# ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP

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10 December 2013

**Echo Entertainment Group announces restructure of financing arrangements**

Echo Entertainment Group Limited (***Echo***) announced today that the company has completed a program to close out some of its out-of-the-money interest rate swap positions and restructure lending arrangements. Echo has a number of interest rate swaps in place that effectively fix rates for both the Syndicated revolving facility and the US Private Placement bonds. Echo has effected a transaction to close out the interest rate hedges that apply against the Syndicated revolving facility.

The close-out of the swap positions coincides with a partial restructuring of Echo's lending arrangements which results in a reduction of the Syndicated revolving facility by $150m and the establishment of a $150m bridge facility. The net debt position remains largely unaffected through the restructure. Echo expects to take out the bridge with longer-dated facilities in 2H FY2014 as the medium-term capital expenditure profile for the group becomes more certain.

The expense associated with closing out the out-of-the-money interest rate positions and financing restructure is $22m (pre-tax) and will be treated as a significant item in the 1H FY2014 results. Statutory net finance costs are now expected to be approximately $87m in FY2014, including the $22m significant item. In comparison, the company reported statutory net finance costs of $79.4m for FY2013.

The benefit of this restructure is an expected reduction in statutory net finance costs from 2H FY2014 to FY2016, when the last one of the closed out swaps would have expired. For example, the company estimates that this restructure will reduce FY2015 statutory net finance costs by approximately $8m relative to the position of the swaps having remained in place, under constant interest rate assumptions.

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