% of building mass completed with 92% of contracts let – limited residual project execution risk
- First full year of earnings in FY14 – expect incremental growth over the next three years as revenue builds and operating margins are improved post opening phase
- Staggered opening underway with major events on 15 September and 25 October

Star – Successive openings in 2011/2012

Non-gaming
Gaming

Project Star to be completed with major product opening between mid September and Christmas

FY12							
July	August	September	October Opening Today	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	Golden Century	
		Balla	Zumbo Patisserie	MGF Area 3B	VIP Suites refurb		
		Cherry Bar	Spa	MGF Area 7B	Retail Phase 4		
		Retail Phase 1	The Darling	Cage Area 3B	Gaming Area 2		
		SR Outdoor	Retail Phase 2	Baccarat Area 8A	Gaming Area 7C		
		Cage Area 7			VIP salons		
		Sports Theatre					
Additional product:							
	8 Tables	18 Tables	174 seats	3 outlets	Access	Up to 1,500 guests	Up to 4,000 guests
		142 MTGMs	12 treatment rooms	14 hotel room suites	1 outlet	220 Seats	
		346 seats	157 rooms	4 VIP gaming suites	84 tables		
		Access	3 outlets		100 MTGMs		
		13 outlets					
		100 EGMs					
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Opened 15 Sept – Pirrama Road Entrance



Opened 15 Sept – Balla & Black



Opened 15 Sept – Cherry



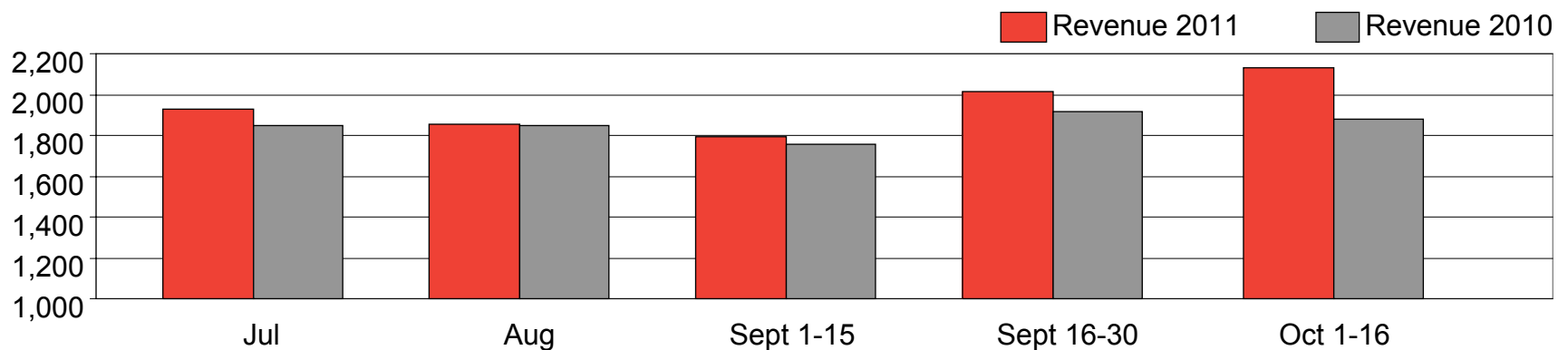
Opened 15 Sept – Retail & Café Court



Revenue trajectory for The Star since openings

- Initial performance of new areas pleasing and in-line with expectations
- Gaming revenue (ex PGR and VIP) up 10.5% on pcp from 16 September to 16 October
- PGR and VIP more volatile on a week-to-week basis given win rates, but both areas tracking up strongly
- Revenue uplift gaining momentum. Addition of significant gaming and non-gaming product in 2QFY12 is expected to continue to drive growth

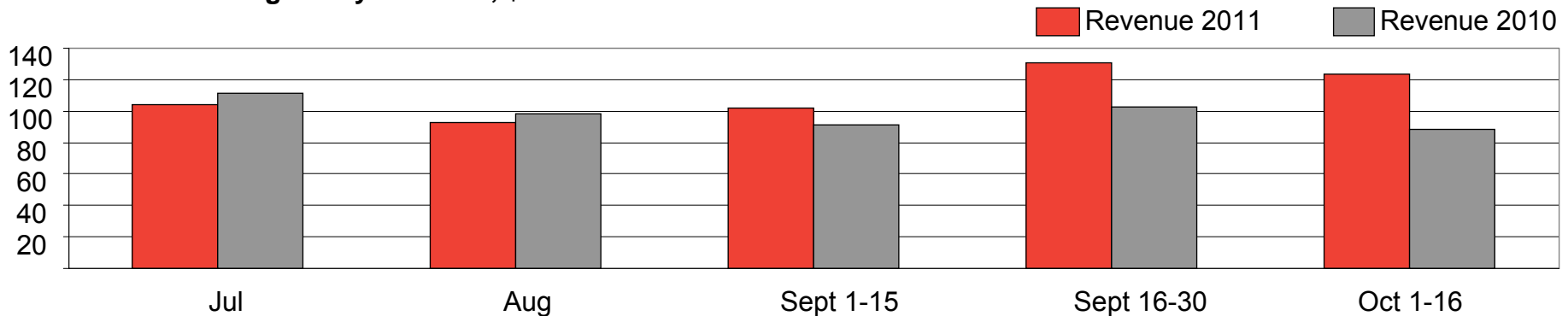
Total Property (Gaming and Non-Gaming) – Average Daily Revenue (Excl PGR & VIP Rebate), \$'000



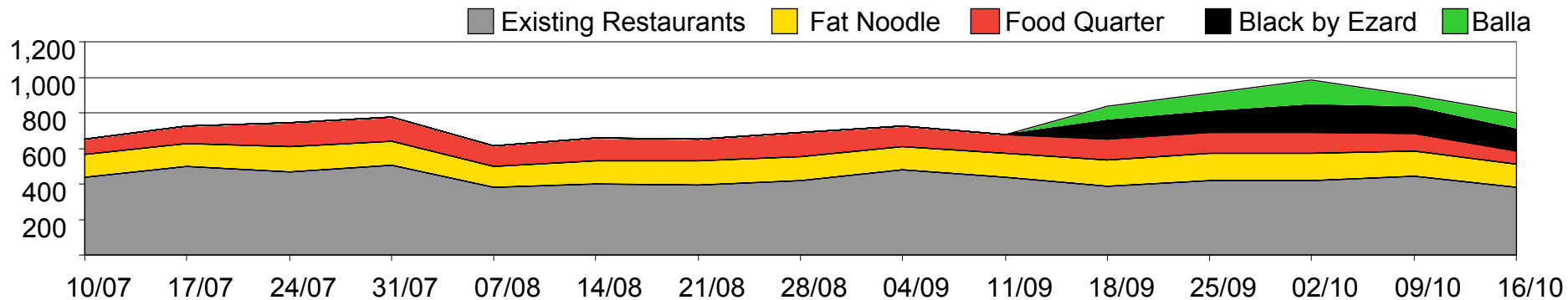
The Star restaurants – operating statistics

- Initial performance of new restaurants pleasing with little cannibalisation of existing offer
 - Black by Ezard - 177 covers/day, average check of \$119. Average daily revenue \$21,027
 - Balla - 210 covers/day, average check of \$86. Average daily revenue \$17,955

Restaurants – Average Daily Revenue, \$'000



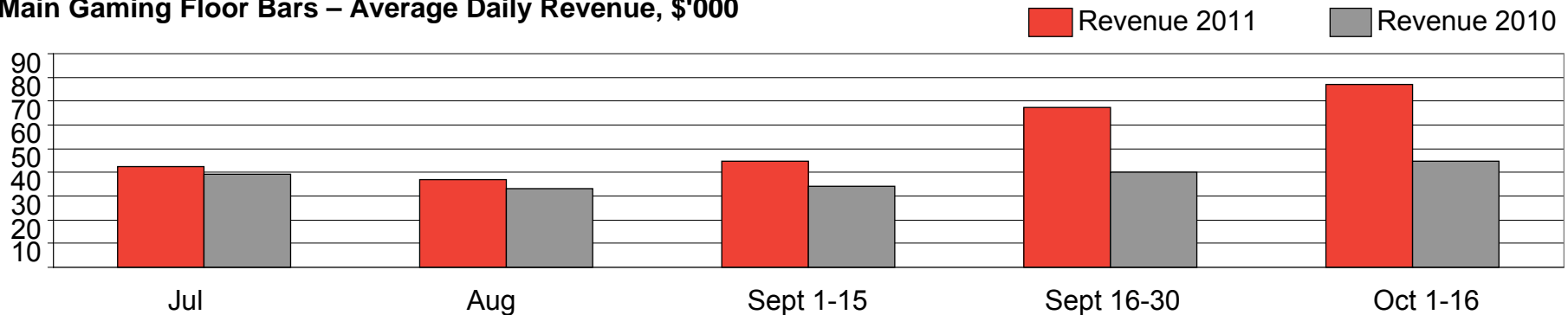
Restaurant Total - Gross Revenue (\$'000) 2012 - Week to Date



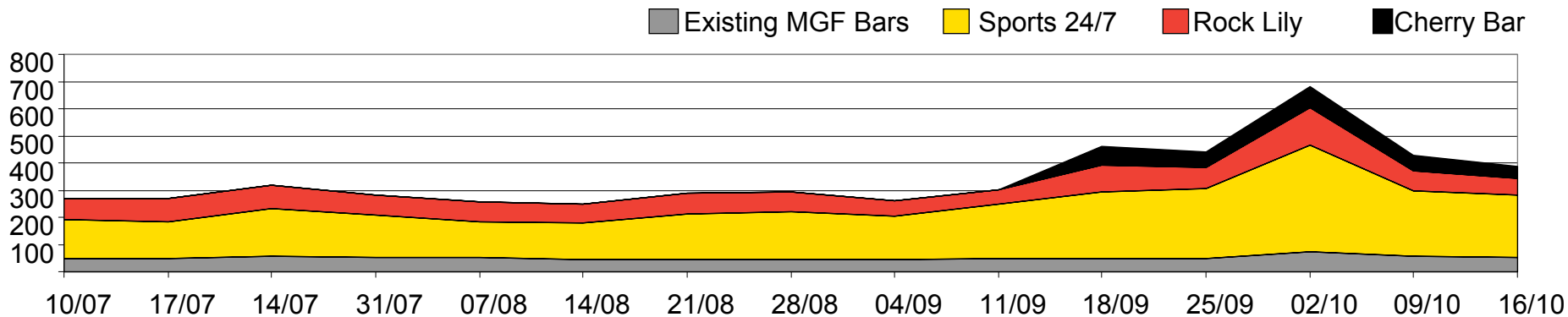
The Star MGF bars – Operating statistics

- Bars performing strongly since opening, particularly during long weekend
 - Cherry bar initial performance is solid with average daily revenue of \$8,434
 - Rock Lily continues to build momentum with average daily revenue of \$13,471
- Sports 24/7 is benefiting from post-renovation activity with average daily revenue of \$41,763

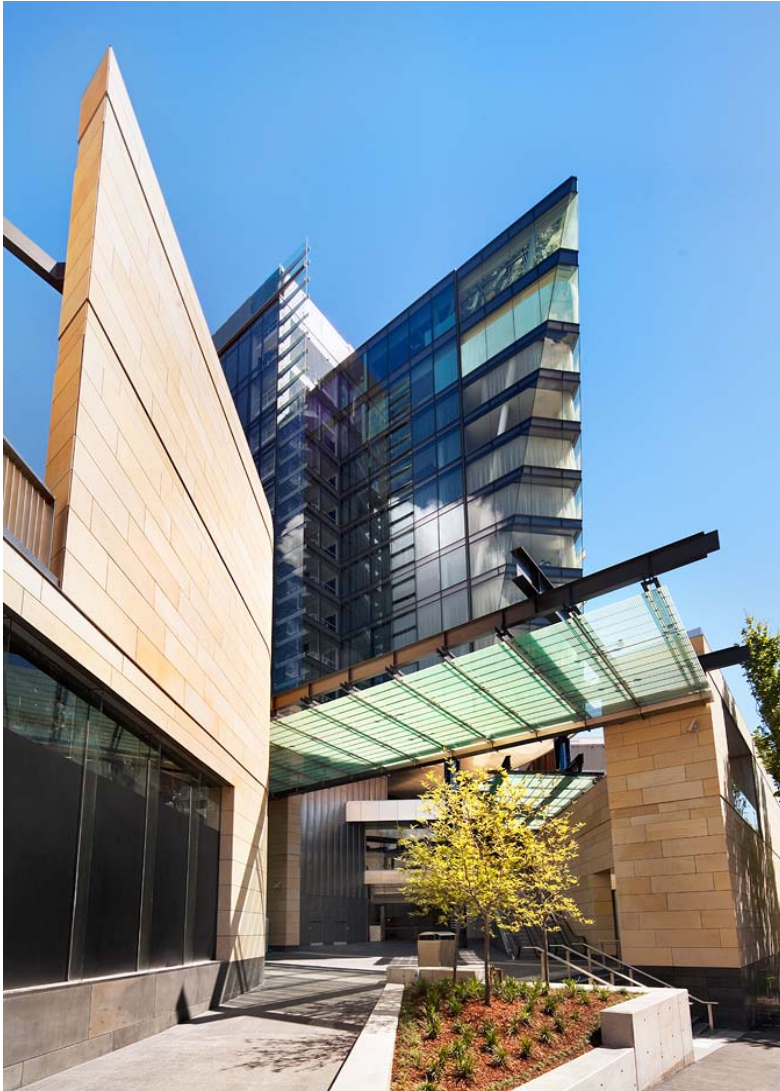
Main Gaming Floor Bars – Average Daily Revenue, \$'000



Main Gaming Floor Bars - Gross Revenue (\$'000) 2012 - Week to Date



New areas to open Oct 25 – The Darling



New areas to open Oct 25 - Restaurants and Spa



Momofuku Seiobo



Sokyo



Spa relaxation area



Spa reception

New areas to open December 2011 - VIP salons



New areas to open next year - Events centre

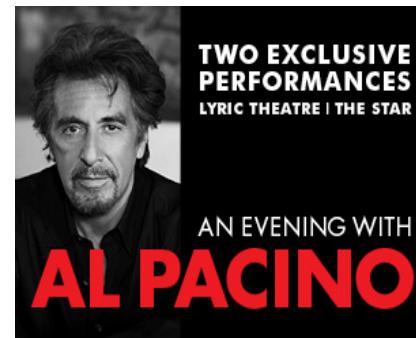
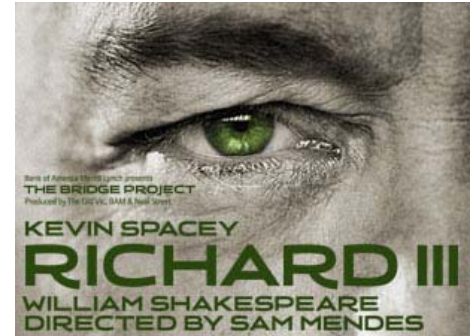


Focus on entertainment: major events



- Entertainment a key pillar of our strategy. Events in 1HFY12 include:

- Elton John
- Stevie Wonder
- Placido Domingo
- Flo Rida
- Al Pacino
- Kevin Spacey in Richard 3
- Olivia Newton John
- Janet Jackson
- Vanilla Ice
- Salt & Pepa

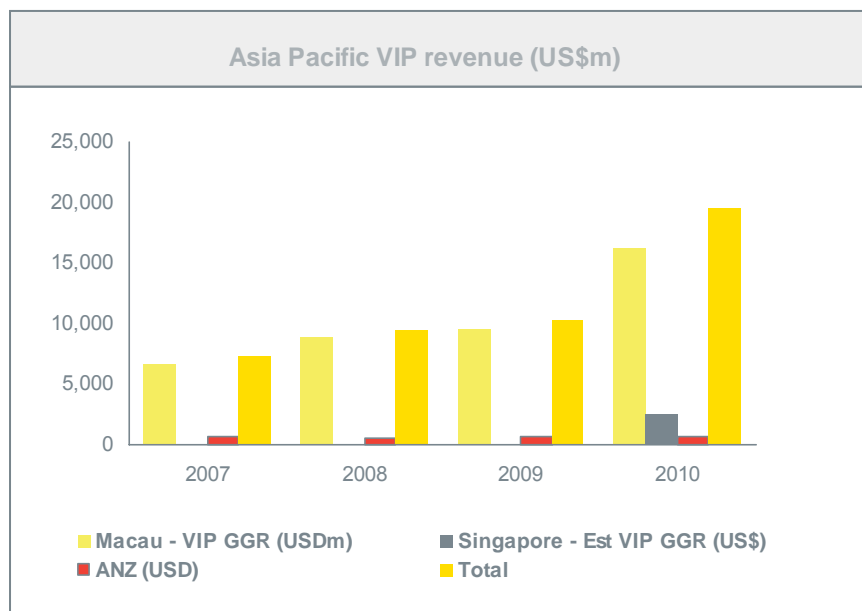


Icon – Proposed \$625m expansion of Qld casinos

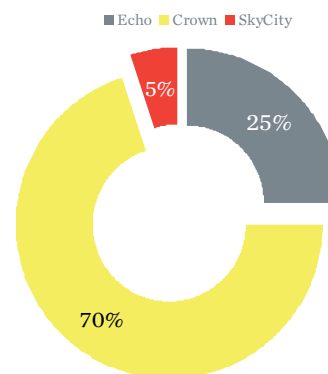
- Significant refurbishment of Echo's Queensland assets planned
- Investment supported by a number of gaming concessions, the bulk of which have now been approved:
 - 500 additional Electronic Gaming Machines subject to implementation of a voluntary pre-commitment system; reallocation of 47 EGM licences from Townsville
 - 50 additional table licences
 - Reduced threshold for VIP customers (junket play)
 - Review of the classification of Multi Terminal Gaming Machines
- Planning and design for investment now being made and continuing to plan
- FY12 Icon capex relatively small - expected to be around \$20m primarily related to expansion of the theatre and car park upgrade at Jupiters Gold Coast
- Icon capex expected to pick up after Project Star comes to an end

International rebate business growth opportunity

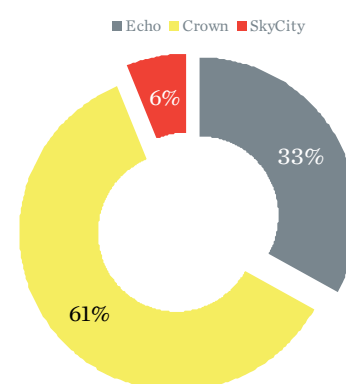
- VIP segment provides large growth opportunity both through improved share and underlying market growth
- Investment underway will make properties globally competitive in the VIP segment
- Echo's share of the VIP market in Australia/NZ has tracked between 15-25% over the last few years - below potential of markets we operate in
- Australia/NZ VIP market around \$865m in actual gross revenue in FY11 – still a relatively small player on the world stage
- Echo has already seen strong growth off a low base with limited product – significantly improved product offering and capacity being added during 1HFY12



Share of Aust and NZ VIP Turnover FY11



Share of Aust and NZ VIP Revenue FY11 - Actual



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