



REEF
CASINO TRUST

ARSN 093 156 293

Half Year Report

& FINANCIAL STATEMENTS

2011



REEF CASINO TRUST HALF YEAR REPORT 2011

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Unit distribution

Six months to 30 June 2011

9.0 cents per unit

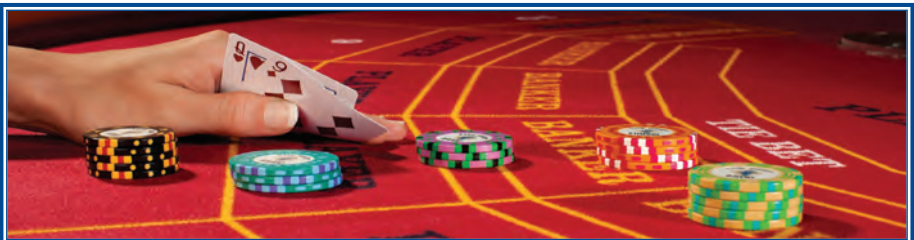
Payment date 23 September 2011



Rapid Roulette



Presidential Suite



Baccarat

CHAIRMAN'S REVIEW

Dear Unitholders,

On behalf of the Board of Directors of Reef Corporate Services Limited, responsible entity of the Reef Casino Trust (the Trust), I present my review of the Reef Casino Trust for the six months ended 30 June 2011.

Key points

- Profit before finance costs attributable to unitholders was \$4.6 million, up 41.4% on the same period last year. Unitholders' distributions classified as "finance costs" were \$2.3 million resulting in a net profit of \$2.3 million.
- Unit distribution of 9 cents per unit for the six months from January to June 2011, was all paid from distributable profits for the period. Earnings per unit was 9.2 cents per unit.
- Strong rental growth from the Reef Hotel Casino despite a rather difficult first half year in terms of trading conditions – continuing weak Cairns economy due to the global financial crisis and natural disasters such as Cyclone Yasi, Queensland floods and Japanese earthquake having a negative impact on Cairns' tourism.
- Operating costs at the Reef Hotel Casino and the Reef Casino Trust were held under tight control with savings made wherever possible.

Trust distributable profit

Trust distributable profit was \$4.6 million for the six months ended 30 June 2011. This compares with \$3.3 million in 2010 or 41.4% higher.

The extra gaming tax introduced by the Queensland government for electronic gaming machines, came into effect on 1 July 2009 and in the six months from January to June 2011, the Reef Hotel Casino had an extra tax burden of \$1.3 million, slightly up on 2010.

Total revenue (comprising mainly of rental income from the Reef Hotel Casino) was 16.5% higher. This increase is due to good growth in revenues in both casino and hotel operations at the Reef Hotel Casino. In addition, a better than "theoretical" win rate on premium casino play assisted in generating revenues growth.

Trust expenses were well controlled and were just 0.7% higher.

	2011	2010	
	\$'000	\$'000	
REVENUE AND OTHER INCOME			
Rental revenue	9,654	8,251	
Other revenue and income	104	126	
TOTAL REVENUE AND OTHER INCOME	9,758	8,377	16.5%
EXPENSES			
Operating	2,799	2,715	
Depreciation and amortisation	2,361	2,410	
TOTAL EXPENSES	5,160	5,125	-0.7%
PROFIT BEFORE FINANCE COSTS¹ ATTRIBUTABLE TO UNITHOLDERS	4,598	3,252	41.4%
Finance costs ¹ attributable to unitholders	2,299	1,626	
PROFIT FOR THE PERIOD	2,299	1,626	41.4%
	2011	2010	
	cents per unit	cents per unit	
Earnings per unit	9.2	6.5	
Distribution per unit	9.0	9.0	

¹ "Finance costs" relate to 50% of distributable profit payable to unitholders.

Unit distribution

The Trust has declared a distribution of 9 cents per unit or a total of \$4.5 million for the six months from 1 January to 30 June 2011. As Trust losses are expected to be used up during the 2011 financial year, a portion of this distribution will be paid on a "tax deferred" basis and the balance may be taxable in the hands of the unitholders. This will depend on the unitholders' individual tax circumstances.

The Trust has continued to maintain its stated "100% distributable profits" unit distribution policy. Due to rounding, 0.2 cent per unit (\$116K) out of the earnings per unit of 9.2 cents (\$4.6 million) will be transferred to the undistributed income account which now stands at 10.09 cents per unit or \$5.03 million.

Apart from its continuing policy to pay out 100% of distributable profits in each half year, the Trust will consider making an additional distribution payment from out of the undistributed income account at the end of 2011.

Trust balance sheet

The overall position remains strong and healthy. The Trust's cash flows remain positive and the Trust continues to have adequate working capital. The Trust's interest only loan facility remains unchanged at \$16.5 million. This term loan extends to December 2015. As at 30 June 2011, the Trust has drawn down \$11.75 million. The Trust also has an overdraft facility of \$2 million which has not been used to date.

Review of strategy and performance at Reef Hotel Casino

With the protection of the Reef Hotel Casino's operational bottom line a key priority, management's approach to operating costs remained careful, prudent and conservative. Management continued to look for costs savings wherever possible.

Given the difficult trading conditions in 2010 and in the first half of 2011, management positioned the complex for return to growth in 2011 and hopefully beyond.

Management targeted marketing and promotional activities to known local and regional casino patrons via the Reef Club, the casino's loyalty club. This worked well in the first half when in-bound tourism was soft.

Our casino consolidated its premium player market during a difficult time by extra focus on the markets closest to us.

Café China, the best Chinese restaurant in Cairns became a tenant of the Reef Hotel Casino in mid 2010. The addition of Café China has assisted our hotel profitability in 2011 besides being an important part of our casino's China strategy. While we think direct flights from mainland China are about a couple of years away, so far in 2011 we continue to see a slow and steady increase in the number of Chinese visitors to Cairns.

Complex visitations in the first half year were slightly down by 3% because the natural disasters mentioned earlier caused a drop in tourist numbers including mainland Chinese, Japanese and domestic tourists.

In the casino, grind (main floor) table games revenues were up 8% while electronic machine revenues were up 3.9% reflecting higher spending by patrons. Premium play revenues were up 15.3% in part due to a higher than "theoretical" win rate. Overall, casino rentals paid to the Trust were up 13.6%.

In the hotel, accommodation revenues were up 9.9% due mainly to a better average room rate being achieved. Our Pullman Reef Hotel Casino continues to lead the 5 star market in Cairns in terms of revenue per available room. Food and beverage revenues were also slightly higher with better profit margins being achieved. Overall, hotel rentals paid to the Trust more than doubled.

At the Trust's annual general meeting held on 25 May 2011, our CEO flagged that he has initiated an "internal" mini project to be run over the next 18 months designed to improve profitability of the Reef Hotel Casino over the next 2 to 3 years. His "mini project" will include various efficiency measures as well as capital works proposals to enhance the attractiveness of the Reef Hotel Casino complex as the premier entertainment venue in Cairns.

Already, a complete refurbishment of the Michaelmas Cay ballroom and conference area has commenced and is expected to be finished by October of this year.

Pre-commitment for gaming machines

A key condition of independent Tasmanian Federal MP Andrew Wilkie's support for the federal Labour government was for the government to implement a "mandatory pre-commitment" system at all gaming venues in 2014.

This matter is complex in many aspects and is being played out in the political arena. We are unable to say how this matter will pan out in the end.

Outlook for the second half year

The Reef Hotel Casino's strategy for 2011 is to improve its profitability compared to 2010. So far, this strategy has been successful. Management's strategy has at its core the achievement of success by ensuring that the Reef Hotel Casino remains the best entertainment venue in Cairns and Far North Queensland.

As the Trust revenues are the rentals paid by the Reef Hotel Casino, its results will reflect the performance of the Reef Hotel Casino. Trust costs remain under control and are expected to remain stable for the rest of this year.

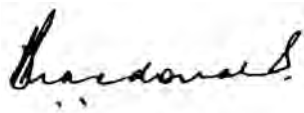
In the first half of this year, rentals paid by the Reef Hotel Casino to the Trust have recorded strong growth compared to the same period last year. Consequently, Trust distributable profits are 41.4% higher.

In July 2011, the Reef Hotel Casino and the Trust reported good profit results. While there is some reason to be optimistic, our view is that the rest of the year will remain challenging for the Reef Hotel Casino.

On one hand there are some positive signs that Cairns' and the Far North Queensland region are slowly recovering from the global financial crisis and that tourism is generally improving from a sluggish 2010. On the other hand, consumer sentiment in Australia remains very weak whilst there are global headwinds in the form of a weak US economy and the debt crisis in Europe.

Overall for 2011, the Trust still expects to show an increase in its distributable profits compared to the year before. As for Trust unit distributions, the Trust will consider a payment out of the undistributed income account at the end of the year. If such a payment is paid, then the total unit distribution is likely to exceed last year's total distribution of 20 cents per unit.

The recent global financial turmoil in early August may affect our results in 2011. The Trust successfully managed the last global financial crisis. The Trust is in a good financial position and remains positive about its future.



Ben Macdonald
Chairman

Reef Corporate Services Limited
Responsible Entity of Reef Casino Trust

DIRECTORS' REPORT

The Directors of Reef Corporate Services Limited, ABN 66 057 599 621, the Responsible Entity of Reef Casino Trust present their half year report together with the interim financial report of the Trust for the half year ended 30 June 2011 and the audit report thereon.

Responsible Entity

The Directors of Reef Corporate Services Limited at any time during or since the end of the half year are:

NAME	PERIOD OF DIRECTORSHIP
Mr Benjamin W Macdonald (Chairman)	Director since 20 September 1995
Mr Keith De Lacy	Director since 1 December 1999
Mr Julian Hercus	Director since 31 October 2000
Mr Michael Issenberg	Director since 21 January 2002
Mr Kim Mooney	Director since 21 January 2002
Mr Allan Tan	Director since 28 March 2006 Alternate director since 10 July 1997 (alternate for Mr Macdonald)
Mr Simon McGrath	Director since 23 August 2011
Mr Philip Basha	Alternate director since 23 August 2011 (alternate for Mr Issenberg & Mr Mooney)

Mr Paul Herzfeld was a director until his resignation on 6 June 2011. Mr Josef Leutgeb also resigned as Mr Herzfeld's alternate on the same date.

Ms Louise Daley was a director and an alternate director for Mr Mooney until her resignation on 23 August 2011. Mr Simon McGrath was appointed as a director on 23 August 2011 and resigned as alternate director for Mr Issenberg on the same date. Mr Philip Basha was appointed as alternate director for both Mr Issenberg and Mr Mooney on 23 August 2011.

PENDING

Dr Karl Stoss	Director subject to the receipt of regulatory approvals
Mr Alexander Tucek	Alternate director subject to the receipt of regulatory approvals (alternate for Dr Stoss)

Review of operations

The review of operations is contained in the Chairman's Review on pages 1 to 4.

Distribution

The distribution of \$5.48 million (11.0 cents per unit tax deferred) in respect of the six month period ended 31 December 2010 as reported in the 2010 annual report was paid on 24 March 2011.

The Directors have declared a distribution of \$4.48 million (9.0 cents per unit) in respect of the six month period ended 30 June 2011 to be paid on 23 September 2011 (refer note 9). The distribution in respect of the six month period ended 30 June 2010 was 9.0 cents per unit tax deferred.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 19 and forms part of the directors' report for the half year ended 30 June 2011.

Rounding off

The Trust is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors of Reef Corporate Services Limited.



Ben Macdonald
Director

Brisbane
23 August 2011



Keith De Lacy
Director

STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Note	30 June 2011 \$'000	31 Dec 2010 \$'000
ASSETS			
Cash and cash equivalents		2,883	4,640
Receivables		1,830	1,069
TOTAL CURRENT ASSETS		4,713	5,709
Receivables		750	750
Property, plant and equipment	6	105,212	106,033
Intangible assets	7	100	108
TOTAL NON-CURRENT ASSETS		106,062	106,891
TOTAL ASSETS		110,775	112,600
LIABILITIES			
Payables	8	3,478	3,322
TOTAL CURRENT LIABILITIES		3,478	3,322
Loans and borrowings		11,750	12,750
Deferred income		78	82
Issued units – liability portion		85,051	85,051
TOTAL NON-CURRENT LIABILITIES		96,879	97,883
TOTAL LIABILITIES		100,357	101,205
EQUITY			
Issued units – equity portion		85,051	85,051
Distribution account	9	2,183	3,276
Undistributed income		5,027	4,911
Accumulated losses		(81,843)	(81,843)
TOTAL EQUITY		10,418	11,395
TOTAL EQUITY AND LIABILITIES		110,775	112,600
MEMORANDUM NOTE – ISSUED UNITS			
Issued units – liability portion		85,051	85,051
Issued units – equity portion		85,051	85,051
		170,102	170,102

The statement of financial position is to be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2011

	Note	30 June 2011 \$'000	30 June 2010 \$'000
REVENUE AND OTHER INCOME			
Revenue	4	9,754	8,373
Other income	4	4	4
TOTAL REVENUE AND OTHER INCOME		9,758	8,377
EXPENSES			
Depreciation and amortisation	5	2,361	2,410
Property outgoing		551	494
Rates and taxes		330	333
Responsible Entity fees		556	555
Repairs and maintenance		406	310
Insurance		157	157
Other expenses from ordinary activities		347	408
TOTAL EXPENSES		4,708	4,667
RESULTS FROM OPERATING ACTIVITIES		5,050	3,710
Finance costs attributable to unitholders			
Finance costs attributable to unitholders		2,299	1,626
Interest expense on financial liabilities measured at amortised cost		452	458
TOTAL FINANCE COSTS		2,751	2,084
PROFIT FOR THE PERIOD		2,299	1,626
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,299	1,626
Basic and diluted earnings per unit (cents)	13	9.2	6.5
MEMORANDUM NOTE			
Profit before finance costs attributable to unitholders		4,598	3,252

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2011

	Issued units \$'000	Distribution account \$'000	Undistributed income \$'000	Accumulated losses \$'000	Total \$'000
1 JANUARY 2010	85,051	3,348	7,215	(81,843)	13,771
Total comprehensive income					
for the period	-	-	-	1,626	1,626
Transfer to distribution account	-	1,626	-	(1,626)	-
Transfer from undistributed income	-	1,230	(1,230)	-	-
Distributions paid	-	(3,348)	-	-	(3,348)
30 JUNE 2010	85,051	2,856	5,985	(81,843)	12,049
1 JANUARY 2011	85,051	3,276	4,911	(81,843)	11,395
Total comprehensive income					
for the period	-	-	-	2,299	2,299
Transfer to distribution account (note 9)	-	2,183	-	(2,183)	-
Transfer to undistributed income	-	-	116	(116)	-
Distributions paid	-	(3,276)	-	-	(3,276)
30 JUNE 2011	85,051	2,183	5,027	(81,843)	10,418

The statement of changes in equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

for the half year ended 30 June 2011

	30 June 2011 \$'000	30 June 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	9,950	9,260
Cash payments in the course of operations	(3,504)	(3,290)
Interest received	85	93
Interest and other finance costs paid	(525)	(452)
NET CASH FROM OPERATING ACTIVITIES	6,006	5,611
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,285)	(1,097)
Proceeds from disposal of property, plant and equipment	-	2
NET CASH FROM INVESTING ACTIVITIES	(1,285)	(1,095)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/redraw of borrowings	(1,000)	1,250
Distributions paid (equity portion and liability portion)	(5,478)	(6,474)
NET CASH FROM FINANCING ACTIVITIES	(6,478)	(5,224)
Net increase/(decrease) in cash held	(1,757)	(708)
Cash and cash equivalents at 1 January	4,640	3,491
CASH AND CASH EQUIVALENTS AT 30 JUNE	2,883	2,783

The statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

1. THE TRUST

Reef Casino Trust (the Trust) was established by a Trust Constitution dated 2 July 1993 as amended by supplemental deeds dated 30 November 1993, 19 September 1999, 31 May 2000, 8 August 2001, 14 April 2004 and 29 June 2005. Reef Corporate Services Limited, a company domiciled in Australia, is the Responsible Entity of the Trust. The Trust is the owner and lessor of The Reef Hotel Casino complex in Cairns, North Queensland, Australia.

2. BASIS OF PREPARATION

(a) Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting. It does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements as at and for the year ended 31 December 2010.

The interim financial report was approved by the directors of the Responsible Entity on 23 August 2011.

(b) Basis of measurement

The financial report is prepared on the historical cost basis.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Trust's functional currency.

The Trust is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the interim financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Trust in this interim financial report are the same as those applied by the Trust in its financial report as at and for the year ended 31 December 2010.

	30 June 2011 \$'000	30 June 2010 \$'000
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4. REVENUE AND OTHER INCOME

REVENUE

Rental

Base rent	493	479
Contingent rent	9,161	7,772

	9,654	8,251
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Interest received and receivable from

Other persons	37	56
Related parties	40	37

	77	93
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Other revenue

Sundry	23	29
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	9,754	8,373
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OTHER INCOME

Government grants	4	4
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	4	4
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5. EXPENSES

Net profit includes the following specific expenses:

Depreciation

Building	867	866
Plant and equipment	1,117	1,155

	1,984	2,021
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Amortisation

Computer software	23	35
Site lease	354	354

	377	389
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	2,361	2,410
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Net loss on disposal of property, plant and equipment	2	-
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	30 June 2011 \$'000	31 Dec 2010 \$'000
6. PROPERTY, PLANT AND EQUIPMENT		
Site lease – at cost	53,000	53,000
Less: Accumulated amortisation	(12,396)	(12,042)
	40,604	40,958
Building and integral plant – at cost or deemed cost	69,301	69,301
Less: Accumulated depreciation	(12,559)	(11,692)
	56,742	57,609
Plant and equipment – at cost	56,656	55,813
Less: Accumulated depreciation	(48,790)	(48,347)
	7,866	7,466
Total property, plant and equipment – net carrying amount	105,212	106,033

An independent valuation of the Trust's interest in The Reef Hotel Casino Complex was carried out by Jones Lang LaSalle Hotels as at 30 June 2009. The Trust's interest in the complex, which is considered to be a cash generating unit, comprises the building, site lease, casino licence and plant and equipment. The complex was valued at \$143 million (with no residual value). The casino licence has an amortised cost of nil (31 December 2010: nil).

Capital expenditure commitments

Contracted but not provided for and payable:

Not longer than one year	624	171
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Acquisitions and disposals

During the six months ended 30 June 2011, the Trust acquired property, plant and equipment with a cost of \$1,518,044 (six months ended 30 June 2010: \$940,541). Assets with a net book value of \$1,807 were disposed of during the six months ended 30 June 2011 (six months ended 30 June 2010: \$4,656), resulting in a net loss on disposal of \$1,807 (six months ended 30 June 2010: net loss of \$2,155).

7. INTANGIBLE ASSETS

Computer software – at cost	598	583
Less: Accumulated amortisation	(498)	(475)
Total intangible assets – net carrying amount	100	108

**30 June
2011
\$'000** **31 Dec
2010
\$'000**

8. PAYABLES

CURRENT

Trade creditors and accruals – unsecured	1,179	1,120
Accrued distributions (note 9)	2,299	2,202
	3,478	3,322

9. DISTRIBUTIONS

DISTRIBUTABLE INCOME

The Trust Constitution requires calculation of distributable income for each half yearly period commencing either on the first day of January or July and the amount transferred to a distribution account on the last day of such period. As the Trust must distribute at least 50% of net income for the period, this 50% is classified as a liability, and transferred from the distribution account to accrued liabilities on the statement of financial position (note 8).

The proposed distribution was declared on 23 August 2011, and accounted for as follows:

Distribution account (refer to statement of changes in equity)

Balance relating to issued units – equity portion	2,183	3,276
Accrued distribution (payables – note 8)		
Balance relating to issued units – liability portion	2,299	2,202
Total of distribution accounts	4,482	5,478

	2011		2010	
	Total \$'000	Cents per unit	Total \$'000	Cents per unit
DISTRIBUTIONS PAID AND PAYABLE				
Half year ended 31 December				
paid March	5,478	11.00	6,474	13.00
Half year ended 30 June				
paid/payable September	4,482	9.00	4,482	9.00
	9,960	20.00	10,956	22.00

30 June 2011 \$'000	30 June 2010 \$'000
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10. SEGMENT INFORMATION

The Trust has a single operating segment. Revenue from external customers is derived from the rental of the Reef Hotel Casino complex, which is made up of the following components:

RENTAL INCOME

Casino operations	8,802	7,746
Hotel and other non casino operations	852	505
	9,654	8,251

11. RELATED PARTY INFORMATION

There has been no change to the nature of related party transactions disclosed in the most recent annual financial report.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets.

13. EARNINGS PER UNIT

	30 June 2011	30 June 2010
Basic and diluted earnings per unit (cents)	9.2	6.5
Weighted average number of units at the end of the half year	24,900,518	24,900,518
Profit for the period	\$'000 2,299	\$'000 1,626

DIRECTORS' DECLARATION

for the half year ended 30 June 2011

In the opinion of the directors of Reef Corporate Services Limited, the Responsible Entity of Reef Casino Trust (the Trust):

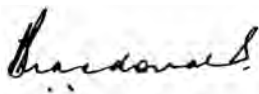
(a) the financial statements and notes that are contained on pages 7 to 15, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Trust as at 30 June 2011 and of its performance for the half year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Reef Corporate Services Limited:



Ben Macdonald

Director

Brisbane

23 August 2011



Keith De Lacy

Director



INDEPENDENT AUDITOR'S REPORT

to the unitholders of Reef Casino Trust

Report on the financial report

We have audited the accompanying interim financial report of Reef Casino Trust (the Trust), which comprises the statement of financial position as at 30 June 2011, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of Reef Corporate Services Limited (the Responsible Entity), are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the interim financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the interim financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the interim financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the interim financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the interim financial report.

We performed the procedures to assess whether in all material respects the interim financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting, a true and fair view which is consistent with our understanding of the Trust's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITOR'S REPORT

to the unitholders of Reef Casino Trust

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion the interim financial report of Reef Casino Trust is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A handwritten signature in black ink, appearing to be 'KPMG', written over a light blue horizontal line.

KPMG

A handwritten signature in black ink, appearing to be 'Gerry Mier', written over a light blue horizontal line.

Gerry Mier
Partner

Cairns
23 August 2011



LEAD AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the Corporations Act 2001
to the directors of Reef Corporate Services Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the half year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to be 'Gerry Mier', written over a light blue horizontal line.

KPMG

A handwritten signature in black ink, appearing to be 'Gerry Mier', written over a light blue horizontal line.

Gerry Mier
Partner

Cairns
23 August 2011

TRUST DIRECTORY

Registered office of the Responsible Entity

Reef Corporate Services Limited
Level 1
Mercure Hotel
85-87 North Quay
BRISBANE QLD 4000
Telephone: (07) 3211 3000
Facsimile: (07) 3211 4777
www.reefcasino.com.au/trust

Directors of the Responsible Entity

Mr Benjamin W Macdonald (Chairman)
Hon Keith De Lacy
Mr Julian Hercus
Mr Michael Issenberg
Mr Kim Mooney
Mr Allan Tan
Mr Simon McGrath

Pending:

Dr Karl Stoss,
subject to the receipt of regulatory approvals

Alternate directors

Mr Allan Tan (alternate for Mr Macdonald)
Mr Philip Basha (alternate for Mr Issenberg &
Mr Mooney)

Pending:

Mr Alexander Tucek (alternate for Dr Stoss),
subject to the receipt of regulatory approvals

Secretary of the Responsible Entity

Ms Alison Galligan

Compliance, Audit & Risk Committee of the Responsible Entity

Hon Keith De Lacy (Chairman)
Mr Julian Hercus
Mr Kim Mooney
Mr Philip Basha (alternate for Mr Mooney)

Solicitors to the Responsible Entity

Freehills
Level 38
Central Plaza One
345 Queen Street
BRISBANE QLD 4000

Unit registry

Computershare Investor Services Pty Ltd
117 Victoria Street
WEST END QLD 4101
GPO Box 2975
MELBOURNE VIC 3001
Telephone: 1300 850 505

Bankers

Bank of Queensland Limited
259 Queen Street
BRISBANE QLD 4000

Auditors of the Trust

KPMG
Level 13
Cairns Corporate Tower
15 Lake Street
CAIRNS QLD 4870

Securities exchange listing

Official list of the Australian Securities Exchange
Limited
Home Exchange: Brisbane

Sub-lessee of Reef Hotel Casino Complex

Casinos Austria International (Cairns) Pty Ltd
Level 1
Mercure Hotel
85-87 North Quay
BRISBANE QLD 4000
Telephone: (07) 3211 3000
Facsimile: (07) 3211 4777

Reef Hotel Casino

35-41 Wharf Street
CAIRNS QLD 4870
Telephone: (07) 4030 8888
Facsimile: (07) 4030 8777
www.reefcasino.com.au

MUST SEE MUST VISIT

Queensland's biggest and premier leisure & entertainment complex north of Brisbane

CASINOS AUSTRIA INTERNATIONAL

Reef Casino

Try your luck at the tables and experience the thrills and excitement of international gaming or adjourn to one of our many bars for a well earned refreshment.

Offers 530 gaming machines, 42 gambling tables, plus Club Privé, TAB and Keno. Open Monday – Thursday 9am - 3am and Friday – Sunday 9am - 5am.



Pullman Reef Hotel Casino

The Pullman Reef Hotel Casino features 128 luxury guest rooms and suites each offering charm, elegance and tranquility. Their decor accentuates the feel and lifestyle of Tropical North Queensland. Pullman facilities include swimming pool and spa, health club, shops and tour desk.



Indulge in the fusion of Asian and Western cuisine – a new and contemporary dining experience unique to Cairns.

Open daily 6pm - 10.30pm.



More than 330 undercover car parking spaces are provided for those attending events and for our Casino and Hotel patrons.



Multi award winning full scale Chinese restaurant offering traditional Chinese cuisine, yum cha and seafood. Open daily for lunch and dinner.



Café China Noodle Bar offers a tempting array of traditional Chinese delicacies in the historic surroundings of Customs House. Open daily.



Choose from a great range of light meals, snacks and beverages. Great value – all meals \$12 and under.

Open during Casino operating hours.



Located on Level 2 in the Reef Casino, this bar is themed with memorabilia and screens showing major sporting games and events on the big screen.



Night Club with live music and entertainment. Open Friday and Saturday nights until late. Monday to Saturday night enjoy "Xtreme Illusions", a spectacular live magic show.



Ultra modern bar with all your favourite drinks and cocktails. Great live entertainment on Wednesday through Sunday nights.

Open every day from 4pm until late.



Discover the rainforest in the heart of Cairns. A real wildlife experience! Open daily from 9am to 6pm



A total of eight unique venues ranging from ballroom to boardroom to poolside are available to cater for 10 to more than 500 guests for every type of function.

CASINOS AUSTRIA INTERNATIONAL

