

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



24 January 2014

Echo Entertainment Group enters agreement to sell Jupiters Townsville

Echo Entertainment Group Limited (“Echo”) announced today that it has entered into an agreement to sell its Jupiters Townsville complex to Colonial Leisure Group (“CLG”) for \$70 million. CLG is a wholly owned private Australian company, with operations in Victoria, Western Australia, Queensland and the UK. In Australia, CLG operates 15 hotels in Victoria and Western Australia, a brewery in Margaret River, Western Australia, and a portfolio of assets in Northern Queensland.

The transaction is for the sale of all the shares and units in Breakwater Island Limited and Breakwater Island Trust respectively (the “Transaction”). Echo expects to book a pre-tax profit on the sale of approximately \$8m after transaction costs. The purchase price of \$70 million represents a multiple of 10 times FY13 actual EBITDA including corporate cost allocations for the property or 8 times FY13 EBITDA excluding all corporate cost allocations.

The Transaction is subject to required regulatory approvals being obtained. The agreement is not subject to finance or CLG or Echo shareholder approval.

Echo Managing Director & CEO John Redmond said: “Recent performance of Jupiters Townsville has been positive, however given the scale of operations and the size of the local market, we saw more limited expansion opportunities, and therefore strategic fit, with the group’s other assets. We remain committed to and excited about investment in South-East Queensland and believe the company’s capital will be better deployed as we advance our plans for development of both Jupiters Gold Coast and Treasury Brisbane into large-scale integrated resorts.”

The sale of Jupiters Townsville followed a competitive sale process advised by ANZ Corporate Advisory.

A copy of CLG’s media release with more information on the group is attached.

For further information contact:

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Media release

January 24, 2014

Colonial Leisure Group signs sales contract to buy Jupiters Casino, Townsville.

National hospitality company, **Colonial Leisure Group (CLG)**, has signed a sale contract (pending regulatory approval), to acquire Jupiters Townsville Hotel and Casino, from the owner, Echo Entertainment Group Limited (ASX: EGP).

CLG is a wholly owned private Australian company, with operations in Victoria, Western Australia, Queensland and the UK. In Australia, **CLG** operates 15 hotels in Victoria and Western Australia, a brewery in Margaret River, Western Australia, and a portfolio of assets in Northern Queensland.

CLG's Northern Queensland portfolio includes;

- Two luxury resorts, including; Orpheus Island situated on the Great Barrier Reef and the recently acquired Daintree Eco Lodge in the Daintree Rainforest;
- The Daintree General Store and Hotel; and
- Nautilus Aviation, a helicopter business operating in Townsville and Cairns.

CLG is a specialty hospitality group with iconic properties including; the Botanical, Half Moon and the Portsea Hotel in Victoria and the Raffles Hotel and Print Hall in Western Australia.

This acquisition, a significant expansion to **CLG's** existing Northern Queensland portfolio, demonstrates **CLG's** continued investment in the region. We are excited about the opportunities and synergies this acquisition represents. Combining our extensive expertise in hospitality management and ability to further invest, we will develop Jupiters Townsville Hotel and Casino into a leading regional resort, improving the operational and financial performance of the property.

CLG has invested over \$40m in Northern Queensland over the last 3 years and our decision to make a further substantial investment was influenced by the focus of the Newman Government to support tourism in Queensland.

See www.clg.com.au

For more information please contact Kate & Co Publicity and Events;
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