

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



THE STAR



28 March 2012

INTERIM DIVIDEND MAILOUT

Attached are copies of the following documents that will be dispatched today to shareholders with their interim dividend statements:

- Chairman's letter to shareholders regarding the interim dividend, the Shareholder Benefits Scheme and the introduction of mandatory direct credit for future dividend payments; and
- a brochure on the Shareholder Benefits Scheme (including a shareholder benefits card).

Paula Martin
General Counsel (QLD) & Company Secretary

28 March 2012

Dear Shareholder

Enclosed with this letter are details of your first interim dividend payment and your new Shareholder Benefits Card.

On behalf of the Board of Echo Entertainment Group, I want to take this opportunity to highlight some of the key aspects of our first half year results announced on 24 February 2012, and expand on some recent developments.

Echo reported a net profit after tax of \$70.2 million. As Echo Entertainment Group was part of Tabcorp Holdings Limited until its demerger, the reported profit is not comparable to previous years.

Actual revenue growth was up 16.5% to \$908.2 million, with both the NSW and Queensland operations experiencing revenue growth, which was a strong result given the soft consumer environment.

Echo's growth strategy and investment program is on track and is delivering. We have spent nearly \$900 million in capital over the last four years at The Star in Sydney transforming it into one of Australia's most significant entertainment destinations, creating over 650 permanent jobs and making The Star one of the state's largest private employers.

We are positioned to reap the benefits of that investment for all shareholders. While it is still early days, we are encouraged by the rapid expansion and growth of the international VIP business and by the steady revenue growth the newly transformed casino complex is delivering in difficult economic times. This puts Echo in an excellent position to develop the second part of its expansion plans with approximately \$650 million proposed to be invested in Jupiters Gold Coast, Treasury Casino and Hotel Brisbane and Jupiters Townsville.

Echo has an extremely valuable portfolio of assets with its network of four casinos along the eastern seaboard. These properties are ideally suited to capturing a growing number of VIP guests and a larger share of the overall tourism market. With Sydney as the Australian gateway to the increasing number of Asian tourists, the value for Echo in holding the only New South Wales casino licence, which extends to 2093 with exclusivity until 2019, is very clear.

Our achievements have been overshadowed in recent weeks by the media speculation concerning the departure of Mr Sid Vaikunta, formerly the Managing Director of The Star, whose employment was ended after his behaviour in a social work setting.

Your Board and your management team have zero tolerance for any breach of Echo's Code of Conduct, no matter at what level it occurs. Adherence to the Code of Conduct and all compliance obligations are critical to the integrity of a casino's operation. The Board therefore welcomes the independent inquiry initiated by the NSW casino authority into matters arising since 2 December 2011, including the circumstances of Mr Vaikunta's departure. Echo is working constructively with those conducting the inquiry and is committed to addressing any recommendations that may be made.

The early success of our strategy and investment at The Star has created interest amongst investors and competitors.

On 24 February 2012, Crown Limited announced that it was increasing its stake in Echo to 10 percent of issued shares, and that Crown was seeking approval from the relevant NSW and Queensland gaming authorities to increase its voting power beyond the regulatory restriction which caps shareholdings at a maximum of 10 percent of voting power. In a letter to Echo on the same day, Crown also requested Board representation. The Board of Echo welcomes investment in the company and is open to value-creating proposals from any party, which are in the interests of all shareholders. The Board declined Crown's request for a Board seat. We do not believe that it is in the interests of shareholders that a competitor be represented on the Board.

Both the inquiry and Crown's interest have received wide media attention. May I assure you that these matters have not detracted from Echo's focus on driving shareholder value. Echo is now moving through its next stage of maturity. It is firmly focussed on driving revenue growth and optimising operations. Our objective is and remains to deliver earnings and value for shareholders in 2012 and beyond.

Shareholder Benefits Scheme – 1 April 2012

I am pleased to extend to you the opportunity to enjoy a range of shareholder discounts across our casino venues under the enhanced Shareholder Benefits Scheme.

Your Shareholder Benefits Card (enclosed) is valid from 1 April 2012 to 31 March 2013. Also enclosed is a brochure outlining the benefits available at each of our casino and entertainment complexes and how the Shareholder Benefits Scheme works. Now is a great time to visit our stunning new-look The Star in Sydney, including the exclusive new hotel, The Darling, take a relaxing coastal break at Jupiters Gold Coast or Jupiters Townsville, or experience the beautiful heritage surrounds of Treasury Casino and Hotel Brisbane in the heart of Brisbane. We look forward to welcoming you very soon.

Staying in touch – receiving electronic communications

You can elect to receive all your shareholder communications electronically and I encourage you to do so. This enables us to provide you with faster communications about your shareholding in Echo Entertainment Group and shareholder benefits.

By providing your email address and electing to become an eShareholder, you will also be helping to reduce the impact on the environment and the costs associated with sending shareholder documents. **To update how you want your shareholder communications delivered, please visit the share registry's website at www.linkmarketservices.com.au.**

Interim dividend statements

As announced on 24 February, the Board of Echo Entertainment Group declared an interim dividend of 4 cents per share, fully franked at the company tax rate of 30%. If you elected to receive dividend statements electronically, your dividend payment advice was emailed to your nominated email address on 28 March 2012. If not, your dividend payment advice is enclosed.

Please see the important note below about the payment method for future dividends.

Thank you for your ongoing support of Echo Entertainment Group.



John Story
Chairman

IMPORTANT CHANGES TO METHOD OF PAYMENT FOR FUTURE DIVIDENDS

Echo Entertainment Group is streamlining the way in which dividends are paid to shareholders, and in future will not be paying dividends by cheque.

Payments to shareholders will only be made by direct credit into a nominated account with an Australian financial institution.

The payment of dividends by direct credit is a fast, convenient and secure way of receiving your dividend entitlements, providing benefits such as:

- payments being electronically credited to your nominated bank account on the dividend payment date, without any mailing or handling delays; and
- no misplaced cheques.

You will continue to receive a dividend statement through the mail or electronically, in accordance with your instructions to the share registry Link Market Services regarding shareholder communications.

What you need to do

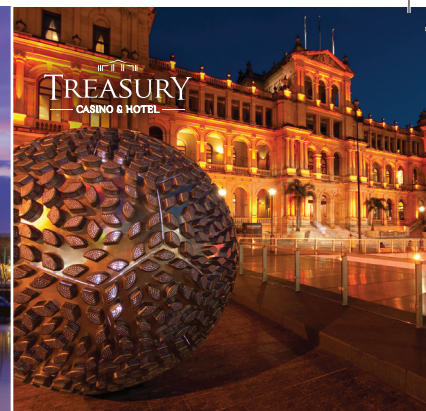
If you currently receive payments by cheque, please complete the enclosed Request for Direct Credit of Payments form and return it to the share registry in the reply paid envelope provided. Alternatively, if you wish to change your bank account details, you may do so by visiting the share registry's website at: www.linkmarketservices.com.au.

If we have not received details of your nominated bank account with an Australian financial institution by the record date for the next dividend, we will not be able to forward your dividends to you.

If you have any questions about your Echo Entertainment shareholding or require any assistance, please contact the share registry, Link Market Services:

By phone: 1300 880 923 (local call cost within Australia) +61 2 8280 7504 (overseas callers)

By email: echoentertainment@linkmarketservices.com.au



From non-stop action and excitement to total relaxation and rejuvenation, find out what the completely transformed The Star has for you.

An icon of Australia's stunning Gold Coast, Jupiters Hotel and Casino is a non-stop entertainment destination offering amazing experiences.

Jupiters Townsville – superbly located on the Townsville breakwater, it is the epitome of North Queensland's relaxed lifestyle.

Located in a grand heritage setting in Brisbane's CBD, Treasury Casino and Hotel offers guests a unique gaming, dining and entertainment experience every visit.

Shareholder Benefits Scheme

ECHO ENTERTAINMENT GROUP

The 2012/13 Shareholder Benefits Scheme provides shareholders with a range of discounts at Echo Entertainment Group's casino and entertainment complexes.

For up to date information on benefits and using your benefits card, see the Echo Entertainment Group website www.echoentertainment.com.au.

The shareholder benefits card is available to all shareholders who were registered on the Echo Entertainment Group register at 6 March 2012.

The Star - Sydney

- The Star will offer **10% off our Best Available Rate** for accommodation. Please note this rate is subject to availability and terms and conditions.
- **10% discount off** the cost of food and beverage at participating restaurants and cafes.

For Reservations call 1800 700 700.

Jupiters Townsville Hotel and Casino

- Jupiters Townsville will offer **10% off our Best Available Rate** for accommodation. Please note this rate is subject to availability and terms and conditions.
- **10% discount off** the cost of food and beverage at participating restaurants and cafes.

For Reservations call 1800 079 210.

Jupiters Hotel & Casino - Gold Coast

- Jupiters Gold Coast will offer **10% off our Best Available Rate** for accommodation. Please note this rate is subject to availability and terms and conditions.
- **15% discount off** gym membership to Jupiters Fitness.
- **10% discount off** merchandise at Paradise Gifts.
- **10% discount off** the cost of food and beverage at participating restaurants and cafes.

For Reservations call 1800 074 344.

Treasury Casino & Hotel - Brisbane

- Treasury Brisbane will offer **10% off our Best Available Rate** for accommodation. Please note this rate is subject to availability and terms and conditions.
- **10% discount off** the cost of food and beverage at participating restaurants and cafes.
- **10% discount off** merchandise at Treasury Gifts.

For Reservations call 1800 506 889.

ECHO ENTERTAINMENT GROUP

ECHO

Shareholder
Benefits
Card

This card provides the shareholder with discounts at Echo Entertainment Group's hotel and casino complexes. By using this card you agree to the terms and conditions accompanying this card when issued and all future amendments as notified by Echo Entertainment Group. See what's on offer at www.echoentertainment.com.au

Card expires: 31 March 2013

Echo Entertainment Group
ACN 149 629 023

See over
for how to
use your
card

Shareholder Benefits

Valid from 1 April 2012 to 31 March 2013

Contact the hotel and casino to make your reservation.

T H E | S T A R

The Star – Sydney
Reservations 1800 700 700
www.star.com.au



Jupiters Townsville Hotel & Casino
Reservations 1800 079 210
www.jupitertownsville.com.au



Jupiters Hotel & Casino – Gold Coast
Reservations 1800 074 344
www.jupitersgoldcoast.com.au



Treasury Casino & Hotel – Brisbane
Reservations 1800 506 889
www.treasurybrisbane.com.au

PRESENT YOUR CARD TO OBTAIN YOUR BENEFITS.

*No discount is available on beverages purchased from bars.

** Not available in conjunction with any other promotion or discount offer.

Terms and Conditions

1. Offers only available on presentation of a valid Shareholder Benefits Card.
2. Accommodation rates are per room, per night, for a maximum of two people and are subject to availability. Black-out dates may apply during public holidays, school holidays and special event periods and may reduce the level of availability.
3. Restaurant offers are only available to the registered shareholder and one accompanying guest (maximum of two people per card).
4. No discount is available on beverages purchased from bars.
5. Not available for use in conjunction with any other promotion or discount offer.

How to use your card

1. Reservations must be made directly with the hotel, restaurant or venue.
2. Quote your name at the time of making your reservation.
3. At restaurants please notify the staff that you have a Shareholder Benefits Card upon arrival.
4. Present your Shareholder Benefits Card to obtain your benefits.
6. The card is not transferable and is only valid for the shareholder shown on the card.
7. All rates are in Australian dollars and are inclusive of GST.
8. Echo Entertainment Group reserves the right to recall this card if these terms and conditions are not met.
9. The Board of the Echo Entertainment Group has the discretion to terminate or vary the shareholder benefits scheme at any time and will duly notify shareholders.
10. A fee may be levied for replacement cards to cover the necessary expense.