

ECHO

ASX ANNOUNCEMENT

30 October 2014

ECHO ENTERTAINMENT TRADING UPDATE

Echo Entertainment Group Limited (**Echo**) is pleased to provide an update on trading performance for the 17 weeks to 27 October 2014 (YTD) and guidance on expected normalised earnings for the six months ending 31 December 2014 (1H FY15).

Highlights:

- Expected normalised¹⁾ EBITDA for 1H FY15 within the range of \$245m - \$260m, representing an increase of between 23% - 31% on prior corresponding period (pcp) on a like for like basis
- YTD normalised gross revenues of \$762m up 27% for the group and 36% at The Star
- Record period for International VIP Rebate volumes with actual turnover of \$16bn, and normalised gross revenues up 78% on pcp to \$231m
- Overall good customer demand being experienced across all properties

Across the group, YTD normalised gross revenue grew by 27% on pcp (+26% on an actual basis). The domestic business, excluding International VIP Rebate, revenues grew 13% on pcp. The International VIP Rebate business has had a very strong start to the year with actual turnover of \$16bn (up 78% on pcp) and actual gross revenues of \$216m (up 78% on pcp with a win rate of 1.34%). Normalised International VIP Rebate revenues of \$231m are up 78% on a like for like basis. Aggregate normalised revenues in Sydney are up 36% on pcp and 8% in Queensland.

Based on the strong results and revenue momentum experienced year to date, Echo expects to report normalised 1H FY15 EBITDA within the range of \$245m-\$260m. This compares with 1H FY14 restated normalised EBITDA of \$199m, representing an increase of between 23% - 31%.

Actual EBITDA will be impacted by the win rate and turnover experienced in the International VIP Rebate business for the remainder of the financial year, and therefore is subject to potential volatility.

Managing Director & CEO Matt Bekier said: "The positive trading momentum generated in 2H FY14 continues to prevail. We are experiencing good demand in all properties, especially in domestic electronic gaming. The International VIP Rebate business is breaking previous records. Expenses are tracking to our expectations. The work we are putting into customer segmentation, loyalty and customer service continues to gain traction and is allowing us to generate returns on the investments we have made in recent years. We have exciting programs under development and look forward to an active trading period over the upcoming festive season."

The FY15 financial year result remains subject to external audit and a number of factors (which may be material in nature) which could impact results for the period. These factors include general trading conditions in the remainder of the period, potential hold and win rate volatility in the Premium Gaming Rooms and

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THE STAR
SYDNEY



International VIP Rebate business and level of debtor provisions. Property development programs are continuing at Jupiters Gold Coast and The Star Sydney with potential disruption to business operations throughout the remainder of the financial year.

Echo plans to report its 1H FY15 financial results on 4 February 2015.

Echo Entertainment Group results are reported under International Financial Reporting Standards (IFRS). This release 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 FY15 results to date have not been subject to audit or review.

Notes:

- 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 1.43% of actual turnover. FY14 normalised results have been restated to a win rate of 1.43% to reflect a consistent win rate between periods.

For more information:

Analysts: Harry Theodore, Head of Strategy, Investor Relations and Group Reporting, 02 9657 8040

Media: Peter Brookes, Citadel, 02 9290 3033

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ECHO ENTERTAINMENT GROUP LTD | ABN 85 149 629 023
ECHOENTERTAINMENT.COM.AU