



Paradise Entertainment Ltd

匯彩控股有限公司

(1180.HK)

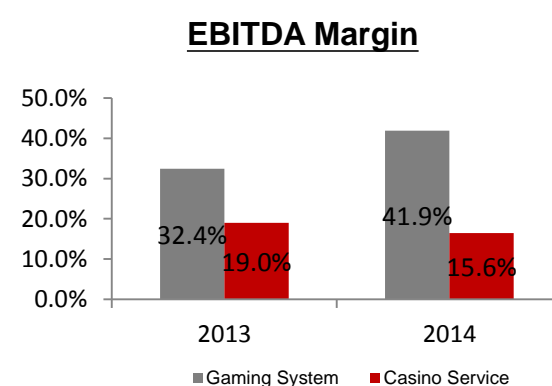
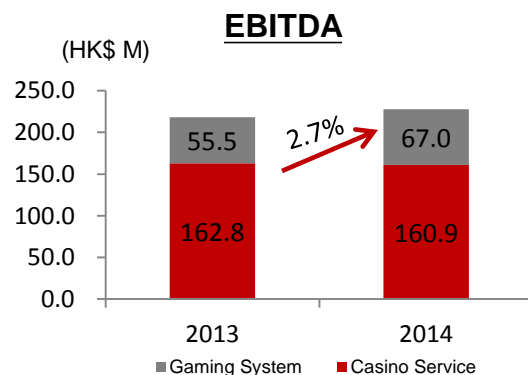
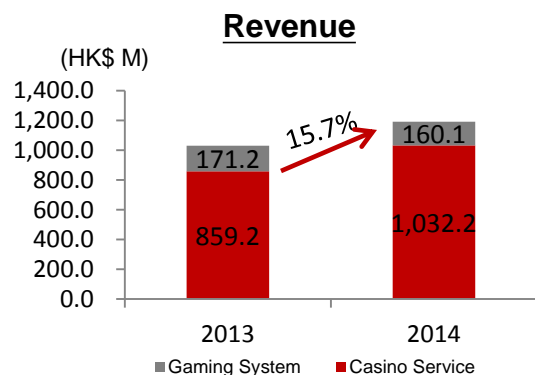
2014 Annual Results Presentation

FY14 Results Highlights


- **FY2014 reported revenue increased to HKD1,192.3 million (+15.7% yoy)**
 - Casino services revenue jumped to HKD1,032.2 million (+20.1% yoy)
 - Gaming system decreased slightly to HKD160.1 million (-6.5% yoy)
- **Positive EBITDA growth (+2.7% yoy to HKD203.1 million)**
 - Casino service EBITDA declined marginally to HKD160.9 million (-1.2% yoy)
 - Gaming system EBITDA climbed to HKD67.0 million (+20.6% yoy)
- **Group's casino services revenue grew (+20% yoy) amid challenging business environment**
 - Casino Kam Pek Paradise outperformed the Macau mass market, revenue increased 16% yoy and visitation +10% yoy, versus industry's +15% yoy and +9% yoy, respectively
 - Casino Waldo revenue increased 41% yoy
 - Casino Macau Jockey Club year-end monthly GGR recorded approximately 3 million, compared to half million when re-opened in May 2014
 - Casino Lisboa LMG hall revenue increased >100% yoy
- **Strong balance sheet**
 - Free cash flow over HK\$200 million in 2014 (~10% free cash flow yield)
 - Cash on hand of HK\$320 million (+20.5% yoy)
- **Final dividend**
 - FY14 declared final dividend of 5.0 cents per share
 - Dividend payout ratio of 127% of profit after tax

Consolidated Results

HK\$M	FY14	FY13	%	Remarks
Revenue	1,192.3	1,030.5	15.7%	- Casino service revenue grew 20% yoy
Casino service	1,032.2	859.2	20.1%	- Casino Kam Pek and casino Waldo revenue grew 16%, 41% respectively
Gaming system	160.1	171.2	(6.5%)	- Slower machine sales
Gross profit	648.1	585.0	10.8%	
EBITDA	203.1	197.7	2.7%	
Casino service	160.9	162.8	(1.2%)	- Initial overheads at casino Waldo and MJC, casino Kam Pek EBITDA margin remain strong though
Gaming system	67.0	55.5	20.6%	- Revenue sharing of LMG terminals at own casinos
Profit for the year	66.5	103.8	(35.9%)	- Due to initial overheads at new casinos; U.S. patent amortization of HKD66.9 million; loss on early redemption of promissory note of 34.9 million;
EBITDA margin (%)	17.0%	19.2%	(220 bps)	
Casino service	15.6%	19.0%	(340 bps)	- Waldo and MJC EBITDA loss
Gaming system	41.9%	32.4%	950 bps	- Revenue sharing EBITDA contribution
EPS (Basic)	5.52	15.1	(63.4%)	
Bank and cash balances	321.3	266.7	20.5%	
Dividend (HK\$ cents)	5.0	5.0	-	



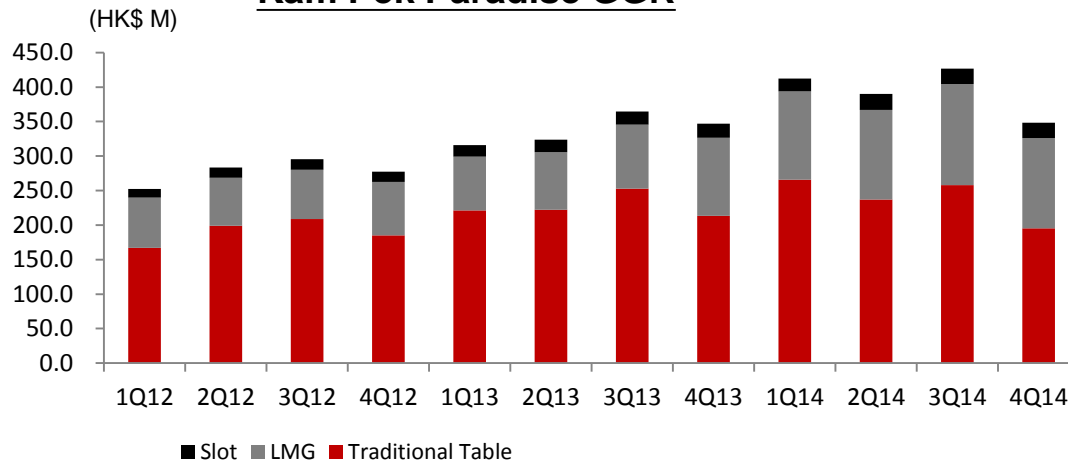
Segment Results – Casino Service



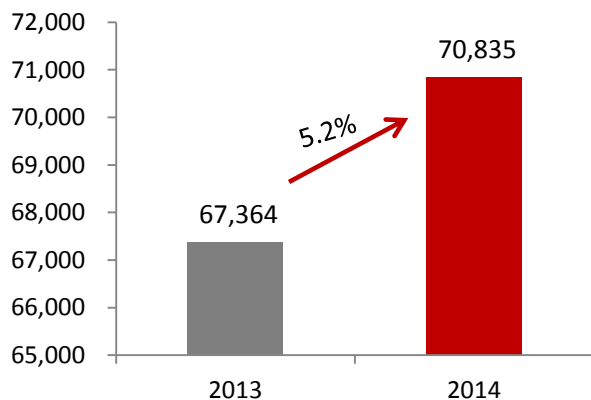
Casino Kam Pek Paradise	
Table Quota:	45
Traditional Table:	37
LMGs:	870
Slot:	~200

*8 out of 45 tables converted to LMGs in Kam Pek, remaining 37 tables operate as traditional tables

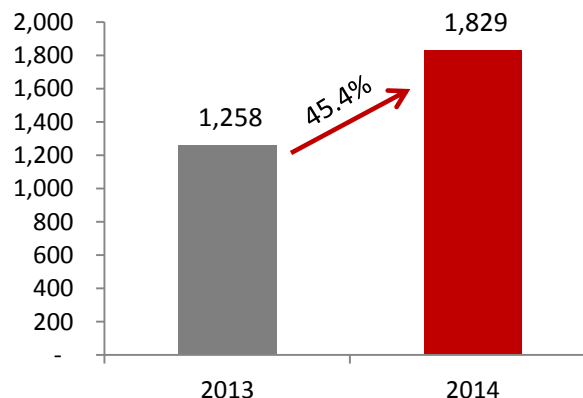
Kam Pek Paradise GGR



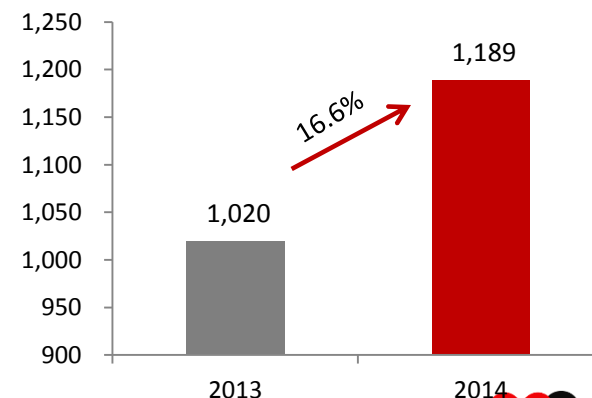
Net Win/Table/Day




Net Win/LMG Terminal/Day



Net Win/Slot/Day

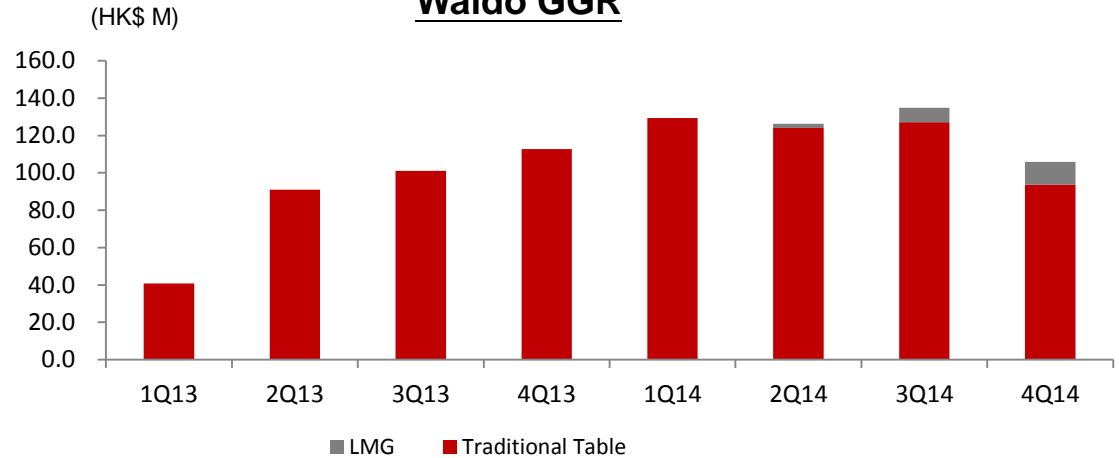


Segment Results – Casino Service

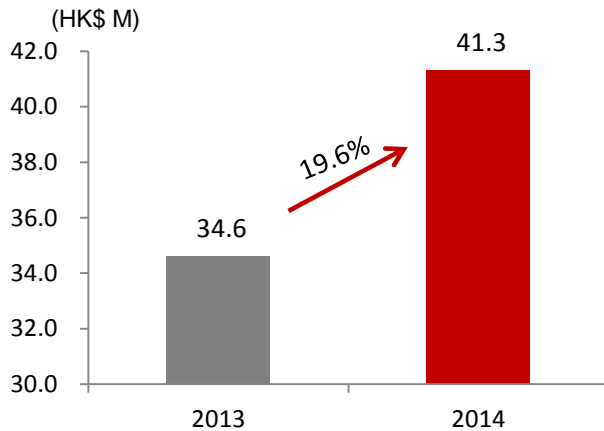
	Casino Waldo	
	Table Quota:	30
	Traditional Table:	28
	LMGs:	138
	Slot:	N/A

^2 out of 30 tables converted to LMGs in Waldo, remaining 28 tables operate as traditional tables

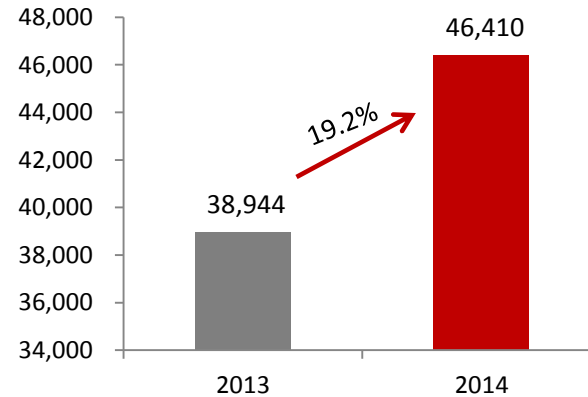
Waldo GGR



Average Monthly GGR Growth



Net Win/Table/Day

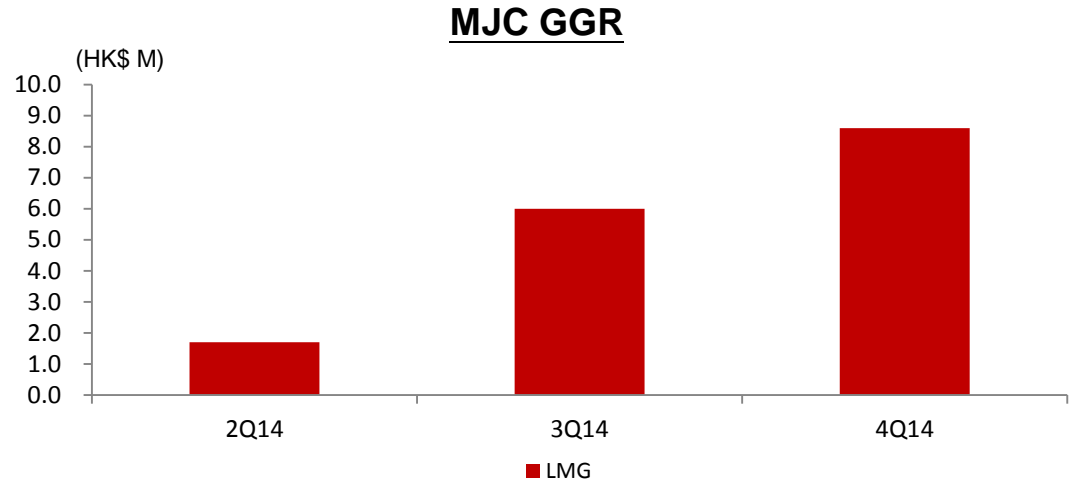


Segment Results – Casino Service

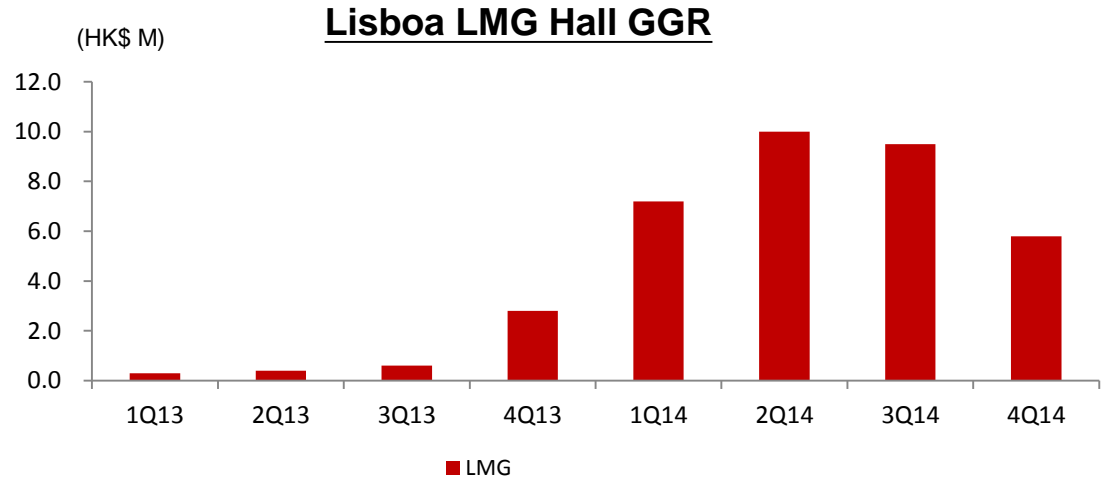


Casino Macau Jockey Club	
Table Quota:	4
Traditional Table:	N/A
LMGs:	172
Slot:	N/A

~1 out of 4 tables converted to LMGs in MJC, 3 converted to E-tables**

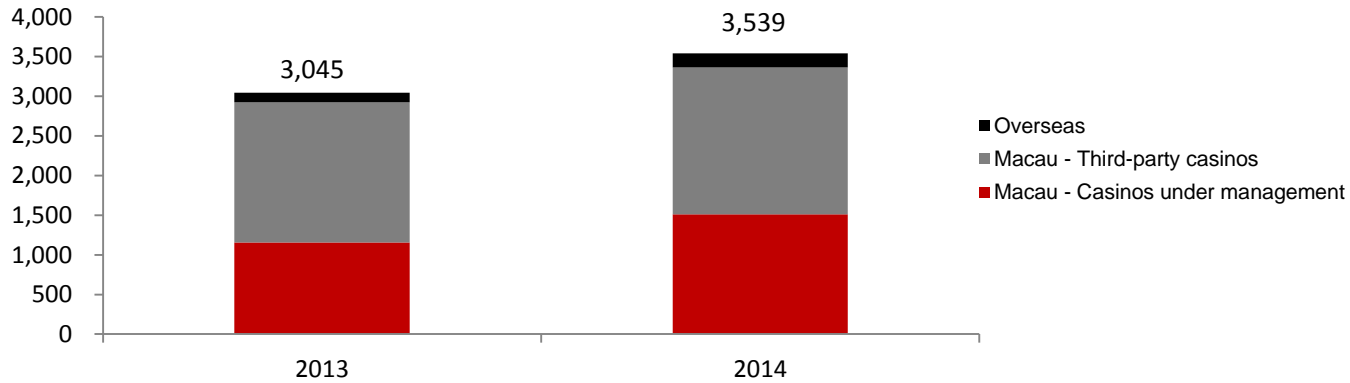


Casino Lisboa LMG Hall	
Table Quota:	2
Traditional Table:	N/A
LMGs:	234
Slot:	N/A



Segment Results – Gaming System

LMG Deployment



Introduction of New Products

E-baccarat Table



Intelligent Cash Access Machine



Milestones Achieved in 2014

▪ **Casino services**

- Officially took over Casino Waldo in March 2014
- Officially took over Casino Macau Jockey Club in May 2014
- Casino Kam Pek Paradise GGR exceeded HK\$1.5 billion

▪ **Gaming systems**

- Signed distribution agreement with IGT for North American and Ainsworth for Australia
- LT Game won the IAG 2014 Supplier Award “Best Multi-Terminal Product” for its live table multi-game system

▪ **Corporate**

- Became a constituent stock of MSCI Hong Kong Small Cap Indices

- **New products, new markets, new product life cycle**
 - Introduction of E-Baccarat table, Intelligent Cash Access Machine and Double 32 (Fast Action Baccarat) to diversify product offerings
 - Build traction in new markets (US and Australia) through our partners (IGT and Ainsworth)
 - Demand from new casino openings - Galaxy Macau Phase II and Studio City
 - Latest generation LMG6 to replace the existing LMG5 terminals in the market
- **Ramping up the new casinos**
 - Opening up new slot halls at Casino Waldo and Casino Macau Jockey Club
 - Increase marketing efforts to enhance table yield of Casino Waldo
 - Casino Kam Pek Paradise to grow in tandem with industry's mass market
 - Seek out new additions to our casino management portfolio

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