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Executive Search & Board Advisory

## **The Blenheim Report: The Gaming & Entertainment Numbers**

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**GAMING & ENTERTAINMENT (\$'000)**  
**12mths/Financial Year ended 30 September 2014 OR 6mths/Half Year ended 31 December 2014**

Company/ Division & Reporting Period in Months	Revenue – Current Period	Revenue – PCP <sup>1</sup>	EBITDA – Current	EBITDA – PCP	EBITDA Margin – Current %	EBITDA Margin – PCP %	EBIT – Current	EBIT – PCP	EBIT Margin – Current %	EBIT Margin – PCP %	NPAT – Current	NPAT – PCP	NPAT Margin – Current %	NPAT Margin – PCP %	EPS – Current (cents)	EPS – PCP (cents)	Dividend – Current (cps)	Dividend – PCP (cps)
<b>Ainsworth Game Technology</b> (6mths)	111,900	121,800	50,300	49,200	45.0	40.4	44,000	44,100	39.3	36.2	34,645	35,675	31.0	29.3	11.0 <sup>2</sup>	11.0	5.0	5.0
Australia	53,500	81,400																
Americas	52,700	34,400																
Rest of World	5,700	6,000																
<b>Aristocrat Leisure<sup>3</sup></b> (12mths)	870,300	813,800	209,800	188,100	24.1	23.1	161,300	145,300	18.5	17.9	118,100 <sup>4</sup>	107,200	13.6	13.2	20.7 <sup>5</sup>	19.4	16.0	14.5
Australia & NZ	223,800	192,300					89,700 <sup>6</sup>	77,000	40.2 <sup>7</sup>	40.0								
Americas	459,700	421,900					176,900	154,100	38.2	36.4								
ROW & Japan <sup>8</sup>	186,800	199,600					51,600	59,900	27.7	30.1								
<b>Crown Resorts<sup>9</sup></b> (6mths)	1,720,000	1,468,300	450,200 <sup>10</sup>	392,300	26.2	26.7	322,200	269,200	18.7	18.3	322,400 <sup>11</sup>	315,000	18.7	21.5	27.70	52.51	18.0	18.0
Melbourne	1,164,200	950,200	351,200	278,500	30.2	29.3	259,100	188,300	22.3	19.8								
Perth	462,500	451,400	127,000	117,900	27.5	26.1	96,000	87,200	20.8	19.3								
Aspinall's	59,900	59,200	20,700	17,600	34.6	29.7	20,100	17,000	33.6	28.7								
Wagering <sup>12</sup>			(5,200)	n/a														
Melco Crown Ent <sup>13</sup>											110,400	140,600						

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<b>Echo Entertainment<sup>14</sup></b> (6mths)	1,137,100	901,300	240,600	196,400	21.2	21.8	162,600	124,000	14.3	13.8	97,100	46,100	8.5	5.1	11.8	5.6	5.0	4.0
The Star	795,200	592,300	160,800	134,600	20.2	22.7	113,800	90,000	14.3	15.2								
Queensland Casinos	341,900	309,100	79,700	61,800	23.3	20.0	47,800	34,000	14.0	11.0								
<b>SkyCity<sup>15</sup></b> (NZD) (6mths)	510,000	467,000	154,400	149,800	30.3	32.1	111,200 <sup>16</sup>	111,600	21.8	23.9	66,600	66,400	13.1	14.2	11.4	11.5	10.0	10.0
NZ Casinos	334,700	290,000	134,600	118,500	40.2	40.9	108,600	94,800	32.4	32.7								
Australian Casinos	181,900	177,000	39,700	44,700	21.8	25.3	24,700	32,800	13.6	18.5								
<b>Tabcorp Holdings<sup>17</sup></b> (6mths)	1,115,200	1,045,100	261,300	243,800	23.4	23.3	177,100	162,000	15.9	15.5	122,400	74,600	11.0	7.1	16.0	9.9	10.0 <sup>18</sup>	8.0
Wagering & Media <sup>19</sup>	960,700	890,800	192,200	175,500	20.0	19.7	130,700	117,700	13.6	13.2								
Gaming Services	50,700	49,900	33,800	33,700	66.7	67.5	20,300	20,100	40.0	40.3								
Keno	103,800	104,400	36,200	36,100	34.9	34.6	27,000	25,800	26.0	24.7								
<b>Tatts Group</b> (6mths)	1,508,900	1,491,300	276,100	265,000	18.3	17.8	231,100	223,700	15.3	15.0	139,800	122,000	9.3	8.2	9.7	8.7	9.0	8.0
Lotteries	1,012,400	999,500	161,100	157,400	15.9	15.7	148,000	144,900	14.6	14.5								
Wagering	339,200	337,900	91,800	86,200	27.1	25.5	82,600	78,000	24.4	23.1								
Gaming	169,400	164,600	42,000	38,500	24.8	23.4	28,300	25,700	16.7	15.6								

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<sup>1</sup> Previous corresponding period is financial year ended 30 September 2013 or 6 months ended 31 December 2013.

<sup>2</sup> Diluted.

<sup>3</sup> Normalised results.

<sup>4</sup> Reconciliation of Normalised PAT of \$118.1m to Statutory Operating Loss of \$16.4m – normalised PAT less Japan Impairment (impairment of valuation driven by uncertainty in regulatory environment) of \$78m less loss on disposal of lotteries (29 September 2014) of \$43.4m, less acquisition related transaction and restructuring costs (Video Gaming Technology Inc) led to statutory loss of \$16.4m.

<sup>5</sup> Fully diluted.

<sup>6</sup> Divisional EBIT is Segment Profit (EBIT, and before significant items, charges for D&D expenditure and corporate costs), as stated in Annual Report.

<sup>7</sup> Divisional EBIT Margin is Segment Profit Margin (EBIT, and before significant items, charges for D&D expenditure and corporate costs), calculated on a constant currency basis, as stated in the Annual Report.

<sup>8</sup> Rest of World & Japan includes Lotteries and Digital.

<sup>9</sup> Normalised results. Adjusted to exclude impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinall's & Melco Crown), pre-opening costs from Melco Crown and asset impairments; theoretical win rate is the expected hold percentage on VIP program play over time, therefore the normalised result gives rise to adjustment to VIP program play revenue, gaming taxes, commission & other expenses, income tax expense and equity accounted share of associates' results. Significant items of \$61.3m consist of asset impairments relating primarily to Crown's investment in Cannery.

<sup>10</sup> EBITDA includes Corporate Costs of \$43.5m (\$21.7m PCP).

<sup>11</sup> Normalised NPAT attributable to the parent.

<sup>12</sup> Crown acquired Betfair Group plc's 50% equity interest in Betfair Australasia in August 2014 for consideration of \$10m.

<sup>13</sup> Crown's share of Melco Crown Entertainment shown.

<sup>14</sup> Statutory/Actual results.

<sup>15</sup> Normalised results; in New Zealand currency; normalised revenue is adjusted for International Business at theoretical win rate of 1.35% vs actual of 1.04% in 1H15; average NZD/AUD cross rate during 1H15 0.9147.

<sup>16</sup> EBIT includes Corporate Costs NZ\$19.3m, Branding Project Costs NZ\$2.1m and exchange rate impact at 0.9147 of NZ\$0.7m.

<sup>17</sup> Statutory results.

<sup>18</sup> Special dividend of 30cps fully franked also payable.

<sup>19</sup> During the period Tabcorp integrated its Wagering and Media businesses.

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11 MARCH 2015

Motley Fool

### **Fund managers are hoarding cash: Should you do the same?**

Another company that I think is a solid buy at today's price is Ainsworth Game Technology Limited (ASX: AGI), which trades on a P/E of ~14 and pays a 3.9% fully franked dividend.

Recent struggles in the Australian market saw Revenue and Net Profit decline 8% and 3% respectively in February's half-year report, but the decline is concealing massive growth in the US and South American markets. With the Australian sector becoming a smaller contributor of overall revenue, foreign earnings become ever more relevant and revenue growth of 47% in North America and 63% in South America is not to be sneezed at.

Ainsworth could well be headed north from its current price of \$2.63.

Source: <http://www.fool.com.au/2015/03/11/fund-managers-are-hoarding-cash-should-you-do-the-same/>

4 MARCH 2015

Sydney Morning Herald

### **Bad news for James Packer as Macau gaming revenue halves in February**

Investors in James Packer's Crown Resorts have shrugged off more bad news of the gambling at Mecca of Macau, with figures released late on Tuesday night showing gaming revenue in the city state almost halved in February. The data showed that gaming revenue fell for the ninth straight month in Macau, with the total casino take down 48.6 per cent in February to 19.5 billion patacas (\$3.1 billion). It is the biggest monthly fall since the casino sector was liberalised in 2004.

Mr Packer's Crown Resorts owns a 33 per cent stake in Macau casino developer Melco Crown, alongside Lawrence Ho, son of Macau gambling tycoon Stanley Huang Sun Ho. Melco operates the City of Dreams and Altira casinos in hotel and will open a third property, Studio City, later this year.

Crown Resorts half-year results, released last month, showed its equity-accounted share of net profit from Melco Crown fell 42.2 per cent to \$85.3 million on a statutory basis. However, the widely expected bad news from the February data appears to have been priced in by investors. Crown Resorts shares rose more than 2 per cent in early trade to \$14.40. Since the start of 2015 the stock has risen more than 20 per cent. Melco Crown shares, listed on the NASDAQ, rose 3.2 per cent in overnight trade, and the shares in six Hong Kong companies that operate Macau casinos rose by an average of 1.75 per cent.

The drop in gaming revenue has been partly blamed on February Lunar New Year celebrations, while China's crackdown on corruption is also weighing heavily on VIP punters. Some analysts have suggested wealthy Chinese may have made a conscious decision to avoid trips to Macau during the New Year period over concerns that scrutiny by Chinese authorities would be increased.

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UBS analyst Anthony Wong said from Hong Kong the 48.6 per cent fall was not as bad as the 50-55 per cent fall he had been expecting and said daily gaming revenue had picked up slightly in the last few days of the month as the Chinese New Year celebrations wound down.

Nevertheless, UBS is expecting gaming revenue to fall by around 30 per cent in March compared to last year and Mr Wong said the big declines in 2015 are much worse than many in the industry had expected.

Source: <http://www.smh.com.au/business/china/bad-news-for-james-packer-as-macau-gaming-revenue-halves-in-february-20150304-13udez.html>

19 FEBRUARY 2015

SBS

### **New games, wagering revamp for Tatts**

Tatts Group is looking at expanding its sales of lottery tickets at fuel outlet convenience stores as part of a string of moves to boost the division. Tatts trialled the sale of lottery tickets through the Coles Express network in the first half of the financial year, and says it is exploring opportunities to include other convenience/store fuel outlets.

“We firmly believe the convenience fuel channel presents an opportunity to grow the lotteries category,” Tatts chief executive Robbie Cooke said on Thursday.

Tatts is also expecting to release two new lotteries games – Set for Life, and Lucky Lotteries – in the second half of the current financial year, and develop a new lotteries website to provide consumers with a “state of the art” online experience. Tatts says the Set for Life game is the first new draw game since Powerball in 1996 and will appeal especially to people 25 to 40 years old. It gives players the opportunity to win a top prize of \$20,000 a month for 20 years.

Tatts also will relaunch its wagering division as UBET in the second half. The first “next generation” UBET retail outlet will open in April. The relaunch will also include a new website and new mobile phone apps, self-service terminals with cash-handling capability and a step-up in marketing.

Tatts on Thursday reported a first half net profit by 14.6 per cent to \$139.8 million, boosted by the continued shift of gamblers to online platforms.

“I’m pleased to report a strong result driven by record lotteries earnings, strong online growth, resilient wagering performance, cost control and reduced funding costs,” Mr Cooke said.

Lotteries generated an increase of 18.4 per cent in online sales, and the online channel was now delivering 10.8 per cent of the group’s total lotteries sales. Digital sales in wagering lifted by 12.9 per cent and now generated 24.8 per cent of total wagering sales. Lotteries revenue lifted 1.3 per cent to \$1.01 billion. Tatts’ wagering division lifted revenue by 0.4 per cent to \$339.2 million. The increase in digital sales more than offset a 12.7 per cent fall in phone-based sales. The “bricks and mortar” wagering outlets experienced a fall of 1.8 per cent in sales. Tatts shares were nine cents lower at \$3.78 on Thursday.

Source: <http://www.sbs.com.au/news/article/2015/02/19/new-games-wagering-revamp-tatts>

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19 FEBRUARY 2015

Business Insider

### Shares in James Packer's Crown Resorts are on a tear

Shares in James Packer's Crown Resorts surged higher after the casino company reported a 9.2% rise in revenue to \$1.7 billion for the half year. The statutory profit fell 47.2% to \$201.8 million, partly due to a slump in gambling revenue in Macau. However, normalised net profit rose 2.3% to \$322 million (which smooths out swings in gambling winning rates), ahead of analyst expectations of \$272.5 million. Revenue in Crown, chaired by billionaire James Packer, increased by 9.2% to \$1.7 billion.

CEO Rowen Craigie says the Australian business was satisfactory given a subdued level of consumer sentiment.

Normalised earnings were up 26.1% in Crown Melbourne and up 7.7% in Crown Perth.

Craigie says the already weak market conditions in Macau worsened over the six month period with a 30.4% decline in gross gaming revenue.

"The deterioration in the Macau market has continued into the second half," he says.

Crown's share price has been under pressure from a reported crackdown on corruption by Chinese authorities in Macau which has meant a sharp fall in the number of high rollers.

Source: <http://www.businessinsider.com.au/shares-in-james-packers-crown-resorts-are-on-a-tear-2015-2>

11 FEBRUARY 2015

The Australian

### Sky City first-half profit drops 11%

SkyCity Entertainment Group has posted an 11 per cent decline in first-half profit after getting less benefit than expected from high roller customers and as disruption from the redevelopment of the Adelaide casino weighed on earnings.

Profit fell to \$NZ54.6 million (\$A52m) in the six months ended December 31, from \$NZ61.1m the year earlier, the Auckland-based company said in a statement. That's below the \$NZ69.3m expected by Forsyth Barr and the \$NZ68.8m forecast by First NZ Capital. Revenue rose 6.6 per cent to \$NZ450.7m.

SkyCity, which has four casinos in New Zealand and two in Australia, benefited from an improved performance at its flagship Auckland casino, following investment in the gaming facilities, restaurants and hotel suites. However, earnings fell at Adelaide casino as a \$A50m redevelopment reduced visitation and increased costs.

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“A favourable macro outlook for the next few months in Auckland, with a large pipeline of events, in addition to Chinese New Year celebrations starting in late February, should underpin performance for the remainder of FY15,” the company said in presentation notes. “Adelaide (is) starting to show early signs of recovery after completion of the redevelopment.”

SkyCity said its international business, which caters to big-spending VIP customers, didn't do as well as expected in the first half but recovered in January.

Shares in SkyCity fell 1.3 per cent to \$NZ3.85 on Wednesday morning but have gained 6.9 per cent in the past 12 months. The company will pay a first-half dividend of NZ10c per share, in line with a policy for annual payments of at least NZ20c.

In the first half, SkyCity's Auckland business increased earnings before interest and tax by 9.5 per cent to \$NZ88.9m as revenue rose 9.7 per cent to \$NZ234.1m and expenses gained 11 per cent to \$NZ121.8m. EBIT at the company's Adelaide unit slumped 74 per cent to \$NZ3.7m as revenue fell 3.2 per cent to \$NZ77.3m and expenses increased 8.8 per cent to \$NZ65.9m.

SkyCity, which is seeking government funding to fund a cost blowout for its planned Auckland convention centre, said on Wednesday “constructive discussions” were continuing. The centre, originally expected to cost \$NZ402m, is now estimated to cost \$NZ470m to \$NZ530m. The company said a higher New Zealand dollar over the period had dented its Australian earnings.

Source: <http://www.theaustralian.com.au/business/latest/sky-city-first-half-profit-drops-11/story-e6frg90f-1227215594685>

5 FEBRUARY 2015

Sydney Morning Herald

### **Echo Entertainment's Star casino worthy of the name**

Few would be watching the outcome of the Queensland election more closely than the chief executive and author of Echo Entertainment's financial performance renaissance, Matt Bekier. Until last weekend James Packer's Crown and Echo, which have been competing fiercely for the chance to build a \$1 billion-plus integrated casino resort in Brisbane, thought they had less than six months to wait for a decision. There is a lot riding on this outcome for both players, but it's fair to say that retaining an exclusive casino in Brisbane means more to Echo, which lost a similar battle to Packer last year in NSW. The likelihood that Queensland voters have delivered new political masters in Labor looks like a 50-50 bet at this stage. Such an outcome would introduce a new period of uncertainty about what would happen in a contest that Echo was predicted previously to win.

In the meantime, the more than 40 per cent increase in Echo's share price over the past year has had much more to do with company's earnings recovery under the stewardship of Bekier. Wednesday's half-year result cemented the progress Echo has made in generating enormous gains in revenue and profit across all its properties. But in particular the company has finally managed to meet the projected returns on the \$870 million investment in Star. It has taken since 2009 to get there but to be fair there have been plenty of pitfalls and distractions and regime changes along the way. And now at last The Star lived up to its name. The earnings before interest, tax depreciation and amortisation were slightly ahead of analysts' expectations, up 31.5 per cent to \$261.4 million, thanks to strong tailwinds from the domestic players and the VIP international market. But with



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performance comes the expectation that it will continue. Certainly Bekier appears comfortable with the outlook for the grind of the domestic market - it is stickier and more predictable and comes with less risk. It is the sort of business that gives a chief executive confidence that his returns can take on an almost annuity type of character.

When the massive investment was made in The Star five years ago Bekier readily admitted the focus was on that Australian grind market, with much of the capex funnelled into the enormous gaming floor and less attention given to the exclusive playing rooms inhabited by the mainly Chinese VIP market. While this mass market has improved, thanks to targeted marketing strategies, the VIP segment has improved beyond original expectations. Normalised gross revenue from the VIP rebate business posted gross revenue of \$332.2 million, which was up 96 per cent on the previous corresponding period.

However, Bekier was more cautious about whether having gown VIP threefold in three years, this can continue. It is a market that is more competitive than ever now, with the Macau operators contesting it fiercely, thanks to the fact that they have been hit hard over the past year from the Chinese government's anti-corruption drive. Packer's Philippine property has also just entered the equation. Crown is also pushing hard to win market share in Melbourne and Perth, with experts contending that the recently improved tax regimes in Victoria and Western Australia has given Packer ammunition to attract VIPs. This increased capacity and competition might not affect just prices and margins. Concerns are emerging that some operators are loosening credit controls and more risks are being taken. Bekier said in this environment he was less inclined to follow the aggressive market share grab. That could ultimately mean Echo's VIP revenue grows at a less-steep trajectory.

At the release of the result the company boasted that past due receivables were down more than 47 per cent, reflecting the management's conservatism on risk. At the very least, earnings from VIP will probably be far more volatile.

Crown had a difficult first quarter, Packer said, but the industry talk is that in Australia at least the second quarter to December was much better.

The Echo results demonstrate that most things went in its favour during the first six months, including the economic environment. Where discretionary retailers were bemoaning the weaker consumer sentiment, this softness wasn't contagious when it came to spending on gaming, restaurants and entertainment. But Bekier's comments seem to have injected some nervousness into the market. The share price started the session higher but deteriorated during the day, to close down more than 2 per cent against a generally favourable equities market.

Despite some caution about the VIP market, Bekier and his team have until 2019 to take full advantage of the casino monopoly in Sydney. After that Packer's Barangaroo development is scheduled to be running. So sweating Echo's assets hard for the next five years must be a priority. And there would be some investors not overly concerned about Echo winning Brisbane, preferring to see that capital expenditure in their pockets as dividends.

Source: <http://www.smh.com.au/business/echo-entertainments-star-casino-worthy-of-the-name-20150204-1362dq.html>

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5 FEBRUARY 2015

Sydney Morning Herald

### **Tabcorp gives out special dividend as profit rises 64pc**

Plans from Tabcorp chief executive David Attenborough to use digital tools to save betting in pubs, clubs and TAB outlets have been given a boost by a rare spot of growth in the retail wagering segment. Mr Attenborough said bets placed in retail outlets rose modestly in the second quarter of 2014-15, although some of this effect was due to Tabcorp including turnover from Canberra outlets for the first time after it bought ACTTAB. The growth was not enough to reverse a decline in retail turnover for the half, but it reflects Tabcorp's unwillingness to let retail betting slide quietly into the night and instead focus on the rapid growth in digital wagering.

"We are really focused in integrating digital into retail and that is the program we are looking to roll out in the coming 12 to 18 months," he told an analyst call. "It is really important we keep retail relevant to our customers and keep the social element in there compelling."

Tabcorp's recently merged media and wagering division was the only real driver of revenue growth in the half-year result that delivered a 64.1 per cent rise in net profit after tax to \$122.4 million, boosted by a one-off income tax decision. Excluding significant items, underlying net profit rose 21.8 per cent to \$90.9 million in the six months ended December 31, 2014, which was ahead of consensus. Tabcorp declared a fully franked interim dividend of 10¢ a share and revealed a special dividend of 30¢. The \$230 million cash splash will be paid out of retained earnings but the company has taken advantage of the positive result and a strong rally in the share price – up 37 per cent before entering a trading halt – to raise \$236 million in equity through a entitlement share offer.

One investor called the move "clever" because it made use of surplus franking credits and made Tabcorp a high yield stock "which is attractive in this market". Assuming Tabcorp will distribute a final dividend also in the range of 10¢, this suggests Tabcorp is trading with a dividend yield of about 9.4 per cent. Mr Attenborough said the special dividend would make use of about 25 per cent of Tabcorp's surplus franking credits. He said Tabcorp would maintain a "disciplined" approach to capital management, but declined to commit to more special dividends. However CLSA analyst Sacha Krien said such a move would be likely. "We think special dividends in future will probably be out of debt not equity, which would be positive for the balance sheet and earnings," he said.

Earnings before interest, tax, depreciation and amortisation rose 7.2 per cent to \$261.3million. Revenue rose 6.7 per cent to \$1.1 billion, which was in line with consensus. Wagering and media revenue rose 7.8 per cent to \$960.7 million. Wagering benefited from a strong 2014 Spring Carnival and the last stages of the FIFA World Cup in Brazil. Gaming services revenue rose 1.6 per cent to \$50.7 million. Growth in the pubs and clubs poker machine servicing arm has mostly stalled after a period of strong growth following its establishment in mid-2012.

The Keno business, which distributes the lottery-style game into pubs and clubs, went backwards with revenue falling 0.6 per cent to \$103.8 million. Mr Attenborough said the decline in Keno was mostly due to a fall in tickets sold in Queensland. A change to gaming policy that allowed notes in denominations to be fed into poker machines for the first time, and has been a boon for casino company Echo Entertainment, hurt Tabcorp's Keno business. In Queensland turnover fell 4.4 per cent in the half, compared to rises of about 7 and 10 per cent in NSW and Victoria respectively, he said.

Source: <http://www.smh.com.au/business/tabcorp-gives-out-special-dividend-as-profit-rises-64pc-20150205-136igp.html>

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4 FEBRUARY 2015

The Australian

### **Echo Entertainment doubles earnings for first half**

CASINO operator Echo Entertainment has delivered a strong first-half performance, lifting its net profit by more than 100 per cent. In the six months to December 31, Echo (EGP) delivered a net profit of \$97.1 million, a 110.6 per cent increase on the previous corresponding period. The result was slightly lower than the consensus of analysts surveyed by Bloomberg, who had tipped a net profit of \$102.1m. Citi tipped Echo's normalised net profit after tax would come in at \$99m. Revenue in the period rose 25.3 per cent to \$1.088 billion. Echo will pay a fully franked interim dividend of 5c on March 11 to shareholders on the register at February 11. Echo's previous interim dividend was 4c.

Echo, the owner of the Sydney Star Casino, Jupiters Gold Coast, and Treasury Brisbane, was buoyed by strong growth across both the domestic and International VIP Rebate businesses. In October last year, the group said it expected first-half normalised earnings before interest, tax, depreciation and amortisation (EBITDA) of between \$245m and \$260m, an increase of 23 to 31 per cent year-on-year. Today's EBITDA figure exceeded that guidance slightly, coming in at \$261.4m.

Managing director and chief executive officer Matt Bekier said the momentum gained in the first six months was showing signs of flowing through into the second half. "The domestic gaming business is performing well on the back of continued investment in product and marketing initiatives," he said. "Our priorities for this financial year remain unchanged. First, we want to continue to grow earnings across the group through a focus on operations. "Second, we need to deliver on the initial stages of the capital program to substantially expand and redevelop the Jupiters Gold Coast property."

Finally, Mr Bekier said, Echo would look to work with the Queensland Government and its consortium partners to advance its proposal for the development of Queen's Wharf Brisbane. The group sounded a note of caution however saying that its full-year result may be impacted by general macro-economic conditions, potential hold and win rate volatility in the five private gaming rooms and international VIP rebate business, as well as any uncertainty related to the regulatory environment.

Source: <http://www.theaustralian.com.au/business/profit-loss/echo-entertainment-doubles-earnings-for-first-half/story-fn91vch7-1227207354095>

18 DECEMBER 2014

Daily Telegraph

### **Huge pay rise for pokie maker's CEO**

POKER machine supplier Aristocrat Leisure's boss has had his pay more than doubled, partly due to bonuses linked to the company's purchase of a major US company.

CHIEF executive Jamie Odell took home \$5.7 million in cash and shares in 2013/14, up from \$2.2 million in the previous year. That included a \$1.6 million cash bonus, linked to Aristocrat's \$US1.28 billion purchase of Video Gaming Technologies in July, which more than tripled the number of the company's gaming machines. He also received \$1.4 million worth of long-term incentives, linked to performance in previous years. The company made a loss of \$16.4 million in 2013/14, due to one-off costs in its Japanese operations, but its underlying profit rose 10 per cent.

Source: <http://www.dailytelegraph.com.au/business/breaking-news/huge-pay-rise-for-pokie-makers-ceo/story-fni0xqe3-1227160675160>



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