

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



THE STAR



4 July 2013

NSW Government rejects Echo Entertainment's unsolicited proposal to deliver the world's first Connected Integrated Resort

Echo Entertainment Group Limited (**Echo**) today notes the decision by the NSW Government to reject Echo's Stage 2 unsolicited proposal to further develop The Star as Sydney's only Integrated Resort under an exclusivity package (**Proposal**) and to progress Crown Limited's proposal for a gaming facility at Barangaroo to Stage 3 of its Unsolicited Proposal process.

As announced on 24 June 2013, Echo submitted its Proposal to the NSW Government, which included total investment of up to \$1.4 billion, including payments to the NSW Government totalling \$250 million, which represented the next phase of The Star's development as Sydney's only Integrated Resort.

Echo continues to believe its Proposal was highly complementary to the NSW Government's vision for a revitalised Pyrmont and Darling Harbour precinct, including enhanced transport and connectivity solutions which would enable delivery of substantial tourism, economic and other benefits for NSW.

Echo's Chairman, John O'Neill AO, said "We are disappointed that the NSW Government does not share our vision for the opportunity to further develop The Star into a globally recognised Integrated Resort that competes with the best in Macau, Singapore, Melbourne and other destinations."

Notwithstanding the Government's decision, the Board and management remain committed to maximising shareholder value from the high-quality, valuable asset that is The Star, with its remaining 80 year licence term including another six years of exclusivity (until November 2019).

Echo's Chairman commented "The Star is Echo's flagship property and we are here for at least another 80 years. Echo remains conservatively geared and, in the absence of its Unsolicited Proposal proceeding, has the funding and operational flexibility to pursue a range of growth avenues for the business. Echo looks forward to working constructively with the NSW Government, and exploring other initiatives, to deliver an enhanced Integrated

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Resort at The Star which will drive significant tourism and other economic benefits for NSW and, generate value for Echo's shareholders."

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For further information contact:

Media – Peter Brookes, Citadel Communications 0407 911 389

Financial Analysts – Matt Bekier, Chief Financial Officer & Executive Director (02) 9657 7545