



**ASX / MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
30 May 2012**

### **CROWN REQUISITIONS MEETING OF ECHO SHAREHOLDERS TO APPROVE BOARD CHANGES**

**MELBOURNE: Crown Limited (ASX: CWN)** announced today that it has served on Echo Entertainment Group Limited ("Echo") a Notice requiring Echo to convene a General Meeting of shareholders to consider and, if thought fit, to approve the following resolutions:

1. "That Mr John Story be removed as a director of the Company, with immediate effect."
2. "That pursuant to rule 46(a) of the Company's Constitution, but subject to the resolution to remove Mr John Story being passed, Mr Jeffrey Gibb Kennett, having consented to act as a director, be appointed as a director of the Company, with effect from, and subject to, receipt of all regulatory approvals required by rule 45 of the Company's Constitution."

Mr Kennett, who is independent of Crown, has consented to his nomination as a director of Echo.

A copy of the Notice is attached.

Crown's Chairman, Mr James Packer, has written to Echo shareholders calling on them to support the proposed changes to the Echo Board.

A copy of Mr Packer's letter is attached.

**ENDS**

### **COPIES OF RELEASES**

Copies of previous media and ASX announcements issued by Crown are available at Crown's website at [www.crownlimited.com](http://www.crownlimited.com)

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**Pennwin Pty Limited ACN 086 229 012**

**Request that the directors of Echo Entertainment Group Limited  
ACN 149 629 023 call and arrange to hold a general meeting  
under section 249D of the Corporations Act**

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**TO: Echo Entertainment Group Limited ACN 149 629 023 ("Company")**

Pennwin Pty Limited ACN 086 229 012 gives notice under section 249D of the Corporations Act 2001 (Cth), that it, a member of the Company with at least 5% of the votes that may be cast at a general meeting of the Company, requests that directors of the Company call and arrange to hold a general meeting (the "**Meeting**").

Each of the following resolutions is to be proposed at the Meeting as an ordinary resolution:

1. "That Mr John Story be removed as a director of the Company, with immediate effect."
2. "That pursuant to rule 46(a) of the Company's Constitution, but subject to the resolution to remove Mr John Story being passed, Mr Jeffrey Gibb Kennett, having consented to act as a director, be appointed as a director of the Company, with effect from, and subject to, receipt of all regulatory approvals required by rule 45 of the Company's Constitution."

**DATED:** 30 May 2012

**SIGNED** for **PENNWIN PTY LIMITED** by:



\_\_\_\_\_  
Signature of director

**Kenneth McRae Barton**

\_\_\_\_\_  
Name



\_\_\_\_\_  
Signature of director/secretary

**Michael James Neilson**

\_\_\_\_\_  
Name



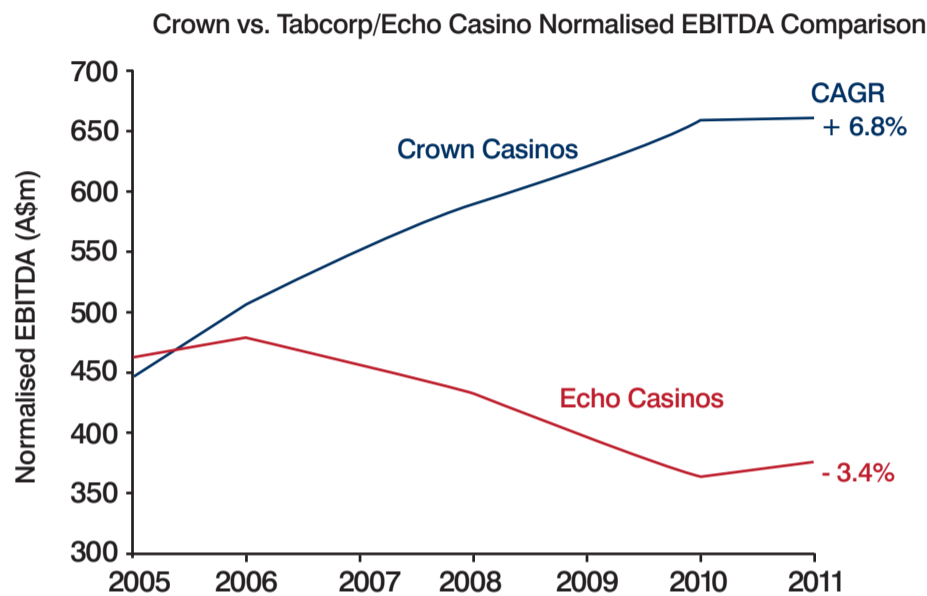
## A LETTER TO ECHO ENTERTAINMENT SHAREHOLDERS

Dear fellow shareholder

Today Crown requisitioned a General Meeting of Echo's shareholders to remove John Story as Chairman and Director of Echo and appoint former Victorian Premier Jeff Kennett to the Board.

### Poor leadership is harming Echo's businesses

As a Director of Echo's predecessor Tabcorp since 2004, its Chairman since 2007, and Chairman of Echo since demerger in 2011, John Story has overseen a period of serious underperformance for Echo's casinos, as set out below. In 2005 normalised EBITDA from Echo's casinos exceeded Crown's casinos. Now Crown's casinos generate approx \$300m more.



This graph compares normalised Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) at Echo's casinos and Crown's Australian casinos. Corporate costs have been deducted with PBL costs for FY05-FY07 apportioned to Crown on the basis of its share of total PBL EBITDA. Crown's 2005 results include 10 months of Burswood. All results for Tabcorp/Echo are based on Tabcorp's normalisation approach i.e. a VIP programme play win rate of 1.35% but without deducting pre-opening expenses. **Source: Tabcorp/Echo results announcements, PBL/Crown results announcements, Deutsche Bank Analysis.**

### Failure to manage Regulatory Risk

Competent management of regulatory risk and relationships with relevant government authorities is critical in a casino business, and the Chairman has a pivotal role to play. The recent fiasco at The Star Casino has clearly harmed Echo's business, and as Chairman Mr Story must take responsibility. This is not an isolated incident – the surprise increase of casino taxes in Queensland under the Bligh Government and the loss of Tabcorp's duopoly gaming machine licence in Victoria have cost hundreds of millions of dollars in shareholder value.

Contrary to Mr Story's public assertions that Echo has "zero tolerance" for breaches of its Code of Conduct, there is compelling evidence that it has seriously failed to enforce that Code. In February 2012 confidential emails and text messages from Echo's records were leaked to the media in apparent breach of legal duty to Echo and in contravention of Echo's Code of Conduct. After initially denying it to the public, Echo later confessed that it leaked the information, following a direction from the Furness Inquiry to take responsibility. Alarming the leak enabled a victim in a sexual harassment claim to be identified. Mr Story must identify who is responsible for the leak and if the action was authorised or ratified by the Board. Crown is separately pursuing legal avenues on behalf of all shareholders.

A new Chairman must take charge to rectify these leadership shortcomings.

### Jeff Kennett to help get Echo back on track

Crown has nominated Jeff Kennett as a Director because Jeff can help turn Echo into a world class gaming and entertainment company. Jeff has an outstanding reputation for management, is independent, will represent all shareholders, and has proven experience in working with government. Echo needs to import the vision and drive that Jeff displayed in turning Victoria around, as well as his experience as a key advisor to the Singapore Tourism Board. Jeff's acumen and strong leadership will undoubtedly be good news for Echo shareholders.

We need to get Echo back on track. I urge you to support the Board changes.

Yours sincerely

**James Packer**  
Chairman - Crown Limited

Crown Limited

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