# ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP

16 August 2011

To: Australian Securities Exchange
Companies Announcements Platform
20 Bridge Street
Sydney NSW 2000

## FULL YEAR RESULTS PRESENTATION

Attached is a presentation regarding Echo Entertainment Group Limited's (**Echo**) full year results for the financial year ended 30 June 2011 to be presented by Larry Mullin, Managing Director and Chief Executive Officer and Matt Bekier, Chief Financial Officer.

This presentation and a link to an audio webcast of the presentation will be available from Echo's website at **ww.echoentertainment.com.au** from 10:00am (Sydney time) today.

The information contained in this announcement should be read in conjunction with today's announcement of Echo's full year results.

Paula Martin
**General Counsel (QLD) & Company Secretary**

# Echo Entertainment FY11 Full Year Results Presentation

16th August 2011

ECHO ENTERTAINMENT GROUP

Jupiters Jupiters THE STAR TREASURY

# Agenda

| | |
|---|---|
| 1. Overview and Strategy | Larry Mullin, CEO |
| 2. Financials | Matt Bekier, CFO |
| 3. Q&As | Larry Mullin, CEO |

# FY11 results overview

- FY11 result solid and provides good momentum for FY12
- EBITDA up 28% to $446m due to strong win rate and growth in VIP, offsetting the impact of disruptions in Sydney and floods in Brisbane. Normalised EBITDA up 7%
- Growth in all properties and business segments highlights the overall strength of the business and operational momentum
  - EGM revenues up 7% across the group
  - VIP revenue up 106% (34% normalised)
  - MGF table revenues up 3%
  - PGR revenues up 4%
- Good progress on Star expansion during FY11. Most facilities from expansion at The Star to open in 2QFY12. Capital spend on plan and on budget
- Growth strategy and program rolling-out for FY12 – FY15

# Strategic use of entertainment to leverage assets

- ***Secure long-term licences*** are Echo's most valuable assets – but can be better developed and better utilised by increasing customer traffic
- ***Strong cash flows*** are generated from existing customers – but we have significant opportunities to grow this given the size and depth of markets

**Tapping the potential of our underlying markets:**

**1. Securing enough gaming capacity to meet the potential demand in our markets**

Gaming concessions at The Star secured to date provide significant capacity to grow into the future. In principle agreement in Queensland providing for a significant capacity increase

**2. Creating compelling reasons for customers to come to our properties to fully utilise that capacity**

# Creating compelling reasons to visit

**Creating '*Magnets for People*' – distinctive entertainment precincts and experiences**

**Invest – Creating distinctive world class entertainment precincts**

- Signature restaurants, theatres, bars, nightclubs, events centre, etc
- Star – $870m* investment, now 70% complete, with majority of new product opening 2QFY12
- Queensland – Proposed $625m investment program with expected FY18 completion

**Execution – Delivering on the experience**

- Providing a world class entertainment experience
- Building a service culture
- Differentiating customer experience from other gaming and entertainment offers
- Creating compelling reasons to visit and return
- Leveraging technology to deliver experience

* Previous guidance of $960m reduced by $90m following decision to lease, rather than own, two jets. $870m Project Star capex also includes $100m licence payment made to the NSW Government

# Key milestones to realise potential of Echo

| Milestone | | Status |
|---|---|---|
| Make NSW licence competitive | | Partially completed |
| Attract experienced casino talent | | Strong team in place |
| Demerge from TAH | | Completed June 2011 |
| Manage disruption during expansion | | Largely completed – growth sustained |
| Complete Star expansion on time/budget | | On track |
| Obtain Qld concessions | 2012 | Process on track – completion by mid FY12 |
| Create Entertainment destinations | | Underway - Events centre to be completed 2HFY13 |
| Drive earnings and efficiency post expansion | | Target EBITDA margin of close to 30% two years after completion of expansion projects |
| Deliver a distinctive service experience everywhere, every time | | Early days – measurement system and target metrics established |
| Complete Qld expansion projects on time and budget | 2018 | Early days – need to obtain concessions first |

# Project Star – Update on progress

| | % Complete | Status August 2011 | Target |
|---|---|---|---|
| Main Gaming Floor | 75% | □ New Live Entertainment bar opened<br>□ 70% of MGF fit-out complete<br>□ Disruption minimised | Dec 2011 |
| Hotel | 90% | □ Exterior works largely completed<br>□ 157 of 171 rooms fitted out<br>□ Recruitment commenced | Nov 2011 |
| F&B / Retail<br>Signature Restaurants | 50%<br>75% | □ Retail fit-out well advanced<br>□ Key roles appointed, training underway<br>□ Retail leasing complete | Nov 2011 |
| VIP Rebate Business | 50% | □ Both aircraft leased<br>□ VIP hotel and gaming facilities construction on track | Dec 2011 |
| Events and Conference Centre | 5% | □ Preliminary works underway | 2HFY13 |

# Star – Successive openings in 2012

Non-gaming
Gaming

Project Star to be completed with nearly all major product opening between mid September and Christmas

| FY12 | | | | | | | |
|---|---|---|---|---|---|---|---|
| July | August | September | October | November | December | 2H12 | FY13 |
| Vestibule | Gaming Area 5A | Pirrama Rd Entry | Sokyo | Retail Phase 3 | Pyrmont St Entry | Nightclub | Events centre |
| Gaming Area 1C | Gaming Area 5B | Black by Ezard | Momofuku | Signature Suites | MGF Café | Buffet refurb | |
| | | Balla | Zumbo Patisserie | MGF Area 3B | VIP Suites refurb | | |
| | | Cherry Bar | Spa | MGF Area 7B | Retail Phase 4 | | |
| | | Retail Phase 1 | The Darling | Cage Area 3B | Golden Century | | |
| | | SR Outdoor | Retail Phase 2 | Baccarat Area 8A | Gaming Area 2 | | |
| | | Cage Area 7 | | | Gaming Area 7C | | |
| | | Sports Theatre | | | VIP salons | | |

**Additional product:**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 8 Tables | 18 Tables<br>142 MTGMs<br>346 seats<br>Access<br>13 outlets<br>100 EGMs | 174 seats<br>12 treatment rooms<br>157 rooms<br>3 outlets | 3 outlets<br>14 hotel room suites<br>4 VIP gaming suites | Access<br>1 outlet<br>84 tables<br>100 MTGMs<br>220 Seats | Up to 1,500 guests | Up to 4,000 guests |

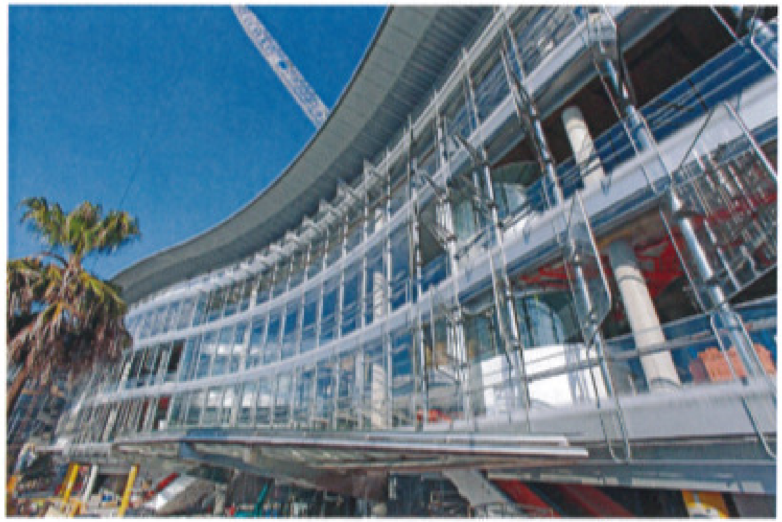
# Project Star – A visual update on progress

New Hotel

Hotel Eastern awning

Exec suite under construction

New Hotel



Pirrama Road façade

# Project Star – Completed areas

Main Gaming Floor – refurbishment


Food Quarter

Main Gaming Floor – expanded area

Unenclosed Gaming Area

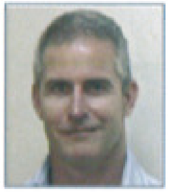
Unenclosed Gaming Area – Harbour view

Rock Lily

# Experienced management team to deliver growth

## Echo Entertainment Group Leadership

**Larry Mullin**
CEO and MD



- 23 years casino industry experience in Atlantic City
- Formerly President and COO at the Borgata Hotel Casino & Spa
- 15 years at all three Trump casinos, including President Trump Marina

**Matt Bekier**
CFO and ED

- Chief Financial Officer of Tabcorp since 2005
- Previous to Tabcorp spent 14 years with McKinsey & Company in Australia, Europe, Asia and North America

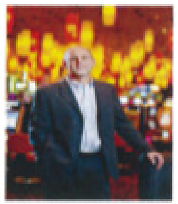
## Property Leadership

**Sid Vaikunta**
MD – The Star

Over 13 years casino operations experience Las Vegas, Atlantic City and Australia

**Frederic Luvisutto**
MD – Jupiters Gold Coast

Over 10 years casino and hotel management experience in Las Vegas



**Geoff Hogg**
MD – Treasury Brisbane

Over 17 years casino operations experience New Zealand and Australia

**Sean Knights**
MD – Jupiters Townsville

Over 25 years casino operations experience in Australia

# Outlook and summary

- Project Star on plan and on budget

- Balance sheet strong and geared to deliver growth

- Outlook for FY12 positive for Echo – current trading for the start of FY12 is in line with expectations and solid given cautious consumer environment and disruptions. Revenues up 12.6% (8.2% normalised) from 1 July 2011 to 9 August 2011

- FY12 earnings outlook to be a story of two halves
  - Benefit of new openings to start from 2Q12 with earnings in 1H12 to be impacted by one-off pre-opening costs (around $30m)
  - 2H12 to see strong earnings growth driven by new product and expansions at The Star
  - Queensland expected to see steadier growth profile. Acceleration in 2H12 given impact of floods on pcp

# Agenda

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| 3. Q&As | Larry Mullin, CEO |

# Echo group financials

| $ million | FY11 Actual | FY10 Actual | Growth % | FY11 Normalised** | FY10 Normalised** | Growth % |
|---|---|---|---|---|---|---|
| **Revenue** | **1,648.4** | **1,451.9** | **13.5%** | **1,597.6** | **1,487.8** | **7.4%** |
| Variable Contribution | 1,205.7 | 1,066.7 | 13.0% | 1,154.5 | 1,090.5 | 5.9% |
| Operating expenditure | 759.7 | 717.9 | 5.8% | 750.4 | 713.3 | 5.2% |
| **EBITDA *** | **446.0** | **348.8** | **27.9%** | **404.1** | **377.2** | **7.1%** |
| Depreciation and Amortisation | 98.7 | 89.1 | 10.7% | 98.7 | 89.0 | 10.8% |
| **EBIT *** | **347.2** | **259.8** | **33.6%** | **305.4** | **288.1** | **6.0%** |
| **Statutory Reconciliation** | | | | | | |
| Interest | 4.7 | 7.3 | 35.6% | | | |
| Tax | 116.5 | 58.7 | 98.5% | | | |
| **NPAT** | **225.9** | **193.8** | **16.6%** | | | |

Note: Revenue is shown as the net gaming win, but gross of commissions and rebates paid to third parties. In the prior year under Tabcorp, revenue was not grossed up for payments to third parties.

* Actual EBITDA and EBIT includes pre-opening costs of $9.2m (FY'11) and $4.6m (FY'10), Normalised EBITDA and EBIT excludes these costs

** Normalised for average win rate (1.54%) and average number of turns of front money (15.6 times) experienced over the last 5 years, calculated on a rolling basis.

# FY11 revenue analysis

Percent revenue growth on pcp

| The Star | 1H11 | 3Q11 | 4Q11 | FY11 |
|---|---|---|---|---|
| EGMs | 12.3% | 17.6% | 12.6% | 13.7% |
| MGF | 4.5% | 3.9% | 1.5% | 3.6% |
| PGR | ( 1.0%) | 16.6% | ( 8.0%) | 0.8% |
| Normalised VIP (Gross) | 16.8% | 107.6% | 21.5% | 38.3% |
| Non-gaming | 1.9% | ( 0.7%) | ( 18.3%) | ( 3.5%) |
| **Total Revenue** | **7.0%** | **22.6%** | **4.3%** | **10.0%** |

| Queensland | 1H11 | 3Q11 | 4Q11 | FY11 |
|---|---|---|---|---|
| EGMs | 2.8% | ( 0.6%) | 1.4% | 1.6% |
| MGF | 4.1% | ( 2.0%) | 4.0% | 2.5% |
| PGR | 9.6% | ( 2.9%) | 23.5% | 8.9% |
| Normalised VIP (Gross) | 84.3% | ( 43.9%) | 8.2% | 12.6% |
| Non-gaming | 2.6% | 3.8% | ( 1.7%) | 1.9% |
| **Total Revenue** | **6.3%** | **( 3.2%)** | **6.0%** | **3.8%** |

**Observations:**

- More cautious consumer in 4Q than any other period – recovery towards end of quarter
- EGMs very strong – electronic gaming market share rose to 8.2% in 3Q11 from 7.4% in pcp
- Peak disruption in 4Q affecting MGF and non-gaming
- Strong win rate in VIP in 3Q

- Treasury significantly affected by Brisbane floods in 3Q – Queensland revenue likely to have been up 2-3% otherwise
- PGR win rate strong in 4Q11
- Consumer demand following NSW patterns

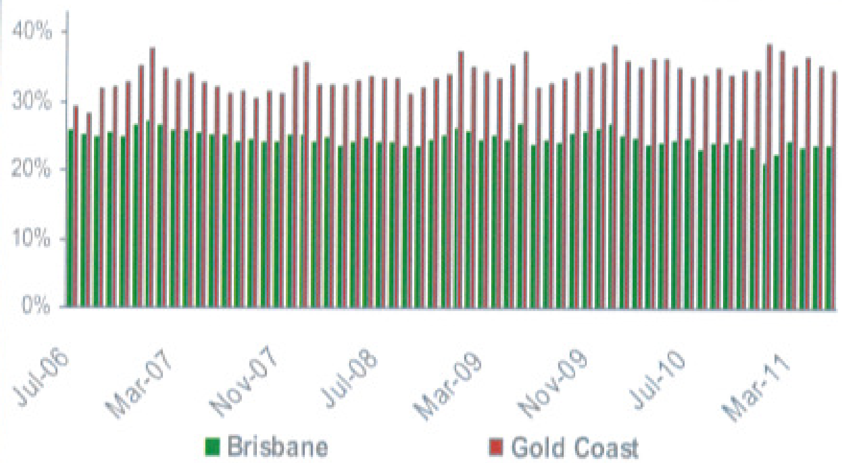
# Electronic gaming at The Star continues to improve

- The Star electronic gaming share of NSW market reached 8.2% in 3Q11, up from 7.4% in the pcp and highest since 1997
- The Star share growth driven by operational improvements and concessions:
  - Customer marketing and loyalty initiatives – benefit of KCMS system and direct marketing capability
  - Improved yielding of slots at peak periods
  - Growth in MTGMs beyond expansion business case
- Improvement in Queensland expected when KCMS is installed (planned for the end of 1H12)

The Star electronic gaming quarterly market share


Source: OLGR (includes EGMs and MTGMs), Echo Entertainment data

Brisbane and Gold Coast EGM monthly market share




Source: OLGR, Echo Entertainment data

# Discussion of results – KPIs

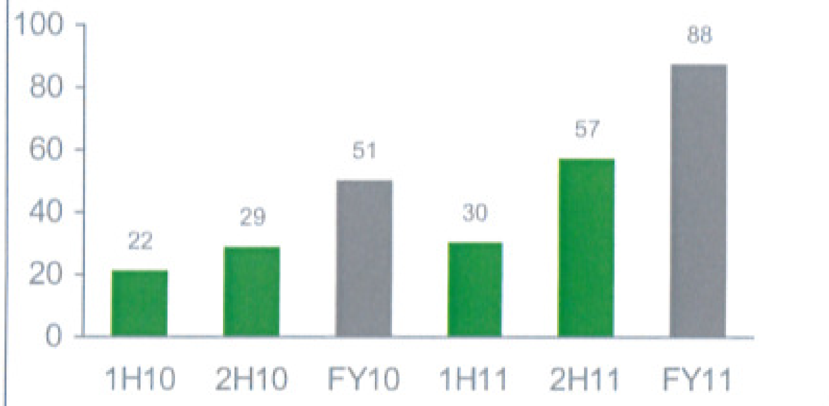
| Key Performance Indicators | ACTUAL | | NORMALISED | |
|---|---|---|---|---|
| | FY11 | FY10 | FY11 | FY10 |
| Visitors/day | 41,216 | 46,874 | 41,216 | 46,874 |
| Spend/visit | $110 | $85 | $106 | $87 |
| Revenue % gaming | 86% | 84% | 86% | 85% |
| EGM NMR | $317 | $295 | $317 | $295 |
| MTGM NMR | $373 | $431 | $373 | $431 |
| TG Revenue/Table/Day | $5,748 | $4,747 | $5,412 | $4,984 |
| TG Revenue/TG staff | $492,878 | $320,028 | $464,069 | $336,012 |
| VIP Front Money ($m) | 951.6 | 722.7 | 951.6 | 722.7 |
| EBITDA Margin | 27.1% | 24.0% | 25.3% | 25.3% |
| Revenue/staff | $282,920 | $249,659 | $274,185 | $255,834 |
| Revenue/staff opex | 3.6x | 3.3x | 3.5x | 3.4x |
| Average cost of debt | 9.4% | NA | 9.4% | NA |
| Net debt/EBITDA | 2.1x | NA | 2.3x | NA |
| Free cash flow | NA | NA | NA | NA |
| Return on tangible assets* | 17.1% | NA | 15.1% | NA |
| EPS | 32.8 | 28.2 | NA | NA |
| TSR | NA | NA | NA | NA |

* Calculated as EBIT divided by total assets less intangible assets

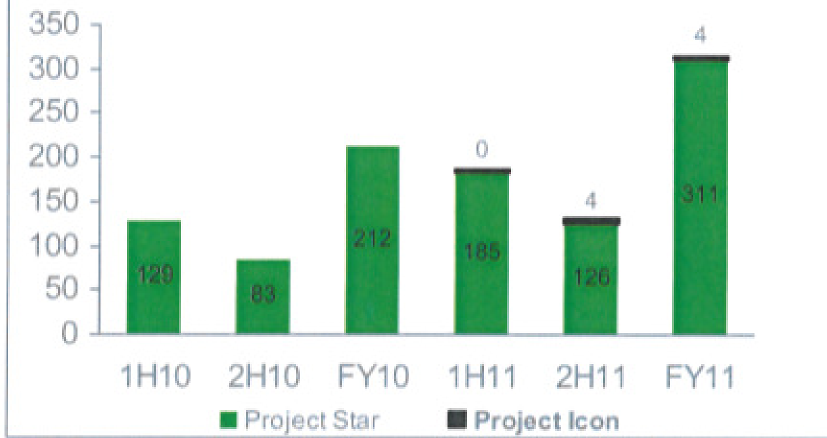
# Capital expenditure

- FY11 capex $402m, including $311m for Project Star and $4m for Qld expansion (Icon)
- Project Star capex of $870m (reduced following decision to lease aircraft) around 70% complete. Total project scope unchanged
- Delivery of main part of project Star on track. $100m expenditure earmarked for events centre now planned for completion to 2HFY13 following receipt of all necessary approvals
- Concept development and approvals for project Icon progressing to plan
- FY12 capex expected to be between $330m and $370m
- FY13 capex expected to be between $220m and $240m
- FY12 D&A expense expected to be between $120m and $130m

**Capex trend excluding Project Star/Icon (A$m)**



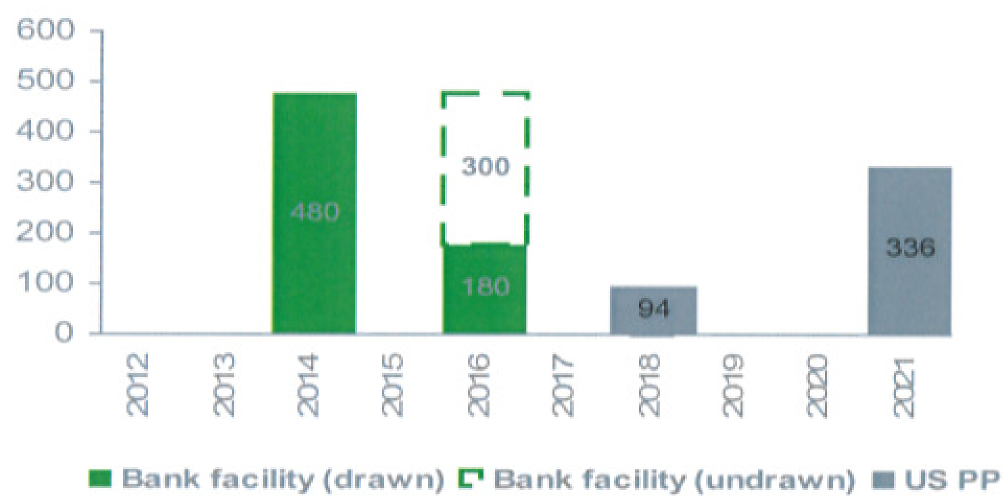

**Capex trend for Project Star and Icon (A$m)**



# Echo Entertainment funding

- Raised US$460 million of debt from the US private placement market in May 2011
- USPP funds used to reduce bank facility and extend debt maturity to average 5.8 years
- Undrawn bank facilities of $300m per 30 June 2011
- FY12 net interest expected to be in the range of $90m to $95m
- Planned payout ratio of 50% to fund currently planned investments from free cash flows

Echo Entertainment Debt Maturity Profile ($m)




Note: USPP borrowings above are stated at the AUD amount repayable under cross currency swaps. Debt maturities are all in June of each year shown.

# Balance sheet

| $m | 30-Jun-11 | 31 Dec 2011 (Pro-forma from Scheme Booklet) |
|---|---|---|
| **Current Assets** | | |
| Cash and cash equivalents | 125 | 91 |
| Receivables | 71 | 30 |
| Other | 33 | 24 |
| **Total Current Assets** | **229** | **145** |
| **Non-Current Assets** | | |
| Property, plant and equipment | 1,765 | 1,615 |
| Licences and Intangible assets | 1,863 | 1,861 |
| Derivative financial instruments | 12 | 4 |
| Other non-current assets | 23 | 11 |
| **Total Non-Current Assets** | **3,663** | **3,491** |
| **Total Assets** | **3,892** | **3,636** |
| | | |
| **Current Liabilities** | | |
| Payables | 155 | 116 |
| Derivative financial instruments | 28 | 8 |
| Other current liabilities | 59 | 57 |
| Total Current Liabilities | 242 | 181 |
| **Non-Current Liabilities** | | |
| Interest bearing liabilities | 1,071 | 1,094 |
| Deferred tax liabilities | 172 | 175 |
| Derivative financial instruments | 22 | 8 |
| Other non-current liabilities | 7 | 6 |
| Total Non-Current Liabilities | 1,272 | 1,283 |
| **Total Liabilities** | **1,514** | **1,464** |
| **Net Assets** | **2,378** | **2,172** |
| | | |
| **Shareholders' Equity** | | |
| Issued capital | 2,138 | 2,053 |
| Retained earnings | 245 | ( 23) |
| Reserves | ( 5) | 142 |
| **Total shareholders' equity** | **2,378** | **2,172** |

* Gross and Net Debt include capitalised borrowing costs but do not include mark-to-market value of financial derivatives.

- Net Debt of $946m* lower than the $1.0bn guided to in the scheme booklet due to:
  - Positive cashflow impact of the 2H11 result
  - Lower capex (pushed into FY12)
- Receivables up due to ramp-up of VIP business
- Gross debt* to EBITDA 2.4x in FY11 Significantly lower than anticipated due to high win rate in VIP

# Agenda

| | | |
|---|---|---|
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# Appendix

# The Star and Queensland Results - Actual

| ACTUAL | The Star | | QLD | | Total | |
|---|---|---|---|---|---|---|
| $m | FY11 | Change on pcp | FY11 | Change on pcp | FY11 | Change on pcp |
| EGM | 231.2 | 13.7% | 279.5 | 1.6% | 510.7 | 6.7% |
| Main Gaming Floor | 304.0 | 3.6% | 135.6 | 2.5% | 439.6 | 3.3% |
| PGR | 123.0 | 0.8% | 69.1 | 8.9% | 192.1 | 3.6% |
| Non-Gaming | 85.0 | ( 3.5%) | 126.5 | 1.9% | 211.5 | ( 0.4%) |
| Total Domestic | 743.2 | 5.1% | 610.7 | 2.6% | 1,353.9 | 4.0% |
| VIP rebate (Gross) | 245.0 | 99.5% | 35.1 | 172.9% | 280.0 | 106.4% |
| Other Revenue | 8.1 | ( 34.3%) | 6.4 | 239.8% | 14.5 | 1.6% |
| **Total Revenue** | **996.3** | **18.3%** | **652.1** | **6.9%** | **1,648.4** | **13.5%** |
| Gaming taxes, levies and commissions | 305.7 | 22.4% | 137.0 | 1.2% | 442.8 | 14.9% |
| Operating expenses | 404.2 | 6.3% | 355.5 | 5.2% | 759.7 | 5.8% |
| **EBITDA** | **286.4** | **34.9%** | **159.6** | **16.9%** | **446.0** | **27.9%** |
| Depreciation and Amortisation | 57.8 | 12.6% | 40.8 | 8.4% | 98.7 | 10.8% |
| **EBIT** | **228.5** | **42.1%** | **118.8** | **20.1%** | **347.2** | **33.6%** |
| EBITDA/Revenue % | 28.7% | | 24.5% | | 27.1% | |
| VIP Turnover | 12,748.6 | | 1,491.9 | | 14,240.5 | |
| VIP win rate | 1.92% | | 2.35% | | 1.97% | |

Note: Queensland is the combination of Jupiters and Treasury as per the Statutory accounts

* Actual EBITDA and EBIT includes pre-opening costs of $9.2m (FY'11) and $4.6m (FY'10). Normalised EBITDA and EBIT excludes these costs

** Normalised for average win rate experienced over the last 5 years (1.54%) and average number of turns of front money (15.6 times)

## The Star

- Revenue growth 18%
- Project Star is on track
- Disruption at peak in 4Q11 and 1Q12
- Significant openings in 2QFY12

## Queensland

- Recovered from weakness in FY10
- Flood impact absorbed
- Solid result given tough consumer environment

## VIP

- Growth assisted by high win rate
- Underlying growth driven by investment in marketing and jet

# The Star and Queensland Results - Normalised

| NORMALISED | The Star | | QLD | | Total | |
|---|---|---|---|---|---|---|
| $m | FY11 | Change on pcp | FY11 | Change on pcp | FY11 | Change on pcp |
| EGM | 231.2 | 13.7% | 279.5 | 1.6% | 510.7 | 6.7% |
| Main Gaming Floor | 304.0 | 3.6% | 135.6 | 2.5% | 439.6 | 3.3% |
| PGR | 123.0 | 0.8% | 69.1 | 8.9% | 192.1 | 3.6% |
| Non-Gaming | 85.0 | ( 3.5%) | 126.5 | 1.9% | 211.5 | ( 0.4%) |
| Total Domestic | 743.2 | 5.1% | 610.7 | 2.6% | 1,353.9 | 4.0% |
| VIP rebate (Gross) | 193.7 | 38.3% | 35.5 | 12.6% | 229.1 | 33.6% |
| Other Revenue | 8.1 | ( 34.3%) | 6.4 | 239.8% | 14.5 | 1.6% |
| **Total Revenue** | **945.0** | **10.0%** | **652.5** | **3.8%** | **1,597.6** | **7.4%** |
| Gaming taxes, levies and commissions | 297.5 | 18.5% | 145.5 | ( 0.5%) | 443.0 | 11.5% |
| Operating expenses (excluding NRIs) | 395.0 | 5.2% | 355.5 | 5.2% | 750.4 | 5.2% |
| **EBITDA** | **252.5** | **8.5%** | **151.5** | **5.0%** | **404.1** | **7.1%** |
| Depreciation and Amortisation | 57.8 | 12.6% | 40.8 | 8.4% | 98.7 | 10.8% |
| **EBIT** | **194.7** | **7.3%** | **110.7** | **3.7%** | **305.4** | **6.0%** |
| EBITDA/Revenue % | 26.7% | | 23.2% | | 25.3% | |
| VIP Turnover | 12,569.9 | | 2,302.0 | | 14,871.8 | |
| VIP win rate | 1.54% | | 1.54% | | 1.54% | |

Note: Queensland is the combination of Jupiters and Treasury as per the Statutory accounts

* Actual EBITDA and EBIT includes pre-opening costs of $9.2m (FY'11) and $4.6m (FY'10). Normalised EBITDA and EBIT excludes these costs

** Normalised for average win rate experienced over the last 5 years (1.54%) and average number of turns of front money (15.6 times)

## The Star

- Revenue growth 10%
- Project Star is on track
- Disruption at peak in 4Q11 and 1Q12
- Significant openings in 2QFY12

## Queensland

- Recovered from weakness in FY10
- Flood impact absorbed
- Solid result given tough consumer environment

## VIP

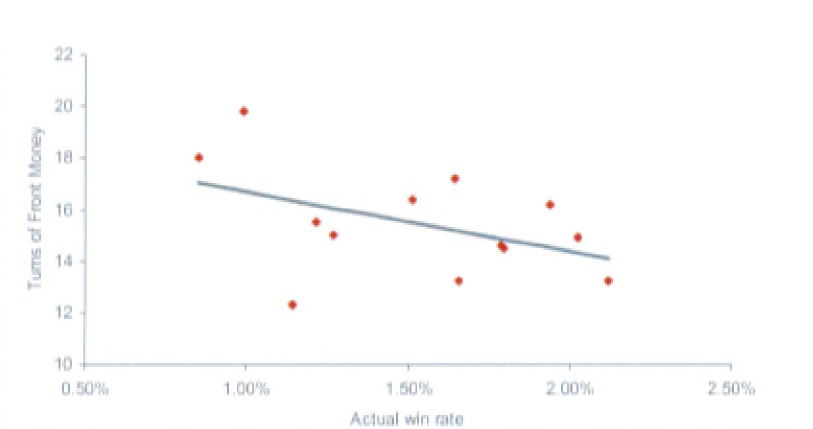
- Underlying growth (excluding win fluctuations) strong
- Growth driven by investment in marketing and jet

# Rationale for change of normalisation approach

- Fundamentally, only actual results matter to financial outcomes
- Normalisation is unique to Australian market – as a pure play casino company, Echo's peer group includes not only domestic competitors but increasingly also Asia and US casinos which generally do not normalise
- The objective of normalisation is to provide year-on-year comparisons of underlying earnings
- Tabcorp has historically normalised earnings by applying a win rate of 1.35% of VIP turnover
- Theoretical win for mix of games played by VIPs differs from 1.35%. Historical win on play at Tabcorp/Echo over last 13 years is 1.55% (1.54% over the last 5 years since The Star re-entered the VIP market)
- Normalisation based on win rate alone is helpful but is not entirely accurate as it underestimates underlying turnover and earnings when win rate is very high. This is because of the interplay of win rate and turns of front money
- As the VIP business expands, earnings volatility and need for normalisation should diminish

**Historical win rates in TAH/Echo VIP**


**Annual correlation between win rate and turns**



# Reconciliation of new normalisation to old

- VIP win rate normalisation approach has been modified to normalise based on the average win rate and average turns of front money over the last 5 years (rather than only adjusting for a notional 1.35% win rate)
- Under the modified normalisation approach, FY11 normalised revenue of $1,598m was up 7.4% on the pcp and normalised EBITDA of $404m was up 7.1% on the pcp. Under the previous normalisation methodology, normalised revenue would have been $1,561m (+6.6% on the pcp) and EBITDA $376m (+3.2%) on the pcp
- Under both methodologies, expenses have been adjusted for $9.2m of pre-opening expenses in FY11

| | New Normalisation Approach | | | Old Normalisation Approach | | |
|---|---|---|---|---|---|---|
| $m | FY09 | FY10 | FY11 | FY09 | FY10 | FY11 |
| EGM | 465.0 | 478.5 | 510.7 | 465.0 | 478.5 | 510.7 |
| Main Gaming Floor | 414.5 | 425.7 | 439.6 | 414.5 | 425.7 | 439.6 |
| PGR | 195.1 | 185.5 | 192.1 | 195.1 | 185.5 | 192.1 |
| Non-Gaming | 220.1 | 212.3 | 211.5 | 220.1 | 212.3 | 211.5 |
| Total Domestic | 1,294.7 | 1,302.0 | 1,353.9 | 1,294.7 | 1,302.0 | 1,353.9 |
| **VIP rebate (Gross)** | 181.3 | 171.6 | 229.1 | 146.6 | 147.9 | 192.2 |
| NSW | 140.4 | 140.1 | 193.7 | 127.2 | 131.3 | 172.1 |
| QLD | 41.0 | 31.5 | 35.5 | 19.5 | 16.6 | 20.1 |
| Other Revenue | 6.4 | 14.3 | 14.5 | 6.4 | 14.3 | 14.5 |
| **Total Revenue** | 1,482.4 | 1,487.8 | 1,597.6 | 1,447.7 | 1,464.2 | 1,560.7 |
| Gaming taxes, levies, commissions & rebates | 370.9 | 397.3 | 443.0 | 354.6 | 386.4 | 434.0 |
| Operating expenses (excluding NRIs) | 695.7 | 713.3 | 750.4 | 695.7 | 713.3 | 750.4 |
| **EBITDA** | 415.8 | 377.2 | 404.1 | 397.3 | 364.4 | 376.2 |
| Depreciation and Amortisation | 69.3 | 89.0 | 98.7 | 69.3 | 89.0 | 98.7 |
| EBIT | 346.5 | 288.1 | 305.4 | 328.1 | 275.4 | 277.5 |
| Pre-Opening Expenses | | 4.6 | 9.2 | | 4.6 | 9.2 |
| Front Money | 748.6 | 722.7 | 951.6 | 748.6 | 722.7 | 951.6 |
| Assumed no of turns | 16.56 | 16.57 | 15.63 | 14.51 | 15.16 | 14.96 |
| Implied VIP Turnover A$bn | 12,394.6 | 11,972.7 | 14,871.8 | 10,862.1 | 10,955.7 | 14,240.5 |
| Assumed VIP win rate | 1.46% | 1.43% | 1.54% | 1.35% | 1.35% | 1.35% |

Note: FY10 operating expenses exclude pre-opening expenses under both the new and old normalisation approaches. Tabcorp had previously reported including pre-opening expenses.

# New normalisation – half year results

| | New Normalisation Approach | | | New Normalisation Approach | | | New Normalisation Approach | | |
|---|---|---|---|---|---|---|---|---|---|
| $m | 1H09 | 2H09 | FY09 | 1H10 | 2H10 | FY10 | 1H11 | 2H11 | FY11 |
| EGM | 234.4 | 230.6 | 465.0 | 241.5 | 237.1 | 478.5 | 257.8 | 252.9 | 510.7 |
| Main Gaming Floor | 205.7 | 208.8 | 414.5 | 214.9 | 210.8 | 425.7 | 224.4 | 215.3 | 439.6 |
| PGR | 90.7 | 104.4 | 195.1 | 94.2 | 91.3 | 185.5 | 96.6 | 95.5 | 192.1 |
| Non-Gaming | 118.8 | 101.3 | 220.1 | 113.5 | 98.8 | 212.3 | 116.2 | 95.4 | 211.5 |
| Total Domestic | 649.6 | 645.1 | 1,294.7 | 664.0 | 637.9 | 1,302.0 | 694.9 | 659.0 | 1,353.9 |
| **VIP rebate (Gross)** | **74.5** | **106.9** | **181.3** | **76.8** | **94.7** | **171.6** | **95.8** | **133.4** | **229.1** |
| NSW | 57.2 | 83.2 | 140.4 | 67.9 | 72.1 | 140.1 | 79.3 | 114.3 | 193.7 |
| QLD | 17.3 | 23.7 | 41.0 | 8.9 | 22.6 | 31.5 | 16.4 | 19.0 | 35.5 |
| Other Revenue | 2.8 | 3.6 | 6.4 | 6.6 | 7.7 | 14.3 | 6.9 | 7.6 | 14.5 |
| **Total Revenue** | **726.8** | **755.6** | **1,482.4** | **747.4** | **740.4** | **1,487.8** | **797.6** | **799.9** | **1,597.6** |
| Gaming taxes, levies, commissions amd rebates | 172.5 | 198.4 | 370.9 | 194.3 | 203.1 | 397.3 | 211.5 | 231.5 | 443.0 |
| Operating expenses (excluding NRIs) | 345.8 | 349.9 | 695.7 | 354.2 | 359.1 | 713.3 | 372.5 | 377.9 | 750.4 |
| **EBITDA** | **208.5** | **207.3** | **415.8** | **199.0** | **178.2** | **377.2** | **213.6** | **190.5** | **404.1** |
| Depreciation and Amortisation | 34.1 | 35.2 | 69.3 | 43.3 | 45.8 | 89.0 | 47.1 | 51.6 | 98.7 |
| EBIT | 174.4 | 172.1 | 346.5 | 155.7 | 132.4 | 288.1 | 166.5 | 138.9 | 305.4 |
| Pre-Opening Expenses | | | | 1.9 | 2.6 | 4.6 | 3.6 | 5.6 | 9.2 |
| **Front Money** | **307.4** | **441.2** | **748.6** | **323.7** | **399.0** | **722.7** | **397.7** | **553.9** | **951.6** |
| Assumed no of turns | 16.56 | 16.56 | 16.56 | 16.57 | 16.57 | 16.57 | 15.63 | 15.63 | 15.63 |
| Implied VIP Turnover A$m | 5,089.7 | 7,304.9 | 12,394.6 | 5,362.0 | 6,610.7 | 11,972.7 | 6,215.9 | 8,656.0 | 14,871.8 |
| Assumed VIP win rate | 1.46% | 1.46% | 1.46% | 1.43% | 1.43% | 1.43% | 1.54% | 1.54% | 1.54% |