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**Crown Limited**  
**Six Months to 31 December 2008**  
**Results Presentation**





**Normalised NPAT<sup>1</sup> \$141.4 million**

**Australian casinos – Normalised EBITDA up 8.3%**

- Domestic business continues to perform well so far in 2009

**City of Dreams expected to open in June 2009**

- Fully funded
- Spectacular property

**Balance sheet further strengthened**

- Major debt refinancing completed - longer maturity profile
- Equity raising of \$300 million completed

**Interim dividend 18 cps, with 100% payout for F09 confirmed**

1. Normalised NPAT represents NPAT adjusted to exclude impact of non-recurring items, the impact of any variance from theoretical win rate on VIP program play and pre opening costs in respect of City of Dreams



# Crown Limited Group Result

	1H F09 Normalised \$m <sup>(1)</sup>	1H F08 Normalised \$m <sup>(1)</sup>	Change on pcp	1H F09 Actual \$m
Crown Melbourne EBITDA	233.0	220.5	5.7%	264.2
Burswood EBITDA	110.0	96.2	14.3%	76.4
Corporate Costs <sup>(2)</sup>	(21.5)	(13.8)		(21.5)
<b>EBITDA</b>	<b>321.5</b>	<b>302.9</b>	<b>6.2%</b>	<b>319.1</b>
Depreciation and Amortisation	(72.9)	(63.2)		(72.9)
<b>EBIT</b>	<b>248.6</b>	<b>239.7</b>	<b>3.8%</b>	<b>246.2</b>
Interest	(28.3)	63.9		(28.3)
Income Tax	(46.2)	(69.6)		(45.5)
Equity Accounted	(32.7)	(22.5)		(34.6)
<b>Net Profit before non recurring items</b>	<b>141.4</b>	<b>211.5</b>	<b>(33.1%)</b>	<b>137.8</b>
Investment write-downs				(547.5)
<b>Net Loss</b>				<b>(409.7)</b>

1. Normalised NPAT represents NPAT adjusted to exclude impact of non-recurring items, the impact of any variance from theoretical win rate on VIP program play and pre opening costs in respect of City of Dreams
2. Corporate costs in prior year are not comparable as they were a pro-forma allocation from PBL



# Crown Melbourne & Burswood

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## **Australian casinos performed well**

- EBITDA growth: Burswood 14.3%; Crown Melbourne 5.7%; combined 8.3%
- Main floor gaming revenue growth: Burswood 8.8%; Crown Melbourne 5.4%; combined 6.4%
- Non gaming revenue growth: Crown Melbourne 4.0%; Burswood 1.3%; combined 3.0%
- VIP commission program play particularly strong: increase 48.9%
- Costs well controlled with non VIP margins maintained

## **Achieved despite a challenging economic environment and disruption from the refurbishment programs**

## **Recent refurbishments have boosted revenue growth**

## **Current Trading**

- Non VIP revenue growth of 6% from 1 January 2009 to 18 February 2009
- Solid levels of VIP commission program play over Chinese New Year



# Crown Melbourne & Burswood Results

Normalised \$m	Crown Melbourne	Change on pcp	Burswood	Change on pcp	Australian Casinos	Change on pcp
Main floor gaming	428.4	5.4%	200.9	8.8%	629.4	6.4%
VIP commission program play	173.9	31.6%	83.4	104.9%	257.3	48.9%
Non-gaming	150.2	4.0%	85.2	1.3%	235.4	3.0%
<b>Total Revenue (Normalised)</b>	<b>752.5</b>	<b>10.1%</b>	<b>369.6</b>	<b>19.4%</b>	<b>1,122.0</b>	<b>13.0%</b>
Taxes, levies, commissions and fees	211.6	22.3%	92.8	51.4%	304.4	29.9%
Net operating expenses	307.8	6.2%	166.8	9.7%	474.6	7.4%
<b>EBITDA</b>	<b>233.0</b>	<b>5.7%</b>	<b>110.0</b>	<b>14.3%</b>	<b>343.0</b>	<b>8.3%</b>
Depreciation & Amortisation	56.0	17.8%	15.5	7.4%	71.5	15.4%
<b>EBIT</b>	<b>177.0</b>	<b>2.4%</b>	<b>94.5</b>	<b>15.5%</b>	<b>271.5</b>	<b>6.6%</b>
EBITDA / Revenue %	31.0%		29.8%		30.6%	
EBIT / Revenue %	23.5%		25.6%		24.2%	
Total Revenue (Actual)	788.1	17.7%	331.2	4.9%	1,119.4	13.6%
VIP Turnover \$ billion	12.9	31.6%	6.2	104.9%	19.1	48.9%
VIP Win Rate (1.35% theoretical)	1.63%		0.73%		1.34%	



# Crown Melbourne & Burswood - Property Update

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## Crown Melbourne

- Third Hotel expected to open in April 2010
- Crown Promenade Conference centre extension expected to open late 2009
- Refurbishment of main gaming floor about 35% complete
- Crown Towers upgrade expected to be complete Q3 calendar 2009
- These projects will further lift revenue when completed

## Burswood

- Major projects completed during 2008 include
  - New casino entrance
  - New poker room
  - VIP infinity suites
  - Mesh; a contemporary bar on the main gaming floor
- Refurbishment of main gaming floor about 60% complete
- Remaining refurbishment projects will contribute to further revenue growth



# Crown Melbourne – Property Update



Construction of Third Hotel



Riverside Slots Gaming Refurbishment



Crown Towers Refurbishment



Sho Noodle Bar



# Burswood – Property Update



**Casino Main Entry**  
The Latest Stage of the  
Ongoing Casino  
Redevelopment



**Infinity Suites**  
Two New High Roller  
Suites



**Mesh Bar**





## **Six months trading to December 31, 2008**

- Crown's share of MPEL's net loss \$13.2 million (normalised \$11.3 million)

**Crown Macau has been further repositioned to focus on the Asian VIP junket market**

## **Improving VIP volumes in February 2009**

**Potential relaxation of travel regulations and introduction of caps on junket commissions**

## **City Of Dreams**

- On track and on budget to open in June
- Only major property expected to open in Macau in the near future

## **Strong Balance Sheet**

- City of Dreams fully funded
- Cash on hand approx US\$1.1 billion: construction and pre opening cost to June opening US\$620 million
- No near term debt maturities

**Crown's cash cost of investment in MPEL is approximately A\$600 million**



## MPEL: City of Dreams

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Crown Towers at City of Dreams

- Integrated casino, leisure and entertainment resort incorporating:
  - Approximately 550 gaming tables
  - Approximately 1,500 gaming machines
  - Three hotels which will deliver 1,400 guest rooms, suites and villas
  - Restaurants, bars and clubs
- Phase one expected to open June 2009
  - Gaming floor and VIP salons
  - Crown Towers
  - Hard Rock Hotel
- Phase two construction expected to be completed end Q3 2009
  - Grand Hyatt twin hotel towers
  - Dragone performance theatre



# City of Dreams Update



Crown Towers at City of Dreams

City of Dreams



Hard Rock at City of Dreams



## **Crown share of Gateway loss was \$14.2 million**

- Partly offset by interest income on shareholder debt of \$8.3 million

## **Equity investment written down to nil**

- Non-recurring loss of \$48.8 million taken to the Profit & Loss
- Crown loan to Gateway of \$166 million not impacted
- Write down reflects
  - Below expectation performance from Starlight casino
  - Deterioration in the market outlook due to a slowdown in Canadian economy
  - Delays in implementing planned business improvement initiatives due to negotiations with government agencies



## **Crown share of Aspinalls loss was \$5.6 million**

- Low win rate at Aspinalls Club (impact on Crown \$5.1 million)
- Losses at Swansea and Northampton - revenues not meeting expectations

## **Investment written down to \$39.8 million**

- Non-recurring loss of \$43.8 million taken to the Profit & Loss
- Write down reflects
  - Poor outlook for the UK casino market due to UK recession
  - Increase of marginal tax rate on casino gaming to 50%
  - Introduction of smoking bans
  - Failure to deregulate the casino industry as initially announced



**Crown share of Betfair's loss was \$1.6 million**

**Betfair's customer base continues to grow strongly**

- Lifting of advertising restrictions will allow the business to invest in customer acquisition to secure a solid growth profile over the near term
  - Leads to increased advertising and sponsorship investment

**Product fees remain a critical issue**



## Other US Investments

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- Crown's minority US investments, which are classified as "available for sale assets" namely, Fontainebleau, Stations and Harrah's have been written down to \$106.6 million
- Non-recurring loss of \$454.9 million taken to the Profit & Loss
- The asset write down has been precipitated by the current economic conditions in the US.
- Crown has no obligation to contribute further equity to any of its minority US investments.



# Interest Analysis

AUD (\$m)	Interest 1H 09	Interest 1H 08
Interest income (1)	81.5	89.7
Interest expense (2)	(97.1)	(25.8)
Refinance cost	(12.7)	-
Net Interest expense	(28.3)	63.9

- Weighted average margin on AUD debt (90% variable): 160bp over BBSW
- Weighted average all in cost of USD debt (100% hedged): 6.3%

1. Total funds on deposit remained were similar across both periods
2. In December 2007 \$2.05 billion was drawn down to fund the return to shareholders





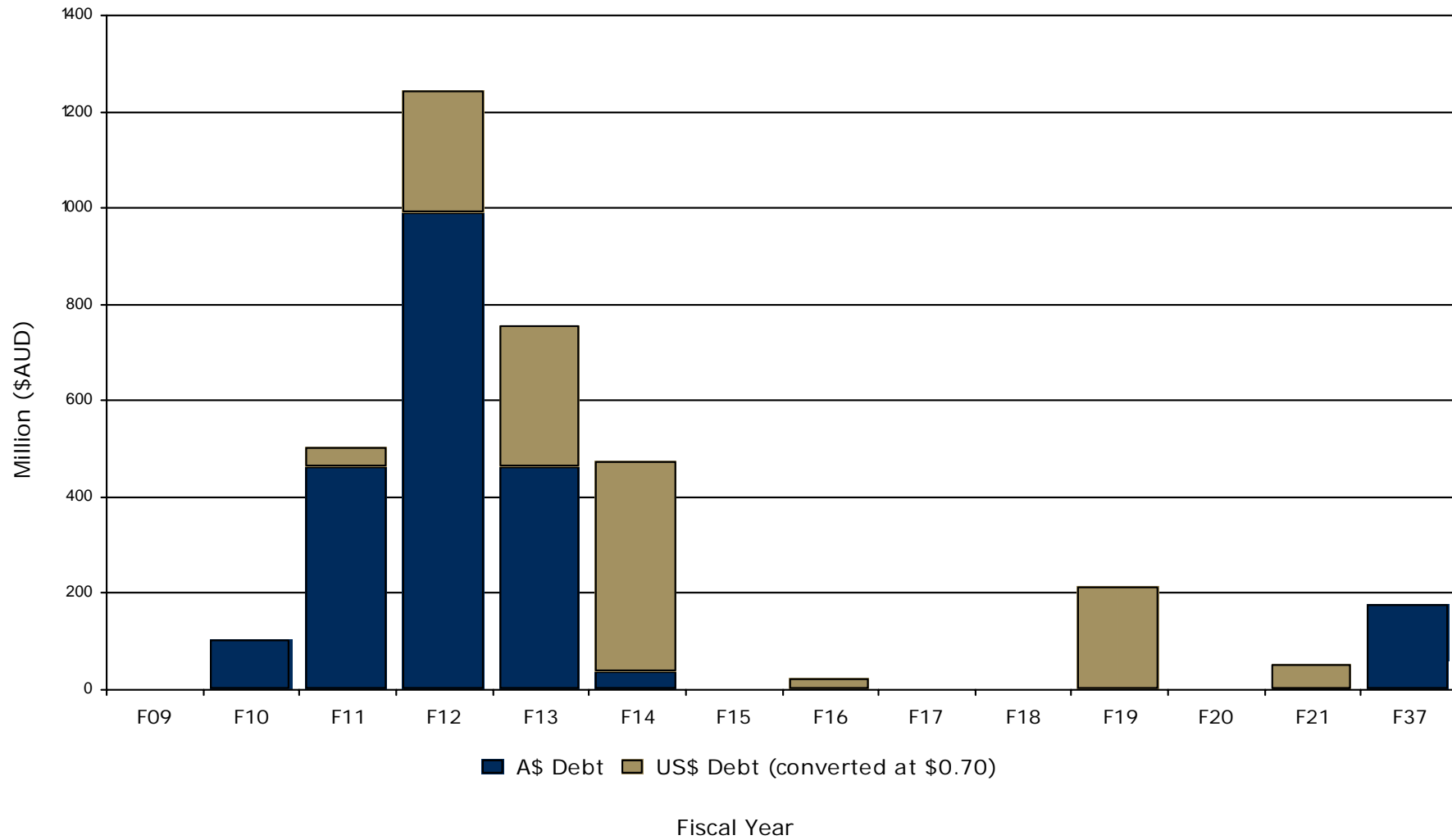
## Debt Structure at 31 December 2008

Nature of Facility	A\$ (millions)	US\$ (millions)
Bank Debt:	1,257	844
Capital Market Debt - MTN	115	-
- EMTN	175	-
- USPP (US\$200 m)	-	200
<b>Total – 31 December 2008</b>	<b>1,547</b>	<b>1,044</b>

- Weighted Average Maturity: five years
- Confirmation of Group's debt rating (S&P/Moody's/Fitch) BBB/Baa3/BBB

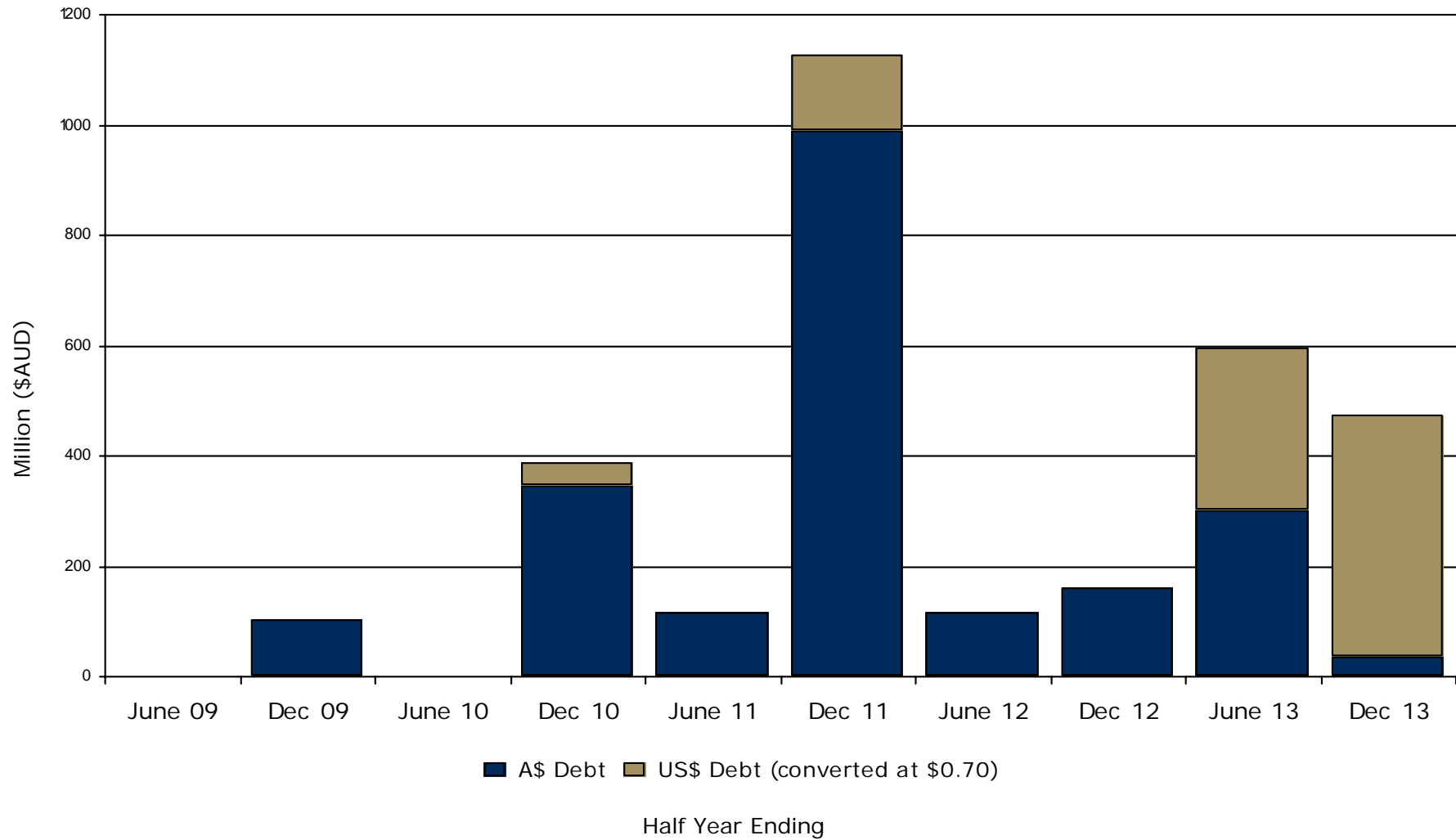


# Debt Maturity Profile





# Debt Refinancing Requirement





## Operating Cash Flow

(\$m)	1H09	1H08 Pro-forma
<b>Normalised EBITDA</b>	<b>321.5</b>	<b>302.9</b>
Win rate variance	(2.4)	(6.6)
<b>Reported EBITDA</b>	<b>319.1</b>	<b>296.3</b>
Working Capital Movements	24.4	6.0
<b>Cash Flow Generated by Business</b>	<b>343.5</b>	<b>302.3</b>
Net Interest	(36.6)	54.9
Income Tax Payments (1)	<b>(66.4)</b>	<b>(26.3)</b>
<b>Operating Cash Flow</b>	<b>240.5</b>	<b>330.9</b>

1. 1H08 includes \$24 million of tax refunds



## Net Group Cash Flow

(\$m)	1H09	1H08 Pro-forma
<b>Operating Cash Flow</b>	<b>240.5</b>	<b>330.9</b>
Capital Expenditure (net)	(191.0)	(92.0)
Investments (net)	16.9	(335.0)
<b>Cash Flow Before Financing Activities</b>	<b>66.4</b>	<b>(96.1)</b>
Equity Raising	197.0	-
Dividends Paid	(196.7)	(169.1)
<b>Group Net Cash Flow</b>	<b>66.7</b>	<b>(265.2)</b>



- Meadows temporary casino (Pittsburgh) continues to exhibit double digit year on year growth despite smoking ban, construction disruption and US recession
- Meadows permanent casino on time and on budget – opens mid April
- Casinos in Nevada severely impacted by US recession
- Nevada Gaming Commission approved Crown's licence application in January 2009
- Pennsylvania Gaming Control Board continues to process Crown's licence application
- Crown is committed to completing the Cannery acquisition



## **Australian casinos**

- Continue to perform well
- Refurbishment programs and Crowns third hotel will deliver revenue growth into the future

## **MPEL**

- City of Dreams expected to open in June 2009
- Strong balance sheet with no near term debt maturity
- Improving VIP volumes at Crown Macau in February
- Potential for relaxation of travel regulations and introduction of caps on junket commissions

## **Management Focus**

- Australian operations - optimise operating performance, manage major capex projects
- Internationally - improve the performance of recent investments

## **Balance sheet further strengthened**

- Major debt refinancing completed - longer maturity profile
- Equity raising of \$300 million completed



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# Crown Limited Six Months to 31 December 2008 Results Presentation

