

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



THE STAR



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18 June 2012

ECHO ENTERTAINMENT GROUP LIMITED SUCESSFULLY COMPLETES INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

Echo Entertainment Group Limited (“**Echo**” or the “**Company**”) today announced the successful completion of the institutional component of its fully underwritten 1 for 5 accelerated renounceable entitlement offer of new Echo ordinary shares (“**New Shares**”) at an offer price of \$3.30 per New Share (“**Offer Price**”) (“**Entitlement Offer**”).

- Institutional Entitlement Offer successfully closed to raise approximately \$266 million
- Approximately 95% take-up by eligible institutional shareholders
- Balance of Institutional Entitlement Offer cleared and sold in shortfall bookbuild conducted before market open at \$0.80 per Entitlement
- Echo shares will recommence trading today, Monday 18 June 2012
- Retail Entitlement Offer opens on Monday, 25 June 2012

The close of the institutional component of the Entitlement Offer (“**Institutional Entitlement Offer**”) represents the first stage of Echo’s approximately \$454 million equity raising, announced on Thursday, 14 June 2012. The Institutional Entitlement Offer has raised gross proceeds of approximately \$266 million (subject to final shareholding reconciliations).

The Institutional Entitlement Offer attracted strong demand from Echo’s institutional shareholders, with eligible institutional shareholders taking up approximately 95% of the New Shares available to them as part of the Institutional Entitlement Offer.

Approximately 4.3 million Entitlements were available in the institutional shortfall bookbuild, which was conducted this morning. The bookbuild was well supported with a clearing price of \$0.80 per Entitlement, being \$0.80 above the Offer Price. Accordingly, the total amount to be paid by successful participants in the institutional shortfall bookbuild is \$4.10 (being the Offer Price of \$3.30 plus \$0.80 per Entitlement).

Eligible institutional shareholders who elected not to take up their Entitlements together with ineligible institutional shareholders will receive \$0.80 for each Entitlement not taken up (less any applicable withholding tax).

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New Shares taken up under the Institutional Entitlement Offer and the institutional shortfall bookbuild for ineligible institutional shareholders are expected to be issued on 2 July 2012 and commence trading on ASX on the same day.

Crown Group to participate in the retail component of the Entitlement Offer

A subsidiary of Crown Limited, Pennwin Pty Ltd ("**Crown**"), has a direct shareholding of approximately 10% in Echo. Echo has been advised by Crown that, on the basis that the Entitlement Offer proceeds as announced, it intends to take up its Entitlement in full. This will be settled with the retail component of the Offer to ensure that Crown does not have voting power in Echo in excess of 10% (being the applicable limit under the Echo constitution).

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"), which is expected to raise approximately \$188 million, at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Monday, 25 June 2012 and close at 5.00pm (AEST) on Monday, 9 July 2012.

Entitlements under the Retail Entitlement Offer may only be exercised by eligible retail shareholders, being persons who:

- are registered holders of Echo ordinary shares at 7:00pm (AEST) on Monday, 18 June 2012;
- have a registered address on the Echo share register in Australia or New Zealand;
- are not in the United States and are not U.S. Person (as defined in Rule 902(k) of Regulation S under the Securities Act of 1933) or acting for the account or benefit of a U.S. Person;
- were either:
 - not invited to participate (other than as a nominee in respect of other underlying holdings) in the Institutional Entitlement Offer; or
 - invited to participate in the Institutional Entitlement Offer but did not warrant that their participation in (including the issue of New Shares pursuant to their application under) the Institutional Entitlement Offer would not cause any person to have voting power in Echo which exceeds 10% (being the applicable limit

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under the constitution of Echo), and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and

- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

It is the responsibility of retail shareholders to inform themselves of the eligibility criteria for exercise of Entitlements. Further details on eligibility criteria to exercise Entitlements will be included in the retail offer booklet to be lodged with ASX on or about Monday, 25 June 2012.

Entitlements not taken up by eligible retail shareholders and Entitlements of ineligible retail shareholders not entitled to participate in the Retail Entitlement Offer, will be sold for the benefit of such retail shareholders through the retail shortfall bookbuild on Thursday, 12 July 2012 (after market close) and Friday, 13 July 2012 (before market open) ("**Retail Shortfall Bookbuild**"). If the price set under the Retail Shortfall Bookbuild exceeds the Offer Price, the difference between the two amounts will be paid to those shareholders net of withholding tax ("**Retail Premium**") on a pro rata basis in respect of the number of Entitlements that were sold for their benefit in the Retail Shortfall Bookbuild. There is no guarantee that there will be any Retail Premium. Retail Entitlements cannot be traded on ASX.

Further details about the Retail Entitlement Offer, including restrictions on eligibility to exercise Entitlements, will be set out in the retail offer booklet, which Echo expects to lodge with ASX on or about Monday, 25 June 2012.

Key dates for the Retail Entitlement Offer are provided in the Appendix to this announcement.

10% shareholder limit

No application, acceptance, formal bids or other commitments will be accepted, and no allocations or allotments will be made to any shareholder or institutional investor, under the Entitlement Offer (including the Institutional Shortfall Bookbuild and the Retail Shortfall Bookbuild), if their participation in the Entitlement Offer (including the issue of New Shares pursuant to their application) would cause any person to have voting power in Echo which exceeds 10%, being the applicable limit under the constitution of Echo.

Shareholder enquiries

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Echo Offer Shareholder Information Line on 1300 880 923 (local call cost within Australia) or +61 2 8280 7504 (from outside Australia) at any time from 8.30am to 7.30pm

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(AEST) Monday to Friday during the Retail Entitlement Offer period, or consult their stockbroker, accountant or other independent professional adviser.

Important Information

This release does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. This release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia. In particular, neither the Entitlements nor the New Shares have been, and none of them will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, directly or indirectly, persons in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

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Appendix – Key dates for the Retail Entitlement Offer

Event	Date
Announcement and Entitlement Offer opens	Thursday, 14 June
Trading halt lifted	Monday, 18 June
Record date (7:00pm)	Monday, 18 June
Retail Entitlement Offer opens	Monday, 25 June
Retail Entitlement Offer closes	Monday, 9 July
Retail Shortfall Bookbuild opens	Thursday, 12 July
Retail Shortfall Bookbuild closes	Friday, 13 July
Retail Entitlement Offer and Retail Shortfall Bookbuild settlement	Wednesday, 18 July
Retail Entitlement Offer and Retail Shortfall Bookbuild allotment	Thursday, 19 July
Holding statements of New Shares despatched, New Shares issued under the Retail Entitlement Offer commence normal settlement trading	Friday, 20 July

Note: The above timetable is indicative only and subject to change. Echo reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the Australian Securities Exchange ("ASX") Listing Rules and other applicable laws. In particular, Echo reserves the right to extend the closing date of the offers, to accept late applications either generally or in particular cases or to withdraw the offers without prior notice. The commencement of quotations of New Shares is subject to confirmation from ASX. All references in announcement are to AEST.