



Crown Resorts Limited

2016 Half Year Results Presentation

25 February 2016

Crown Resorts Limited Results Overview



Crown Resorts Limited (Crown) performance:

- ◆ The 2016 First Half results across Crown's portfolio of businesses were varied
- ◆ Normalised¹ NPAT attributable to the parent of \$210.3 million, down 34.8%
- ◆ Reported NPAT attributable to the parent of \$205.0 million, down 22.1% before significant items
- ◆ Reported NPAT attributable to the parent of \$205.0 million, up 1.6% after significant items
- ◆ Interim dividend of 33 cps declared²

Australian resorts performance:

- ◆ Normalised revenue of \$1,695.7 million, up 4.2%
- ◆ Main floor gaming revenue of \$861.1 million, up 9.8%
- ◆ Non-gaming revenue of \$353.0 million, up 3.2%
- ◆ VIP program play turnover of \$35.7 billion, down 3.8%
- ◆ Normalised EBITDA of \$482.6 million, up 0.9%
- ◆ Reported EBITDA of \$509.5 million, up 11.5%

Melco Crown Entertainment Limited (MCE) performance:

- ◆ Weak market conditions in Macau adversely impacted on MCE
- ◆ Crown's share of MCE's normalised NPAT of \$37.2 million, down \$73.2 million or 66.3%
- ◆ Crown's share of MCE's reported NPAT of \$9.4 million, down \$75.9 million or 89.0%
- ◆ MCE has announced the payment of a special dividend. Crown's share of the special dividend will be US\$120.0 million
- ◆ MCE has also announced a review of its current dividend payout ratio of 30% of net income

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 Aspinalls and Melco Crown), pre-opening costs from Melco Crown and asset impairments in the prior year.

2. 15 cents of the 33 cent dividend is subject to Crown receiving payment of the special dividend from MCE on or about 16 March 2016.

Crown Resorts Limited Group Result



	1H F16 Normalised \$m	1H F15 Normalised \$m	Variance F/(U)	1H F16 Actual \$m	1H F15 Actual \$m	Variance F/(U)
Australian Resorts EBITDA	482.6	478.2	0.9%	509.5	456.8	11.5%
Crown Aspinalls EBITDA	10.3	20.7	(50.2%)	14.9	(3.5)	525.7%
Wagering and Online Social Gaming Operations EBITDA	(9.8)	(5.2)	(88.5%)	(9.8)	(5.2)	(88.5%)
Corporate costs	(58.7)	(43.5)	(34.9%)	(58.7)	(43.5)	(34.9%)
EBITDA	424.4	450.2	(5.7%)	455.9	404.6	12.7%
Depreciation and amortisation	(140.0)	(128.0)	(9.4%)	(140.0)	(128.0)	(9.4%)
EBIT	284.4	322.2	(11.7%)	315.9	276.6	14.2%
Net interest	(71.0)	(51.8)	(37.1%)	(71.0)	(51.8)	(37.1%)
Income tax	(45.0)	(59.1)	23.9%	(54.0)	(47.7)	(13.2%)
Equity accounted - Melco Crown Entertainment	37.2	110.4	(66.3%)	9.4	85.3	(89.0%)
- Other	0.4	-	N/A	0.4	-	N/A
NPAT (pre non-controlling and significant items)	206.0	321.7	(36.0%)	200.7	262.4	(23.5%)
Non-controlling interest	4.3	0.7	514.3%	4.3	0.7	514.3%
NPAT (pre significant items)	210.3	322.4	(34.8%)	205.0	263.1	(22.1%)
Significant items (net of tax)	-	-	-	-	(61.3)	100.0%
Net Profit - attributable to the parent	210.3	322.4	(34.8%)	205.0	201.8	1.6%

Crown Melbourne and Crown Perth Results

Normalised 1H F16



	Crown Melbourne \$m	Variance F/(U)	Crown Perth \$m	Variance F/(U)	Australian Resorts \$m	Variance F/(U)
Main floor gaming	601.0	12.9%	260.1	3.2%	861.1	9.8%
VIP program play	363.7	(11.0%)	117.9	28.4%	481.6	(3.8%)
Non-gaming	237.3	6.3%	115.7	(2.6%)	353.0	3.2%
Total Revenue (Normalised)	1,202.0	3.2%	493.7	6.7%	1,695.7	4.2%
Gaming taxes, commissions & other	(398.6)	0.4%	(141.8)	(18.2%)	(540.4)	(3.9%)
Operating expenses	(450.9)	(9.2%)	(221.8)	(2.9%)	(672.7)	(7.0%)
EBITDA	352.5	0.4%	130.1	2.4%	482.6	0.9%
Depreciation & amortisation	(96.6)	(4.9%)	(33.4)	(7.9%)	(130.0)	(5.7%)
EBIT	255.9	(1.3%)	96.7	0.7%	352.6	(0.7%)
EBITDA / revenue %	29.3%	(0.9%)	26.3%	(1.2%)	28.5%	(0.9%)
Total revenue (actual)	1,213.7	3.9%	509.8	6.4%	1,723.5	4.6%
VIP turnover \$ billion	26.9	(11.0%)	8.8	28.4%	35.7	(3.8%)
VIP win rate (1.35% theoretical)	1.39%	0.03% ¹	1.54%	(0.06%) ¹	1.43%	0.02% ¹

1. Represents the difference in win rate compared to the pcp (the win rate at Crown Melbourne in the pcp was 1.36%, the win rate at Crown Perth in the pcp was 1.60% and the combined win rate in the pcp was 1.41%).

Crown Aspinalls Results



	1H F16 Normalised \$m	1H F15 Normalised \$m	Variance F/(U)	1H F16 Actual \$m	1H F15 Actual \$m	Variance F/(U)
Total revenue	49.2	59.9	(17.8%)	38.4	26.0	47.7%
Total expenses	(38.9)	(39.2)	0.7%	(23.5)	(29.5)	20.3%
EBITDA	10.3	20.7	(50.2%)	14.9	(3.5)	525.7%
Depreciation & amortisation	(0.6)	(0.6)	(12.9%)	(0.6)	(0.6)	(12.9%)
EBIT	9.7	20.1	(52.0%)	14.3	(4.1)	448.8%
EBITDA / revenue %	20.9%	34.6%	(13.7%)	38.8%	(13.5%)	52.3%
VIP turnover \$ billion	5.5	5.7	(3.8%)	5.5	5.7	(3.8%)
VIP win rate ¹	0.89%	1.04%		0.70%	0.45%	

1. Crown Aspinalls normalised VIP win rate based on the mix of play during the period.

Crown Wagering and On-line Social Gaming Operations



Crown Wagering and On-line and Social Gaming Operations	1H F16 \$m	1H F15 \$m	Variance F/(U)
Total revenue	109.9	23.7	363.0%
Total expenses	(119.7)	(28.9)	(313.5%)
EBITDA	(9.8)	(5.2)	(87.6%)
Depreciation & amortisation	(6.9)	(1.8)	(283.8%)
EBIT	(16.7)	(7.0)	(138.2%)

Crown Wagering and On-line and Social Gaming Operations includes:

- ◆ CrownBet, a 62% owned, Northern Territory licensed on-line wagering business, acquired in December 2014
- ◆ Betfair Australasia, a 100% owned, Tasmanian licensed on-line betting exchange
- ◆ DGN Games, a 70% owned, on-line social gaming business based in Austin, Texas. In July 2015, Crown acquired 60% of DGN Games LLC (DGN) for US\$32.5 million (A\$42.5 million). Subsequently in December 2015, Crown increased its shareholding in DGN to 70% by investing a further US\$15m (A\$20.8 million) in return for new units in the company. In December 2015, Crown through its majority owned subsidiary DGN, acquired 100% of Winners Club Limited (and subsidiaries) for US\$10 million (A\$13.8 million). Winners Club is a business which provides development and analytical services to on-line social gaming sites

Crown Perth Property Update - Crown Towers



- ◆ Crown Towers will feature 500 luxury hotel rooms and suites, villas, private gaming salons, restaurants, bars, a grand ballroom, convention centre, luxury retail outlets, resort pool and spa facilities
- ◆ Approximately 70% of the total budget (\$645m) has been spent through to the end of January 2016
- ◆ The project is proceeding on time and on budget with a targeted opening in December 2016
- ◆ Upon opening, Crown Towers will be the largest hotel in Perth and will increase the total number of guest rooms and suites at the resort to 1,188 keys



Crown Sydney Project

- ◆ The Crown Sydney Hotel Resort will be a six star resort featuring 350 luxury guestrooms and suites, world-class VIP gaming facilities, luxury residences, signature restaurants, bars, luxury retail, banqueting facilities and roof top amenity decks with infinity edge pools
- ◆ The detailed designs for the project are progressing in collaboration with some of the industry's most prominent architects, interior designers and engineering firms
- ◆ Crown has entered into a Construction Agreement with Lend Lease Building to support the development effort and has established a site development office and key personnel to manage the project
- ◆ The start of construction for the Crown Sydney project remains conditional upon receipt of all necessary planning approvals





Alon Las Vegas project

- ◆ Las Vegas remains the centre of the United States gaming market
- ◆ Alon's location on the Las Vegas strip is positioned well to capitalise on the recently announced Convention Centre expansion and Resorts World projects
- ◆ The Alon leadership team is well established with industry veterans responsible for opening and operating some of the most successful projects in the market
- ◆ Detailed design and pre-development activities are progressing





Proposed Concept Renders | December 2015

Proposed Queensbridge Hotel Tower

- ◆ 50/50 Joint Venture between Crown Resorts and Schiavello Group
- ◆ Queensbridge Tower designed by Wilkinson Eyre Architects, will feature a 388 room iconic world-class hotel and approximately 650 luxury apartments with associated amenities including resort pool, luxury spa, signature restaurants and a destinational rooftop event and function space
- ◆ A sculptural link bridge will connect Queensbridge Hotel Tower to the Crown Melbourne Entertainment Complex
- ◆ If approved, Queensbridge Hotel Tower will cement Crown Melbourne's position as the largest single-site accommodation provider in Australia and create over 3,900 new jobs for Victoria

Melco Crown Entertainment (MCE)



- ◆ Crown's share of MCE's normalised NPAT for the half year to 31 December 2015 was an equity accounted profit of \$37.2 million, down \$73.2 million or 66.3% on the pcp. After adjusting for an unfavourable variance from theoretical and pre-opening costs, Crown's share of MCE's reported NPAT result for the half year was an equity accounted profit of \$9.4 million, down \$75.9 million or 89.0% on the pcp
- ◆ While the medium to long-term outlook for Macau remains positive, Macau continues to experience a challenging period which has adversely affected all casino operators. Overall gross gaming revenue across the Macau market in the half year to 31 December 2015 declined more than 30%
- ◆ Studio City¹, MCE's second large-scale resort in Cotai, opened on 27 October 2015 enabling MCE to cater to a greater breadth of customers seeking a multi-dimensional leisure and tourism experience
- ◆ In the Philippines, City of Dreams Manila² continues to grow a more diversified revenue stream, with the continuing ramp of the rolling chip business complementing its mass market gaming and non-gaming segments
- ◆ MCE has announced the payment of a special dividend on or about 16 March 2016. Crown's share of the special dividend will be US\$120.0 million
- ◆ MCE has also announced that, as visibility regarding its operating and regulatory environment continues to improve, MCE remains committed to maximising cash distributions to its shareholders and that includes a review of its current dividend payout ratio of 30% of net income attributable to MCE

1. Macau Studio City is 60% owned by Melco Crown Entertainment

2. The operator of City of Dreams Manila is owned by a subsidiary of Melco Crown (Philippines) Resorts Corporation which is a 72.2% owned subsidiary of MCE

Equity Accounted Investments



Crown's equity accounted result from other investments comprises its share of trading results from Nobu and Ellerston. Crown's share of NPAT was \$0.4 million

Nobu

- ◆ During the period, Crown acquired a 20% ownership interest in the international restaurant and hotel company, Nobu, for US\$100 million (A\$136.4 million). The other 80% will continue to be owned by the existing owners, entities associated with Nobu Matsuhisa, Robert De Niro and Meir Teper

Ellerston

- ◆ During the period, Crown acquired a 50% ownership interest in part of the property and operations at Ellerston in the Hunter Valley for \$59.1 million

Debt Structure



Nature of Facility	31 Dec 15 \$m	30 June 15 \$m	31 Dec 14 \$m
Bank debt	751.7	262.6	982.5
Finance Lease Liability	128.9	84.4	10.4
Capital market debt - EMTN	174.6	174.6	174.6
- USPP	254.3	257.6	244.9
- AMTN	750.0	750.0	750.0
- Subordinated Notes ¹	1,133.1	1,132.8	518.4
Total Outstanding Debt	3,192.6	2,662.0	2,680.8
Less available cash ²	(240.8)	(196.7)	(243.0)
Net Debt	2,951.8	2,465.3	2,437.8

- ◆ Committed un-drawn bank facilities of \$641.1 million at 31 December 2015
- ◆ Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB (all stable)

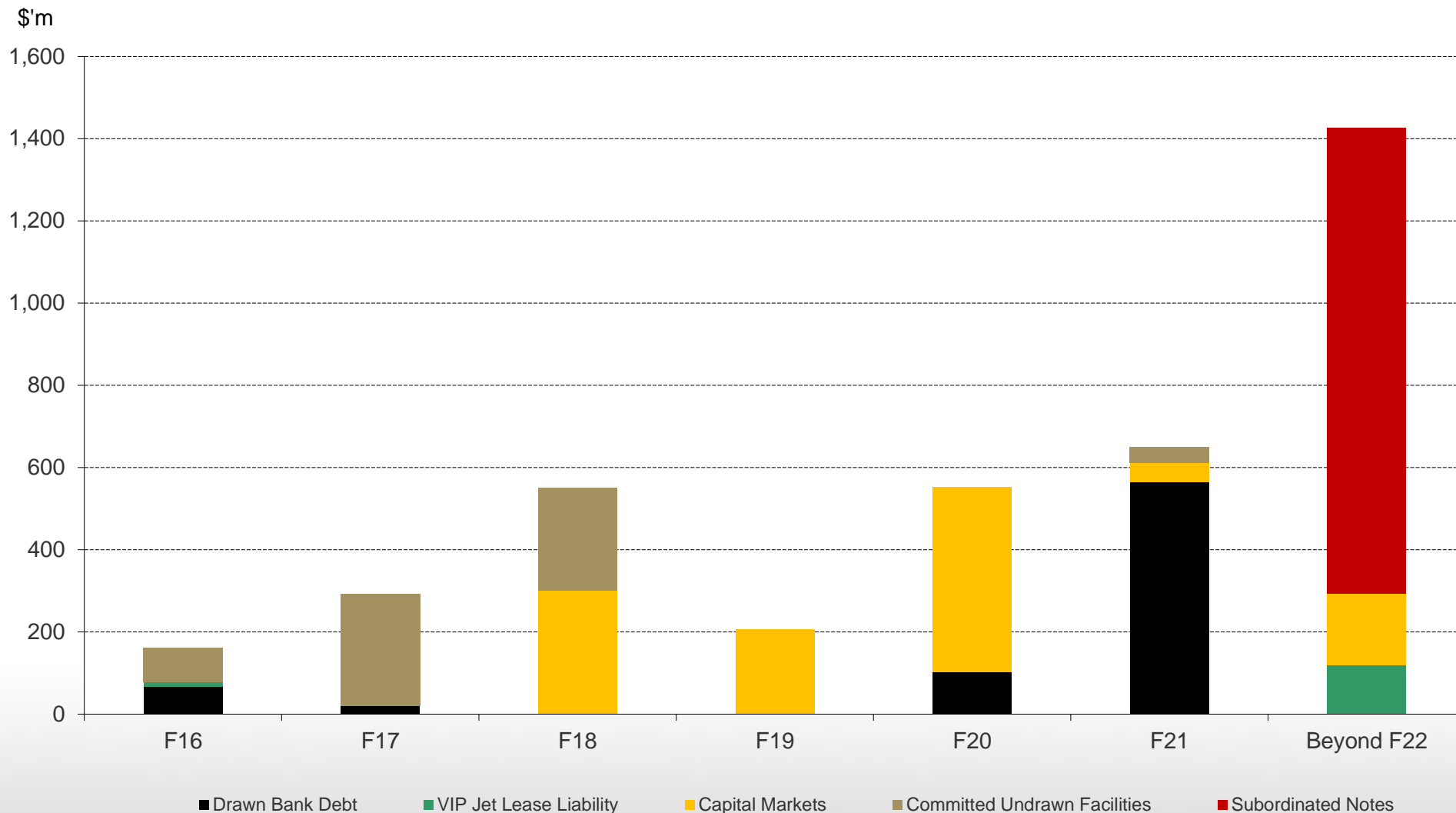
1. Net of unamortised transaction costs.

2. Available cash refers to the closing cash balance of \$397.5 million (June 2015: \$341.0 million, Dec 2014: \$399.2 million,) less working capital cash of \$156.7 million (June 2015: \$144.3 million, Dec 2014: \$156.2 million,). The working capital cash refers to cash held on the premises and in bank accounts for day-to-day operations of the businesses.

Debt Maturity Profile



Crown Resorts Limited Debt Profile - 31 December 2015



Group Cash Flow



\$m	1H F16	1H F15
Normalised EBITDA	424.4	450.2
Win rate variance	31.5	(45.6)
Reported EBITDA	455.9	404.6
Working capital movements	(5.2)	(19.1)
Cash Flow Generated by Operations	450.7	385.5
Net interest	(84.9)	(62.1)
Dividends received	8.3	32.0
Income tax payments	(173.2)	(69.6)
Operating Cash Flow	200.9	285.8
Capital expenditure (net) ¹	(237.3)	(324.5)
Licence payments	-	(345.0)
Investments (net)	(241.1)	(206.0)
Net borrowings	466.3	863.4
Dividends paid	(138.4)	(138.4)
Equity injection from non-controlling interests	-	72.4
Effect of exchange rates on cash	6.1	13.7
Net increase / (decrease) in cash	56.5	221.4
Closing Cash ²	397.5	399.2

1. Net of proceeds from sale

2. Includes \$156.7 million (June 2015: \$144.3 million, Dec 2014: \$156.2 million) of cash on the company's premises and cash held in bank accounts needed to run the day-to-day operations of the businesses

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