



**ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
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CROWN RECEIVES MERGER PROPOSAL FROM THE STAR ENTERTAINMENT GROUP

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) announced that it has received an unsolicited, conditional, non-binding and indicative proposal from The Star Entertainment Group Limited (Star) to merge with Crown by way of a scheme of arrangement (the Merger Proposal).

The Merger Proposal contemplates a nil-premium share exchange ratio of 2.68 Star shares for each Crown share. This share exchange ratio reflects the ratio implied by the 3-month volume-weighted average share exchange ratio to 19 March 2021, being the last trading day prior to the announcement of the original Blackstone acquisition proposal.

The Merger Proposal also contemplates a cash alternative of \$12.50 per Crown share, subject to a cap equal to 25% of Crown's total shares on issue (with any scale back to occur on a pro rata basis).

Assuming the cash alternative is fully taken up, the Merger Proposal would result in pro forma ownership of the merged entity of 59% for Crown shareholders and 41% for Star shareholders.

The Board of the merged entity would initially comprise the current Directors of each of Crown and Star.

In the letter detailing the Merger Proposal, Star has stated that it estimates that a merger with Crown would result in indicative cost synergies of between \$150 million and \$200 million per annum.

Star has also indicated that there is the potential to unlock significant value from a sale and leaseback of the merged entity's property portfolio.

The Merger Proposal is subject to various conditions, including:

- Execution of definitive merger documentation;
- Crown shareholder approval of the proposed scheme of arrangement;
- Star shareholder approval by way of an ordinary resolution;
- Approval from the relevant State-based casino regulators of Crown and Star;
- Clearance from the Australian Competition and Consumer Commission; and
- Approval from other relevant regulators.

The execution of definitive merger documentation is subject to various matters, including:

- Completion of satisfactory due diligence by Star on Crown and by Crown on Star;
- Agreeing merger documentation containing terms, conditions and deal protections typical for a transaction of this nature;

- Discussions with relevant regulatory bodies to the satisfaction of both Crown and Star to provide confidence that the pursuit of regulatory approvals (and any conditions attached to those approvals) would not unfavourably affect the timing or nature of the merger;
- Agreeing with Consolidated Press Holdings Pty Limited (CPH) and relevant gaming authorities appropriate undertakings in relation to any CPH shareholding in the merged entity above Star's shareholder cap of 10%;
- Debt financing for the merged entity is arranged and documented; and
- The Star and Crown Boards approving a resolution to enter into binding merger documentation and recommending that their respective shareholders vote in favour of the merger (on customary terms).

The Crown Board has not yet formed a view on the merits of the Merger Proposal. It will now commence a process to assess the Merger Proposal, having regard to the value and terms of the proposal and other considerations. It will also engage with relevant stakeholders including regulatory authorities.

Crown shareholders do not need to take any action in relation to the Merger Proposal at this stage. There is no certainty that the Merger Proposal will result in a transaction.

ENDS

This announcement was authorised for release by the Crown Board.

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