

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



THE STAR



17 May 2012

FINDINGS OF CASINO INQUIRY BY GAIL FURNESS SC

Attached is a media release by Echo Entertainment Group Limited regarding the findings of the casino inquiry by Gail Furness SC in the report released by the New South Wales Independent Liquor and Gaming Authority today.

Paula Martin
General Counsel (QLD) & Company Secretary

MEDIA RELEASE

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FINDINGS OF CASINO INQUIRY BY GAIL FURNESS SC:

- No adverse findings against Echo Entertainment Group (“Echo”) or The Star.
- Serious allegations made publicly against the casino were baseless.
- The investigation into the allegations against The Star’s former Managing Director was conducted promptly, properly and thoroughly.
- Echo and The Star have demonstrated a positive culture having systems in place for the reporting, investigation into and dealing with sexual harassment.

Echo Entertainment Group Limited today welcomed the report of the Section 143, Casino Control Authority Act inquiry by Gail Furness SC which has made no adverse findings against Echo or The Star and has determined that serious allegations made publicly against the Sydney casino were baseless.

Echo said the report released by the New South Wales Independent Liquor and Gaming Authority found the company’s investigation into allegations against The Star’s former Managing Director was conducted “promptly, properly and thoroughly”. It also found Echo and The Star have “demonstrated a positive culture which has systems in place for reporting sexual harassment... investigating claims and taking action commensurate with the findings of those investigations.”.

Echo CEO Larry Mullin said the report confirmed that the company had followed proper procedures in its investigation of the former Managing Director and that there had been no delay or cover up.

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“From the very beginning our priority was to protect the identities of the complainants in the case and provide them with support and information as we carried out a thorough investigation.

“This showed how seriously we take these issues and our willingness to act regardless of the persons involved. The allegations against The Star’s former Managing Director were promptly investigated and as a result his employment ended,” Mr Mullin said.

Mr Mullin said he also welcomed findings in relation to certain allegations made publicly in the media by former employees at The Star and the union, United Voice.

None of their accusations of drug abuse, lax compliance and a claim that The Star is “full of racist bullies” was found to be true and in some cases media reports of the allegations were seriously misleading.

The inquiry received a total of 28 submissions, mostly concerning issues that were dealt with in the Section 31, Casino Control Act casino licence review completed in December last year. The report of the inquiry notes that none of these issues “raised concerns about the integrity of gaming, criminal influence in the casino or harm to the public.”

Ms Furness concluded that no matter raised during her inquiry requires any additional recommendations beyond those provided following the Section 31 review.

Echo CEO Larry Mullin said the allegations had been thoroughly and independently examined by an inquiry with the powers of a Royal Commission.

“While many of these issues were examined during last year’s casino licence review, we welcomed the Section 143 inquiry as an opportunity to prove in an open inquiry process that we operate to the highest standards of integrity.

“No one likes to see these kinds of misleading and baseless allegations and the ensuing publicity -- particularly a company that has recently invested nearly \$900 million to transform The Star into a major entertainment and tourist destination.

“The Star is one of the State’s largest single site employers with nearly 4000 employees. In 2011 we paid over \$220 million in taxes to the State of New South Wales. The Star also spent over \$200 million supporting some 1200 suppliers. We are currently investing another \$100 million creating a world-class multi purpose entertainment centre.

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“We now want to work with the Government to maximise the value of our investment and realise future economic benefits for New South Wales.

Echo believes it has a strong Code of Conduct that guides our activities. We have a strong culture of compliance built over many years based on a number of initiatives, including working with the New South Wales casino regulator and adopting recommendations made during previous reviews.

We have shown that we do not tolerate sexual harassment or inappropriate behaviour in any form from our staff or our customers, no matter what level of the company or the community.

“I want to thank all of our staff, shareholders, customers, suppliers and business partners who have continued to support the business during this difficult time,” Mr Mullin said.

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