

Appendix 4E

Year ended 30 June 2014

(previous corresponding period: 30 June 2013)

Results for announcement to the market

Results in accordance with Australian Accounting Standards				\$'000
Revenue from operations	up	6.9%	to	3,094,344
Net profit for the period attributable to members of the parent	up	65.7%	to	655,763

	Normalised Results ⁽¹⁾		Actual Results ⁽²⁾	
	\$'000	% Movement	\$'000	% Movement
Revenue from operations	<u>2,950,977</u>	1.6%	<u>3,094,344</u>	6.9%
Earnings before interest, tax, depreciation and amortisation	782,731	3.2%	878,226	16.8%
Depreciation & amortisation	<u>(244,931)</u>	2.9%	<u>(244,931)</u>	2.9%
Earnings before interest & tax	537,800	3.4%	633,295	23.3%
Share of associates' profits	287,870		284,252	
Net interest expense	(99,046)		(99,046)	
Significant Items ⁽³⁾	-		(66,502)	
Income tax expense	(86,604)		(96,236)	
Net profit after tax	<u>640,020</u>	35.2%	<u>655,763</u>	65.7%

(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, Crown Aspinall's and Melco Crown), pre-opening costs from Melco Crown, legal settlement costs and asset impairments. The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commissions & other expenses, income tax expense and equity accounted share of associates' results. Refer to note 1 in the attached financial statements for more information. The Group believes that normalised results are the best measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue.

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

(3) Significant items consist of legal settlement costs of \$33.7m (\$23.6m net of tax) and asset impairments of \$32.8m (\$23.1m net of tax).

Dividends	Amount per security	Franked amount per security
Final dividend:	19.0 cents	9.5 cents
Previous corresponding period:	19.0 cents	9.5 cents
Record date for determining entitlements to the dividend:	26 September 2014	
Final dividend payment date:	10 October 2014	
Net Tangible Asset Backing	30 June 2014	30 June 2013
Net tangible asset backing per ordinary security on issue at period end:	\$4.26	\$3.84
For an explanation of any of the figures reported above, see Crown's Announcement made to the ASX on the same date as this Appendix 4E. Non-IFRS measures have not been subject to audit or review.		

Statement of Profit or Loss

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenues	2	3,094,344	2,894,804
Other income	2	420	183
Expenses	2	(2,510,763)	(2,467,540)
Share of profits of associates and joint venture entities		284,252	147,911
Profit before income tax and finance costs		868,253	575,358
Finance costs	2	(116,254)	(133,446)
Profit before income tax		751,999	441,912
Income tax expense		(96,236)	(46,125)
Net profit after tax		655,763	395,787

The above Statement of Profit or Loss should be read in conjunction with the accompanying notes.

	2014 Cents per share	2013 Cents per share
Earnings per share (EPS)		
Basic EPS	90.03	54.34
Diluted EPS	90.03	54.34
EPS calculation is based on the weighted average number of shares on issue throughout the period		
Dividends per share		
Current year final dividend declared	19.00	19.00
Current year interim dividend paid	18.00	18.00

Statement of Comprehensive Income

For the year ended 30 June 2014

	2014	2013
	\$'000	\$'000
Net profit after tax	655,763	395,787
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit & loss:</i>		
Foreign currency translation ⁽¹⁾	(40,778)	134,621
Movement in cashflow hedge reserve	(15,619)	17,383
<i>Items that will not be reclassified subsequently to profit & loss:</i>		
Unrealised gain / (loss) on investments	-	204
Other comprehensive income / (loss) for the period, net of income tax	(56,397)	152,208
Total comprehensive income / (loss) for the period	599,366	547,995

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

⁽¹⁾ The movement in the foreign currency translation reserve is largely attributable to foreign exchange movements relating to Crown's equity accounted investment in Melco Crown.

Statement of Financial Position

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	3	177,780	205,511
Trade and other receivables		341,553	257,459
Inventories		12,901	12,639
Prepayments		31,289	17,476
Other financial assets		-	1,568
Total current assets		563,523	494,653
Non-current assets			
Receivables		211,980	126,822
Other financial assets		457	925
Investments		85,066	89,671
Investments in associates		1,541,708	1,403,037
Property, plant and equipment		3,096,335	2,865,462
Licences		647,039	649,511
Other intangible assets		231,808	204,572
Deferred tax assets		131,184	112,212
Other assets		59,431	62,780
Total non-current assets		6,005,008	5,514,992
Total assets		6,568,531	6,009,645
Current liabilities			
Trade and other payables		345,874	296,581
Interest-bearing loans and borrowings		103,531	81,395
Income tax payable		118,837	53,642
Provisions		138,792	120,262
Other financial liabilities		1,499	-
Total current liabilities		708,533	551,880
Non-current liabilities			
Other payables		138	138
Interest-bearing loans and borrowings		1,639,270	1,553,868
Deferred tax liabilities		189,411	202,235
Provisions		32,815	44,304
Other financial liabilities		16,703	4,619
Total non-current liabilities		1,878,337	1,805,164
Total liabilities		2,586,870	2,357,044
Net assets		3,981,661	3,652,601
Equity			
Contributed equity		446,763	446,763
Treasury shares		(1,918)	(1,118)
Reserves		394,597	450,994
Retained earnings		3,142,219	2,755,962
Total equity		3,981,661	3,652,601

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Receipts from customers		3,044,801	2,846,300
Payments to suppliers and employees		(2,267,546)	(2,130,086)
Dividends received		94,405	3,328
Interest received		11,872	9,842
Borrowing costs paid		(122,729)	(138,052)
Income tax paid		(58,778)	(95,134)
Net cash flows from/(used in) operating activities		702,025	496,198
Cash flows from investing activities			
Purchase of property, plant and equipment		(401,847)	(253,620)
Proceeds from sale of property, plant and equipment		424	183
Payments in respect of licences		(5,000)	-
Payment for purchases of investments		(24,051)	(66,938)
Payment for acquisition of financial instruments		(61,372)	-
Payment for acquisition of controlled entities		(63,308)	-
Net proceeds from sale of equity investments		201	261,332
Loans to associated entities		(11,551)	(12,644)
Repayments of loans from associated entities		2,527	-
Other (net)		(2,552)	2,689
Net cash flows from/(used in) investing activities		(566,529)	(68,998)
Cash flows from financing activities			
Proceeds from borrowings		763,530	2,083,708
Repayment of borrowings		(660,115)	(2,191,326)
Dividends paid		(269,506)	(269,506)
Net cash flows from/(used in) financing activities		(166,091)	(377,124)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		205,511	149,353
Effect of exchange rate changes on cash		2,864	6,082
Cash and cash equivalents at the end of the financial year	3	177,780	205,511

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2014

	Ordinary Shares \$'000	Shares Held in Trust \$'000	Retained Earnings \$'000	Net Unrealised Gains Reserve \$'000	Foreign Currency Translation Reserve \$'000	Cashflow Hedge Reserve \$'000	Employee Benefits Reserve \$'000	Total Equity \$'000
Year ended 30 June 2014								
Balance at 1 July 2013	446,763	(1,118)	2,755,962	628,908	(188,798)	(2,126)	13,010	3,652,601
Profit for the period	-	-	655,763	-	-	-	-	655,763
Other comprehensive income	-	-	-	-	(40,778)	(15,619)	-	(56,397)
Total comprehensive income for the period	-	-	655,763	-	(40,778)	(15,619)	-	599,366
Dividends paid	-	-	(269,506)	-	-	-	-	(269,506)
Shares acquired under Long Term Incentive Plan	-	(800)	-	-	-	-	-	(800)
Balance at 30 June 2014	446,763	(1,918)	3,142,219	628,908	(229,576)	(17,745)	13,010	3,981,661
Year ended 30 June 2013								
Balance at 1 July 2012	446,763	(480)	2,629,681	628,704	(323,419)	(19,509)	13,010	3,374,750
Profit for the period	-	-	395,787	-	-	-	-	395,787
Other comprehensive income	-	-	-	204	134,621	17,383	-	152,208
Total comprehensive income for the period	-	-	395,787	204	134,621	17,383	-	547,995
Dividends paid	-	-	(269,506)	-	-	-	-	(269,506)
Shares acquired under Long Term Incentive Plan	-	(638)	-	-	-	-	-	(638)
Balance at 30 June 2013	446,763	(1,118)	2,755,962	628,908	(188,798)	(2,126)	13,010	3,652,601

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Segment Information

The Group's operating segments have been determined based on internal management reporting structure and the nature of the products provided by the Group. They reflect the business level at which financial information is provided to management for decision making regarding resource allocation and performance assessment. The segment information presented is consistent with internal management reporting. The Group believes that normalised results⁽¹⁾ are the best measure of viewing the performance of the business. The normalised results presented below are reconciled to the reported results. The Group has three operating segments being Crown Melbourne, Crown Perth and Crown Aspinall's.

30 June 2014	Note	Normalised Result ⁽¹⁾					Adjustment ⁽¹⁾ \$'000	Significant Items ⁽³⁾ \$'000	Actual Crown Group \$'000
		Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinall's \$'000	Unallocated \$'000	Crown Group \$'000			
Operating revenue									
Main floor gaming		1,020,299	485,441	-	-	1,505,740	-	-	1,505,740
VIP program play		501,202	173,080	119,579	-	793,861	143,367	-	937,228
Non Gaming		409,669	225,053	1,045	15	635,782	-	-	635,782
Intersegment						(1,194)	-	-	(1,194)
Operating revenue		1,931,170	883,574	120,624	15	2,934,189	143,367	-	3,077,556
Interest revenue	2					17,208	-	-	17,208
Total revenue		1,931,170	883,574	120,624	15	2,951,397	143,367	-	3,094,764 ⁽²⁾
Segment result									
Gaming taxes, commissions & other		(591,394)	(224,082)	(53,802)	-	(869,278)	(47,872)	-	(917,150)
Operating expenses		(777,963)	(417,930)	(31,600)	(55,881)	(1,283,374)	-	-	(1,283,374)
Intersegment						1,194	-	-	1,194
Earnings before interest, tax, depreciation and amortisation "EBITDA"		561,813	241,562	35,222	(55,866)	782,731	95,495	-	878,226
Depreciation and amortisation	2	(179,575)	(60,907)	(1,164)	(3,285)	(244,931)	-	-	(244,931)
Earnings before interest and tax "EBIT"		382,238	180,655	34,058	(59,151)	537,800	95,495	-	633,295
Legal Settlements		-	-	-	-	-	-	(33,730)	(33,730)
Asset Impairments		-	-	-	-	-	-	(32,772)	(32,772)
Equity accounted share of associates' net profit/(loss)						287,870	(3,618)	-	284,252
Net interest income/(expense)						(99,046)	-	-	(99,046)
Income tax benefit/(expense)						(86,604)	(29,409)	19,777	(96,236)
Profit/(loss) after tax		382,238	180,655	34,058	(59,151)	640,020	62,468	(46,725)	655,763

- (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, Crown Aspinall's and Melco Crown), pre-opening costs from Melco Crown, legal settlement costs and asset impairments. The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commissions & other expenses, income tax expense and equity accounted share of associates' results.
- (2) Total revenue of \$3,094.8 million includes \$0.4 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.
- (3) Significant items consist of legal settlement costs of \$33.7m (\$23.6m net of tax) and asset impairments of \$32.8m (\$23.1m net of tax). Refer note 2(e).

Notes to the Financial Statements

For the year ended 30 June 2014

1. Segment Information *continued*

30 June 2013	Note	Normalised Result ⁽¹⁾					Adjustment ⁽¹⁾	Significant Items ⁽³⁾	Actual Crown Group
		Crown Melbourne	Crown Perth	Crown Aspinall's	Unallocated	Crown Group			
Operating revenue									
Main floor gaming		1,000,768	483,461	62	-	1,484,291	-	-	1,484,291
VIP program play		525,190	159,356	114,178	-	798,724	(8,658)	-	790,066
Non Gaming		392,118	215,299	592	3,328	611,337	-	-	611,337
Intersegment						(3,743)	-	-	(3,743)
Operating revenue		1,918,076	858,116	114,832	3,328	2,890,609	(8,658)	-	2,881,951
Interest revenue	2					13,036	-	-	13,036
Total revenue		1,918,076	858,116	114,832	3,328	2,903,645	(8,658)	-	2,894,987 ⁽²⁾
Segment result									
Gaming taxes, commissions & other		(606,770)	(203,077)	(55,196)	-	(865,043)	2,321	-	(862,722)
Operating expenses		(764,564)	(414,281)	(26,325)	(65,868)	(1,271,038)	-	-	(1,271,038)
Intersegment						3,743	-	-	3,743
Earnings before interest, tax, depreciation and amortisation "EBITDA"		546,742	240,758	33,311	(62,540)	758,271	(6,337)	-	751,934
Depreciation and amortisation	2	(177,189)	(57,018)	(1,073)	(2,847)	(238,127)	-	-	(238,127)
Earnings before interest and tax "EBIT"		369,553	183,740	32,238	(65,387)	520,144	(6,337)	-	513,807
Loss on disposal of investment		-	-	-	-	-	-	(99,396)	(99,396)
Equity accounted share of associates' net profit/(loss)						150,903	22,602	(25,594)	147,911
Net interest income/(expense)						(120,410)	-	-	(120,410)
Income tax benefit/(expense)						(77,420)	1,476	29,819	(46,125)
Profit/(loss) after tax		369,553	183,740	32,238	(65,387)	473,217	17,741	(95,171)	395,787

- (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, Crown Aspinall's and Melco Crown), refinance and development costs from Melco Crown and loss on disposal of Crown's investment in Echo Entertainment Group Ltd (Echo). The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commissions & other expenses, income tax expense and equity accounted share of associates' results.
- (2) Total revenue of \$2,895.0 million includes \$0.2 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.
- (3) The significant items relate to the loss on disposal of Crown's investment in Echo, which resulted in a loss of \$99.4 million for the year (\$69.6 million net of tax) and Crown's share of Melco Crown's development and refinance costs of \$25.6 million. Refer note 2(e).

Notes to the Financial Statements

For the year ended 30 June 2014

2. Revenue and Expenses

	2014	2013
	\$'000	\$'000
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Revenue from services	2,673,761	2,498,042
Revenue from sale of goods	376,410	355,520
Interest	17,208	13,036
Dividends	-	3,328
Other operating revenue	26,965	24,878
	3,094,344	2,894,804
(b) Other income		
Profit on disposal of non-current assets	420	183
(c) Expenses		
Cost of sales	138,220	131,211
Operating activities	2,246,875	2,168,218
Loss on disposal of investment in Echo	-	99,396
Legal settlement costs	33,730	-
Asset impairment	32,772	-
Other ordinary activities	59,166	68,715
	2,510,763	2,467,540
Depreciation of non-current assets <i>(included in expenses above)</i>		
Buildings	87,276	80,535
Plant and equipment	140,430	140,374
	227,706	220,909
Amortisation of non-current assets <i>(included in expenses above)</i>		
Casino licence fee and management agreement	14,413	14,413
Other assets	2,812	2,805
	17,225	17,218
Total depreciation and amortisation expense	244,931	238,127
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	126,079	143,232
Capitalised interest	(9,825)	(9,786)
	116,254	133,446
(e) Significant items (net of tax)		
Legal settlements	(23,611)	-
Asset impairment	(23,114)	-
Loss on disposal of investment in Echo	-	(69,577)
Crown's share of Melco Crown's development and refinance costs	-	(25,594)
	(46,725)	(95,171)

Notes to the Financial Statements

For the year ended 30 June 2014

3. Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents are comprised of the following:

	2014	2013
	\$'000	\$'000
Cash on hand and at bank	159,905	187,651
Deposits on call	17,875	17,860
	177,780	205,511

The above closing cash balances includes \$110.9 million (2013: \$118.5 million) of cash on the company's premises and cash held in bank accounts (including deposits on call) needed to run the day to day operations of the businesses and cash of \$66.9 million (2013: \$87.0 million) for other purposes.

4. Dividends Paid and Declared

	2014	2013
	\$'000	\$'000
(a) Dividends declared and paid during the financial year		
<i>Prior year final dividend (paid 11 October 2013)</i>		
Paid at 19 cents (2012: 19 cents) per share franked at 50% (2012: 50% franked) at the Australian tax rate of 30% (2012: 30%)	138,395	138,395
<i>Current year interim dividend (paid 11 April 2014)</i>		
Paid at 18 cents (2013: 18 cents) per share franked at 50% (2013: 50% franked) at the Australian tax rate of 30% (2013: 30%)	131,111	131,111
Total dividends appropriated	269,506	269,506
(b) Dividends declared and not recognised as a liability		
<i>Current year final dividend (expected to be paid 10 October 2014)</i>		
Declared at 19 cents (2013: 19 cents) per share and franked at 50% (2013: 50% franked) at the Australian tax rate of 30% (2013: 30%)	138,395	138,395

No shareholders' dividend plans are in operation.

No part of the unfranked portion of the dividend will consist of conduit foreign income.

Notes to the Financial Statements

For the year ended 30 June 2014

5. Business Combinations

Acquisition of Capital Club Pty Ltd

On 1 December 2013, Crown acquired Capital Club Pty Ltd and its controlled entities ("Capital Club"), the owner and operator of the Capital Golf Club and the Melbourne Golf Academy. The purchase price (inclusive of acquisition costs) was \$67.6 million, resulting in Crown owning 100% of the ordinary shares in Capital Club. Crown had previously acquired an exclusive corporate membership share in Capital Club for \$36.4 million.

The initial accounting for the business combination requires the identification of fair values to be assigned to Capital Club's identifiable assets, liabilities and contingent liabilities. In accordance with Australian Accounting Standards, Crown will recognise any adjustments to these provisional fair values as a result of completing the initial accounting within 12 months of the acquisition date.

Based on the provisional fair values, Capital Club's net assets at the date of acquisition were \$77.1 million, resulting in \$26.9 million of goodwill. The acquisition of Capital Club will provide Crown with full and exclusive access to the golf course to entertain guests and international VIP patrons, as well as the ownership of the freehold land associated with the golf course. None of the goodwill recognised is expected to be deductible for income tax purposes.

The financial statements include the results of Capital Club for the seven month period from the acquisition date.

The provisional fair value of the identifiable assets and liabilities of Capital Club as at the date of acquisition were:

	2014
	\$'000
Cash and cash equivalents	4,311
Other current assets	337
Property, plant and equipment	75,955
Deferred tax assets	174
	80,777
Trade and other payables	2,942
Deferred tax liabilities	718
	3,660
Fair value of identifiable net assets	77,117
Goodwill arising on acquisition	26,855
Consideration transferred for acquisition of identifiable net assets	103,972
Net Cash Flow - Acquisition of subsidiary	
Cash Paid	67,619
Cash Acquired	(4,311)
Net Cash Flow - Acquisition of subsidiary	63,308

Notes to the Financial Statements

For the year ended 30 June 2014

6. Contingent Liabilities

The Group has no contingent liabilities at 30 June 2014.

7. Events After the Reporting Period

On 8 July 2014 Crown was issued with a Restricted Gaming Licence by the New South Wales Independent Liquor and Gaming Authority ("ILGA") for the Crown Sydney Hotel Resort at Barangaroo South. Subsequently, Crown paid a Licence Fee to the New South Wales Government of \$100 million (of which a \$5 million deposit was paid in July 2013).

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.

Subsequent to 30 June 2014, the directors of Crown declared a final dividend on ordinary shares in respect of the year ending 30 June 2014. The total amount of the dividend is \$138.4 million, which represents a dividend of 19 cents per share franked at 50%. No part of the unfranked portion of the dividend will consist of conduit foreign income.

Appendix 4E – Additional Information

For the year ended 30 June 2014

Commentary on results

The commentary on the results is contained in Crown's Announcement made to the ASX on the same date as this Appendix 4E.

Audit

This report is based on accounts which are in the process of being audited. It is not considered likely any audit qualification will arise.

A handwritten signature in black ink, appearing to read 'M. Neilson', with a horizontal line extending from the end of the signature.

Michael Neilson
Company Secretary

14th day of August, 2014.