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Rowen Craigie: Welcome everybody and thank you for joining us today for the Crown Limited 2010 half year results announcement. With me today I have Rob Turner, Crown's chief financial officer and Anthony Klok, Crown's executive vice-president of investor relations. By now you will have seen our detailed earnings release, so I do not intend to repeat all the information set out there. Instead, I would like to give you an overview of how our businesses have performed and an outline of the group's focus. There will be plenty of time for questions after that.

The first slide provides a summary of the key points of Crown's 2010 half year results. Normalised revenue is up 7.1% to \$1.2 billion, normalised EBITDA up 6.0% to \$341 million and normalised net profit after tax is up 3.0% to \$145.6 million. Overall the results for Crown's wholly owned Australian casinos, Crown Melbourne and Burswood, were satisfactory. For the half year, main floor gaming revenue grew 1.6%. However, it was a 'tale of two halves within the half'. While we started the half strongly, our domestic casino operations were adversely impacted later in the half due to a softening of consumer confidence and the greater than expected impact of refurbishment works at the two properties.

Together the two casinos achieved an all time record of \$23.4 billion of turnover in VIP program play, which was up 22.9% on the corresponding half of the previous year with an overall win rate of 1.30%. Non-gaming revenue grew 4.5%, which represents a recovery from the soft conditions experienced in F09. Reported net profit after tax is \$115.3 million, which is a negative variance of \$30.3 million to the normalised net profit after tax result, primarily due to the negative win rate at Burswood, a negative win rate from Melco Crown, together which more than offset a positive win rate at Crown Melbourne. Crown is announcing today an interim dividend of 18¢ per share.

The next slide provides a summary of the numbers behind the Crown Limited results. Crown achieved EBITDA growth of \$19.4 million or 6.0% compared to the prior year. Crown's EBIT of \$262 million was an increase of \$13 million or 5.3% with depreciation and amortisation 8.6% higher due to the additional capex at Crown Melbourne and Burswood in the past couple of years. Net interest expense was \$37.1 million, an increase of \$8.8 million on the previous corresponding period. Equity accounted losses were \$29.6 million, which was \$3.1 million less than the previous year. The loss consists of Crown's share of Melco Crown's normalised loss of \$26.1 million and a \$3.5 million loss in respect of Betfair.



Normalised NPAT of \$145.6 million is up 3.0% on last year. Crown's reported net profit after tax was \$115.3 million, which is a significant improvement on the net loss of \$409.7 million in the prior reporting period which was impacted by investment write downs.

The next two slides provide information on the main drivers behind Crown Melbourne and Burswood earnings growth. Normalised revenue increased 7% across the two properties, 9% in Melbourne and 3% in Perth. Crown Melbourne and Burswood delivered normalised EBITDA growth of 4.5% and 2% respectively. Overall main floor gaming grew 1.6%.

At Crown Melbourne, the closure of the Teak Room for renovation has impacted premium table player behaviour and revenue, causing gaming revenue growth to slow more than anticipated late in the half. An alternative temporary private room for these players opened late in January 2010, which has partially alleviated the disruption impact and I will return to that point shortly.

At Burswood, the replacement of the raised floor in the main casino caused disruption to central casino operations from November, particularly table games, and this affected main floor gaming revenue growth. The replacement of the raised floor has been fast tracked for completion in April 2010.

Overall non-gaming revenue grew 4.5%. At Crown Melbourne non-gaming revenue grew 6.2% to \$159 million as a result of a strong performance in bars and restaurants. At Burswood, non-gaming revenue grew 1.6% to \$86.6 million, which was a mixed result of strong performance in bars and restaurants, some improvement in the convention business, a good run of shows in the Dome and Theatre. However, the hotel business is still exhibiting softness both in occupancy rates and average room rates.

VIP program play revenue at theoretical grew 23% with turnover at both properties hitting all time records. Crown Melbourne's turnover reached \$16.7 billion and Burswood achieved \$6.8 billion. The win rate at Crown Melbourne was 1.46% resulting in a positive variance to theoretical EBITDA of \$14.5 million. The win rate at Burswood was 0.91%, below the theoretical win rate of 1.35%, resulting in a negative variance to theoretical EBITDA of \$26.4 million. The combined win rate was 1.30%. The EBITDA margin (at theoretical) decreased from 31.0% to 29.7% at Crown Melbourne and at Burswood decreased slightly from 29.8% to 29.5%. The decrease in operating margin at both properties was primarily due to a change in revenue mix as a result of the strong growth in VIP program play, which as you all know is the low margin business.



The next slide provides information on recent trading across January and the first three weeks of February for the two Australian casinos. For the period 1 January to 21 February, 2010, main floor gaming revenue across both properties grew approximately 3%, compared to the corresponding period in the previous year. Non-gaming revenue across both properties grew approximately 7% compared to the corresponding period last year. Both properties experienced solid levels of VIP commission play assisted by Chinese New Year.

The main floor gaming revenue increase for this seven to eight week period represents an improvement when compared to the difficult trading conditions experienced in November and December. Our trading in the period to 21 February is still impacted by an element of disruption as a result of the refurbishments, but in the case of Burswood this should ease from the end of April when work on the replacement of the raised floor in the main casino should be finished. In Crown Melbourne the temporary Teak Room, which opened in January, has helped alleviate some of the disruption impact. The new permanent Teak Room should reopen in August.

The next slide gives an update of the property refurbishment and expansion at Crown Melbourne. The construction of Crown Metropol, the third hotel in the Crown Melbourne precinct is on budget and the hotel is expected to open late March 2010. Market awareness of the new hotel is good and forward bookings are meeting expectations. The new Crown Conference Centre adjacent to the hotel opened in December 2009. Initial trading has been pleasing and forward bookings are exceeding forecasts. We are pleased with the quality of these exciting additions to the Crown Entertainment Complex.

As I stated earlier, the closure of the Teak Room for renovation in November has impacted premium table player behaviour and revenue and that caused gaming revenue growth to slow more than anticipated late in the half. An alternative temporary private room for these players opened late in January 2010 at the western end of the complex. This has only partially alleviated the disruption effect but we have advanced the upgrade of the Teak Room and we are expecting to open that progressively from August. A new Presidential VIP Suite at Burswood has been completed, which will further add to the premium facilities at Burswood and will assist in driving further international VIP business. As I said earlier, replacement of the raised floor in the main casino which caused all the disruption has been fast tracked and should be completed in April 2010. The balance of the refurbishment of the main casino floor at Burswood, which basically consists of adding



further food and beverage facilities, is due for completion in December of this year. Work continues on the refurbishment of the InterContinental Club Rooms.

Turning to Macau, Crown's share of MCE's reported result for the period was an equity accounted loss of \$48.1 million. Crown's share of MCE's normalised result for the period was a loss of \$26.1 million after adding back Crown's share of below theoretical win rate variance and pre-opening expenses. The reported loss was significantly impacted by low table hold, the transition of Altira Macau from the AMA junket aggregator model, slower than expected ramp up of the main gaming floor at City of Dreams, and the phased opening for the three hotels at City of Dreams, with the Hyatt being the last one to come fully on-stream.

MCE has recently announced that overall performance in January has been pleasing. The first covenant test for MCE's debt facilities takes place at the end of the third quarter of calendar year 2010. MCE has recently announced its intention to refinance the current bank facility, and it remains confident of completing a full refinancing in the first half of 2010.

Crown is committed to its investment in MCE. Contrary to recent media speculation, Crown has not had any negotiations with any party in relation to its investment in MCE. We see long-term potential for growth in the Macau market given its exposure to China. The Macau gaming market has grown strongly since July 2009.

With respect to Betfair, Crown's share of Betfair's results is an equity accounted loss of \$3.5 million. The loss is primarily due to the increase in marketing, legal costs, and product fees (subject to legal challenge in NSW). Betfair's customer base continues to grow.

Betfair has recently reached an understanding with the Tasmanian Government to extend its licence in Tasmania for two further terms of five years each. Conditional on the amendment of the relevant legislation, the applicable tax rate on Betfair's business will be lowered from 15% to 5%.

Now I'd like to hand over to Rob Turner to take you through our debt structure and cash flow information.

Rob Turner: Thanks Rowen. We'll first of all look at Crown's debt. At the end of December 2009 Crown's total debt stood at just over \$1 billion, which was pretty much unchanged since June. Net debt stood at \$600 million, and gearing was very low, at less than one times net debt to EBITDA. The Group had total undrawn bank facilities of \$1.8 billion.



The debt maturity profile for Crown's facilities is on the next slide. You can see from this chart that Crown has no significant debt refinancing requirements in the short to medium term, and in fact the only refinancing of any substance is not until 2013, and you will see that within the next couple of years the majority of the debt facilities that are maturing are undrawn facilities.

Next we'll look at operating cash flow. Crown's operating cash flow for the half was \$217 million. This was \$23 million lower than in the previous corresponding period, and that was mainly due to working capital movements as a result of timing differences. These timing differences mainly comprised the timing of settlement of VIP patron accounts, and also box office receipts for shows and concerts with the Dome at Burswood being the key factor here.

And on the last slide for cash flow - the Group saw a net reduction of cash of \$84 million in during the half year. This reduction was mainly due to the current levels of capital expenditure which related to the construction of the Crown Metropol Hotel and the refurbishment of the main gaming floors at both Crown Melbourne and Burswood. And the only other item of note in the cash flow is the net investment line of \$63 million which is an inflow, and that mainly relates to amounts received in respect of the sale of Crown's interest in New Regency in early 2008.

I will now hand you back to Rowen.

Rowen Craigie: Thanks Rob. I'd just like to make a few points in concluding.

Overall, the Australian casinos performance was satisfactory in an environment where both casinos are undergoing major refurbishment and expansion programs, and given the softening in consumer sentiment late in the half.

Crown delivered another six monthly record in VIP program play turnover. Non-gaming revenue returned to growth which was pleasing.

Looking ahead, completion of the Crown Melbourne and Burswood casino refurbishment and expansion programs, opening of Crown Metropol and the additional gaming tables at Crown Melbourne will enhance future growth.

Crown's management focus will be on continuing to maximise the performance at Crown Melbourne and Burswood, and managing the substantial refurbishment and capital expenditure programs presently underway across those properties.



Additionally we'll be working with Melco Crown to further build the value of its Macau business. We'll also be working with our other joint venture partners to optimise the value of other international investments.

That concludes our presentation, and we'll now throw it open for questions.

Matthew Ryan: (JP Morgan, Analyst) G'day guys. I guess just firstly, just wanted to get a bit of colour on the floor mix at Melbourne, with the Teak Room closing, it's sort of a different situation, but just wanted to know whether you are still feeling a mix shift towards tables away from the machines and if that's the case, what sort of thing that you can do to maybe restimulate some on the machine side?

Rowen Craigie: No, we haven't - the machines have been largely unaffected by the disruption in Melbourne. Machine performance was affected by the change in consumer sentiment in November, December. I think other operators have mentioned the tough comps in that period. That wasn't such an impact for us, as we pointed out last time but machines have started the new year in Melbourne reasonably well.

Matthew Ryan: (JP Morgan, Analyst) Right. Then just the second question, just on the balance sheet, I just see that non-current provisions have gone from \$43 to \$13 million. Can you just give us a bit of colour on that one?

Rob Turner: It's a collection of a number of things. I wouldn't care to point the finger at anything in that as being the main culprit.

Matthew Ryan: (JP Morgan, Analyst) Right. Okay. Thanks.

Mark Wilson: (Deutsche Bank, Analyst) Thanks, Rowen. Just looking at the performance on the main gaming floor across both properties, what do you attribute the improvement in the first seven or eight weeks of the June half following that very weak November, December period?

Rowen Craigie: In the case of Melbourne it's a combination of two things. I think a number of companies have reported that consumer sentiment picked up in January, February compared to November, December and we would agree with that but I think principally in the case of Melbourne the creation of a temporary facility for the dislocated Teak Room customers has helped. It's not a perfect solution but it has helped.

Mark Wilson: (Deutsche Bank, Analyst) Right, and Burswood?

Rowen Craigie: Burswood, there's been no improvement to the disruption in January, February so that main floor is still a mess. We were there earlier this week and it's pretty



bad. So I think the fact that Burswood's picked up is again a consumer sentiment point. The good news with Burswood is that they can fast track that raised floor construction and it should be finished by the end of April.

Mark Wilson: (Deutsche Bank, Analyst) Rowen, as soon as you get through that is that the worst of the disruption at Burswood?

Rowen Craigie: It is. There's some additional food and beverages facilities which are coming on to the gaming floor. That will be noisy but it doesn't cause you to reconfigure the pits. What's happened at Burswood is you had to chop up the pits into smaller segments so the grouping of product has been disrupted. I think we've learned over the years that if you group similar games together that's what the players like. They can see the different runs on the tables in Baccarat, they can follow the roulette display devices and see where their lucky numbers are coming up. The chopping up of the Burswood pits as a result of the renovations has badly affected table games.

Mark Wilson: (Deutsche Bank, Analyst) Right. Rob, would you mind running through the capex profiles for the second half and then the tail end of the expenditure through 2011 and 12?

Rob Turner: In the current year we would expect it to be in the order of \$330 million and I'm talking the group here. Next year approximately \$150. A bit lower in the following year down to \$120 and we would say beyond that point we're really on normal capex levels of circa \$80 million.

Mark Wilson: (Deutsche Bank, Analyst) Thanks very much.

Adam Alexander: (Goldman Sachs JBWere, Analyst) Good afternoon, guys. I've got two questions. One on VIP and one on Melbourne. The VIP was a fantastic result. I was just wondering if you could expand a little bit on the drivers behind that? I mean, where are the new players coming from or is it just existing players playing more and then, as part of that, if you could touch on what you think the impact of Singapore could be and then just on Melbourne now that the additional gaming tables have been approved by the Government, can you just give us a firmer indication of the timing of the roll out and when you anticipate running at the full 500 tables?

Rowen Craigie: The first part of your question was on the source of growth in VIP? It continues to be the China market. We continue to get new business out of China. Our existing customers continue to spend their time between Macau, Las Vegas and Australia, but we are getting new business out of China so that is clearly our major source of growth.



As we have talked about previously, we have geared Burswood more to that China, Hong Kong market and less towards South-East Asia where it historically was drawing its business.

Singapore is too early to call. The first casino opened on February 14. We are aware a number of our existing customers have visited the property and kicked the tyres, as you would expect. Having said that, we had a solid Chinese New Year at both properties. Macau reportedly had a good Chinese New Year and anecdotally so did Las Vegas. When Macau came on line, our existing customers divided up their time between Macau, Las Vegas and Australia. So on the one hand we lost business, but we picked up new business coming out of China as Macau expanded the market.

Whether Singapore will play out the same way remains to be seen. Clearly those high stakes Baccarat players will check out the two new casino properties. So, to that extent Macau, Australia and Las Vegas will see their existing customers in a four way share of business instead of a three way share, but Singapore might also grow the market as Macau did. It doesn't have the proximity, but it is just too early to tell at this stage.

Your final question I think was on the roll out of the new tables. To date we have only got a small number of tables out on the floor within our existing somewhat crowded footprint. We are in the middle of planning the roll out of the balance of the tables that will be phased in over time and it will be across the property. So exactly how many tables go where, we are still in the process of finalising those plans. The automated table games are not yet approved but we would be expecting to get approval of those in the next month or two, and then we will start to see those roll out. It is work in progress at the moment.

Adam Alexander: (Goldman Sachs JBWere, Analyst) This is a follow up to get to the full 500. We are probably talking what, a 24 month period...?

Rowen Craigie: I think to get to the full complement it is going to be a function not only of where we can put them on the property, but also demand. We have got an unsatisfied demand at peak times but until you put the tables out there and see how the customers react, I am a bit reluctant to specify when the last table will be rolled out. I think you will have some demand considerations as well as supply. Victorians have not seen automated table games yet, so based on the experience in Star City and Jupiters you would be reasonably confident that they will take to them, but again, we just need to see how that unfolds.



James Gruber: (CLSA, Analyst) Just a couple of questions. On VIP, what you just said then seems to be a slight - well - changing of tone. You were talking previously as I remember that you thought Singapore would grow the market and now you seem to be a little bit uncertain. Am I reading that right? Do you expect more of an impact from Marina Bay Sands because clearly Resorts World is not going to be in the same league on the VIP side and Marina Bay Sands is opening on April 27? If you could answer that first, then I will get to my second question.

Rowen Craigie: I think we have always said that new supply will grow the market and new supply will also divert existing customers of the established operators, to the new properties. The question is of those two opposite effects, what is the net impact? In the case of Macau, both Australia and Las Vegas have been net gainers from the introduction of the new supply in Macau because of the expansion of the market in China. The jury is out on what Singapore will do. Our existing customers will go and check out Singapore as will a number of the large customers in Macau and Las Vegas. I think it will also generate new business.

The net impact is what we did not know when Macau started to roll out supply, but it turned out to be positive for existing operators, both in Australia and Las Vegas and we are all about to learn what happens with Singapore. I think we have mentioned previously that Perth is probably more vulnerable to the existing customer defection factor than Melbourne, just because of proximity.

James Gruber: (CLSA, Analyst) Yes. Okay.

Rowen Craigie: I'm agnostic at the moment on what Singapore is going to do, but we'll soon find out.

James Gruber: (CLSA, Analyst) Right.

Rowen Craigie: On your point about Marina Bay, yes, I think Sentosa probably had first mover advantage, but Marina Bay has probably got - I suspect that their facilities for high rollers and their proximity to the CBD, they've probably got some advantages.

I wouldn't profess to be an expert on the relative market shares in Singapore; again that'll unfold over the coming months.

James Gruber: (CLSA, Analyst) Okay. Second question is on potential acquisitions. You seem to rule out, at the full year briefing of '09, potential acquisitions over the coming 12



months. Can you comment as to where you stand now with regards to that; if you're still focused on the existing businesses over the next calendar year?

Rowen Craigie: That's certainly our focus for now; we have reiterated in the release that our focus is on the Australian operations and Macau.

James Gruber: (CLSA, Analyst) Okay. Thank you.

Jenny Owen: (Citigroup, Analyst) The corporate overhead of 14 - just under 15 million for the half - is that the run rate going forward now?

Rowen Craigie: Yes Jenny, we're saying 30 million in a full year, and probably, you could expect CPI or thereabouts on that.

Jenny Owen: (Citigroup, Analyst) Thank you. And depreciation clearly rising as the capex rolls out, so just wondering what the full year '10 expectation for depreciation is, and full year '11?

Rob Turner: Look, we probably wouldn't get into '11, but for the balance of this year we're looking at a number probably around about the 150 mark.

Jenny Owen: (Citigroup, Analyst) That's full year?

Rob Turner: Yes, that's right.

Jenny Owen: (Citigroup, Analyst) Thank you. And just then on gaming growth, is that - just wanted to confirm that that gross growth and just wondering whether that is linked in any way to the VIP turnover growth?

Rowen Craigie: No. No. What we're calling main floor gaming growth Jenny is...

Jenny Owen: (Citigroup, Analyst) No, non-gaming I meant...

Rowen Craigie: Non-gaming?

Jenny Owen: (Citigroup, Analyst) Yes.

Rowen Craigie: Sorry, is it linked to - what was the question?

Jenny Owen: (Citigroup, Analyst) Is it linked to VIP turnover growth? So I guess the 4.5% growth in non-gaming...

Rowen Craigie: No, no, the VIP turnover growth, as you appreciate, is with a small number of high stakes Baccarat players. The drivers of non-gaming growth are the totality of our restaurants, the totality of our hotel rooms, the totality of our entertainment and



retail facilities. So, VIP players program play is a component of that, but it's not the driver of that recovery.

Jenny Owen: (Citigroup, Analyst) Okay, and so the margins in non-gaming are pretty consistent over last year?

Rowen Craigie: Yes, the decline in margins is primarily a business mix effect. There's been a bit of up and down in some of the business units, but nothing remarkable.

Jenny Owen: (Citigroup, Analyst) Okay. Thank you. And the tax changes for Betfair, what impact would that have had on the 3.5 million loss that you booked in the half? What would that loss be if those new tax rates were applied?

Rowen Craigie: We haven't looked at that Jenny, so probably if we can take that on notice. I don't know Anthony if you want to speculate on that. I haven't looked at it.

Anthony Klok: No, we haven't looked at it Jenny. Probably a cash flow break even basis I would have thought, but I'd have to get back to you on that. But no.

Jenny Owen: (Citigroup, Analyst) Okay, thank you. And lastly, the timing of the decision of - with the Racing NSW case - any change to early March?

Anthony: Yes there is a change actually. The judge indicated last week that it'll now be near the end of April, on both the Betfair and the Sportsbet case.

Jenny Owen: (Citigroup, Analyst) Okay, thank you.

Larry Gandler: (Credit Suisse, Analyst) Hi guys. Sorry to labour the Singapore topic - just a question with regard to the distinction in Singapore between direct play and junket play. I understand Singapore will be almost all direct play, as is Australia. I'm just wondering if the reason the Macau market grew the overall VIP play around the world is because perhaps a number of junket customers were migrating to direct or became visible to the direct markets as Macau opened up? Is that perhaps the unique element about why Macau grew the market?

Rowen Craigie: I think Larry I might just clarify the shares of junket and direct. In Australia it's probably 60% direct, 40% junket. Vegas is almost 100% direct. Macau would be 90% junket, 10% direct, broad numbers. There's been indications out of Singapore that approving junkets is going to be a somewhat difficult experience, whether that proves to be the reality or not we'll see. So that's led people to speculate that Singapore will be skewed more to premium play. Possibly somewhere between Australia and Las Vegas.

Larry Gandler: (Credit Suisse, Analyst) Yes. I guess I can work with that.



Rowen Craigie: Yes, so you know I think that what I would say, and I don't know if this quite answers your question, is we haven't seen any noticeable shift in that sort of rough 60-40 share over the last 12 to 18 months. We've had success in getting large premium players out to our properties and we've also had success in getting junkets out.

Larry Gandler: (Credit Suisse, Analyst) Okay. Great. My second question pertained to Burswood because the operating expense line was maintained tight and I seem to recall you mentioned that labour rates were coming down there. Is that the explanation and I guess a small follow on question to that is are some junkets commissions - or rather player commissions captured in the operating expense line as well?

Rowen Craigie: The answer to your last question is no. In terms of Burswood I think we said last time that probably two years ago Burswood was having difficulty attracting labour, overtime payments were high and there was difficulty in filling vacancies. That's eased over the last 12 to 18 months and I don't expect any major changes on the labour cost side in Burswood. They recently concluded negotiations on a new three year enterprise agreement and the increases that are proposed to go to a vote would see average wage increases of around three and a half, three and three quarters per cent.

Larry Gandler: (Credit Suisse, Analyst) Okay. Great. Thanks.

Pradeep Mohinani: (Nomura, Analyst) Thank you. I've got a few questions just with regards to your balance sheet and cash flows. Can you explain the rationale for why you've maintained a fairly high undrawn facility at this point in time and when I look at your capex plans as well as your cash flows that you're generating from your business, it doesn't seem to make sense in terms of why you need to have a huge facility unless there are any plans on leveraging up the balance sheet going forwards? Can you comment on that and the second question is, in your presentation you talk about your commitment to Melco Crown and working towards enhancing the value of that business, can you talk about what steps are being taken to move in that direction?

Rob Turner: Yes, I'll talk about the undrawn facilities and then Rowen might talk about the MCE question. As we said back at June our attitude towards maintaining the bank facilities that we had in place was more - it's more driven by the fact that it does give us flexibility. As we said, we don't have any specific plans nor firm intentions to do anything at the moment. Those facilities cost a lot of money to put in place and they were difficult to obtain and our view is still in the current environment, whilst things have improved, those



facilities have got pretty good pricing, reasonably good tenure and as I said we spent good money establishing those.

So that's what we said back in June and our position today hasn't changed, but it's a position that's always under review.

Pradeep Mohinani: (Nomura, Analyst) Okay. So is there any risk of you leveraging out your balance sheet though?

Rob Turner: Any risk of doing it? Well, there's no...

Pradeep Mohinani: (Nomura, Analyst) Likelihood, rather.

Rob Turner: Well, we have no plans in that regard at this stage and that's what we said back in June.

Pradeep Mohinani: (Nomura, Analyst) Okay.

Rowen Craigie: With respect to Crown supporting MCE, - on the VIP front both Crown and MCE cooperate and assist each other in issues relating to the granting of credit and the chasing down of repayments. We have sales staff in locations who cooperate with each other, so if sales staff of one organisation are aware that a customer wants to visit Macau or alternatively wants to visit Australia assistance is given. With respect to City of Dreams on the mass market side, Crown is providing assistance with various analytical tools and access to our analysts to help management. we have got a number of seats on the board. Both of the major shareholders offer support to management as best they can, so there is a range of forms of cooperation and assistance which are involved.

Pradeep Mohinani: (Nomura, Analyst) Given your commitment to Melco, it would seem like if there is any requirement to inject more capital into that business given where the balance sheet stands, it would sound like Crown would be willing to stump up the additional cash. Would that be fair to assume as well?

Rowen Craigie: Well, that is hypothetical at the moment. As we have said, MCE are confident of completing their refinancing so that issue is not before us at the moment. I think you need to take at face value the words that are in the statement. We are committed to our investment and we believe Macau has a good future.

Harry Theodore: (RBS, Analyst) One that is a bit left field. Seven announced that they have got a deferred tax liability and they reported earlier this week associated with the Seven Media deal and the way it was structured. I just wanted to check that there is no potential tax liability sitting within Crown associated with the PBL Media deal that



happened before the demerger, because from memory it was structured in a pretty similar way.

Rob Turner: Well, I am not totally au fait with the structuring of Seven, but Crown does not have any issues in that regard so we have no liabilities in relation to that.

Sam Theodore: (UBS, Analyst) Just a question around the disclosure if you can make any around any of the associates that have now been written down to zero. Firstly around the size of the losses and then secondly if or when they are able to pay back interest, i.e. you are able to write back your debt and the likelihood of any equity write ups in terms of the book values?

Rob Turner: We will not do a checklist but if I hear you right, first of all if you are talking about some of the available for sale investments, which would have been Fontainebleau, Stations and Harrah's, we wrote those investments off in full. I think we would say down the track and looking at a few years hence forth we think there is certainly some value potential in the Harrah's investment, but as for how much and what timing we would not really speculate on that so that will be dealt with when the time comes. In terms of the other investments I am not sure your point about interest.

Sam Theodore: (UBS, Analyst) Well sorry, I will stop you there. The Gateway investment was split part equity part debt if my memory is correct?

Rob Turner: Yes, and then we wrote off both of those components so I think maybe that clarifies your point.

Sam Theodore: (UBS, Analyst) Well given they are now worth zero, you do not report them in your P&L?

Rob Turner: Correct.

Sam Theodore: (UBS, Analyst) If you can give us an idea about how big the loss is and if there is any chance that they move to profit and you write them back?

Rob Turner: Look, the unbooked losses are significant and I will not get into exactly how much but the position at June was reported in our financial statements, so you can go back and have a look at that. It would be a fair period of time before you could ever see trading there reverse those unbooked losses to a profit situation, so that is the situation with Gateway. Aspinalls we wrote off the equity component of our investment but the loan still stands, and the unbooked losses there are not particularly significant and the business is



trading reasonably well. But maybe it is a little while off before we start thinking about that making a contribution to Crown's result.

David Rosenbloom: (Wallara, Analyst) My apologies if you have already covered this. Can you just flesh out a bit - I mean, 30% growth in the VIP player in Melbourne is just a huge number. Can you just flesh out why that occurred, where it was coming from? Are you taking from other people or is there some reason why people want to come to Melbourne all of a sudden? Did you do anything with your packages, whatever it is, and is it sustainable?

Rowen Craigie: I think, as I indicated in an earlier answer, we are targeting the growth in the Chinese market. We are playing to our traditional strengths of quality of amenity, excellent customer service, continuity and consistency of service standards and the like.

We have increased our bet limits in the high stakes Baccarat for premium players, and we're undertaking a set of marketing programs which are proving to be successful. I don't particularly want to give the recipe book for how you grow VIP to our competitors, but suffice to say we're playing to our strengths, we've got a competitive bet limit offering, and we're pleased with the results from our marketing programs.

David Rosenbloom: (Wallara, Analyst) Should that see increased volatility then - those increased bet limits or not?

Rowen Craigie: As a general proposition, that's right. The only mitigator against that is volume. So if you get the volume you'll dampen down the volatility. So, would I recommend a small Australian casino try to replicate Crown and Burswood's bet limits - I would not.

David Rosenbloom: (Wallara, Analyst) And the sustainability of that kind of volume?

Rowen Craigie: That's very much geared to the growth in the Chinese market. If you're asking can we replicate these growth rates, I would say no, but I did say that at the first half last year. So, let's see what happens. We're not budgeting for 30% increases in VIP turnover.

David Rosenbloom: (Wallara, Analyst) Okay. Thanks very much.

Rohan Sundram: (Austock, Analyst). Afternoon guys. Just a couple of questions. On Gateway, what are you comfortable in commenting on around a potential - where that's at in terms of the potential recapitalisation and what the merits would be for the commerciality in participating, given that it's written down to nil?



And on MPEL, the January result, just in your view how much of that is attributable to factors such as improved marketing or other operational improvements?

Rowen Craigie: With respect to Gateway, they're in discussion with their lenders at the moment, so I wouldn't want to comment on the likely outcome of that or what the implications are for the two shareholders. So that's a watch this space issue.

With respect to January trading in Macau, there was clearly an improvement in Altira VIP volumes, following the move away from AMA, where the volumes fell away in the concluding months of that arrangement, and in City of Dreams there's been steady improvement in the mass market business. And as you quite rightly say, a lot of emphasis on marketing, some reconfiguration of the gaming floor, and I would expect MCE will give more colour on that when they issue their next quarterly results.

Andrew Hills: (Wilson HTM, Analyst) Look, I apologise if this question has already been asked - but given your view on Melco and the Macau market today, if MPEL were to raise equity next week would you participate?

Rowen Craigie: It's just a hypothetical question, I've answered previously that that's not in Melco's plans at this stage. I don't think there's any point commenting on that. I reiterate were committed to the Macau investment

Andrew Hills: (Wilson HTM, Analyst) Okay, thank you.

Larry Gandler: (Credit Suisse, Analyst) Hi guys, I haven't heard or read anything about Cannery - can you give us an update as to where Crown is at with that investment - I'm almost hesitant to even ask.

Rowen Craigie: We're still in the process of being licensed in Pennsylvania, so that process continues, and while that continues, we are not involved in the management of Cannery at all. That is why you have heard silence.

Larry Gandler: (Credit Suisse, Analyst) Any expectation of timeframe around being licensed?

Rowen Craigie: We do not normally predict how long regulators take to license but if you had to guess you would say before 30 June. Look, it might be in a couple of months but I would probably just say before 30 June.

Rowen Craigie: In closing I would like to thank everyone for their participation today. Thanks for the questions and if anything else occurs to you later today, I am sure Anthony Klok and his team will be happy to assist. So again, thanks everyone for participating.



Operator: This concludes today's conference. Thank you everyone for your participation.

End of Transcript