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Press Release

23 August 2006

Reef Casino Trust Half Year results

Reports record net profit, up 50%

Declares first half distribution of 15.5 cents per unit, up 80%

Reef Casino Trust ("Trust" – ASX code: RCT) today announced a net profit for the first half year ended 30 June 2006 of \$6.8 million, an increase of 50% compared to the same period last year (2005: \$4.5 million). EBITDA (earnings before interest, tax, depreciation and amortisation) was \$9.8 million, up 26.3% on last year.

Mr Ben Macdonald, Chairman of Reef Corporate Services Limited, responsible entity of the Trust said, "This record first half year net profit was driven by strong Trust revenue growth of 18% which in turn was a result of strong operating performance at the Reef Hotel Casino in Cairns".

At the same time, Trust costs were well controlled and operating costs were lower by 10%.

The Board of the responsible entity also declared a first half year unit distribution of 15.5 cents per unit (a total of \$7.7 million), on a tax deferred basis, payable on 15 September 2006. This unit distribution is 80% higher than for the same period last year.

Mr Macdonald said, "In accordance with the previously announced "higher level" cash distribution policy, this unit distribution comprises two components as follows":-

	Cents/unit
"Normal" – 100% first half year distributable profits	13.6
From the "undistributed income" account	1.9
Total	15.5

Despite an increasingly challenging economic environment, the Reef Hotel Casino recorded good to strong growth in all key business areas. Mr Allan Tan, CEO said, "We are pleased we

REEF CASINO TRUST
ABN 90 324 877

Managed by Reef Corporate Services Limited - ABN 66 557 539 521
Level 15 Waterfront Place, 1 Eagle Street, Brisbane QLD 4000, PO Box 7897 Waterfront Place, Brisbane QLD 4000
Telephone : 07 3232 3190 Facsimile : 07 3232 3111



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turned in the best ever first half year performance. More visitations were recorded for the casino; gaming revenues grew strongly as did non gaming revenues."

The Queensland government introduced new smoking laws effective 1 July 2006 which prohibit smoking in all public areas in the state. Mr Tan said, "Early indications at the Reef Hotel Casino suggest that while there is some pressure on our business in general as a result of the new smoking laws, the impact to date is not severe."

While the new smoking laws and the general political (conflicts and air travel difficulties) and economic factors (fuel prices, interest rates) have the potential to affect the Reef Hotel Casino's business, there are a number of mitigating factors in the second half year (start of high season, increased conference activity in Cairns).

Mr Macdonald said, "Management hopes to exploit these positive factors and to build on the strong momentum of the first half year to continue to deliver a strong result in the second half."

Mr Macdonald concluded, "Although it will be difficult to achieve the growth rate in profits of the first half in the second half, nonetheless, the Trust still expects to post a strong result for the full year. An expectation that the second half year would be at least as good as last year is not unreasonable."

- ENDS -

For further information:

Allan Tan
Chief Executive Officer
Reef Hotel Casino
Tel: 07 4030 8888
Fax: 07 4030 8794
Email: allant@reefcasino.com.au

Peter Hook
Director of Communications
Accor Asia Pacific
Tel: 02 9280 9888
Fax: 02 9280 9898
Email: peter.hook@accor.com

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