



THE STAR

ENTERTAINMENT
GROUP





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ANNUAL GENERAL MEETING

FRIDAY 28 OCTOBER 2016



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John O'Neill, Chairman The Star Entertainment Group

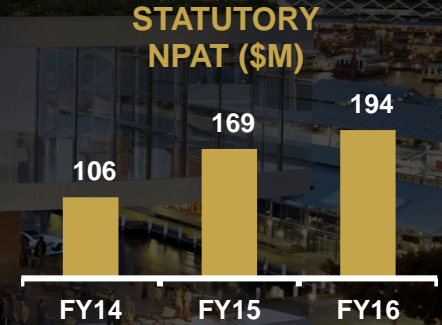
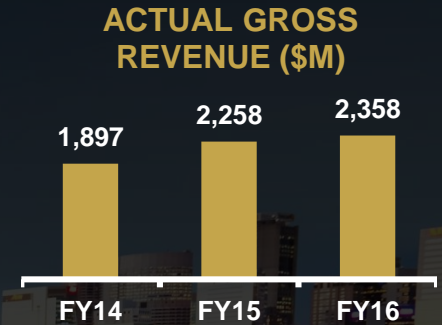
The Star Entertainment Group Limited - ACN 149 629 023

UPDATE ON INTERNATIONAL VIP REBATE BUSINESS

- ◆ On 17 October 2016, Crown Resorts announced that 18 of its employees have been detained by Chinese authorities. At its AGM on 20 October 2016, Crown Resorts noted that there is no information at this stage on the reasons for their detention
- ◆ An assessment of the impact on SGR's business at this time is not possible given the lack of information
- ◆ In FY2016, SGR's International VIP Rebate business comprised 28% of the Group's normalised revenues and 16% of the Group's normalised EBITDA
- ◆ SGR has no offices in Mainland China
- ◆ SGR works within the parameters as determined by the Chinese authorities, in the same way we comply with rules and regulations in every other market in which we operate
- ◆ No SGR employees have been questioned or detained as part of the investigation

THE 2016 FINANCIAL YEAR

- ◆ The 2016 financial year was another year of:
 - Earnings growth,
 - Improved performance, and
 - Delivery against strategic priorities in order to continue to position the company for future growth
- ◆ The Star Entertainment Group is positioned to achieve the vision to be Australia's leading integrated resort company
- ◆ Strong and stable leadership in place
- ◆ Good performance across all key operating fundamentals

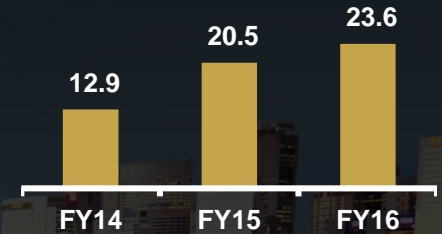


THE 2016 FINANCIAL YEAR

- ◆ Significant contributions made to the Australian, New South Wales and Queensland economies in FY2016:
 - 72% of pre-tax profits paid to all levels of government
 - Employed over 8,500 team members across the Group
 - Welcomed around 20 million guests to our properties
- ◆ In FY2016 The Star contributed:
 - Over \$10 million to community groups, charities and partnerships
 - \$19 million in New South Wales to the Responsible Gambling Fund
- ◆ Proud long-term involvement with local charitable initiatives in Queensland, as well as exciting new partnerships in New South Wales

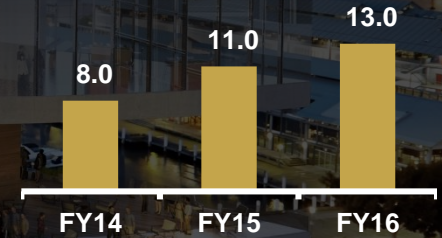
23.6 CENTS
EARNINGS
PER SHARE

EARNINGS PER SHARE (CENTS)



13.0 CENTS
DIVIDEND
PER SHARE

DIVIDEND PER SHARE (CENTS)



OUR PROPERTIES AND DEVELOPMENTS



Concept image only



Gold Coast

Up to \$845m expansion



Concept image only



Queen's Wharf Brisbane

\$3bn development



The Star Sydney

Up to \$1bn expansion

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

OUR BOARD OF DIRECTORS



John O'Neill AO
Chairman and
Non Executive
Director



Matt Bekier
Managing
Director and
Chief Executive
Officer



Katie Lahey AM
Non Executive
Director



**Richard
Sheppard**
Non Executive
Director



Gerard Bradley
Non Executive
Director



Sally Pitkin
Non Executive
Director



Greg Hayes
Non Executive
Director



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Matt Bekier, Managing Director and CEO The Star Entertainment Group

The Star Entertainment Group Limited - ACN 149 629 023

THE STAR SYDNEY – DESIGN EXCELLENCE COMPETITION



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 and beverage offerings
- ◆ Funding provided through partner contributions, existing and new debt facilities, and free cash flow generation



THE 2016 FINANCIAL YEAR RESULTS

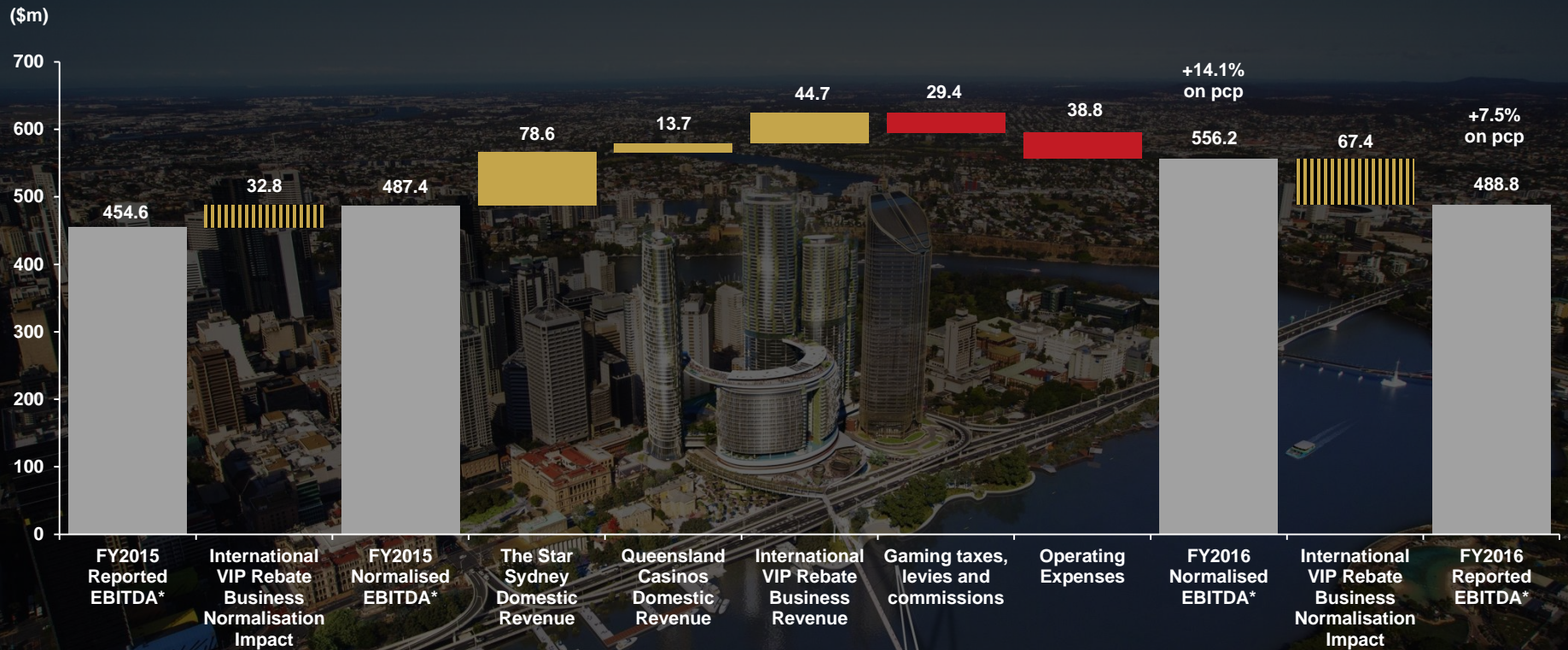
- ◆ Statutory NPAT of \$194 million, up 14.9% on FY2015
- ◆ Normalised NPAT of \$241 million, up 23.4% on FY2015

- ◆ Actual EBITDA of \$489 million, up 7.5% on FY2015
- ◆ Normalised EBITDA of \$556 million, up 14.1% on FY2015

- ◆ Actual gross revenue of \$2,358 million, up 4.4% on FY2015
- ◆ Normalised gross revenue of \$2,431 million, up 6.0% on FY2015

- ◆ Earnings Per Share up 14.9% on FY2015
- ◆ Full year dividend (fully franked) of 13 cents per share declared (reflecting a payout ratio of 55% of statutory NPAT), up 18.2% per share from FY2015

KEY DRIVERS OF THE 2016 FINANCIAL YEAR RESULTS



Note: * Excluding significant items

THREE YEAR FINANCIAL RESULTS SUMMARY

Reported Results	FY2014		FY2015		FY2016	
	\$ millions	\$ millions	% change	\$ millions	% change	
Statutory Revenue	\$1,805.7	\$2,140.3	↑ 18.5%	\$2,268.1	↑ 6.0%	
EBITDA	\$387.1	\$450.8	↑ 16.5%	\$488.8	↑ 8.4%	
EBIT	\$241.5	\$287.1	↑ 18.9%	\$325.0	↑ 13.2%	
NPAT	\$106.3	\$169.3	↑ 59.3%	\$194.4	↑ 14.9%	
Significant items (after-tax)	\$15.5	\$2.7	↓ 82.8%	\$0.0	↓ 100.0%	
NPAT before significant items	\$121.8	\$172.0	↑ 41.0%	\$194.4	↑ 13.0%	
Earnings Per Share	12.9 cents	20.5 cents	↑ 58.9%	23.6 cents	↑ 14.9%	
Full year dividend (fully franked)	8 cents	11 cents	↑ 37.5%	13 cents	↑ 18.2%	

OUR AWARD WINNING PROPERTIES

QUEENSLAND

- ◆ Our Queensland properties continue to gain industry acclaim receiving 24 awards in FY2016, most notably Kiyomi receiving:

- ‘Best Prestige Restaurant’

(Queensland Hotels Association Awards for Excellence)

- ‘Australia’s Best New Restaurant’

(2015 Savour Australia Restaurant & Catering National Awards for Excellence)

THE STAR SYDNEY

- ◆ The Star, one of Sydney’s most awarded entertainment and tourism destinations received 26 awards in FY2016, most notably:

- Momofuku was crowned the No.1 Restaurant in Australia

(2016 Gourmet Traveller National Restaurant Awards)



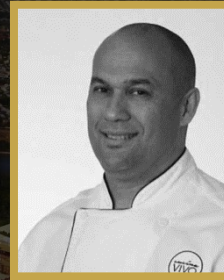
OUR PEOPLE AND PROGRAMS



8,500+
Team members
across the Group

REWARD AND RECOGNITION

STAND OUT TEAM MEMBERS



Jeremy Allen
Executive Sous
Chef



Colin Taylor
HACCP
Manager



Lauren Curmi
Sous Chef



Charlie Mei
Director of
Customer
Relations –
Vietnamese

IMPACT OF CHINESE TOURISM

DRAMATIC UPWARD TRENDS IN SPEND AND VISITATION

\$8.9 billion

Spent by Chinese visitors in year to June 2016 at an average \$8,100 per trip

27%

Increase in overall spend by Chinese visitors on pcp

\$3.8 billion

Spent by UK visitors in year to June 2016 at an average \$5,850 per trip

\$2.7 billion

Spent by NZ visitors in year to June 2016 at an average \$2,250 per trip

QUEEN'S WHARF BRISBANE DEVELOPMENT

- ◆ 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



Concept image only

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



REBRANDING & THE STAR CLUB

- ◆ First year under the name of The Star Entertainment Group
 - The Star Sydney has already rebranded
 - Jupiters to transition to The Star Gold Coast early next year
 - The Star Brisbane will come into effect when Queen's Wharf becomes operational
- ◆ Launch of our new loyalty program, The Star Club, in the coming months
 - Greater access to rewards and benefits
 - One card across all of The Star Entertainment Group's properties



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THE  STAR THE  STAR THE  STAR
SYDNEY BRISBANE GOLD COAST

THE  STAR CLUB

GROUP YEAR TO DATE TRADING (UNAUDITED)

- ◆ For the period from 1 July to 22 October 2016, actual group revenues are up 12.8% on the pcp, whilst normalised group revenues are down 2.0% on the pcp
- ◆ Domestic revenues (excluding International VIP Rebate business) is broadly flat versus the pcp
 - The domestic business has been impacted by an unusually low hold rate in private gaming room table games of 15.9% vs 17.2% in the pcp which can occur over shorter periods of time
 - Disruption from the development work in the Gold Coast and Sydney has impacted visitation numbers and customer spend negatively. This disruption will reduce largely and is not expected to have any material impact in 2H FY2017
 - Non-gaming revenues have been softer than Domestic Gaming revenues
- ◆ The International VIP Rebate business is showing satisfactory volumes and an unusually strong win rate in the year to date (1.66% vs a normalised rate of 1.35%)

PRIORITIES FOR THE NEXT 12 MONTHS

- ◆ Priorities for FY2017 focused on enhancing long-term growth and shareholder value
 1. Secure planning approvals and execute property development plans at the Sydney and Gold Coast properties in partnership with CTF and FEC
 2. Deliver on the next stage of the capital program
 - Gold Coast development and masterplan
 - Queen's Wharf Brisbane development
 - The Star Sydney development
 3. Continue drive to differentiate value proposition at each property – including brand, loyalty, customer service, food and beverage
 4. Improve earnings across the Group through continued focus on operations and efficiency



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Thank you for joining us today

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 FY2017 year 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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