



THE STAR

## ASX Announcement

25 March 2020

### THE STAR ENTERTAINMENT GROUP LIMITED – COVID-19 RELATED DIRECTIVES

The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) notes that the Federal, New South Wales and Queensland Governments have issued COVID-19 related directives requiring the closure of all non-essential businesses.

The immediate impact of these directives on The Star's operations in Sydney, Gold Coast and Brisbane are as follows:

- Cessation of gaming activities from Monday 23 March 2020
- Closure of food and beverage, banqueting and conferencing offerings from Monday 23 March 2020 with the limited exception of in-room dining services for hotel guests
- Hotel accommodation services remain open in a reduced capacity at this time.

The shutdown of the casino properties will have a material impact on The Star's operations. Management is focussed on implementing mitigation strategies to minimise impacts and conserve liquidity. These include materially lowering operating costs and reducing capital expenditure. As at 24 March 2020, The Star had available cash or undrawn committed debt facilities of \$480 million.

As an immediate measure, The Star has taken a very difficult, but necessary, decision in relation to its workforce. We are in the process of temporarily standing down over 90% of our approximately 9,000 employees. These stand downs include senior management. To assist our employees at this time, The Star has provided two weeks of paid pandemic leave. In addition, employees will be able to access any accrued annual and long service leave entitlements.

The board and senior management will also forego a significant percentage of entitled directors' fees and salaries respectively. Details of those reductions will be announced once the necessary stand downs across all levels of the business are finalised in coming days.

The Star will continue to monitor developments in the COVID-19 situation and the impacts on The Star's business. At this time, we are unable to reliably advise of the impacts on financial performance due to the uncertain duration of the current circumstances.

Chairman John O'Neill AO said: "This is a unique environment and one beyond our control in which we're determined to balance the necessary measures needed to protect the business while considering the considerable human impact to our workforce."

Managing Director and Chief Executive Officer Matt Bekier said: "We have incredible people at The Star and huge potential. We are also confronting, like the rest of society, an unprecedented challenge in the COVID-19 situation."

**Authorised by:** Disclosure Committee

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