

Appendix 4E

Year ended 30 June 2016

(previous corresponding period: 30 June 2015)

Results for announcement to the market

Results in accordance with Australian Accounting Standards		\$'000	
Revenue from operations	up	3.8%	to 3,616,152
Net profit for the period attributable to members of the parent	up	146.4%	to 948,823

	Normalised Results ⁽¹⁾		Actual Results ⁽²⁾	
	\$'000	% Movement	\$'000	% Movement
Revenue from operations	3,598,085	5.1%	3,616,152	3.8%
Earnings before interest, tax, depreciation and amortisation	855,831	3.8%	861,363	10.7%
Depreciation & amortisation	(282,775)	7.6%	(282,775)	7.6%
Earnings before interest & tax	573,056	2.0%	578,588	12.3%
Share of associates' profits	56,714		41,261	
Net interest expense	(141,604)		(141,604)	
Significant items ⁽³⁾	-		555,234	
Income tax expense	(87,196)		(89,903)	
Net profit after tax	400,970	(22.7%)	943,576	149.4%
Non-controlling interest	5,247		5,247	
Net profit attributable to members of the Parent	406,217	(22.7%)	948,823	146.4%

(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 and significant items (refer note 2e). 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) Refer note 2e for further details.

Dividends	Amount per security	Franked amount per security
Final dividend:	39.5 cents	27.65 cents
Previous corresponding period:	19.0 cents	9.50 cents
Record date for determining entitlements to the dividend:	23 September 2016	
Final dividend payment date:	7 October 2016	
Net Tangible Asset Backing	30 June 2016	30 June 2015
Net tangible asset backing per ordinary security on issue at period end:	\$4.71	\$4.20

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 2016

	Note	2016 \$'000	2015 \$'000
Revenues	2	3,616,152	3,484,404
Other income	2	603,593	349
Expenses	2	(2,996,405)	(3,011,132)
Share of profits of associates and joint venture entities		41,261	122,058
Profit before income tax and finance costs		1,264,601	595,679
Finance costs	2	(215,671)	(132,088)
Profit before income tax		1,048,930	463,591
Income tax expense		(105,354)	(85,284)
Net profit after tax		943,576	378,307
Attributable to:			
Equity holders of the Parent		948,823	385,047
Non-controlling interests		(5,247)	(6,740)
		943,576	378,307

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

	2016 Cents per share	2015 Cents per share
Earnings per share (EPS)		
Basic EPS	130.26	52.86
Diluted EPS	130.26	52.86
EPS calculation is based on the weighted average number of shares on issue throughout the period		
Dividends per share		
Current year final dividend declared	39.50	19.00
Current year interim dividend paid	33.00	18.00

Statement of Comprehensive Income

For the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
Net profit after tax	943,576	378,307
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation ⁽¹⁾	65,751	388,950
Movement in cash flow hedge reserve	(14,230)	33,875
Unrealised gain / (loss) on investments	(5,079)	7,250
<i>Items reclassified to profit or loss:</i>		
Foreign currency translation	(70,576)	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Employee benefits reserve	3,188	-
Other comprehensive income / (loss) for the period, net of income tax	(20,946)	430,075
Total comprehensive income / (loss) for the period	922,630	808,382
Attributable to:		
Equity holders of the Parent	925,236	810,667
Non-controlling interests	(2,606)	(2,285)
	922,630	808,382

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 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	3	449,663	340,984
Trade and other receivables		333,200	377,632
Inventories		16,296	14,861
Prepayments		33,405	29,511
Other financial assets		9,639	16,032
Total current assets		842,203	779,020
Non-current assets			
Receivables		141,488	151,284
Other financial assets		15,136	10,674
Investments		51,760	41,918
Investments in associates		1,614,886	1,965,717
Property, plant and equipment		4,069,036	3,690,497
Licences		1,113,959	1,130,623
Other intangible assets		608,518	420,844
Deferred tax assets		330,964	205,109
Other assets		60,694	61,264
Total non-current assets		8,006,441	7,677,930
Total assets		8,848,644	8,456,950
Current liabilities			
Trade and other payables		475,240	451,593
Interest-bearing loans and borrowings		85,715	188,784
Income tax payable		138,720	153,818
Provisions		182,017	169,174
Other financial liabilities		-	626
Total current liabilities		881,692	963,995
Non-current liabilities			
Other payables		339,489	171,495
Interest-bearing loans and borrowings		2,175,611	2,473,233
Deferred tax liabilities		219,035	192,916
Provisions		58,580	36,361
Other financial liabilities		22,060	9,950
Total non-current liabilities		2,814,775	2,883,955
Total liabilities		3,696,467	3,847,950
Net assets		5,152,177	4,609,000
Equity			
Contributed equity		446,763	446,763
Treasury shares		(8,886)	-
Reserves		796,630	820,217
Retained earnings		3,827,818	3,257,760
Total equity		5,062,325	4,524,740
Non-Controlling Interest		89,852	84,260
Total equity		5,152,177	4,609,000

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

Cash Flow Statement

For the year ended 30 June 2016

	2016	2015
Note	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	3,566,724	3,466,517
Payments to suppliers and employees	(2,695,800)	(2,637,838)
Dividends received	195,913	52,578
Interest received	14,184	16,120
Borrowing costs paid	(252,771)	(156,648)
Income tax paid	(345,568)	(106,153)
Net cash flows from/(used in) operating activities	482,682	634,576
Cash flows from investing activities		
Purchase of property, plant and equipment	(556,549)	(599,602)
Proceeds from sale of property, plant and equipment	66,291	97,713
Payments in respect of licences	-	(345,000)
Payment for the acquisition of equity accounted associates	(203,105)	-
Net proceeds from sale of equity investments	1,067,109	1,000
Payment for acquisition of financial instruments	-	(272,440)
Net proceeds from disposal of financial instruments	-	69,090
Net payment for acquisition of controlled entities	(49,523)	(3,971)
Loans to associated entities	(386)	(476)
Repayments of loans from associated entities	131,867	9,875
Other (net)	(2,599)	(1,817)
Net cash flows from/(used in) investing activities	453,105	(1,045,628)
Cash flows from financing activities		
Proceeds from borrowings	883,394	2,905,854
Repayment of borrowings	(1,331,718)	(2,160,985)
Equity injections from non-controlling interests	-	72,431
Dividends paid	(378,765)	(269,506)
Net cash flows from/(used in) financing activities	(827,089)	547,794
Net increase/(decrease) in cash and cash equivalents	108,698	136,742
Cash and cash equivalents at the beginning of the financial year	340,984	177,780
Effect of exchange rate changes on cash	(19)	26,462
Cash and cash equivalents at the end of the financial year	449,663	340,984

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 2016

	Ordinary Shares \$'000	Shares Held in Trust \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Year ended 30 June 2016							
Balance at 1 July 2015	446,763	-	3,257,760	820,217	4,524,740	84,260	4,609,000
Profit for the period	-	-	948,823	-	948,823	(5,247)	943,576
Other comprehensive income	-	-	-	(23,587)	(23,587)	2,641	(20,946)
Total comprehensive income for the period	-	-	948,823	(23,587)	925,236	(2,606)	922,630
Dividends paid	-	-	(378,765)	-	(378,765)	-	(378,765)
Shares transferred under Long Term Incentive Plan	-	(8,886)	-	-	(8,886)	-	(8,886)
Acquisition of subsidiaries	-	-	-	-	-	8,198	8,198
Balance at 30 June 2016	446,763	(8,886)	3,827,818	796,630	5,062,325	89,852	5,152,177
Year ended 30 June 2015							
Balance at 1 July 2014	446,763	(1,918)	3,142,219	394,597	3,981,661	-	3,981,661
Profit for the period	-	-	385,047	-	385,047	(6,740)	378,307
Other comprehensive income	-	-	-	425,620	425,620	4,455	430,075
Total comprehensive income for the period	-	-	385,047	425,620	810,667	(2,285)	808,382
Dividends paid	-	-	(269,506)	-	(269,506)	-	(269,506)
Shares transferred under Long Term Incentive Plan	-	1,918	-	-	1,918	-	1,918
Acquisition of subsidiaries	-	-	-	-	-	86,545	86,545
Balance at 30 June 2015	446,763	-	3,257,760	820,217	4,524,740	84,260	4,609,000

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 2016

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 four operating segments being Crown Melbourne, Crown Perth, Crown Aspinall's and Wagering & Online.

30 June 2016	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	Wagering & Online \$'000	Unallocated \$'000	Crown Group \$'000			
Operating revenue										
Main floor gaming		1,183,267	497,322	-	-	-	1,680,589	-	1,680,589	
VIP program play		676,481	202,769	107,266	-	-	986,516	18,067	1,004,583	
Wagering & Non gaming		452,708	221,901	893	229,905	12,345	917,752	-	917,752	
Intersegment							(1,499)	-	(1,499)	
Operating revenue		2,312,456	921,992	108,159	229,905	12,345	3,583,358	18,067	3,601,425	
Interest revenue	2						16,332	-	16,332	
Total revenue		2,312,456	921,992	108,159	229,905	12,345	3,599,690	18,067	3,617,757 ⁽²⁾	
Segment result										
Gaming taxes, commissions & other		(754,469)	(235,162)	(49,322)	-	-	(1,038,953)	(12,535)	(1,051,488)	
Operating expenses		(884,675)	(426,894)	(32,357)	(235,353)	(110,794)	(1,690,073)	-	(1,690,073)	
Intersegment							1,499	-	1,499	
Earnings before interest, tax, depreciation and amortisation "EBITDA"		673,312	259,936	26,480	(5,448)	(98,449)	855,831	5,532	861,363	
Depreciation and amortisation	2	(194,105)	(66,843)	(1,201)	(15,810)	(4,816)	(282,775)	-	(282,775)	
Earnings before interest and tax "EBIT"		479,207	193,093	25,279	(21,258)	(103,265)	573,056	5,532	578,588	
Net gain on sale of MCE							-	-	601,988	
Impairment reversal							-	-	35,465	
Proposed demerger related costs							-	-	(9,033)	
Equity accounted share of associates' net profit/(loss)							56,714	(15,453)	41,261	
Net interest income/(expense)							(141,604)	-	(199,339)	
Income tax benefit/(expense)							(87,196)	(2,707)	(105,354)	
Profit/(loss) after tax		479,207	193,093	25,279	(21,258)	(103,265)	400,970	(12,628)	555,234	
Non-Controlling Interest							5,247	-	5,247	
Profit/(loss) attributable to equity holders of the Parent		479,207	193,093	25,279	(21,258)	(103,265)	406,217	(12,628)	948,823	

(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 and significant items. 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 \$3,617.8 million includes \$1.6 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 of \$555.2 million consist of a net gain on sale of Melco Crown shares and an Aspers impairment reversal, partially offset by proposed demerger related costs, early debt retirement costs and a tax provision adjustment relating to amended assessments.

Notes to the Financial Statements

For the year ended 30 June 2016

1. Segment Information *continued*

		Normalised Result ⁽¹⁾						Adjustment ⁽¹⁾	Significant Items ⁽³⁾	Actual
		Crown Melbourne	Crown Perth	Crown Aspinall's	Wagering	Unallocated	Crown Group			Crown Group
30 June 2015	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating revenue										
		1,090,583	498,004	-	-	-	1,588,587	-	-	1,588,587
		706,610	249,333	104,668	-	-	1,060,611	61,065	-	1,121,676
		436,689	227,967	942	89,751	-	755,349	-	-	755,349
							(611)	-	-	(611)
		2,233,882	975,304	105,610	89,751	-	3,403,936	61,065	-	3,465,001
	2						19,752	-	-	19,752
Total revenue		2,233,882	975,304	105,610	89,751	-	3,423,688	61,065	-	3,484,753 ⁽²⁾
Segment result										
		(735,960)	(299,831)	(48,769)	-	-	(1,084,560)	(107,874)	-	(1,192,434)
		(835,840)	(421,090)	(25,083)	(105,728)	(107,349)	(1,495,090)	-	-	(1,495,090)
							611	-	-	611
		662,082	254,383	31,758	(15,977)	(107,349)	824,897	(46,809)	-	778,088
	2	(188,132)	(62,896)	(1,136)	(6,872)	(3,841)	(262,877)	-	-	(262,877)
		473,950	191,487	30,622	(22,849)	(111,190)	562,020	(46,809)	-	515,211
							-	-	(61,342)	(61,342)
							161,253	(39,195)	-	122,058
							(112,336)	-	-	(112,336)
							(92,201)	6,917	-	(85,284)
Profit/(loss) after tax		473,950	191,487	30,622	(22,849)	(111,190)	518,736	(79,087)	(61,342)	378,307
							6,740	-	-	6,740
Profit/(loss) attributable to equity holders of the Parent		473,950	191,487	30,622	(22,849)	(111,190)	525,476	(79,087)	(61,342)	385,047

(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 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 \$3,484.8 million includes \$0.3 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 asset impairments of \$61.3m, relating primarily to Crown's investment in Cannery.

Notes to the Financial Statements

For the year ended 30 June 2016

2. Revenue and Expenses

	2016 \$'000	2015 \$'000
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Revenue from services	3,161,944	3,044,876
Revenue from sale of goods	394,642	389,023
Interest	16,332	19,752
Dividends	12,345	-
Other operating revenue	30,889	30,753
	3,616,152	3,484,404
(b) Other income		
Profit on disposal of non-current assets	1,605	349
Net gain on sale of MCE	601,988	-
	603,593	349
(c) Expenses		
Cost of sales	142,042	141,346
Operating activities	2,765,185	2,697,254
Asset impairment/(reversal)	(35,465)	61,342
Proposed demerger related costs	9,033	-
Other ordinary activities	115,610	111,190
	2,996,405	3,011,132
Depreciation of non-current assets (included in expenses above)		
Buildings	91,739	88,325
Plant and equipment	161,070	148,686
	252,809	237,011
Amortisation of non-current assets (included in expenses above)		
Casino licence fee and management agreement	20,335	18,298
Other assets	9,631	7,568
	29,966	25,866
Total depreciation and amortisation expense	282,775	262,877
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	201,321	161,490
Capitalised interest	(43,385)	(29,402)
	157,936	132,088
Early debt retirement costs	57,735	-
	215,671	132,088
(e) Significant items - income / (expense)		
Net gain on sale of MCE	601,988	-
Early debt retirement costs (net of tax)	(40,786)	-
Asset (impairment)/reversal	35,465	(61,342)
Proposed demerger related costs	(9,033)	-
Tax provision – amended assessments	(32,400)	-
	555,234	(61,342)

Notes to the Financial Statements

For the year ended 30 June 2016

3. Cash and Cash Equivalents

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

	2016 \$'000	2015 \$'000
Cash on hand and at bank	412,123	222,125
Deposits on call	37,540	118,859
	449,663	340,984

The above closing cash balances includes \$151.0 million (2015: \$144.3 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 \$298.7 million (2015: \$196.7 million) for other purposes.

4. Dividends Paid and Declared

	2016 \$'000	2015 \$'000
(a) Dividends declared and paid during the financial year		
<i>Prior year final dividend (paid 9 October 2015)</i>		
Paid at 19.0 cents (2014: 19.0 cents) per share franked at 50% (2014: 50% franked) at the Australian tax rate of 30% (2014: 30%)	138,395	138,395
<i>Current year interim dividend (paid 6 April 2016)</i>		
Paid at 33.0 cents (2015: 18.0 cents) per share franked at 50% (2015: 50% franked) at the Australian tax rate of 30% (2015: 30%)	240,370	131,111
Total dividends appropriated	378,765	269,506
(b) Dividends declared and not recognised as a liability		
<i>Current year final dividend (expected to be paid 7 October 2016)</i>		
Declared at 39.5 cents (2015: 19.0 cents) per share and franked at 70% (2015: 50% franked) at the Australian tax rate of 30% (2015: 30%)	287,716	138,395

No shareholders' dividend plans are in operation.

The unfranked portion of the dividend has been declared to be conduit foreign income.

Notes to the Financial Statements

For the year ended 30 June 2016

5. Business Combinations

Acquisition of subsidiaries in current period

On 2 July 2015, Crown acquired 60% of DGN Games LLC (DGN) for US\$32.5 million (A\$42.5 million). Subsequently on 23 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.

On 23 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).

The fair value of the identifiable assets and liabilities as at the dates of acquisition were:

	Consolidated fair value at acquisition date
	\$'000
Cash and cash equivalents	6,814
Other current assets	2,586
Property, plant and equipment	5,147
	14,547
Trade and other payables	1,823
Other current liabilities	168
	1,991
Fair value of identifiable net assets	12,556

Goodwill arising on acquisition

	\$'000
Consideration transferred on acquisition	56,337
Contingent consideration	157,801
Fair value of identifiable net assets	(12,556)
Minority interest in identifiable net assets	3,329
Goodwill	204,911

Based on the fair values, DGN and Winners Club's identifiable net assets at the date of acquisition were \$12.6 million, resulting in goodwill of \$204.9 million. The goodwill is attributable to the skills and experience of the management team, as well as the synergies that will be obtained through the integration of the two businesses. Goodwill will be deductible for US Federal tax purposes when there has been a payment for the goodwill. Goodwill on payment of the contingent consideration (refer below) may be deductible in the future. The Group incurred \$1.8 million of acquisition costs which have been expensed in the Statement of Profit or Loss.

Crown's consolidated financial statements include the results of DGN and Winners Club from their respective acquisition dates. If the acquisitions had taken place at the beginning of the financial year, revenue from DGN and Winners Club would have been \$21.9 million and profit before tax would have been \$3.8 million.

Crown has elected to measure the non-controlling interest on acquisition in DGN at fair value.

Notes to the Financial Statements

For the year ended 30 June 2016

5. Business Combinations *continued*

Contingent consideration

As part of the purchase agreement with the previous owners of Winners Club, there may be additional contingent consideration payments based on future earnings of the DGN Group. These potential cash payments are due in December 2017 and December 2020, based on the 2017 and 2020 earnings. As at the acquisition date, the fair value of the contingent consideration was estimated to be \$157.8 million. The fair value was determined using the probability-weighted approach, discounted to present value.

A significant increase (decrease) in the future earnings of the DGN Group would result in a higher (lower) fair value of the contingent consideration liability.

Net Cash flow on acquisition of subsidiaries

	\$'000
Cash Paid	56,337
Cash Acquired	(6,814)
Net Cash Flow - Acquisition of subsidiary	49,523

Notes to the Financial Statements

For the year ended 30 June 2016

5. Business Combinations *continued*

Acquisition of subsidiaries in prior period

On 12 August 2014, Crown acquired the remaining 50% of shares of Betfair Australasia Pty Ltd and its subsidiaries (the Betfair Group) for \$10 million. Prior to this, Crown held a 50% interest in the Betfair Group and equity accounted its investment as an associate of the Crown Group. Upon acquisition of the remaining 50%, Betfair became a wholly owned Crown subsidiary.

On 16 December 2014, Crown acquired CrownBet Pty Ltd (formerly BetEasy Pty Ltd) for \$12.2 million via the issuance of shares in a newly formed holding company (forming the CrownBet group). Betfair's sportsbook business and cash was transferred to the newly formed holding company and the BetEasy founders contributed cash in exchange for equity in the newly formed holding company. Consequently, Crown owned 67% of the CrownBet Group, with the remaining interest held by the original founders of BetEasy. Subsequent to this, Crown divested 5% of its interest in the CrownBet group, resulting in a reduction of Crown's ownership from 67% to 62%.

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

	Consolidated fair value at acquisition date
	\$'000
Cash and cash equivalents	17,729
Other current assets	15,166
Property, plant and equipment	13,599
Identifiable intangibles	21,422
Deferred tax assets	8,581
Other non-current assets	1,770
	78,267
Trade and other payables	62,488
Provisions	13,138
Deferred tax liabilities	4,513
	80,139
Fair value of identifiable net assets/(liabilities)	(1,872)

CrownBet's net assets recognised in the 30 June 2015 financial statements was based on a provisional fair value assessment. The final assessment had not been completed by the date the 2015 financial statements were approved for issue by the Board of Directors.

The fair value assessment has now been finalised and therefore the 30 June 2015 comparative information has been updated to reflect adjustments to the provisional amounts. As a result, intangible assets increased by \$8.9 million, payables increased by \$20.3 million, prepayments decreased by \$0.9 million, deferred tax assets increased by \$3.0 million, deferred tax liabilities decreased by \$0.7 million and goodwill increased by \$8.6 million.

Notes to the Financial Statements

For the year ended 30 June 2016

5. Business Combinations *continued*

Acquisition of subsidiaries in prior period *continued*

	\$'000
Consideration transferred	22,226
Fair value of pre-existing interest	10,000
Fair value of identifiable net liabilities	1,872
Goodwill	34,098

Betfair's and CrownBet's identifiable net liabilities at the date of acquisition were \$1.9 million, resulting in goodwill of \$34.1 million. The goodwill is attributable to the skills and experience of the management team, as well as the synergies that will be obtained through the combination of the Sportsbook businesses. Opportunities exist to grow the customer base through leveraging Crown's assets to provide additional services and benefits to customers. None of the goodwill recognised is expected to be deductible for income tax purposes.

The remeasurement to fair value of the Group's existing 50% interest in Betfair resulted in a gain of \$8.1 million, which was recognised in the Statement of Profit or Loss in the year ended 30 June 2015. The Group incurred \$1.1 million of acquisition costs which have been expensed in the Statement of Profit or Loss.

Crown has elected to measure the non-controlling interest on acquisition in CrownBet at fair value.

Net Cash flow on acquisition of subsidiaries

	\$'000
Cash paid	10,000
Repayment of loan to Betfair UK	11,700
Cash acquired	(17,729)
Net Cash Flow - Acquisition of subsidiary	3,971

6. Contingent Liabilities

On 15 February 2016 Crown was issued with amended assessments and notice of penalty by the Australian Taxation Office for a total of approximately \$362 million which comprises primary tax, interest and penalties. The amended assessments are in respect of income tax paid for the financial years ending 30 June 2009 to 30 June 2014 (inclusive) and relate to the tax treatment of some of the financing for Crown's investment in Cannery Casino Resorts and other investments in North America. Crown considers that it has paid the correct amount of tax and intends to pursue all available avenues of objection (including, if necessary, court proceedings) to the amended assessments.

The group has no other contingent liabilities at 30 June 2016.

7. Events After the Reporting Period

Subsequent to 30 June 2016, the directors of Crown declared a final dividend on ordinary shares in respect of the year ending 30 June 2016. The total amount of the dividend is \$287.7 million, which represents a dividend of 39.5 cents per share franked at 70%. The unfranked portion of the dividend has been declared to be conduit foreign income.

Appendix 4E – Additional Information

For the year ended 30 June 2016

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 to the right from the end of the signature.

Michael Neilson
Company Secretary

17th day of August, 2016.