



donaco

INTERNATIONAL

**FY15**

**Full Year Results Presentation**

August 2015

# FY15 Results – Highlights

- FY15 statutory results do not include the Star Vegas Resort & Club, which is now 85% of our business (in net revenue terms)
  - Transformational acquisition of Star Vegas successfully completed on 1 July 2015
- Normalised\* FY15 results for Star Vegas (based on unaudited management accounts) show 86% increase in turnover, 45% increase in operating revenue, and 55% increase in EBITDA
  - Actual results show net revenue of \$92.66m and property level EBITDA of \$70.22m
- Normalised\* FY15 results for the Aristo International Hotel (now 15% of our business) show 17% increase in turnover, 51% increase in operating revenue, and 67% increase in EBITDA
  - Actual results show net revenue of \$17.07m and property level EBITDA of \$6.38m
- Trading update for July 2015 shows a strong performance at both properties, with actual net revenue for the month of USD9.9 million at Star Vegas (54% above the average for FY15), and USD1.8 million at Aristo (55% above the average for FY15)
  - Upward trend has continued into August to date
- Recent deals with Manchester United and Heng Sheng Group will drive additional revenue growth in FY16
  - New Heng Sheng gaming facility on track for launch in mid-September 2015

\* Normalised results adjust the revenue received from the VIP table games business, by applying a theoretical win rate of 2.85% to VIP rolling chip turnover. This provides a more accurate guide to the underlying operating performance of the VIP table games business, which can experience significant volatility over shorter periods.

# Star Vegas Resort & Club – Financial Performance

All figures in AUD <sup>(a)</sup>	FY15 Actual	FY15 Normalised	FY14 Normalised	% Change
Rolling Chip Turnover	\$4,679.02m	\$4,679.02m	\$2,510.61m	↑ 86%
Gross Gaming Revenue – Table Games	\$148.32m	\$156.49m	\$89.37m	
Gross Gaming Revenue – Slot Machines	\$49.23m	\$49.23m	\$39.81m	
– Marketing costs, inc. junket commissions	(\$108.11m)	(\$108.11m)	(\$61.85m)	
= Net Gaming Revenue	\$89.44m	\$97.61m	\$67.33m	
+ Non-Gaming Revenue	\$3.21m	\$3.21m	\$2.18m	
= Total Net (Reported) Revenue	\$92.66m	\$100.82m	\$69.51m	↑ 45%
– Operating Expenses and Cost of Sales	(\$22.43m)	(\$22.43m)	(\$18.79m)	
= Property Level EBITDA	\$70.23m	\$78.39m	\$50.72m	↑ 55%
– Net Interest and Other Income	nil	nil	nil	
– Taxes	(\$2.29m)	(\$2.29m)	(\$1.87m)	
– Depreciation & Amortisation	(\$2.54m)	(\$2.54m)	(\$2.11m)	
= Property Level Net Profit After Tax	\$65.40m	\$73.56m	\$46.74m	↑ 57%

(a) All figures converted to AUD at the average exchange rate during each year. FY15: 1 USD = 1.2066 AUD; FY14: 1 USD = 1.0931 AUD.

(b) Based on unaudited management accounts.

(c) Orange highlighted cells adjusted during normalisation. Figures may not add due to rounding.

# Star Vegas Resort & Club – Trading Stats

Key Statistics	FY15	FY14
Casino Visitors	1.90m	1.74m
Average Visitors / Day	5,208	4,758
VIP Table Game Turnover	\$4,679m	\$2,510m
Gross Gaming Revenue – Tables	\$148.3m	\$91.7m
Gross Gaming Revenue – EGMs	\$49.3m	\$39.8m
Net Revenue – Tables	\$50.6m	\$37.8m
Net Revenue – EGMs	\$38.8m	\$31.8m



# Aristo International Hotel – Financial Performance

All figures in AUD <sup>(a)</sup>	FY15 Actual	FY15 Normalised	FY14 Normalised	% Change
Gaming Turnover	\$2,252.06m	\$2,252.06m	\$1,927.64m	↑ 17%
Gross Gaming Revenue	\$49.09m	\$68.42m	\$56.54m	
– Marketing costs, inc. junket commissions	(\$34.69m)	(\$34.69m)	(\$29.48m)	
– Gaming tax	(\$4.53m)	(\$10.12m)	(\$8.14m)	
= Net Gaming Revenue	\$9.86m	\$23.62m	\$18.92m	
+ Non-Gaming Revenue	\$7.16m	\$7.17m	\$1.41m	
= Total Net (Reported) Revenue	\$17.02m	\$30.79m	\$20.33m	↑ 51%
– Operating Expenses and Cost of Sales	(\$10.76m)	(\$10.76m)	(\$7.24m)	
– Minority Interest <sup>(b)</sup>	\$0.07m	(\$0.48m)	(\$1.40m)	
= Property Level EBITDA	\$6.33m	\$19.56m	\$11.69m	↑ 67%
– Net Interest and Other Income	(\$1.68m)	(\$1.68m)	\$0.23m	
– Corporate Income Tax	nil	(\$2.70m)	(\$3.04m)	
– Depreciation & Amortisation	(\$4.86m)	(\$4.86m)	(\$0.25m)	
= Property Level Net Profit After Tax	\$m	\$10.32m	\$8.62m	↑ 19%

(a) All figures converted to AUD at the average exchange rate during each year. FY15: 1 USD = 1.2066 AUD; FY14: 1 USD = 1.0931 AUD.

(b) Minority interest reflects the share owned by Donaco's JV partner – 25% up to 31 December 2013, then 5%.

(c) Orange highlighted cells adjusted during normalisation. Figures may not add due to rounding.

# Aristo International Hotel – Trading Stats

Key Statistics	FY15	FY14
Casino Visitors	90,663	70,864
VIP Table Game Turnover	\$2,098m	\$1,713m
Main Hall Table Game Turnover	\$140m	\$211m
Slot Machine Turnover	\$12.9m	\$3.3m
Gross Gaming Revenue – Table Games (Normalised)	\$66.2m	\$55.7m
Gross Win / EGM / Day	\$104	\$62
Hotel Occupancy	65%	n/a
Average Revenue per Occupied Room	\$62	n/a



# Star Vegas Resort & Club – Trading Update



- Casino visitation continues to grow strongly
  - Average visitors 5,101 per day in the six months to June 2015 – up 21% from 4,200 in the six months to June 2014
  - Further increase in July 2015 to 5,409 visitors per day
  - Chinese tourism to Cambodia grew 22% in the six months to June 2015
- Rolling chip turnover in July 2015 reached USD360.8 million – up 40% compared to July 2014
- VIP gross win rate in July was 3.9%, compared to 3.0% in July 2014
- Net revenue from table games USD6.6 million, and from slot machines USD3.1 million
- Total actual net revenue for July 2015 was USD9.9 million – 54% above the average for FY15
- Strong trends continue in August to date

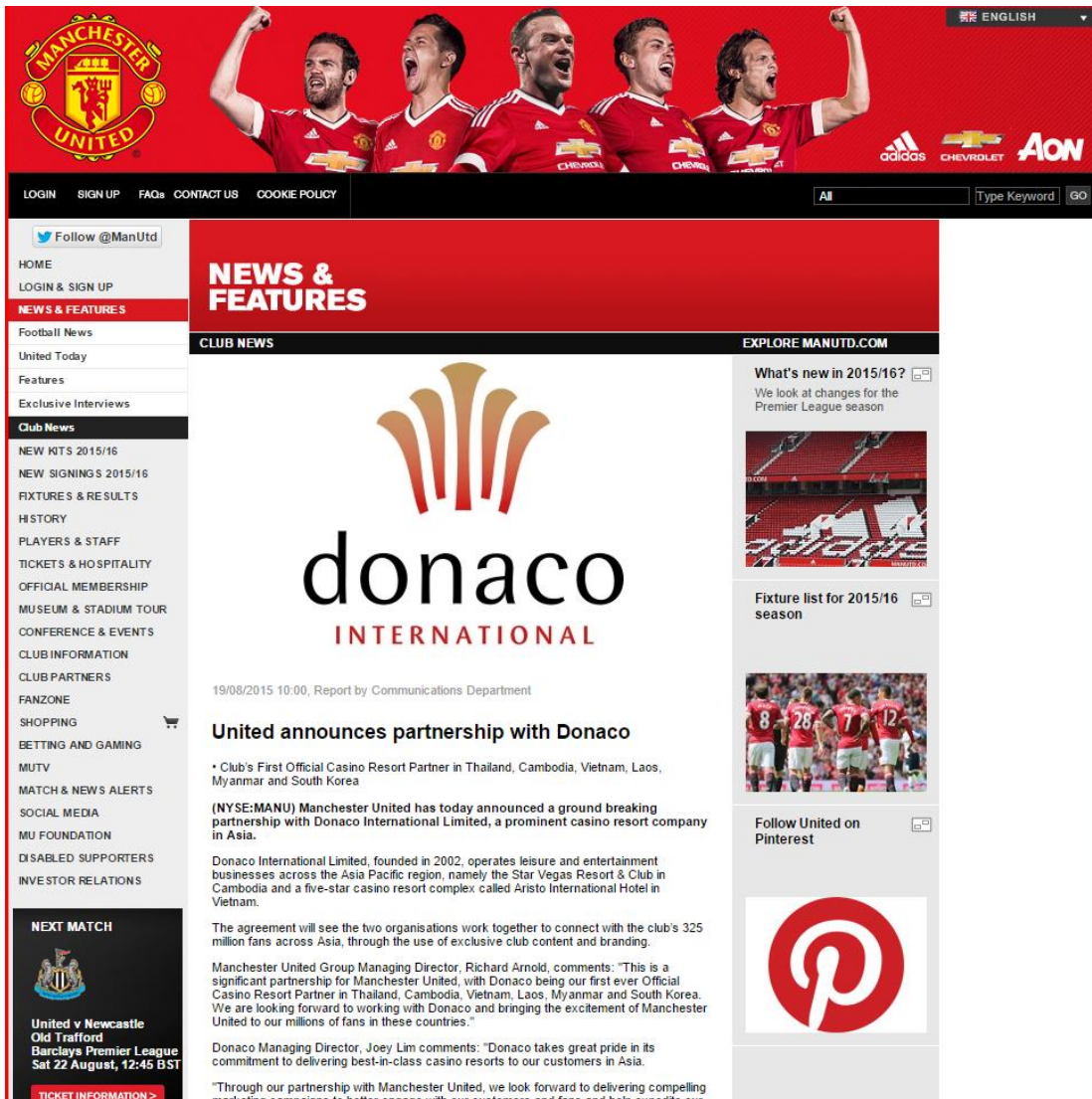
# Aristo International Hotel – Trading Update



- Casino visitation has grown strongly in recent months
  - May 10,254 players (up 18% from May 2014)
  - June 9,931 players (up 59% from May 2014)
  - July 9,766 players (up 43% from May 2014)
- Hotel occupancy reached 80% in July - best monthly result to date. Average room rate USD60 per night
  - Reflects success of marketing campaigns
- VIP win rate stabilised in June (2.49%) and July (2.43%). Win rate is closely monitored by Board and management
- Turnover down 10% compared to June/July 2014, but net gaming revenue 34% higher
- Total actual net revenue for July 2015 was USD1.8m, which is 69% higher than July 2014, and 55% higher than the monthly average for FY15
- Strong trends continue in August to date



# Manchester United Deal



The screenshot shows the Manchester United website's news section. The main headline is "United announces partnership with Donaco". The article text reads: "Club's First Official Casino Resort Partner in Thailand, Cambodia, Vietnam, Laos, Myanmar and South Korea. (NYSE:MANU) Manchester United has today announced a ground breaking partnership with Donaco International Limited, a prominent casino resort company in Asia. Donaco International Limited, founded in 2002, operates leisure and entertainment businesses across the Asia Pacific region, namely the Star Vegas Resort & Club in Cambodia and a five-star casino resort complex called Aristo International Hotel in Vietnam. The agreement will see the two organisations work together to connect with the club's 325 million fans across Asia, through the use of exclusive club content and branding. Manchester United Group Managing Director, Richard Arnold, comments: 'This is a significant partnership for Manchester United, with Donaco being our first ever Official Casino Resort Partner in Thailand, Cambodia, Vietnam, Laos, Myanmar and South Korea. We are looking forward to working with Donaco and bringing the excitement of Manchester United to our millions of fans in these countries.' Donaco Managing Director, Joey Lim comments: 'Donaco takes great pride in its commitment to delivering best-in-class casino resorts to our customers in Asia. Through our partnership with Manchester United, we look forward to delivering compelling marketing campaigns to better engage with our customers and fans and help expedite our

- Donaco appointed as the “Exclusive Casino Resort Partner” of Manchester United in Thailand, Cambodia, Vietnam, Myanmar, Laos, and South Korea
  - First casino resort relationship for Manchester United in the world
- Manchester United is extremely popular in Asia
  - 26.5m followers in Vietnam
  - 19.5m followers in Thailand
- Dedicated marketing team in Hong Kong working with Donaco to promote our properties
- Numerous opportunities for use of branding, prizes and competitions, merchandise, promotions, video advertising etc.
- Manchester United legendary player to visit both properties soon, to formally launch the relationship

# Heng Sheng Deal



- Heng Sheng Group is a leading Macau VIP gaming promoter, with operations in Vietnam and the UK
- Three year deal to bring their VIP players to the Star Vegas Resort & Club
  - Will expand customer base beyond Thai customers
- Heng Sheng guarantees minimum monthly turnover of THB3 billion (approx. AUD115 million)
  - This is an increase of approx. 30% above the FY15 turnover at Star Vegas
- Heng Sheng also guarantees minimum VIP gross win rate, and pays all junket commissions
- Heng Sheng receives larger share of revenue, and pays larger share of fitout costs
- Initial fitout being completed at a rapid pace
  - New dedicated entrance to casino
  - New dedicated gaming room
  - New restaurant and kitchen
  - Potential for upgrading hotel rooms to handle increased visitors
- On track for launch in mid-September 2015

# FY15 Group Financial Performance Summary

NORMALISED RESULTS			ACTUAL RESULTS			
FY15	FY14	% Change	All figures in AUD <sup>(a)</sup>	FY15	FY14	% Change
\$30,795,240	\$20,334,357	↑ 51%	<b>Operating Revenue (from continuing operations) <sup>(b)</sup></b>	\$17,069,618	\$19,471,405	↓ 12%
(\$2,208,639)	(\$1,270,995)		<b>– Cost of Sales</b>	(\$2,208,639)	(\$1,270,995)	
(\$8,550,718)	(\$5,969,270)		<b>– Operating Expenses</b>	(\$8,550,718)	(\$5,969,270)	
(\$478,885)	(\$1,398,501)		<b>– Minority interest</b>	\$72,326	(\$1,476,679)	
<b>\$19,556,998</b>	<b>\$11,695,591</b>	↑ 67%	<b>= <u>Property Level EBITDA</u></b>	<b>\$6,382,587</b>	<b>\$10,754,461</b>	↓ 41%
\$34,930	\$2,086,096		<b>+ EBITDA from discontinued operations <sup>(b)</sup></b>	\$34,930	\$2,086,096	
(\$5,867,222)	(\$2,845,242)		<b>– Corporate Costs</b>	(\$5,867,222)	(\$2,845,242)	
<b>\$13,724,706</b>	<b>\$10,936,444</b>	↑ 25%	<b>= <u>Group EBITDA</u></b>	<b>\$550,295</b>	<b>\$9,995,315</b>	↓ 94%
\$356,876	\$1,005,465		<b>+ Net Interest (income and expense) <sup>(c)</sup></b>	\$356,876	\$1,005,465	
\$1,769,566	\$121,674		<b>+ Other Income <sup>(c)</sup></b>	\$1,769,566	\$121,674	
(\$715,187)	(\$1,134,099)		<b>– Non-recurring costs <sup>(c)</sup></b>	(\$715,187)	(\$1,134,099)	
(\$4,859,863)	(\$292,090)		<b>– Depreciation &amp; Amortisation</b>	(\$4,859,863)	(\$292,090)	
(\$2,731,164)	(\$3,079,856)		<b>– Income tax expense</b>	(\$29,762)	(\$2,902,862)	
\$8,260,121	\$8,691,638	↓ 5%	<b>= Net Profit After Tax (excl. non-recurring costs) <sup>(c)</sup></b>	(\$2,212,888)	\$7,927,502	↓ 128%
\$7,544,934	\$7,557,539	0%	<b>= Net Profit After Tax (after non-recurring costs) <sup>(c)</sup></b>	(\$2,928,075)	\$6,793,403	↓ 143%

Notes: (a) All figures converted to AUD at the average exchange rate during each year. FY15: 1 USD = 1.2066 AUD. FY14: 1 USD = 1.0931 AUD.  
 (b) Aristo is the only continuing operation. The Gaming Technology businesses (iSentric and Way2bet) were sold during the year, and are thus discontinued operations. In this summary, their EBITDA up to the date of sale has been listed separately, with gain on sale included in "Other Income" (see slide 9).  
 (c) Interest, Other Income and Non-Recurring Costs are set out on slide 9.

# Aristo International Hotel – Results Commentary

- Construction of Aristo International Hotel only completed in November 2014
- Trading affected by headwinds during soft opening period, including China/Vietnam tensions, Soccer World Cup, and Yunnan earthquake
- Despite this, casino visitation increased by 28% during the year, and table game turnover grew by 17%
  - Clear contrast to Macau casinos, which have seen declines in visitation and turnover
- VIP gross win rate for the year was 1.93% of rolling chip turnover, below the theoretical rate of 2.85%
  - Normal feature of gaming operations – win rates fluctuate, due to the luck factor
  - In the longer term, win rates tend to converge between 2.70% and 3.00%
  - VIP win rate was 2.78% in FY14, and 2.98% in FY13
- Actual gross revenue from table games was \$46.89m
- Slot machine turnover grew 294%, with 58 new machines in operation, replacing 36 old machines in May 2014. Gross revenue increased 168%, to \$2.19 million
- Hotel food and beverage, accommodation, and other revenue much stronger, due to quality of new Aristo rooms, restaurants, and recreation facilities. Total non-gaming revenue increase was 435%, to \$7.16 million

## Interest, Other Income and Non-Recurring Costs

<b>Net Interest (income and expense)</b>	<b>FY15</b>	<b>FY14</b>
<b>Interest income</b>	\$2,040,034	\$1,006,385
<b>Interest and finance costs</b>	(\$1,683,159)	(\$920)
<b>Total</b>	\$356,875	\$1,005,465

<b>Other Income</b>	<b>FY15</b>	<b>FY14</b>
<b>Gain on sale of iSentric</b>	\$1,753,464	nil
<b>Gain on sale of Way2Bet</b>	\$449,910	nil
<b>Foreign exchange gains / (losses)</b>	(\$433,808)	\$121,674
<b>Total</b>	\$1,769,566	\$121,674

<b>Non-Recurring Costs</b>	<b>FY15</b>	<b>FY14</b>
<b>Corporate activity and restructuring costs</b>	(\$715,187)	(\$532,759)
<b>Pre-opening costs at Aristo International Hotel</b>	nil	(\$601,341)
<b>Total</b>	(\$715,187)	(\$1,134,099)

# Expense Increases in FY15 vs. FY14

Major Expense Categories	FY15	FY14
Aristo Hotel Staff	\$5,366,600	\$3,767,009
Aristo Property, Marketing, Travel, and Other Expenses	\$3,184,117	\$2,003,873
Employee Options Expense	\$1,967,750	nil
Corporate Costs (excl. options expense)	\$3,899,472	\$2,845,242
Depreciation & Amortisation	\$4,859,863	\$292,090

- Hotel staff reflects increase from 420 staff in June 2013, to current complement of 850 staff employed to operate expanded casino and hotel business
- Majority of the increase in corporate costs relates to employee options expense, which is a non-cash item. Options expensed from the first date of allocation to employees, on 1 July 2014. Each tranche of options expensed on a monthly basis, up to the date of vesting of each tranche
- Other corporate costs include travel costs, consultants, Board fees, senior management, listing fees, audit fees, tax advice, and other regulatory costs
- Increase in D&A relates to the new Aristo International Hotel property, plant and equipment

# Summary and Outlook

- Transformational acquisition of Star Vegas Resort & Club has led to a dramatic increase in the size and scale of Donaco, and will provide strong accretion in earnings per share, as well as significant diversification benefits
- Star Vegas Resort & Club showed rapid growth in FY15, which has continued into July and August 2015 to date
- Aristo International Hotel back on track, and has also produced very positive results in July and August to date
- New deals with Manchester United and Heng Sheng Group will drive further growth in FY16



# Key Corporate Information

## Capital Structure

ASX Code	DNA
Ordinary shares on issue	830.7m
Options on issue	23.3m
Current share price (27 August 2015)	AUD\$0.67
Current market capitalisation	AUD\$557m
Cash & cash equivalents (30 June 2015) *	AUD\$210.2m
Outstanding debt (30 June 2015) *	AUD\$16.2m

\* Prior to acquisition of Star Vegas on 1 July 2015

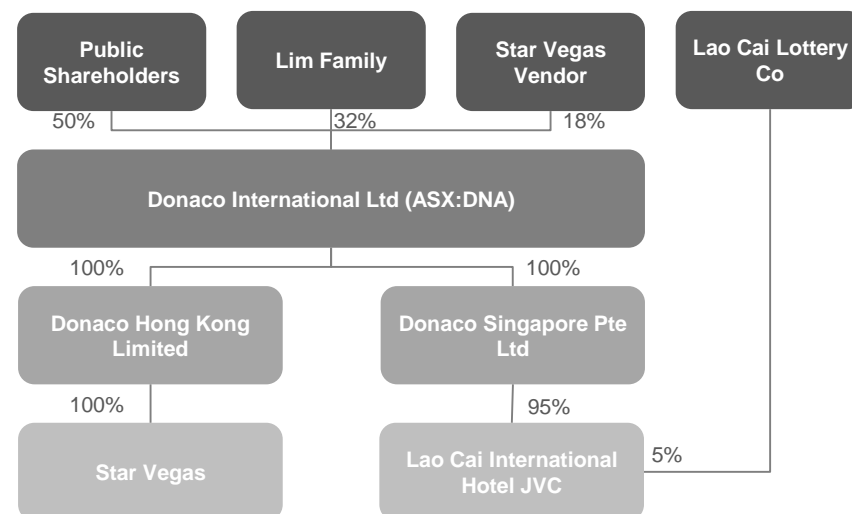
## Board of Directors

Stuart James McGregor	Chairman
Joey Lim Keong Yew	Managing Director & CEO
Benedict Paul Reichel	Executive Director
Benjamin Lim Keong Hoe	Non-Executive Director
Robert Andrew Hines	Non-Executive Director
Ham Techatut Sukjaroenkraisri	Executive Director
Paul Porntat Amatavivadhana	Non-Executive Director

## Major Shareholders

Lim Family	31.8%
Star Vegas Vendor	17.7%
Perpetual Limited	12.5%
Van Eck Global	5.4%

## Corporate Structure





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