



**ASX / MEDIA RELEASE
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**CROWN RESORTS ANNOUNCES A NUMBER OF
MAJOR INITIATIVES TO ENHANCE SHAREHOLDER VALUE**

MELBOURNE: Crown Resorts Limited (ASX: CWN) ("Crown Resorts") announced today that, following detailed consideration by the Crown Resorts Board of a number of structural and capital management initiatives designed to enhance value for Crown Resorts' shareholders, it intends to:

- pursue a demerger of certain international investments to create a separately listed holding company;
- adopt a new dividend policy to pay 100% of normalised net profit after tax (before minorities and excluding profits from associates but including dividends received from associates), effective immediately; and
- explore a potential IPO of a 49% interest in a property trust which would own Crown Resorts' Australian hotels (excluding Crown Towers Melbourne), with Crown Resorts retaining a 51% interest.

Further details of these proposals are set out later in this announcement.

Commenting on these initiatives, Crown Resorts' Chairman, Mr Robert Rankin, said:

"We are pleased to announce that the Board has endorsed a number of initiatives designed to maximise shareholder value and ensure a more efficient ownership structure for the group's assets."

"The Board has for some time been looking to address what we believe to be a material undervaluation by the market of Crown Resorts' assets, due to a traditional consolidated (or amalgamated) structure. In particular, we believe that Crown Resorts' extremely high quality Australian resorts are not being fully valued and the Crown Resorts share price has been highly correlated to the performance of its investment in Macau."

"The proposed demerger reflects the different nature of Crown Resorts' controlled Australian operating assets from its international investments. It will provide investors with greater investment choice and transparency on the underlying quality of all of Crown Resorts' assets."

"Following the proposed demerger, investors will have the opportunity to invest in Crown Resorts which will own and operate Australia's pre-eminent integrated resorts, with exciting developments such as Crown Sydney. Investors will also have the opportunity to invest in a separate company which will own a number of Crown Resorts' international investments and provide exposure to the major gaming markets of Macau, Las Vegas and the UK."

"Crown Resorts has achieved cash returns equivalent to double the total cash it has invested in Melco Crown Entertainment (MCE) and still holds a 27.4% interest in MCE valued at approximately A\$2.7 billion. Crown Resorts continues to have great faith in the long-term development of the Macau market. Macau remains the world's most important and exciting gaming market over the longer term."

"Crown Resorts' revised dividend policy is expected to provide increased cash returns to our shareholders and reflects the strong earnings and cash flow generating capacity of Crown Resorts' business and the company's conservative balance sheet gearing following the sale of part of its MCE shareholding."

"An IPO of a property trust which owns most of Crown Resorts' Australian hotels would provide an opportunity to realise significant value for our shareholders whilst maintaining a majority interest in key assets within our Australian business."

PROPOSED DEMERGER OF CROWN RESORTS' INTERNATIONAL INVESTMENTS

Crown Resorts intends to pursue a demerger of certain international investments to create a separately listed holding company ("InternationalCo"). InternationalCo is expected to own:

- Crown Resorts' 27.4% interest in MCE
- Crown Resorts' investment in the Alon development site in Las Vegas
- Crown Resorts' 20% holding in Nobu
- Crown Resorts' 50% holding in Aspers
- Crown Resorts' investment in Caesars

Each of these investments has its own Board and management.

Crown Resorts invested a total of A\$752 million into MCE and has received cash returns totalling approximately A\$1.4 billion (consisting of dividends of A\$327 million and proceeds of A\$1.1 billion following a reduction of its shareholding in MCE to 27.4% in May 2016). Based on the current MCE share price, Crown Resorts' 27.4% investment in MCE is valued at approximately A\$2.7 billion.

Crown Resorts recently received a full repayment of loans owed by Aspers totalling £65 million and a dividend of £6.5 million. Aspers is expecting to generate EBITDA of approximately £19 million in FY16.

The Nobu business has an attractive long-term growth profile, particularly with its pipeline of new managed hotel openings. This is in addition to Nobu's pipeline of future restaurant openings, both owned and licensed.

Following the demerger, Crown Resorts would continue to own and operate its wholly owned casino businesses and its wagering and online investments which include:

- Crown Melbourne
- Crown Perth
- Crown Sydney
- Crown Aspinalls
- Crown Resorts' wagering and online investments

Expected benefits of the demerger include:

- providing shareholders and new investors with greater investment choice and the ability to tailor their investment towards their preferred company
- increased transparency of the assets and operations of the two entities
- the ability to implement optimal capital structures and dividend policies which reflect the differences in the underlying assets of each company
- the potential for an increase in shareholder value

Following the demerger, each company will have its own Board of Directors and management team. Robert Rankin will be Chairman of both companies. The Board of Crown Resorts will remain unchanged. Rowen Craigie will remain the Chief Executive Officer and Managing Director of Crown Resorts. The Board of InternationalCo will include some of the existing Crown Resorts non-executive directors as well as some new independent directors. The management of InternationalCo is expected to consist of a small executive team supported by services and branding agreements with Crown Resorts.

Implementation of the demerger is subject to further approval from the Crown Resorts Board as well as approval by the Crown Resorts shareholders under a scheme of arrangement. It will also be subject to obtaining various approvals, consents and waivers from third parties including State Governments and regulatory bodies, ASX listing approval and a satisfactory ruling being received from the ATO.

It is proposed that Crown Resorts shareholders will receive new shares in InternationalCo proportionate to their existing Crown Resorts shareholding, while retaining their existing Crown Resorts shares.

The proposed demerger is being progressed independently of the evaluation of the potential property trust IPO.

Profiles of Crown Resorts and InternationalCo are contained in the Attachments to this Announcement.

Further details of the capital structures proposed for Crown Resorts and InternationalCo will be included in the materials which will be distributed to shareholders in due course.

NEW DIVIDEND POLICY WITH INCREASED PAYOUT RATIO

Crown Resorts has adopted a new dividend policy to pay 100% of normalised net profit after tax (before minorities and excluding profits from associates but including dividends received from associates). This new policy will apply to Crown Resorts' final dividend for the financial year 2016, expected to be paid in October 2016.

Had this policy been in place during the 12 month period ended 31 December 2015, the dividend payments related to this period would have been a total of approximately 70 cents per share. This compares to the actual dividend payments relating to the same period of approximately 52 cents per share.

The adoption of this new dividend policy does not alter Crown Resorts' intention to maintain a strong balance sheet and credit profile which can fund its Australian development projects, including Crown Sydney.

POTENTIAL IPO OF A 49% INTEREST IN A PROPERTY TRUST WHICH OWNS CROWN RESORTS' AUSTRALIAN HOTELS

Crown Resorts is evaluating an IPO of some of its Australian hotels and associated retail property, which may include the Crown Promenade hotels in Melbourne and Perth, the Crown Metropal hotels in Melbourne and Perth and the Crown Towers Perth hotel which is under construction. Collectively, these hotels will have more than 2,300 hotel rooms.

These properties could be transferred to a new real estate investment trust (REIT) which would be listed on ASX. Crown Resorts would retain a 51% interest in the new REIT and investors would have the opportunity to subscribe for the securities which comprise the remaining 49% interest.

Crown Resorts would enter into a long term lease over each of the properties owned by the new REIT.

If implemented, the IPO could realise significant value for Crown Resorts' shareholders, whilst maintaining a majority interest in key assets within the Australian business.

Implementation of the proposed IPO would be subject to further approval from the Crown Resorts Board. It would also be subject to obtaining various approvals, consents and waivers from third parties including State Governments, regulatory bodies and the ASX.

The evaluation of the IPO will be progressed independently of the proposed demerger of Crown Resorts' international assets.

SERVICES AGREEMENT WITH JAMES PACKER AND CPH

Following the resignation of Mr James Packer as the Chairman of Crown Resorts in August 2015, discussions commenced between Mr Packer and Crown Resorts' independent Directors regarding a Services Agreement under which Mr Packer would be engaged as a senior executive and paid a salary.

It has now been agreed that Mr Packer will not be engaged as a senior executive and no salary will be paid.

Crown Resorts remains a priority for Mr Packer and, as Crown Resorts' major shareholder, Mr Packer will continue to be focussed on Crown Resorts' businesses, in particular continuing as the Deputy Chairman of MCE and optimising Crown Resorts' capital structure/cost of capital and returns. He will also have a key focus on Crown Resorts' online strategy.

Crown Resorts' independent Directors have approved the execution of a Services Agreement with Consolidated Press Holdings Group (CPH) under which Crown Resorts will be able to request services be provided by key CPH executives at pre-agreed hourly rates. However, services provided by Mr Packer and Mr Rankin will not be subject to any charge under the Services Agreement.

The terms of the Services Agreement, including the hourly rates, have been negotiated on an arm's length commercial basis, following the receipt of advice from an independent remuneration consultant. The total cost to Crown Resorts under the Services Agreement is capped at \$8 million per annum but payments depend on Crown Resorts requesting services under the Services Agreement. Crown Resorts may terminate the Services Agreement at any time by giving notice to CPH. The Services Agreement is considered beneficial for Crown Resorts as it enables Crown Resorts to supplement its management capacity as required from time to time by accessing the specialist management expertise at CPH.

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COPIES OF RELEASES

ASX announcements issued by Crown Resorts are available at Crown Resorts' website at www.crownresorts.com.au

ATTACHMENT

PROFILE OF CROWN RESORTS POST DEMERGER

Crown Melbourne

Crown Melbourne is one of the region's leading integrated resorts, featuring luxury accommodation, quality dining and shopping experiences together with world-class gaming and entertainment facilities. Crown Melbourne operates three hotels with approximately 1,600 guest rooms across Crown Towers (481 rooms, six-star luxury), Crown Metropol (658 rooms, premium five-star) and Crown Promenade (465 rooms, quality four-star). Crown Melbourne is Australia's largest casino and is a significant driver of tourism within Australia, particularly in Victoria.

Crown Perth

Crown Perth is Western Australia's premier integrated resort with world-class convention and gaming facilities, two award-winning hotels, Crown Metropol (with 397 rooms) and Crown Promenade (with 291 rooms), spa, resort pools, restaurants and bars, nightclub and 2,300-seat theatre. Crown Towers Perth, which is targeting completion in December 2016, 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.

Crown Sydney

Crown Sydney, located on Sydney Harbour at Barangaroo, will be the city's first six-star luxury resort. The Crown Sydney Hotel Resort will feature 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 start of construction for the Crown Sydney project remains conditional upon receipt of all necessary planning approvals.

Crown Aspinalls

Crown Aspinalls is an exclusive high-end London casino. It is one of only five licensed high-end casinos in London's prime West End entertainment district. Nestled in the heart of Mayfair, Crown Aspinalls offers members and guests an exciting and opulent world of international VIP gaming in an environment that only London can provide.

Crown Resorts' wagering and online investments

Crown Resorts' wagering and online social gaming operations include CrownBet (a 62% owned, licensed online wagering business), Betfair Australasia (a 100% owned, licensed online betting exchange) and DGN Games (a 70% owned, online social gaming business based in Austin, Texas).

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PROFILE OF INTERNATIONALCO

Melco Crown Entertainment (MCE)

Crown Resorts has a 27.4% interest in MCE which is listed on NASDAQ with a market cap of US\$7.3 billion (14 June 2016). In Macau, MCE fully owns and operates two premium properties, City of Dreams and Altira Macau, in addition to a network of niche gaming facilities in the Mocha Clubs business. It also holds a 60% equity interest in Studio City, an integrated entertainment, retail and gaming resort in Cotai. In the Philippines, MCE holds a 73% equity interest in the operator of City of Dreams Manila, an integrated resort in Manila.

Alon development site in Las Vegas

Crown Resorts has previously announced that a majority owned subsidiary had acquired a 34.6 acre vacant site on the Las Vegas strip. Crown Resorts and its partners are working on project design and construction contracts as well as developing a number of funding options. Planning approval has been received and applications have been lodged for all necessary permits.

Aspers

Crown Resorts holds a 50% equity interest in the Aspers Group, which operates four casinos in the United Kingdom, in Newcastle, Stratford (London), Milton Keynes and Northampton (the latter in a joint venture with Kerzner UK Limited).

Nobu

Crown Resorts has a 20% interest in Nobu, one of the world's most recognised Japanese restaurant brands. Nobu operates 13 owned restaurants in the US, London and Tokyo, 17 international licenced restaurants and manages two hotels in Las Vegas and Manila. The other investors in Nobu are Nobu Matsuhisa, Robert De Niro and Meir Teper. The restaurant business has a pipeline of four new owned restaurants and three new licensed restaurants. The managed hotels business has a pipeline of nine new hotel openings, which include Chicago, London, Malibu, Miami, Palo Alto and Rio de Janeiro.