



ASX AND MEDIA RELEASE

Thursday, 24 October 2019

THE STAR ENTERTAINMENT GROUP (ASX:SGR) – UPDATE ON TRADING AND GOLD COAST

- Domestic revenue up in 1H FY2020 YTD¹ vs pcp². International VIP Rebate business volumes up in 1H FY2020 YTD vs pcp, actual win rate win below theoretical
- Normalised³ group EBITDA for 1H FY2020 expected to be between \$300 million and \$310 million
- Tourism investment proposal provided to Queensland Government – Gold Coast Masterplan, expansion and upgrade of GCCEC⁴, Sheraton Grand Mirage upgrade

Trading Update – 1 July to 21 October 2019 (Unaudited)

The Star Entertainment Group (**The Star**) provides the following update in relation to trading and expected earnings for 1H FY2020.

- For the period from 1 July to 21 October 2019, group domestic revenue is up 1.5% on pcp, with growth in both Sydney and Queensland
- Group International VIP Rebate business normalised revenue is up on pcp
 - Front money flat on pcp
 - Low actual win rate experienced in 1H FY2020 YTD negatively impacting statutory results
- De-risking initiatives implemented, including annualised cost reductions of ~\$45m by end 1H FY2020
- Normalised group EBITDA for 1H FY2020 is expected to be between \$300 million and \$310 million

Gold Coast Tourism Proposal

The Star values the partnership with the Queensland Government developed over many years. The Star has provided the Queensland Government an investment proposal that creates substantial

¹ Year to date.

² Prior corresponding period.

³ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover and commissions. Normalised EBITDA is calculated based on normalised gross revenue, commissions and normalised taxes. Significant items are excluded from the normalised results.

⁴ Gold Coast Convention and Exhibition Centre, owned by the Queensland Government. The Star operates GCCEC under a management agreement.

tourism drivers for the Gold Coast that delivers value to shareholders, whilst creating economic value and employment growth in the region.

There are three elements to The Star’s proposal to the Queensland Government, comprising commitments around The Star Gold Coast Masterplan, and upgrades and expansions to GCCEC and The Sheraton Grand Mirage. The details of the investments in GCCEC and The Sheraton Grand Mirage will need to be developed in conjunction with the Queensland Government. Further information concerning the proposal is contained in the Chairman’s address today at The Star’s Annual General Meeting.

This proposal is predicated on the Queensland Government resolving the market uncertainty in South East Queensland.

Chief Financial Officer

Further to the announcement made on 16 August 2019, Mr Harry Theodore has commenced as Chief Financial Officer. Prior to this role, Mr Theodore was the Chief Commercial Officer, having joined The Star in 2011 as Head of Strategy and Investor Relations, and has lead several finance functions within the group.

For further information

Financial analysts	Harry Theodore Chief Financial Officer	Tel: + 61 2 9657 8040
	Danny Huang General Manager, Strategy and Investor Relations	Tel: + 61 7 3306 8556
Media	Peter Jenkins Head of Media Communications	Tel: + 61 2 9657 9288