



ASX Announcement

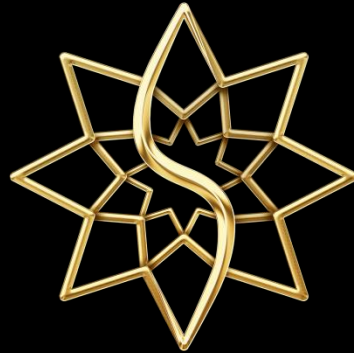
26 August 2016

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 2016, to be presented by Matt Bekier, Managing Director and Chief Executive Officer, and Chad Barton, 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

2016 RESULTS PRESENTATION

FRIDAY
26 AUGUST
2016

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 full year ended 30 June 2016 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 FY2017 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 volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover
- ◆ Normalised EBIT (Underlying Earnings) and Normalised EBITDA 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 Gold Coast and Treasury Brisbane segments as reported in the statutory accounts, and FY2015 includes Townsville results from 1 July 2014 to 30 September 2014

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

HIGHLIGHTS

FULL YEAR 2016 RESULTS

Good performance across all key operating fundamentals

- ◆ Group domestic revenues up 5.8% on pcp
 - Domestic Tables revenue up 8.0%
 - Slots revenue up 5.2%
 - Non-Gaming cash revenue flat despite capital works
 - ◆ International VIP Rebate business volumes up 7.0% on pcp with improved win rate in 2H FY2016 of 1.50%
 - ◆ Effective cost control with operating costs up 4.2% on pcp, including marketing and loyalty investments
-

Strong earnings growth continued

- ◆ Actual EBITDA of \$489m, up 7.5%
 - ◆ Normalised EBITDA of \$556m, up 14.1%
 - ◆ Actual NPAT of \$194m, up 14.9%
 - ◆ Normalised NPAT of \$241m, up 23.4%
-

Increased dividends reflect underlying business performance

- ◆ Final dividend per share of 7.5 cents fully franked, up 25.0%
 - ◆ Total dividend of 13.0 cents fully franked, up 18.2%
-

Significant progress on strategic initiatives

- ◆ Good results from past investments, capital works progressing well, medium and long-term strategic growth initiatives identified and being secured
-

OVERVIEW

GOOD PROGRESS MADE DURING FY2016 ON ALL PRIORITIES

Operational

- ◆ Overall guest satisfaction scores increased
- ◆ Rebranding of the Group and The Star Sydney completed, with The Star Gold Coast scheduled for 2H FY2017
- ◆ Expenses remain well controlled

People

- ◆ Staff engagement improved across all properties and business segments
- ◆ Leadership in place with appointment of Chief Information Officer and Chief Risk Officer, and strengthened functional capability at General Manager level (corporate and property)

Capital investments

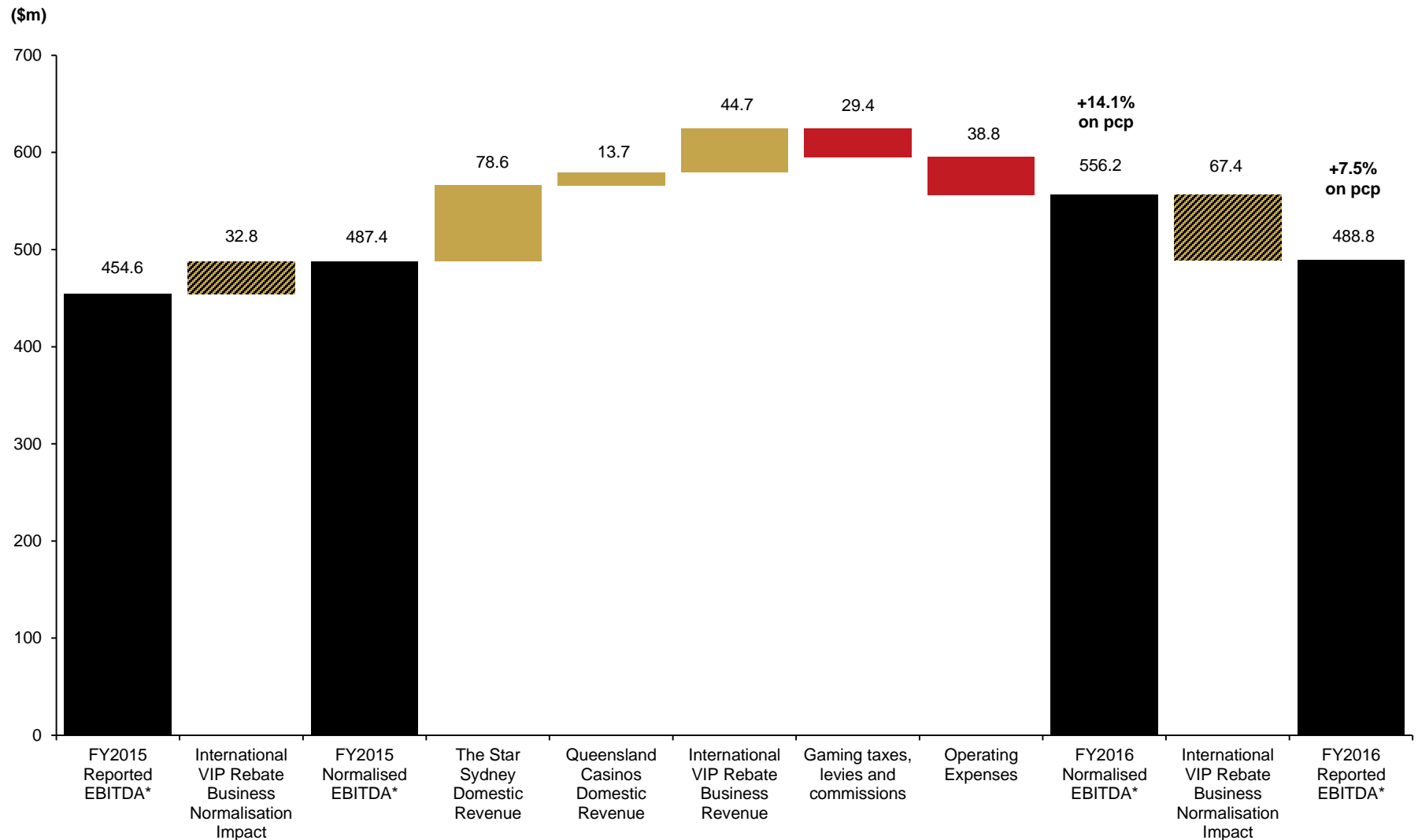
- ◆ New hotel and residential tower expansion plans announced at The Star Sydney and the Gold Coast in partnership with Queen's Wharf partners, Chow Tai Fook Enterprises (CTF) and Far East Consortium (FEC). Currently in planning and development approval stage
- ◆ Capital projects (refurbishments and growth) progressing slightly slower than management's initial expectations but within budget

Balance sheet

- ◆ Strong balance sheet maintained – 1.0x Net Debt/ Actual EBITDA
 - ◆ Provides platform for future growth
-

OVERVIEW

KEY DRIVERS OF FULL YEAR 2016 RESULTS



Note: * Excluding significant items

Normalised results reflect the underlying performance of the business as they remove the inherent volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover. Jupiters Townsville sale was completed on 1 October 2014. FY2015 earnings include Jupiters Townsville earnings from 1 July 2014 to 30 September 2014

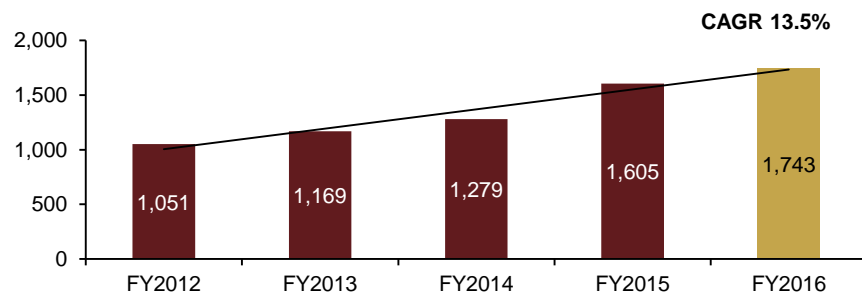
OVERVIEW

KEY DRIVERS – THE STAR SYDNEY

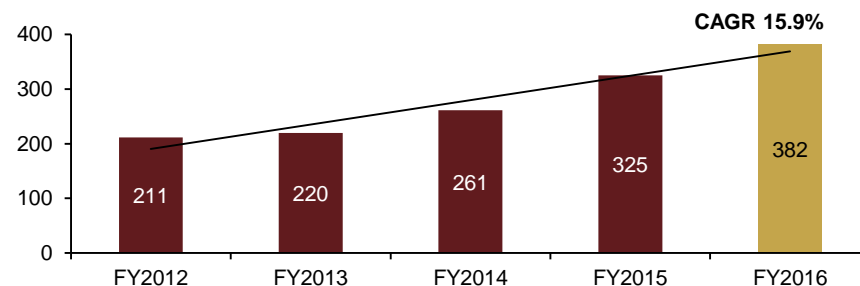
Normalised gross revenue of \$1,743m, up 8.6% versus pcp (actual gross revenue of \$1,657m, up 7.5% on pcp). Normalised EBITDA of \$382m, up 17.4% (actual EBITDA of \$302m, up 13.0% on pcp)

- ◆ Good revenue growth across all lines of business – Slots +8.3%, Domestic Tables +9.1%, Non-Gaming +3.2%, normalised International VIP Rebate business +10.3%
- ◆ Domestic revenue growth driven by increased visitation (+4.5%) and spend per visitor (+3.1%). Growth across both loyalty base members and unrated customers
- ◆ International VIP Rebate business turnover up 10.2% to \$47.4bn with an actual win rate of 1.17% for FY2016 (1.20% for FY2015)
- ◆ Non-Gaming cash revenue up 3.2% despite disruption from hotel refurbishments. Growth in F&B cash revenue of 5.2% including the newly refurbished Harvest Buffet
- ◆ Operating costs of \$619m, up 7.4% as a result of increased domestic volumes and investments in loyalty and marketing
- ◆ FY2016 average non-rebate gaming tax rate of 31.9% versus 31.4% in FY2015 (50% top marginal tax rate) – \$5.2m EBITDA impact from the increase in tax rate

Normalised Gross Revenue (\$m)



Normalised EBITDA (\$m)



Note: Results have been normalised for a 1.35% win rate on International VIP Rebate business turnover

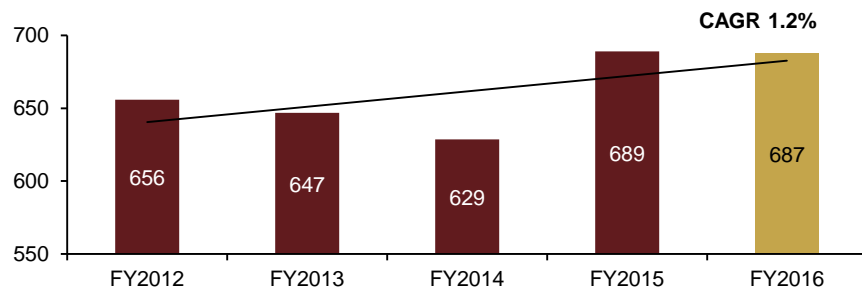
OVERVIEW

KEY DRIVERS – QUEENSLAND

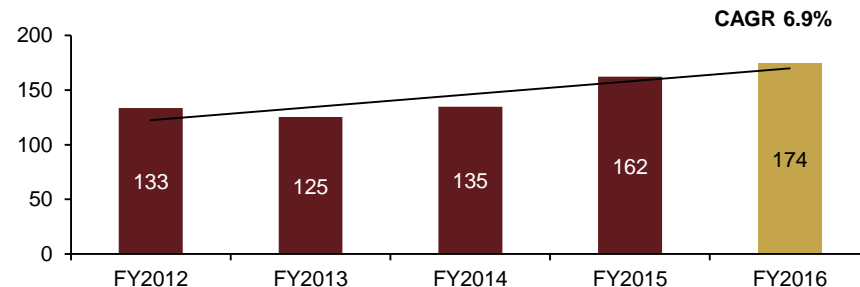
Normalised gross revenue of \$687m, down 0.2% versus pcp (actual gross revenue of \$701m, down 2.2%).
Normalised EBITDA of \$174m, up 7.5% (actual EBITDA of \$186m, down 0.3%)

- ◆ Solid revenue growth across domestic gaming despite capital works disruption – Slots +2.4%, Domestic Tables +5.2%
- ◆ Domestic revenue grew 2.2%, or 4.4% growth excluding Townsville driven by increased spend per customer (+7.0%) and offset by lower visitation (-2.5%)
- ◆ International VIP Rebate business turnover of \$2.1bn, down 35.3% on pcp (but up 68.3% on FY2014). Actual win rate of 2.00%, down from 2.21% in FY2015. Growth rates can be impacted by a small number of players given relatively modest International VIP Rebate volumes in Queensland
- ◆ Non-Gaming cash revenue down 5.2%, impacted by hotel room refurbishments. Growth in F&B cash revenue of 4.7%, including new food and beverage offerings at Gold Coast
- ◆ Operating costs of \$342m across the Queensland properties, down 1.2%, or up 1.9% excluding Townsville

Normalised Gross Revenue (\$m)



Normalised EBITDA (\$m)



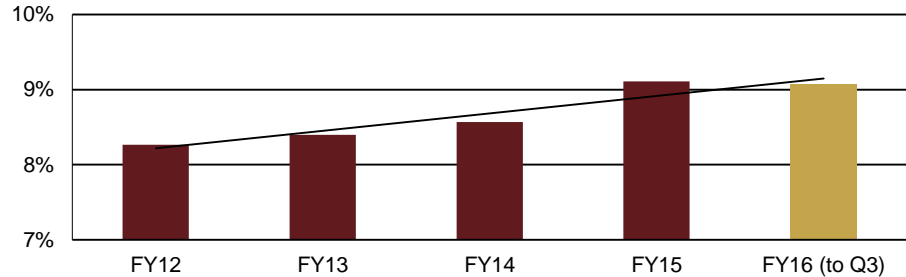
Note: Results have been normalised for a 1.35% win rate on International VIP Rebate business turnover
Jupiters Townsville sale was completed on 1 October 2014. FY2015 earnings include Townsville earnings from 1 July 2014 to 30 September 2014. Visitation and spend per customer exclude Townsville

OVERVIEW

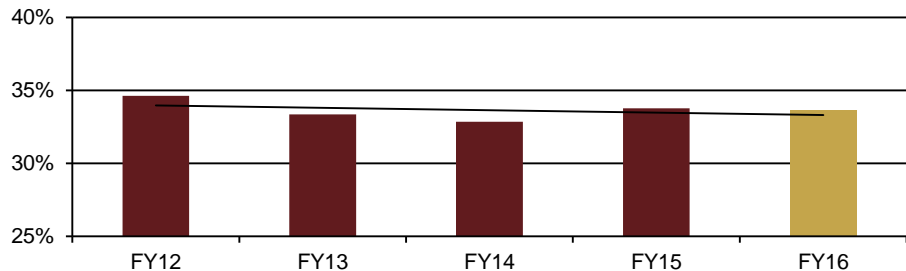
EGM MARKET SHARE

- ◆ Group EGM market share remained steady for FY2016
- ◆ Benefits from enhancements to properties, continued traction of the loyalty program and targeted marketing campaigns and jackpot strategy offset by disruption from capital projects
- ◆ The Star Sydney market share of 9.1% for Q1-Q3 FY2016 was steady versus Q1-Q3 FY2015
- ◆ Queensland market share of 28.6% in FY2016 declined from 28.9% in FY2015, with Treasury Brisbane market share down 0.5% and the Gold Coast market share down 0.2% (excluding MTGM hybrid gaming revenue)
- ◆ If MTGM hybrid gaming revenue was included, Queensland market share would be 29.9% in FY2016, up 0.2%

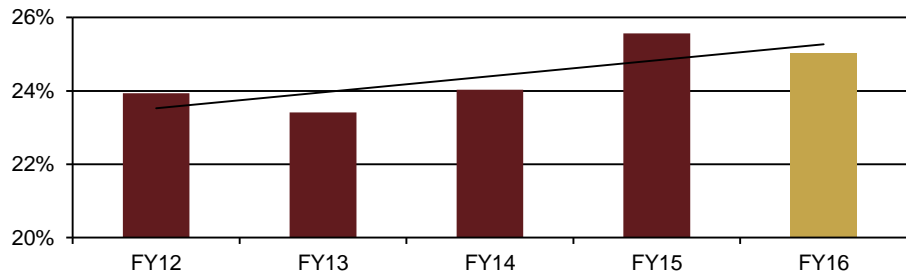
The Star Sydney



Gold Coast



Treasury Brisbane



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

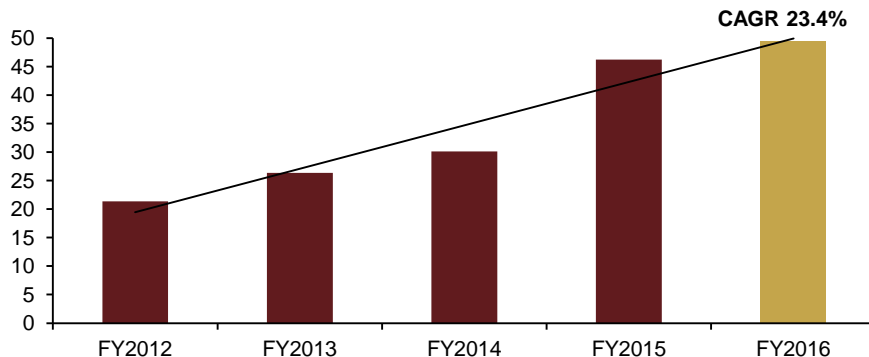
Note: Sydney market share data includes both slots and MTGMs (Q4 FY2016 market data not yet available). Adjustments to Sydney market share data to better reflect underlying market share. Queensland market share data includes slots and fully automated MTGMs (excludes hybrid product), unless otherwise noted

OVERVIEW

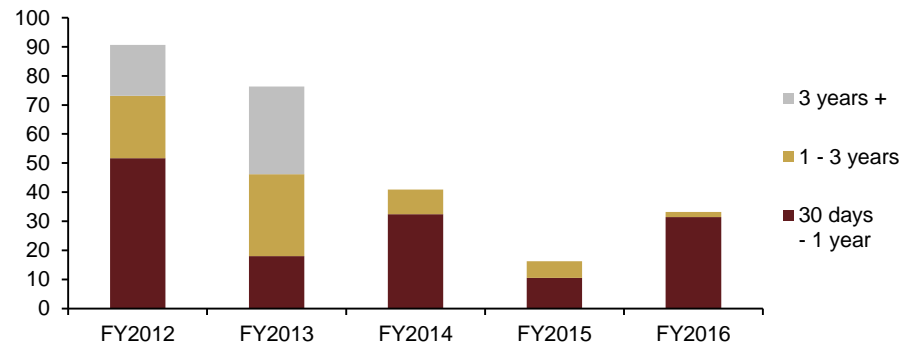
KEY DRIVERS – INTERNATIONAL VIP REBATE BUSINESS

- ◆ Continued growth in International VIP Rebate business turnover, up 7.0% versus pcp to \$49.5bn, with 5 year turnover CAGR of 23.4%
- ◆ Normalised gross revenue of \$670m, up 7.2% (actual gross revenue of \$596m up 1.3%) versus pcp
- ◆ Actual win rate of 1.20% below FY2015 of 1.27%. Strong win rate in 2H FY2016 of 1.50% improved the full year rate (1H FY2016 0.88%)
- ◆ As discussed at the 1H FY2016 results, the normalisation rate has been reduced to 1.35% for the FY2016 results. All comparatives have been restated
- ◆ Low win rate experienced in 1H FY2016 on revenue share junket commissions returned to normalised win rates in 2H FY2016. Adjusting commissions on revenue share agreements to an assumed 1.35% win rate would increase commissions by \$5.9m for FY2016
- ◆ Net receivables past due not impaired greater than 30 days of \$33m up \$17m on June 2015, reflecting increased business volumes in Q4 FY2016 and the higher win rate in 2H FY2016. Longer-dated debtors continue to decline

International VIP Rebate Business Turnover (\$bn)



Net International VIP Rebate Business Receivables (\$m)



Note: Net trade receivables based on receivables excluding 0-30 days

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FINANCIALS

PROFIT AND LOSS

(\$m)	FY2015 Actual	FY2016 Actual	Fav/(unfav)	Growth %	FY2015 Normalised ²	FY2016 Normalised ²	Fav/(unfav)	Growth %
Domestic Gaming Revenue	1,418.1	1,514.8	96.8	6.8%	1,418.1	1,514.8	96.8	6.8%
International VIP Rebate (Gross)	588.4	596.3	7.8	1.3%	624.9	669.5	44.7	7.2%
Non-gaming & Other Revenue	251.1	246.6	(4.5)	(1.8%)	251.1	246.6	(4.5)	(1.8%)
Gross Revenue ¹	2,257.6	2,357.7	100.1	4.4%	2,294.0	2,431.0	137.0	6.0%
Gaming taxes, levies and commissions	(880.8)	(907.9)	(27.1)	(3.1%)	(884.4)	(913.8)	(29.4)	(3.3%)
Operating Expenditure	(922.2)	(961.0)	(38.8)	(4.2%)	(922.2)	(961.0)	(38.8)	(4.2%)
EBITDA (before significant items)	454.6	488.8	34.2	7.5%	487.4	556.2	68.8	14.1%
Depreciation and Amortisation	(163.7)	(163.8)	(0.2)	(0.1%)	(163.7)	(163.8)	(0.2)	(0.1%)
EBIT (before significant items)	290.8	325.0	34.2	11.8%	323.7	392.4	68.7	21.2%
Net interest	(49.9)	(45.8)	4.1	8.2%	(49.9)	(45.8)	4.1	8.2%
Tax (before sig items) ³	(69.0)	(84.8)	(15.9)	(23.0%)	(78.3)	(105.3)	(27.0)	(34.5%)
NPAT (before significant items)	172.0	194.4	22.4	13.0%	195.6	241.3	45.8	23.4%
Significant items (after tax) ⁴	(2.7)	-	2.7	(100.0%)				
Statutory NPAT	169.3	194.4	25.1	14.9%				
Earnings per share (cents)	20.5	23.6	3.1	14.9%				
Total Dividends per share (cents)	11.0	13.0	2.0	18.2%				

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 volatility of the International VIP Rebate business. The normalisation rate has been changed from 1.43% on actual turnover for FY15 and 1H 2016 to 1.35% for FY2016. All comparatives have been restated to 1.35%

3 Tax before significant items is calculated for actual and normalised purposes based on the statutory effective tax rate paid in the period (FY2016 30.4%, FY2015 28.6%)

4 FY2015 significant items include the gain on the sale of Jupiters Townsville (a pre-tax gain of \$8.0m) and the costs incurred in connection with the Queen's Wharf Brisbane competitive bid process (\$11.7m)

FINANCIALS

BALANCE SHEET

(\$m)	June 2015	June 2016
ASSETS		
Current Assets		
Cash and cash equivalents	196.6	159.0
Trade and other receivables	110.5	130.3
Inventories	7.3	9.0
Derivative financial instruments	12.1	14.5
Other assets	26.2	38.5
Total current assets	352.7	351.3
Non current assets		
Property, plant and equipment	1,974.2	2,120.9
Intangible assets	1,840.0	1,836.7
Derivative financial instruments	207.4	242.0
Investment in associate	-	29.3
Other assets	17.1	15.2
Total Non current assets	4,038.7	4,244.1
TOTAL ASSETS	4,391.4	4,595.4
LIABILITIES		
Current liabilities		
Trade and other payables	233.9	261.9
Income tax payable	39.8	20.8
Provisions	55.2	58.3
Derivative financial instruments	16.7	17.8
Other liabilities	21.2	20.9
Total current liabilities	366.8	379.7
Non current liabilities		
Interest bearing liabilities	744.2	813.5
Deferred tax liabilities	174.8	181.9
Provisions	14.7	14.6
Derivative financial instruments	55.5	58.0
Total non current liabilities	989.2	1,068.0
TOTAL LIABILITIES	1,356.0	1,447.7
NET ASSETS	3,035.4	3,147.7
EQUITY		
Share capital	2,580.5	2,580.5
Retained earnings	462.3	561.8
Reserves	(7.4)	5.4
TOTAL EQUITY	3,035.4	3,147.7

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

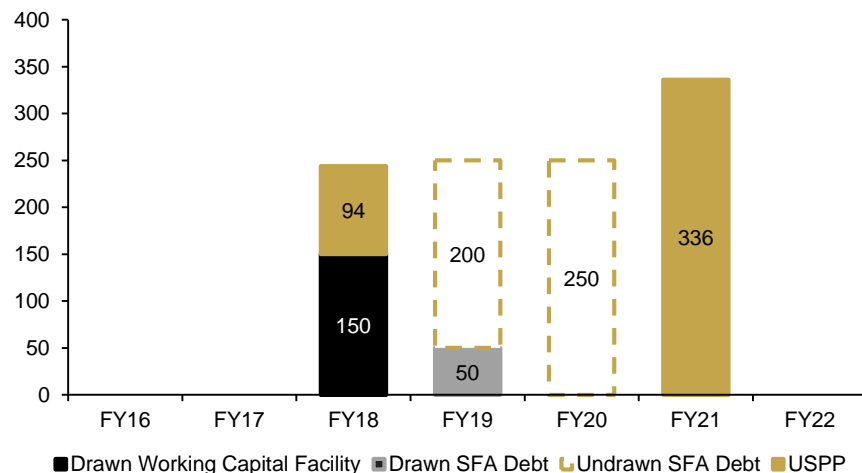
- ◆ Cash conversion of EBITDA 98% (112% in FY2015)
- ◆ Trade and other receivables of \$130m up \$20m on 30 June 2015 reflecting strong activity in the International VIP Rebate business in 2H FY2016
- ◆ Increase in investment in associate reflects investments in conjunction with CTF and FEC, including Queen's Wharf Brisbane and purchase of a Brisbane carpark
- ◆ FY2016 net debt of \$474m increased by \$74m on 30 June 2015 due to increased capital expenditure and investments during FY2016
- ◆ Movement of derivative financial instruments under non current assets relate to cross currency swap movements on USPP debt

FINANCIALS

BALANCE SHEET AND FUNDING

- ◆ FY2016 net debt of \$474m (\$400m at 30 June 2015)
- ◆ Gearing levels remain conservative at 1.0 times FY2016 Net Debt/ Actual EBITDA
- ◆ Undrawn bank facilities of \$450m and average drawn debt maturity of 3.5 years
- ◆ FY2016 statutory net finance costs of \$46m includes \$17m for out of the money interest rate swaps. FY2017 statutory net finance costs expected to be relatively flat at constant interest rates

Debt Maturity Profile as at 30 June 2016 (\$m)



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

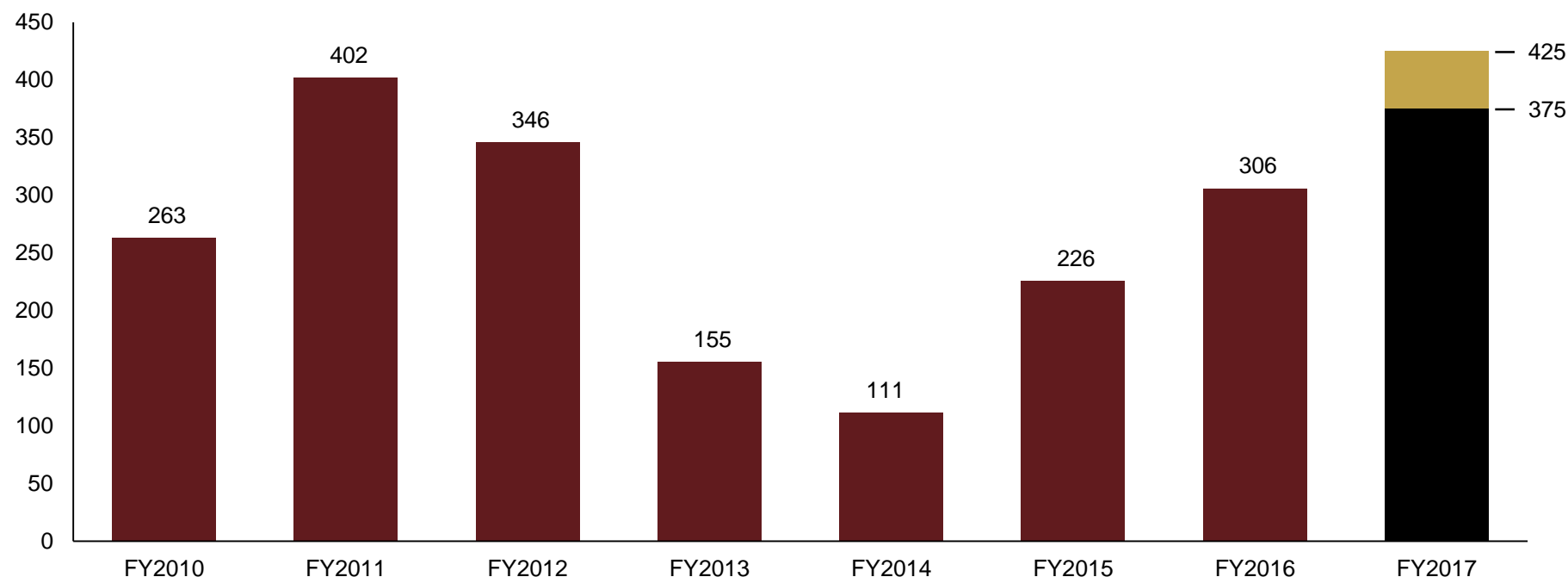
Net Debt Calculation		(\$m)
Assets		
Cash and cash equivalents		159
Current derivative financial instruments		14
Non current derivative financial instruments		242
Total Assets		415
Liabilities		
Current derivative financial instruments		(18)
Non current interest bearing liabilities		(814)
Non current derivative financial instruments		(58)
Total Liabilities		(889)
Net Debt		(474)
Net Interest Expense Composition		(\$m)
USPP coupon payments		(23)
Interest rate swap expense		(17)
Bank debt interest, fees and other charges		(9)
Interest income and capitalised interest		3
Net Interest Expense		(46)

FINANCIALS

CAPITAL EXPENDITURE

- ◆ FY2016 capital expenditure of \$306m, in line with prior guidance – \$82m for maintenance, \$224m to execute expansion plans at The Star Sydney and the Gold Coast
- ◆ FY2017 capital expenditure expected to be between \$375m – \$425m, excluding expected \$120m for Queen's Wharf (comprising equity contributions to Destination Brisbane Consortium (DBC))
- ◆ D&A FY2016 of \$164m, flat on FY2015, with expected D&A of \$180m – \$185m for FY2017

Group Capital Expenditure Profile (\$m)



FINANCIALS

CAPITAL EXPENDITURE PROJECTS

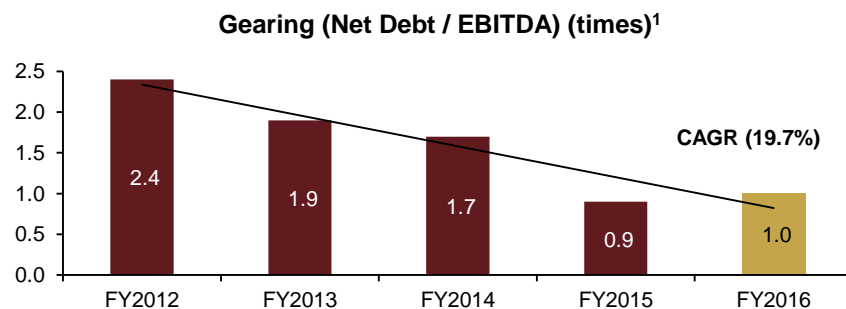
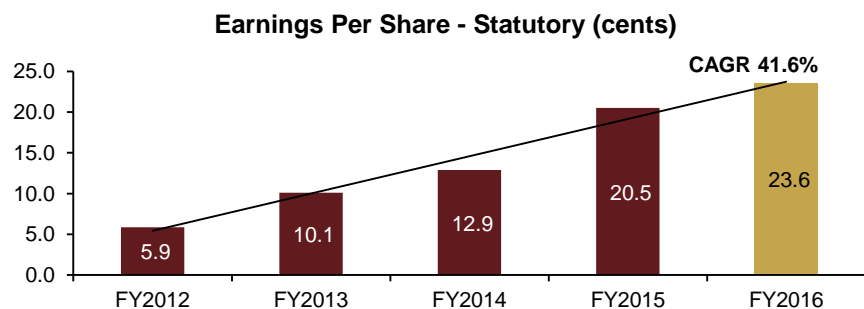
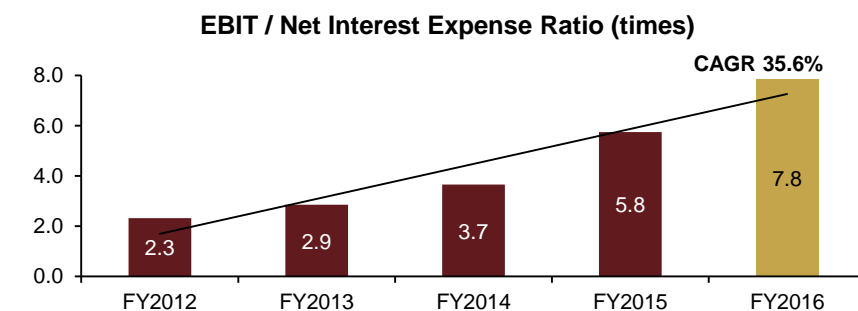
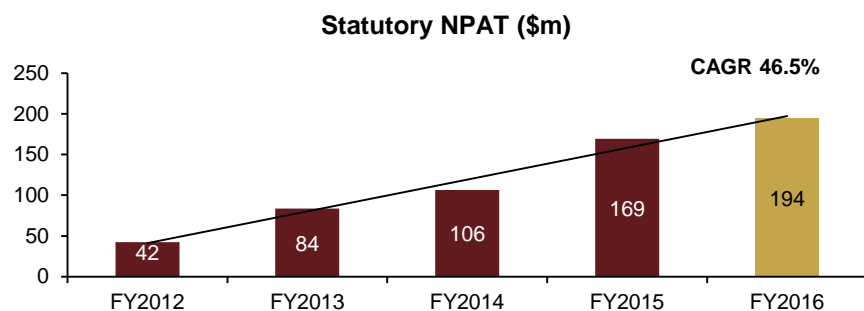
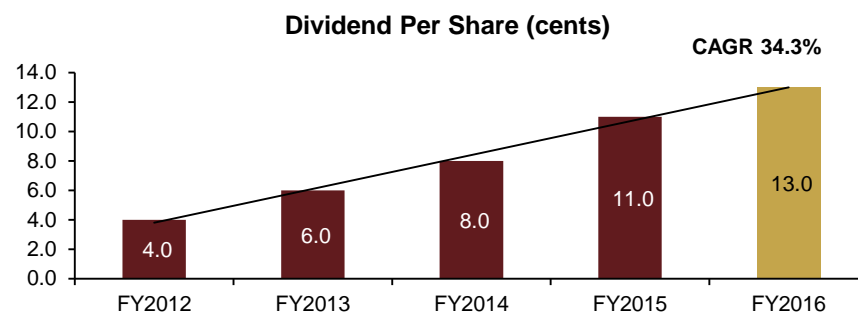
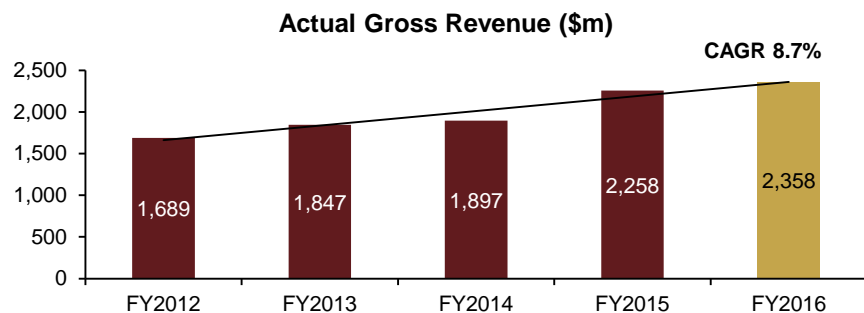
- ◆ FY2016 capital expenditure projects at both The Star Sydney and the Gold Coast progressing slightly slower than management's initial expectations but within budget
- ◆ A number of capital expenditure projects underway in 2H FY2016 and continuing into 1H FY2017
- ◆ Some disruption expected across the gaming and hotel segments due to the nature of these developments, with lower disruption expected in 2H FY2017 as projects are delivered

Projects	Investment Type		Start Date	FY2016				FY2017				Expected Completion
	Refurbish	New		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
The Star Sydney												
Gaming												
Darling VIP Salons		✓	Q4 FY2015	■	■							Completed
Oasis Expansion	✓	✓	Q1 FY2016	■	■	■						Completed
MGF Expansion		✓	Q2 FY2016		■	■	■	■	■			Q2 FY2017
Non-Gaming												
Harvest Buffet	✓		Q1 FY2016	■	■							Completed
Astral Tower and Residences	✓		Q1 FY2016	■	■	■	■	■	■			Q2 FY2017
Astral Lobby and Porte Cochere ¹	✓		Q4 FY2016				■	■	■	■	■	Q1 FY2018
Gold Coast												
Gaming												
Level 21 VIP Salons		✓	Q1 FY2016	■	■							Completed
MGF Refurbishment	✓		Q3 FY2016			■	■	■				Q1 FY2017
VIP Salons (in 6 star hotel)		✓	Q1 FY2016	■	■	■	■	■	■	■	■	Q2 FY2018
Non-Gaming												
Garden Kitchen & Bar	✓	✓	Q1 FY2016	■	■							Completed
Lobby and Arrival	✓		Q1 FY2016	■	■	■	■	■				Q1 FY2017
Hotel Room Refurbishment	✓		Q1 FY2016	■	■	■	■	■	■			Q2 FY2017
F&B - Western Quarter	✓	✓	Q4 FY2016				■	■	■			Q2 FY2017
6 star hotel		✓	Q1 FY2016	■	■	■	■	■	■	■	■	Q2 FY2018

Note: ¹ Subject to planning approvals

FINANCIALS

KEY METRICS



Note: ¹ Based on 12 months trailing actual
Earnings Per Share (EPS) calculated on the basis of weighted average number of shares of 825.7m

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OUTLOOK AND PRIORITIES

FY2017 PRIORITIES AND TRADING UPDATE

- ◆ Priorities for FY2017 focused on enhancing long-term growth and shareholder value
 1. Improve earnings across the Group through continued focus on operations and efficiency
 2. Deliver on the next stage of the capital program
 - The Star Sydney development
 - Gold Coast development and masterplan
 - Queen's Wharf Brisbane development
 3. Secure planning approvals and execute property development plans at the Sydney and Gold Coast properties in partnership with CTF and FEC
 4. Continue drive to differentiate value proposition at each property – including brand, loyalty, customer service, food & beverage
- ◆ Disruption from capital investment works across the gaming and non-gaming business will continue to impact revenues and earnings into FY2017, although impact expected to reduce in 2H FY2017. Mitigation strategies are in place and proceeding in accordance with management's expectations
- ◆ Costs associated with the brand and loyalty strategy, as well as the customer service improvement program to increase in FY2017
- ◆ Trading in early stages of FY2017 exhibiting satisfactory growth on prior period:
 - Gross revenue, excluding International VIP Rebate business, up 4.1% on the prior comparable period from 1 July 2016 to 20 August 2016
 - International VIP Rebate business volume and win rate year to date is tracking in line with management's expectations

OUTLOOK AND PRIORITIES

PROPERTIES AND CAPITAL PROJECTS OVERVIEW



The Star Sydney

- ◆ Expand to ~1,000 premium hotel rooms and residences
- ◆ Over 50 food & beverage offerings
- ◆ Signature gaming facilities
- ◆ Lyric Theatre
- ◆ Multi-use event centre



Gold Coast

- ◆ Expand to ~1,400 premium hotel rooms and residences
- ◆ Over 20 food & beverage offerings
- ◆ Signature gaming facilities
- ◆ New resort facilities and retail outlets



Queen's Wharf Brisbane

- ◆ ~1,100 premium hotel rooms over 5 brands
- ◆ Over 50 food & beverage offerings
- ◆ Signature gaming facilities
- ◆ 12 football fields of public space
- ◆ Repurposed heritage buildings

Note: Images are concept only. Property capital projects are subject to all approvals

OUTLOOK AND PRIORITIES

THE STAR SYDNEY DEVELOPMENT

- ◆ Up to \$1bn investment previously disclosed including additional proposed tower announced at 1H FY2016 results
- ◆ Scale of property to be expanded to ~1,000 hotel rooms and residences (including Ritz Carlton hotel and luxury residences), with signature gaming experiences including new and refurbished VIP suites and PGRs, and over 50 food & beverage offerings
- ◆ Funding provided through partner contributions, existing and new debt facilities, and free cash flow generation



Note: Image is concept only. Property capital projects are subject to all approvals

Capex estimates		The Star Share	
	(\$m)	(%)	(\$m)
Previously announced	500	100%	500
New tower	500	33%	167
The Star's share total *			667

* Gross, prior to apartment sale proceeds

Key dates	
1H FY2017	Community engagement commences for new tower
1H FY2017	North West Gaming and hotel room refurbishment completed
2H FY2017	Development Approval submitted for new tower
1H FY2018	Hotel lobby and port cochere completed
FY2020	Sovereign Room completed
FY2020	New tower completed

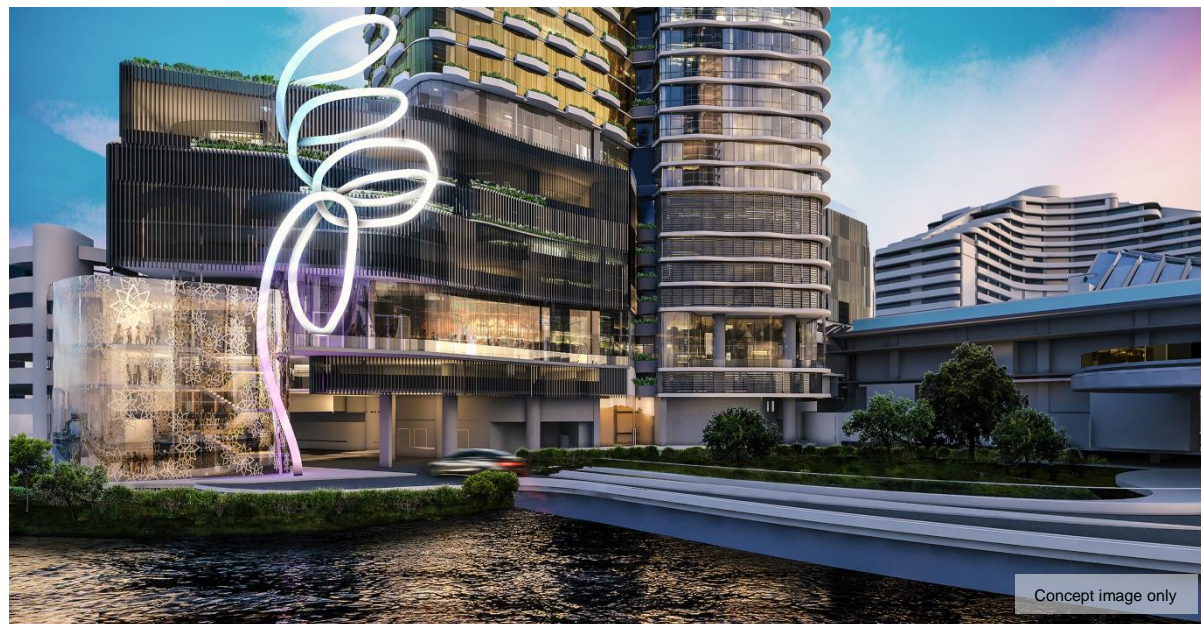
OUTLOOK AND PRIORITIES

GOLD COAST DEVELOPMENT AND MASTERPLAN

- ◆ \$845m investment previously disclosed with additional proposed investments announced at 1H FY2016 results
- ◆ Scale of property to be expanded to approximately 1,400 hotel rooms and residences with signature gaming facilities, over 20 restaurants and bars, and substantial resort facilities and attractions
- ◆ Funding provided through partner contributions, existing and new debt facilities, and free cash flow generation
- ◆ Potential for further long-term growth with announcement of precinct masterplan

Capex estimates	The Star Share		
	(\$m)	(%)	(\$m)
Previously announced	345	100%	345
Additional facilities	100	100%	100
New tower	400	33%	133
The Star's share total *			578

* Gross, prior to apartment sale proceeds



Note: Image is concept only. Property capital projects are subject to all approvals

Key dates	
May 2016	Masterplan announced, community consultation commenced
1H FY2017	Development Approval for first tower expected
2H FY2017	Complete refurbishment of existing facilities
2H FY2017	Rebranding to The Star Gold Coast
2H FY2018	Complete "6 star" tower (before Commonwealth Games opens)
FY2020	Complete new residential and hotel tower and associated facilities

OUTLOOK AND PRIORITIES

QUEEN'S WHARF BRISBANE

- ◆ Expected budget for the Integrated Resort of around \$2bn, The Star's share of capex around \$1bn (excluding Treasury repurposing and DBC partners' residential developments)
- ◆ Long-dated casino licence with attractive terms and joint venture arrangements with CTF and FEC provides The Star with confidence in investment returns
- ◆ Working with all stakeholders to receive required approvals for site possession to commence demolition in early CY2017
- ◆ Detailed planning progressing
- ◆ Funding provided through partner contributions, existing and new debt facilities, and free cash flow generation
- ◆ DBC project leadership in place



Key dates	
Nov 2015	Contractual close reached with Queensland Government
1H FY2017	Enabling legislation completed, casino licence and Development Approvals to be granted
2H FY2017	Site handover, demolition and associated works commence
2H FY2018	Basement construction commences
FY2022	Integrated Resort opens including public realm areas

Capex estimates	The Star Share		
	(\$m)	(%)	(\$m)
Previously announced	~2,000	50%	~1,000
The Star's share total			~1,000

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

THE STAR ENTERTAINMENT GROUP

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APPENDIX

THE STAR AND QUEENSLAND RESULTS - ACTUAL

(\$m)	The Star Sydney				Queensland Casinos				Total			
	FY2015	FY2016	fav/ (unfav)	fav/ (unfav)	FY2015	FY2016	fav/ (unfav)	fav/ (unfav)	FY2015	FY2016	fav/ (unfav)	fav/ (unfav)
Slots	289.0	312.9	23.9	8.3%	310.3	317.6	7.3	2.4%	599.3	630.5	31.3	5.2%
Domestic Tables	590.5	644.0	53.6	9.1%	228.3	240.2	11.9	5.2%	818.8	884.3	65.5	8.0%
Non-Gaming	137.9	142.3	4.4	3.2%	103.4	98.0	(5.4)	(5.2%)	241.3	240.3	(1.0)	(0.4%)
Total Domestic	1,017.3	1,099.2	81.9	8.1%	642.0	655.9	13.9	2.2%	1,659.3	1,755.1	95.8	5.8%
International VIP Rebate (Gross)	517.9	555.1	37.1	7.2%	70.5	41.2	(29.3)	(41.6%)	588.4	596.3	7.8	1.3%
Other Revenue	5.9	2.5	(3.3)	(56.8%)	3.9	3.8	(0.2)	(4.2%)	9.8	6.3	(3.5)	(35.7%)
Total Gross Revenue	1,541.1	1,656.8	115.7	7.5%	716.5	700.9	(15.6)	(2.2%)	2,257.6	2,357.7	100.1	4.4%
Gaming taxes, levies and commissions	(697.0)	(735.2)	(38.2)	(5.5%)	(183.7)	(172.7)	11.1	6.0%	(880.8)	(907.9)	(27.1)	(3.1%)
Operating expenses	(576.4)	(619.2)	(42.8)	(7.4%)	(345.8)	(341.8)	4.0	1.2%	(922.2)	(961.0)	(38.8)	(4.2%)
EBITDA	267.7	302.4	34.7	13.0%	186.9	186.4	(0.5)	(0.3%)	454.6	488.8	34.2	7.5%
Depreciation and Amortisation	(98.5)	(101.7)	(3.2)	(3.3%)	(65.2)	(62.1)	3.2	4.8%	(163.7)	(163.8)	(0.2)	(0.1%)
EBIT	169.1	200.7	31.6	18.7%	121.7	124.3	2.6	2.1%	290.8	325.0	34.2	11.8%
Significant Items	-	-	-		(3.7)	-	3.7		(3.7)	-	3.7	
Statutory EBIT	169.1	200.7	31.6	18.7%	118.0	124.3	6.2	5.3%	287.1	325.0	37.9	13.2%
Net interest expense (income)									(49.9)	(45.8)	4.1	8.2%
Tax									(67.9)	(84.8)	(16.9)	(24.9%)
Statutory NPAT									169.3	194.4	25.1	14.9%
EBITDA/Revenue %	17.4%	18.2%	0.9%		26.1%	26.6%	0.5%		20.1%	20.7%	0.6%	
VIP Rebate Front Money \$m	3,425.7	3,140.1	(285.6)	(8.3%)	242.5	213.0	(29.5)	(12.2%)	3,668.2	3,353.1	(315.0)	(8.6%)
VIP Rebate Turnover \$m	43,052.1	47,428.5	4,376.4	10.2%	3,186.4	2,060.1	(1,126.3)	(35.3%)	46,238.4	49,488.6	3,250.2	7.0%
VIP Rebate Win rate	1.20%	1.17%	(0.03%)		2.21%	2.00%	(0.21%)		1.27%	1.20%	(0.07%)	

Note: Jupiters Townsville sale was completed on 1 October 2014, 1H FY2015 earnings include Jupiters Townsville earnings from 1 July 2014 to 30 September 2014

APPENDIX

THE STAR AND QUEENSLAND RESULTS - NORMALISED

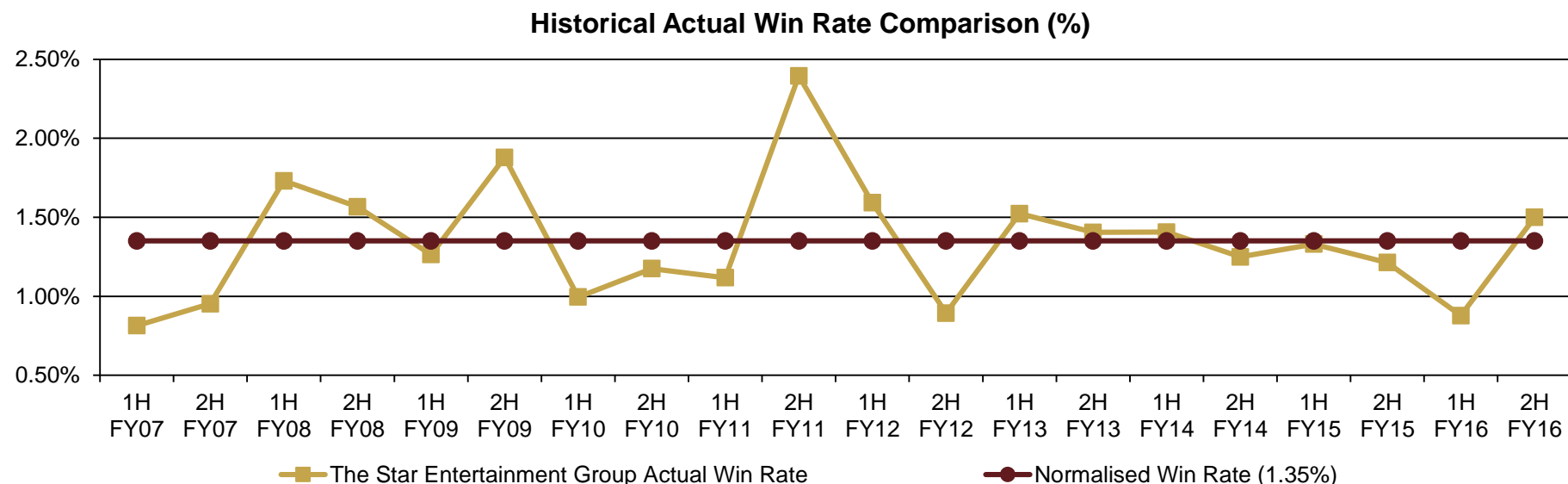
(\$m)	The Star Sydney				Queensland Casinos				Total			
	FY2015	FY2016	fav/ (unfav)	fav/ (unfav)	FY2015	FY2016	fav/ (unfav)	fav/ (unfav)	FY2015	FY2016	fav/ (unfav)	fav/ (unfav)
Slots	289.0	312.9	23.9	8.3%	310.3	317.6	7.3	2.4%	599.3	630.5	31.3	5.2%
Domestic Tables	590.5	644.0	53.6	9.1%	228.3	240.2	11.9	5.2%	818.8	884.3	65.5	8.0%
Non-Gaming	137.9	142.3	4.4	3.2%	103.4	98.0	(5.4)	(5.2%)	241.3	240.3	(1.0)	(0.4%)
Total Domestic	1,017.3	1,099.2	81.9	8.1%	642.0	655.9	13.9	2.2%	1,659.3	1,755.1	95.8	5.8%
International VIP Rebate (Gross) ¹	581.7	641.7	60.0	10.3%	43.1	27.8	(15.3)	(35.5%)	624.9	669.5	44.7	7.2%
Other Revenue	5.9	2.5	(3.3)	(56.8%)	3.9	3.8	(0.2)	(4.2%)	9.8	6.3	(3.5)	(35.7%)
Total Gross Revenue	1,604.9	1,743.5	138.6	8.6%	689.1	687.5	(1.6)	(0.2%)	2,294.0	2,431.0	137.0	6.0%
Gaming taxes, levies and commissions	(703.4)	(742.5)	(39.1)	(5.6%)	(181.0)	(171.3)	9.6	5.3%	(884.4)	(913.8)	(29.4)	(3.3%)
Operating expenses	(576.4)	(619.2)	(42.8)	(7.4%)	(345.8)	(341.8)	4.0	1.2%	(922.2)	(961.0)	(38.8)	(4.2%)
Normalised EBITDA	325.1	381.8	56.7	17.4%	162.3	174.4	12.1	7.5%	487.4	556.2	68.8	14.1%
Depreciation and Amortisation	(98.5)	(101.7)	(3.2)	(3.3%)	(65.2)	(62.1)	3.2	4.8%	(163.7)	(163.8)	(0.2)	(0.1%)
Normalised EBIT	226.6	280.1	53.5	23.6%	97.1	112.3	15.3	15.7%	323.7	392.4	68.7	21.2%
Net interest expense (income)									(49.9)	(45.8)	4.1	8.2%
Tax									(78.3)	(105.3)	(27.0)	(34.5%)
Normalised NPAT									195.6	241.3	45.8	23.4%
EBITDA/Revenue %	20.3%	21.9%	1.6%		23.6%	25.4%	1.8%		21.2%	22.9%	1.6%	
VIP Rebate Front Money \$m	3,425.7	3,140.1	(285.6)	(8.3%)	242.5	213.0	(29.5)	(12.2%)	3,668.2	3,353.1	(315.0)	(8.6%)
VIP Rebate Turnover \$m	43,052.1	47,428.5	4,376.4	10.2%	3,186.4	2,060.1	(1,126.3)	(35.3%)	46,238.4	49,488.6	3,250.2	7.0%
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 volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover
Jupiters Townsville sale was completed on 1 October 2014, 1H FY2015 earnings include Jupiters Townsville earnings from 1 July 2014 to 30 September 2014

APPENDIX

INTERNATIONAL VIP REBATE BUSINESS NORMALISATION

- ◆ FY2015 normalised International VIP Rebate business win rate of 1.43% was based on the historical average win rate
- ◆ As disclosed at the 1H FY2016 results, the normalised win rate has been adjusted down to 1.35% for the FY2016 results. This is in line with the Group's win rate experience and consistent with the Australia and New Zealand market practice



APPENDIX

INTERNATIONAL VIP REBATE BUSINESS NORMALISATION

FY2016 Results Comparison (\$m)	FY2016	Change vs Actual	FY2016 Norm @1.35%	Change vs Actual	FY2016 Norm @1.43%
Total Domestic	1,755.1		1,755.1		1,755.1
International VIP Rebate (Gross)	596.3	73.3	669.5	112.9	709.1
Other Revenue	6.3		6.3		6.3
Total Gross Revenue	2,357.7	73.3	2,431.0	112.9	2,470.6
Gaming taxes, levies and commissions	(907.9)	(6.0)	(913.8)	(9.9)	(917.8)
Operating expenses	(961.0)		(961.0)		(961.0)
EBITDA	488.8	67.4	556.2	102.9	591.7
Depreciation and Amortisation	(163.8)		(163.8)		(163.8)
EBIT	325.0	67.4	392.4	102.9	427.9
Net interest expense (income)	(45.8)		(45.8)		(45.8)
Tax	(84.8)	(20.5)	(105.3)	(31.3)	(116.1)
Statutory NPAT	194.4	46.9	241.3	71.7	266.0
EBITDA/Revenue %	20.7%		22.9%		24.0%
VIP Rebate Front Money \$m	3,353.1		3,353.1		3,353.1
VIP Rebate Turnover \$m	49,488.6		49,488.6		49,488.6
VIP Rebate Win rate	1.20%		1.35%		1.43%

APPENDIX

OPERATIONAL BENCHMARKS

Operational Benchmarks	The Star Sydney FY2015	The Star Sydney FY2016	QLD Casinos FY2015	QLD Casinos FY2016
Slots				
Revenue (\$m)	289	313	310	318
NMR/machine/day	532	572	276	288
MTGM's				
Revenue (\$m)	89	99	18	36
NMR/machine/day	539	535	273	290
Domestic Tables (excl. MTGM)				
Revenue (\$m)	502	545	210	204
Hold %	18%	19%	18%	18%
VIP Rebate (Actual)				
Front Money (\$m)	3,426	3,140	242	213
Turnover (\$m)	43,052	47,429	3,186	2,060
Turns	12.6	15.1	13.1	9.7
Win Rate	1.20%	1.17%	2.21%	2.00%
Hotels				
Occupancy	88%	94%	90%	93%
Cash Revenue (\$m)	30	26	30	23
Average Cash Rate	279	274	187	201
Restaurants				
Cash Revenue (\$m)	39	42	32	36
Gross Revenue (\$m)	61	66	56	60
Bars				
Cash Revenue (\$m)	42	43	25	24
Gross Revenue (\$m)	82	88	48	53
Actual EBITDA/Revenue % (Excl significant items)	17%	18%	26%	27%
Normalised EBITDA/Revenue % (Excl significant items)	20%	22%	24%	25%
Employee Costs/Revenue % (Excl significant items)	20%	20%	27%	28%

- ◆ Electronic gaming volume growth strong at The Star Sydney – Slots +8.3% and MTGMs +11.9% (+56 units on average in FY2016 vs pcp)
- ◆ Queensland growth of 2.4% in Slots and 99.3% in MTGMs:
 - MTGMs in QLD increasing (+159 units on average in FY2016 vs pcp) with NMR also rising, demonstrating market capacity
 - Reduction in slot units in QLD (-65 units on average in FY2016 vs pcp) due to addition of MTGM units, limited gaming floor area and impact of disruption
- ◆ Growth in domestic table games (excluding MTGMs) at Sydney (+8.6% vs pcp) driven by higher activity levels and MGF hold rate up on FY2015
- ◆ Queensland domestic table games (excluding Rebate and MTGMs) down 2.9% on pcp, due largely to the Gold Coast which was impacted by capital works disruption and MTGM expansion
- ◆ Hotel occupancy strong across the Group, but room availability impacted by renovation works, weighted more to 2H FY2016

APPENDIX

CASH CONVERSION

Category (\$m)	Jun-15	Jun-16
Cash flows from operating activities before interest and income tax		
Net cash receipts in the course of operations	2,174.5	2,287.6
Payments to suppliers, service providers and employees	(1,202.4)	(1,307.7)
Payment of government levies, gaming taxes and GST	(465.6)	(502.5)
Net cash inflows from operating activities before interest and income tax	506.5	477.4
 Profit before net finance costs and income tax	 287.1	 325.0
Add back depreciation and amortisation	163.7	163.8
EBITDA	450.8	488.8
 Cash conversion	 112%	 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 2016 (\$m)					
Not yet due	77.2	0.0	0.0	0.0	77.2
Past due not impaired	0.0	31.5	1.7	0.0	33.2
Considered impaired	0.0	11.5	1.3	0.0	12.8
Total	77.2	43.0	3.0	0.0	123.2
June 2015 (\$m)					
Not yet due	82.0	0.0	0.0	0.0	82.0
Past due not impaired	0.0	10.5	5.7	0.0	16.2
Considered impaired	0.0	5.3	4.1	0.0	9.4
Total	82.0	15.8	9.8	0.0	107.6
June 2014 (\$m)					
Not yet due	35.6	0.0	0.0	0.0	35.6
Past due not impaired	0.0	32.4	8.5	0.0	40.9
Considered impaired	0.0	9.7	8.5	0.1	18.3
Total	35.6	42.1	17.0	0.1	94.8

- ◆ Net receivables past due not impaired greater than 30 days of \$33.2m with over 95% of balance less than 1 year
- ◆ Receivables balance less than 1 year impacted by strong volumes and high win rate of 1.50% in 2H FY2016
- ◆ Credit risk management processes, collection processes and conservative provisioning policies continue

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
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
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 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
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. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or ◆ Part of the ordinary activities of the business but unusual due to their size and nature