



**ASX / MEDIA RELEASE
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CROWN ANNOUNCES 2014 FULL YEAR RESULTS

MELBOURNE: Crown Resorts Limited (ASX: CWN) today announced its results for the full year ended 30 June 2014:

- **Crown Resorts Limited performance:**
 - Normalised NPAT¹ of \$640.0 million, up 35.2%
 - Reported NPAT² of \$702.5 million, up 43.1% before significant items
 - Reported NPAT of \$655.8 million, up 65.7% after significant items
 - Normalised EBITDA \$782.7 million, up 3.2%
 - Reported EBITDA \$878.2 million, up 16.8%
 - Normalised EBIT of \$537.8 million, up 3.4%
 - Reported EBIT of \$633.3 million, up 23.3%
 - Final dividend of 19 cents per share declared (total full year dividend of 37 cents per share)

- **Australian resorts performance:**
 - Normalised revenue of \$2,814.8 million, up 1.4%
 - Main floor gaming revenue of \$1,505.7 million, up 1.4%
 - Non-gaming revenue of \$634.8 million, up 4.5%
 - VIP program play turnover of \$49.9 billion, down 1.5%
 - Normalised EBITDA of \$803.4 million, up 2.0%
 - Reported EBITDA of \$909.0 million, up 15.4%

- **Melco Crown Entertainment (MCE) performance:**
 - Crown's share of MCE's Normalised NPAT \$291.2 million, up 91.2%
 - Crown's share of MCE's Reported NPAT \$287.6 million, up 64.3%

¹ Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play, pre-opening costs from MCE and significant items (see Attachments A and B for further information). Crown considers that normalised earnings, which are calculated at theoretical win rates, are the best reflection of the underlying performance of the business as it removes the inherent volatility in VIP program play revenue.

² The difference between reported NPAT before significant items of \$702.5 million and normalised NPAT of \$640.0 million is due to an above theoretical result on VIP program play in Crown's Australian casinos of \$73.9 million, partially offset by a below theoretical result at Crown Aspinall's of \$7.8 million and an adjustment to the equity accounted share of NPAT from MCE of \$3.6 million to exclude the impact of an above theoretical win rate on VIP play and pre-opening costs.

The Chief Executive Officer of Crown, Mr Rowen Craigie, said:

“Overall, the results for the year were satisfactory, with improved trading in the second half in Australia and another strong year in Macau. We continue to see weak consumer sentiment that has adversely impacted trading at both Crown Melbourne and Crown Perth and which reflects the fact that their local economies are continuing to experience structural and cyclical challenges.”

“Compared to last year, normalised EBITDA was up 2.8% in Crown Melbourne and up 0.3% in Crown Perth and main floor gaming revenue was up 1.4% across Crown Melbourne and Crown Perth. VIP program play turnover was down 1.5% for the year, however trading improved in the second half.”

“The solid result reported by MCE was driven primarily by mass market table games business at City of Dreams. MCE’s result was the major contributor to the growth in Crown’s normalised NPAT. Crown’s share of MCE’s normalised result for the period was an equity accounted profit of \$291.2 million, up 91.2% on the prior year. After adjusting for an above theoretical win rate and pre-opening costs, Crown’s share of MCE’s reported NPAT for the full year was an equity accounted profit of \$287.6 million.”

CROWN MELBOURNE

Normalised EBITDA from Crown Melbourne was \$561.8 million, up 2.8% on the prior comparable period (pcp). Reported EBITDA for the period was \$593.3 million, up 8.4% on the pcp. This reflects a win rate of 1.46%, which is above the theoretical win rate of 1.35%, and generated a positive EBITDA variance of \$31.5 million. This compares to a win rate of 1.36% in the pcp which resulted in a positive EBITDA variance of \$0.4 million.

Normalised revenue of \$1,931.2 million was up 0.7% on the pcp. During the year, main floor gaming revenue was \$1,020.3 million, up 2.0% on the pcp. Normalised VIP program play revenue was \$501.2 million, down 4.6% on the pcp with turnover of \$37.1 billion reflecting the competitive challenges facing Crown Melbourne including the impact of Super Tax on the Melbourne casino.

Non-gaming revenue grew 4.5% to \$409.7 million. Crown Towers Melbourne hotel occupancy was 96.1% with an average room rate of \$332. Crown Metropol Melbourne achieved hotel occupancy of 92.1% with an average room rate of \$248. Crown Promenade Melbourne hotel occupancy was 93.9% with an average room rate of \$215.

The overall operating margin improved from 28.5 % to 29.1%. This, in part, reflects Crown Melbourne’s comprehensive review of back of house costs and front of house operational efficiency as well as changes in business mix.

CROWN PERTH

Normalised EBITDA from Crown Perth was \$241.6 million, up 0.3% on the pcp. Reported EBITDA for the period was \$315.7 million, up 31.1% on the pcp. This reflects a win rate of 2.21%, which is above the theoretical win rate of 1.35%, and generated a positive EBITDA variance of \$74.1 million. In the pcp the actual result was in-line with the theoretical win rate.

Normalised revenue of \$883.6 million was up 3.0% on the pcp. During the year, main floor gaming revenue was \$485.4 million, up 0.4% on the pcp reflecting local market conditions. Normalised VIP program play revenue was \$173.1 million, up 8.6% on the pcp with turnover of \$12.8 billion.

Non-gaming revenue grew 4.5% to \$225.1 million. Crown Metropol Perth hotel occupancy was 90.5% with an average room rate of \$308. Hotel occupancy at Crown Promenade Perth was 94.1% with an average room rate of \$217.

The overall operating margin decreased from 28.1% to 27.3%. This reflects the change in business mix, partially offset by productivity and efficiency improvements.

Work is progressing well on Crown Towers Perth, which is expected to open at the end of 2016.

CROWN ASPINALL’S

Normalised EBITDA from Crown Aspinall’s was \$35.2 million, up 5.7% on the pcp. Reported EBITDA for the period was \$25.1 million, down 5.3% on the pcp.

MELCO CROWN ENTERTAINMENT: Macau (33.6% equity interest)

Crown's share of MCE's normalised NPAT for the year to 30 June 2014 was an equity accounted profit of \$291.2 million, up 91.2% on the pcp. After adjusting for an above theoretical win rate and pre-opening costs, Crown's share of MCE's reported result for the year was an equity accounted profit of \$287.6 million, up 64.3% on the pcp.

MCE's result was attributable to solid underlying financial performance, driven primarily by its mass market table games business at City of Dreams. However, market conditions weakened during the fourth quarter.

MCE's development pipeline is progressing with City of Dreams Manila due to open in Q4, 2014. Studio City, MCE's second large-scale resort in Cotai, remains on track to open in mid-2015, representing the next standalone integrated property to open in Macau. The iconic fifth tower at City of Dreams is progressing as planned. The new hotel tower will represent another strong catalyst for growth, particularly in the premium end of the market, when it opens early in 2017.

During the year Crown has received dividends of \$94.4 million from MCE, of which \$68.6 million was from the special dividend in respect of 2013 and \$25.8 million in respect of the result for the quarter ending 31 March 2014. For the quarter ending 30 June 2014, MCE has announced the payment of a dividend of which Crown's share will be US\$14.5 million.

MCE has approved the implementation of a US\$500 million stock repurchase program. MCE believes this capital management strategy provides MCE with the mechanism to return surplus capital opportunistically and efficiently, while maintaining flexibility to fund MCE's current operations and future development pipeline.

OTHER INVESTMENTS

Acquisition of VIP Aircraft – during the period, Crown acquired three Bombardier jets at a cost of approximately US\$100 million (including refurbishment costs) to replace its existing fleet of Gulfstream jets. This acquisition will enable Crown to expand the range of its private jet service to Asian VIP customers and provide a superior level of comfort and amenity.

Aspers Group – Crown did not receive a distribution of any profits or recognise any earnings from the Aspers Group during the period. Total debt owed to Crown at 30 June 2014 was £71.4 million.

Betfair – Crown's equity accounted share of Betfair's loss was \$3.4 million. Crown acquired Betfair Group plc's 50% equity interest in Betfair Australasia on 12 August 2014 for consideration of \$10 million.

Cannery – Crown continues to hold a 24.5% equity share in Cannery. During the period, Crown did not receive a distribution of any profits or recognise any earnings from Cannery. Also during the period, Cannery entered into an agreement to sell the Meadows Racetrack and Casino located in Pennsylvania for US\$465 million. The transaction is subject to regulatory approval and is expected to close in 2015 with net proceeds to be used to reduce Cannery's debt.

Capital Golf Course – As previously reported, Crown acquired the shares of Capital Club Pty Ltd (the owner and operator of the Capital Golf Course and the Melbourne Golf Academy which are situated on approximately 103ha of freehold land) for a purchase price of \$67.6 million. This gives Crown 100% ownership and control of the Capital Golf Course, enabling Crown to better integrate the Capital Golf Course into its VIP operations.

Caesars Growth Partners – As previously reported, Crown exercised its rights to acquire an interest in a newly formed entity, Caesars Growth Partners (CGP), the owner of certain assets which were transferred to CGP from Caesars Entertainment Corporation (Caesars). These assets include a majority stake in Caesars Interactive Entertainment, the Planet Hollywood Resort in Las Vegas and a portfolio of bonds issued by Caesars. The interest in CGP was acquired at a cost of US\$22.6 million.

CROWN SYDNEY PROJECT

In November 2013, the New South Wales Parliament passed legislation to permit the issue of a restricted gaming licence for Crown Sydney, a six-star luxury hotel resort to be located at Barangaroo South in Sydney. The Independent Liquor and Gaming Authority issued a restricted gaming licence to Crown on 8 July 2014.

The development of the Crown Sydney Hotel Resort remains conditional on the granting of all necessary planning approvals and the finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease.

It is envisaged that the Crown Sydney Hotel Resort will be operational from November 2019 when gaming under the restricted gaming licence is permitted to commence.

QUEEN'S WHARF BRISBANE PROJECT

On 18 July 2014, Crown announced that it had entered into an agreement with a subsidiary of the international Chinese diversified property group, Greenland Holdings Group, to jointly prepare a detailed proposal to develop the Queen's Wharf precinct in Brisbane.

This proposal will be submitted to the Queensland Government later this year.

LAS VEGAS SITE ACQUISITION

On 4 August 2014, Crown announced that a majority-owned subsidiary had acquired a 34.6 acre vacant site on Las Vegas Boulevard, which was formerly occupied by the New Frontier casino. The site was acquired through a foreclosure auction initiated by lenders to the former owner of the site.

The development plans for the site and the capital structure of the ownership entity are not yet finalised. However, it is expected that Crown will have majority ownership and Crown's total equity investment will be approximately US\$400 million to US\$500 million with a total project budget of approximately US\$1.6 billion to US\$1.9 billion.

CASH FLOW AND DEBT

Operating cash flow for the period was \$702.0 million. After net capital expenditure of \$401.4 million, licence fee payments of \$5.0 million, net investment payments of \$160.1 million, dividend payments of \$269.5 million and net drawdown of debt of \$103.4 million, total Group debt was \$1,742.8 million as at 30 June 2014. Total cash and cash equivalents at 30 June 2014 was \$177.8 million, which consisted of cash maintained for working capital purposes of \$110.9 million, with the balance of \$66.9 million available for general purposes. Net debt, excluding working capital cash, at 30 June 2014 stood at \$1,675.9 million.

At 30 June 2014, total liquidity, excluding working capital cash of \$110.9 million, was \$1,140.0 million, represented by \$66.9 million in available cash and \$1,073.1 million in committed undrawn facilities.

CORPORATE COSTS

During the period corporate costs were \$55.9 million which was \$6.6 million below the pcp.

INTEREST EXPENSE

The total net interest expense for the year was \$99.0 million, a decrease of \$21.4 million on the pcp as a result of lower average net debt levels combined with lower base interest rates.

SIGNIFICANT ITEMS

Significant items during the period included the settlement of a number of longstanding legal matters, principally the settlement of the law suit brought in the Nevada District Court in the USA by a group of lenders to the Fontainebleau Las Vegas project and the settlement reached in respect of the One.Tel case. In addition, Crown has recorded an asset impairment charge which predominantly relates to Crown's three existing Gulfstream jets.

DIVIDEND

As previously foreshadowed, following the decision by MCE to commence paying dividends, the Crown Board has reviewed its dividend policy and has adopted a revised policy.

The revised dividend policy is to pay an annual dividend of the higher of 37 cents per share and 65% of normalised NPAT (excluding profits from associates but including dividends received from associates), subject to the company's financial position.

For the final F14 Crown dividend, the Board has determined that the MCE special dividend related to the year ended 31 December 2013 should not be included in the calculation.

Crown has declared a final dividend on ordinary shares of 19 cents per share, franked to 50%, payable to shareholders registered at 5.00pm on Friday 26 September 2014. The dividend is due to be paid on Friday 10 October 2014. No part of the unfranked portion of the dividend will consist of conduit foreign income.

ENDS

Financial Media Enquiries – Ken Barton, Chief Financial Officer, 03 9292 8824.

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COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Crown are available at Crown's website at www.crownresorts.com.au



**CROWN GROUP RESULT
Twelve Months ended 30 June 2014**

Normalised Results ⁽¹⁾				Actual Results ⁽²⁾		
12 mths ended June 2013	12 mths ended June 2014	% movement on Normalised		12 mths ended June 2013	12 mths ended June 2014	% movement on Actual
\$ M	\$ M			\$ M	\$ M	
<u>2,894.4</u>	<u>2,935.4</u>	1.4%	OPERATING REVENUE ⁽³⁾	<u>2,885.7</u>	<u>3,078.8</u>	6.7%
758.3	782.7	3.2%	EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & SIGNIFICANT ITEMS	751.9	878.2	16.8%
<u>(238.1)</u>	<u>(244.9)</u>		Depreciation & Amortisation	<u>(238.1)</u>	<u>(244.9)</u>	
520.2	537.8	3.4%	EARNINGS BEFORE INTEREST, TAX & SIGNIFICANT ITEMS	513.8	633.3	23.3%
<u>(120.4)</u>	<u>(99.0)</u>		Net Interest Income / (Expense)	<u>(120.4)</u>	<u>(99.0)</u>	
399.8	438.8	9.8%	PROFIT BEFORE TAX & SIGNIFICANT ITEMS	393.4	534.3	35.8%
<u>(77.4)</u>	<u>(86.6)</u>		Taxation	<u>(75.9)</u>	<u>(116.0)</u>	
322.4	352.2	9.2%	PROFIT AFTER TAX & BEFORE SIGNIFICANT ITEMS	317.5	418.3	31.7%
<u>150.8</u>	<u>287.8</u>		Equity Accounted Profit / (Loss)	<u>173.5</u>	<u>284.2</u>	
<u>473.2</u>	<u>640.0</u>	35.2%	NET PROFIT BEFORE SIGNIFICANT ITEMS	<u>491.0</u>	<u>702.5</u>	43.1%
			Significant items net of tax ⁽⁴⁾	<u>(95.2)</u>	<u>(46.7)</u>	
			NET PROFIT	<u>395.8</u>	<u>655.8</u>	65.7%

(1) Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and pre-opening costs. The difference between reported NPAT before significant items of \$702.5 million and normalised NPAT of \$640.0 million is due to an above theoretical result on VIP program play in Crown's Australian casinos of \$73.9 million, partially offset by a below theoretical result at Crown Aspinall's of \$7.8 million and an adjustment to the equity accounted share of NPAT from MCE of \$3.6 million to exclude the impact of an above theoretical win rate on VIP play and pre-opening costs.

(2) Actual results reflect revenues & expenses at actual win rates and include significant items.

(3) Operating revenue excludes interest revenue.

(4) Current year significant items of \$46.7 million consists of legal settlement costs of \$33.7 million (\$23.6 million net of tax) and an asset impairment charge of \$32.8 million (\$23.1 million net of tax). Prior year significant items of \$95.2 million related to a loss on disposal of Crown's investment in Echo of \$99.4 million (\$69.6 million net of tax) and Crown's share of MCE development and refinancing costs of \$25.6 million.



CROWN DIVISIONAL RESULTS Twelve Months ended 30 June 2014

Normalised Results ⁽¹⁾				Actual Results ⁽²⁾		
12 mths ended June 2013	12 mths ended June 2014	% movement on Normalised		12 mths ended June 2013	12 mths ended June 2014	% movement on Actual
\$ M	\$ M			\$ M	\$ M	
			REVENUE			
2,891.1	2,935.4	1.5%	Operating Activities	2,882.4	3,078.8	6.8%
<u>3.3</u>	<u>0.0</u>	(100.0)%	Corporate	<u>3.3</u>	<u>0.0</u>	(100.0)%
<u>2,894.4</u>	<u>2,935.4</u>	1.4%		<u>2,885.7</u>	<u>3,078.8</u>	6.7%
			EXPENDITURE			
2,070.3	2,096.8	1.3%	Operating Activities	2,068.0	2,144.7	3.7%
<u>65.8</u>	<u>55.9</u>	(15.0)%	Corporate	<u>65.8</u>	<u>55.9</u>	(15.0)%
<u>2,136.1</u>	<u>2,152.7</u>	0.8%		<u>2,133.8</u>	<u>2,200.6</u>	3.1%
			EBITDA			
820.8	838.6	2.2%	Operating Activities	814.4	934.1	14.7%
<u>(62.5)</u>	<u>(55.9)</u>	(10.6)%	Corporate	<u>(62.5)</u>	<u>(55.9)</u>	(10.6)%
<u>758.3</u>	<u>782.7</u>	3.2%		<u>751.9</u>	<u>878.2</u>	16.8%
28.4%	28.6%		OPERATING EBITDA / REVENUE	28.3%	30.3%	

(1) Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play at Crown Melbourne, Crown Perth and Crown Aspinall's.

(2) Actual results reflect revenues & expenses at actual win rates.