

ASX ANNOUNCEMENT

ECHO ENTERTAINMENT GROUP



5 February 2014

Planned Managing Director and CEO Transition

Echo Entertainment Group Limited (**Echo**) today announced that Managing Director and CEO John Redmond would retire from the company during 2H14 and return to the United States of America. He has begun the transition of his responsibilities to Matt Bekier who will become Managing Director and CEO, having served as CFO and an Executive Director of Echo since the company's establishment as a separate listed entity.

Chairman John O'Neill AO said: "Over a year ago, John Redmond agreed to move from his Non-Executive Director position into the CEO role to assist in leading the company after a very difficult period. He has established solid foundations for profitable future growth. He has also delivered the first stage of Echo's development plans for South East Queensland. As a company, we are fortunate to have had the leadership of a man of John's calibre during this period, and we are grateful for his contribution. We understand the personal reasons that are taking John and his wife Carla back to their home in the US, and we wish them all the best for their future.

"Over a transition period of the next three months, John will be handing over his responsibilities to Matt Bekier. Matt knows the company and the Australian market exceptionally well and has been working closely with John in re-establishing a path towards profitable growth. The Board is confident that Matt is the right person to lead the group forward on the foundations that have been built, and looks forward to the continuity that Matt's appointment will provide."

Matt Bekier has been a senior executive in the gaming industry since 2005 when he joined Tabcorp Holdings Limited as CFO, a position he held until the demerger of Echo in June 2011. Over that period, Matt was intricately involved in the negotiations and structuring of gaming licences, led a range of operational improvement programs and drove the project to demerge and establish Echo. He also had budgetary responsibility for the three year \$870 million expansion project at The Star which was delivered to target. Prior to Tabcorp, Matt held various roles with McKinsey & Company in Australia, Asia, the US and Europe.

Managing Director and CEO, John Redmond said: "I would like to thank the Board for entrusting me with a job of great responsibility during a challenging period for Echo. I believe the company is in much better shape today, which is reflected in our profit announcement to the market. Whereas there can never be a perfect or ideal departure, I do strongly feel that a three month transition provides a good window for all involved, given how

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closely Matt and I have worked together over the last year, and considering Matt's skills and experience."

CFO and CEO designate Matt Bekier said: "This is a wonderful opportunity to build on the work John and the senior executive management team have done to date. This year is about fully implementing improved operational programs now developed across our properties building on the early momentum we have seen this calendar year, and preparing for our Queensland investment program."

Coinciding with the retirement of John Redmond from the company, Echo is looking to appoint another non-executive director with international casino experience to the Board.

The Board has commenced an executive search for a new CFO, and has also made significant progress in its search for a new Managing Director of The Star.

A summary of the key terms of Matt Bekier's employment is attached.

For more information:

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Summary of the key terms of employment agreement between Echo Entertainment Group Limited (Echo) and Mr Matt Bekier for the role of Managing Director and CEO

	Employment Agreement Key Terms
Commencement and Term	<p>Proposed commencement date in May 2014, subject to receipt of any required regulatory approvals.</p> <p>Appointment term is ongoing, subject to termination by either party.</p>
Remuneration	<p>Mr Bekier's remuneration package for his current role of CFO and Executive Director was set out in Echo's 2013 Annual Report. The same structure will continue to apply to his appointment as Managing Director and CEO with the following amounts being effective from the date of Mr Bekier's appointment to the role :</p> <ul style="list-style-type: none"> • Fixed remuneration - \$1,500,000 per annum (including superannuation). This will be subject to annual review. • Short-Term Incentive (STI) – potential target short-term incentive of \$1,500,000. • Long-Term Incentive (LTI) – potential annual long-term incentive award valued at \$1,000,000. <p>The STI and LTI amounts above will be pro-rated to reflect that Mr Bekier is being appointed to the Managing Director and CEO role part way through the year.</p> <p>The performance measures which apply to the Short-Term Incentive and Long-Term Incentive components of Mr Bekier's remuneration were described in Echo's 2013 Annual Report.</p>
Termination	<p>Either party may terminate the employment contract at any time on 12 months' notice.</p> <p>Echo may terminate Mr Bekier's employment immediately (without payment in lieu of notice) in circumstances of misconduct, if Mr Bekier breaches certain obligations under his employment agreement, is disqualified from holding office with the company or otherwise engages in any act or omission which would justify summary dismissal.</p> <p>The employment agreement does not provide for any termination payments, other than payment in lieu of notice (if applicable) and statutory entitlements.</p>
Restrictive Covenant	<p>Mr Bekier is subject to non-compete obligations for up to 12 months after termination of his employment with Echo from being engaged in any business or activity in Australia which competes with or is substantially similar to the business of Echo.</p>