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25 June 2012

ECHO ENTERTAINMENT GROUP LIMITED REACHES AGREEMENT WITH BANKS AND US PRIVATE PLACEMENT NOTEHOLDERS

Echo Entertainment Group Limited ("**Echo**" or the "**Company**") today announced the successful conclusion of its discussions with its banks and US Private Placement ("**USPP**") Noteholders to modify the terms of its debt facilities:

- Echo has agreed with its banks to modify the terms of its Syndicated Bank Facility and the facility is expected to continue, subject to compliance with the terms and conditions of the facility; and

- Echo has agreed with its USPP Noteholders to modify the terms of the USPP Notes.

Accordingly, as foreshadowed in the announcement of 14 June 2012 (the "**Issue Announcement**"), Echo will apply the Entitlement Offer proceeds (less associated costs) to reduce the amount drawn on the Syndicated Bank Facility ("**Scenario 1**", as outlined in the Issue Announcement). Echo will avoid the need to issue a notice to redeem the USPP Notes and pay associated make-whole costs ("**Scenario 2**").

At the request of the USPP Noteholders, Echo has agreed to changes in the terms of the Notes that include extending the circumstances in which the Noteholders have the right to trigger full or partial redemption of the USPP Notes at the make-whole price. Key modified events include:

- A change of control of Echo (which includes a party or parties acting in concert having 25% or more of the voting rights in Echo, or an involuntary change of the majority of the Board in any 12 month period); and

- A sale of more than 10% of total group assets.

As noted in the Investor Presentation dated 14 June 2012 (the "**Issue Presentation**"), the net cash cost associated with the pre-payment of the Notes (including make-whole payment) varies with movements in relative interest rates and the USD/AUD exchange rate. The quantum of the make-whole costs potentially payable in the modified events set out above and other contingencies will, assuming no movement in relative interest rates, decline in US dollar terms with the passage of time.

Commenting on the news of the agreement with its banks and USPP Noteholders, Echo's Chief Financial Officer, Matt Bekier, commented "I am pleased we have now finalised agreements with our lenders that achieve a more appropriate capital structure and maintain financial flexibility for the Company. In conjunction with our fully underwritten $454m Entitlement Offer, Echo now has a capital structure that is better suited to support continued growth in the International Rebate Business".

Shareholder enquiries

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

Important Information

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