

Appendix 4D

Half year ended 31 December 2018

(previous corresponding period: half year ended 31 December 2017)

Results for announcement to the market

Results in accordance with Australian Accounting Standards				\$m
Revenue from operations	down	7.3%	to	1,478.0
Net profit for the period attributable to members of the parent	down	26.7%	to	174.9

	Normalised Results ⁽¹⁾		Actual Results ⁽²⁾	
	\$m	% Movement	\$m	% Movement
Earnings before interest, tax, depreciation and amortisation	418.8	(6.5%)	391.8	(2.1%)
Depreciation & amortisation	<u>(140.4)</u>	(6.4%)	<u>(140.4)</u>	(6.4%)
Earnings before interest & tax	278.4	(6.5%)	251.4	0.4%
Share of associates' profits	7.2		7.2	
Net interest expense	(8.6)		(8.6)	
Income tax expense	<u>(83.4)</u>		<u>(75.6)</u>	
Net profit after tax	193.6	2.5%	174.4	(30.1%)
Non-controlling interest	<u>0.5</u>		<u>0.5</u>	
Net profit attributable to members of the Parent	194.1	0.9%	174.9	(26.7%)

(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 and Crown Aspinalls) and significant items in the prior year (refer note 4e). 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, operating expenses and income tax expense. Refer to note 3 in the attached financial statements for more information. The Group believes that normalised results are the relevant measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue. Normalised results are a non-IFRS measure.

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

Dividends	Amount per security	Franked amount per security
Interim dividend	30.0 cents	18.0 cents
Previous corresponding period	30.0 cents	18.0 cents
Record date for determining entitlements to the dividend	21 March 2019	
Interim dividend payment date	4 April 2019	
Net Tangible Asset Backing	31 December 2018	31 December 2017
Net tangible asset backing per ordinary security on issue at period end	\$5.16	\$5.13

For an explanation of any of the figures reported above, see Crown Resorts' announcement made to the ASX on the same date as this Appendix 4D. Non-IFRS measures have not been subject to audit or review.

Directors' Report

For the half year ended 31 December 2018

Your directors submit their report for the half year ended 31 December 2018.

Directors

The directors of Crown Resorts Limited ("Crown" or the "Company") in office during the half-year, and until the date of this Report are as below. Directors were in office for this entire period unless otherwise stated.

John H Alexander
The Hon. Helen A Coonan
Andrew Demetriou
Geoffrey J Dixon
Jane Halton AO PSM
Professor John S Horvath AO
Guy Jalland
Michael R Johnston
Antonia Korsanos
Harold C Mitchell
John Poynton AO (appointed 20 November 2018)

Review and Results of Operations

For the half year ended 31 December 2018 Crown reported a net profit of \$174.4 million, compared to \$249.5 million in the prior comparable period ("pcp") which included a net significant item gain of \$93.8 million. The net profit attributable to members of the Parent was \$174.9 million. Total normalised revenue across Crown's Australian resorts decreased by 1.2% on the pcp. Main floor gaming revenue increased by 0.9%, with modest revenue growth in Melbourne offset by continued softness in Perth. VIP program play turnover across Crown's Australian resorts of \$19.9 billion was down 12.2% on the pcp.

Cash flow

Net operating cash flow for the period of \$382.3 million compared to net operating cash flow of \$368.5 million in the pcp. After net capital expenditure of \$209.3 million, net proceeds for disposal of investments of \$6.9 million, dividend payments of \$205.9 million and share buy back payments of \$131.4 million, the Group's net cash position (excluding working capital cash of \$177.7 million) at 31 December 2018 was \$7.5 million, consisting of total debt of \$1,091.2 million and cash (excluding working capital cash) of \$1,098.7 million.

Dividend

The Directors have declared dividends totalling 30 cents per share franked at 60% payable on 4 April 2019 to shareholders registered at 5.00pm on 21 March 2019. The unfranked portion of the dividend has been declared to be conduit foreign income.

Auditor's Independence Declaration

Attached is a copy of the auditor's independence declaration in relation to the review for the half year ended 31 December 2018. This auditor's independence declaration forms part of this Directors' report.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Crown is an entity to which this Instrument applies.

Signed in accordance with a resolution of the directors.



John Alexander
Executive Chairman

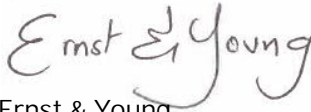
Melbourne, 20th day of February, 2019.

Auditor's Independence Declaration to the Directors of Crown Resorts Limited

As lead auditor for the review of Crown Resorts Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Crown Resorts Limited and the entities it controlled during the financial period.



Ernst & Young



Michael Collins
Partner
20 February 2019

Statement of Profit or Loss

For the half year ended 31 December 2018

	Note	31 December 2018 \$m	31 December 2017 \$m
Revenues	4	1,478.0	1,594.9
Other income	4	0.1	0.2
Expenses	4	(1,211.3)	(1,225.7)
Share of profits/(losses) of associates and joint venture entities		7.2	(0.2)
Profit before income tax and finance costs		274.0	369.2
Finance costs	4	(24.0)	(41.2)
Profit before income tax		250.0	328.0
Income tax expense		(75.6)	(78.5)
Net profit after tax		174.4	249.5
Attributable to:			
Equity holders of the Parent		174.9	238.6
Non-controlling interests		(0.5)	10.9
		174.4	249.5

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

	31 December 2018 Cents per share	31 December 2017 Cents per share
Earnings per share (EPS)		
Basic EPS attributable to ordinary equity holders of the Parent	25.59	34.64
Diluted EPS attributable to ordinary equity holders of the Parent	25.56	34.64
EPS calculation is based on the weighted average number of shares on issue throughout the period		
Dividends per share		
Current year interim dividend declared	30.00	30.00
Prior year final dividend paid	30.00	30.00

Statement of Comprehensive Income

For the half year ended 31 December 2018

	31 December 2018	31 December 2017
	\$m	\$m
Net profit after tax	174.4	249.5
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	13.4	(3.5)
Movement in cash flow hedge reserve	10.7	(6.0)
Other comprehensive income / (loss) for the period, net of income tax	24.1	(9.5)
Total comprehensive income / (loss) for the period	198.5	240.0
Attributable to:		
Equity holders of the Parent	198.8	229.7
Non-controlling interests	(0.3)	10.3
	198.5	240.0

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

Statement of Financial Position

As at 31 December 2018

	Note	31 December 2018 \$m	30 June 2018 \$m
Current assets			
Cash and cash equivalents	6	1,276.4	1,844.6
Trade and other receivables		144.1	172.3
Inventories		18.3	17.3
Prepayments		37.9	32.8
Other financial assets		10.8	9.2
Total current assets		1,487.5	2,076.2
Non-current assets			
Receivables		156.9	143.0
Other financial assets		41.3	23.3
Investments in associates		199.1	187.8
Property, plant and equipment		3,984.8	3,880.7
Intangible assets - licences		1,072.3	1,080.6
Other intangible assets		464.9	462.8
Deferred tax assets		269.0	266.9
Other assets		49.6	50.4
Total non-current assets		6,237.9	6,095.5
Total assets		7,725.4	8,171.7
Current liabilities			
Trade and other payables		452.9	427.5
Interest-bearing loans and borrowings	7	300.3	25.7
Income tax payable		207.4	165.3
Provisions		200.1	225.1
Total current liabilities		1,160.7	843.6
Non-current liabilities			
Other payables		325.4	287.6
Interest-bearing loans and borrowings	7	790.9	1,467.0
Deferred tax liabilities		391.1	380.9
Provisions		20.9	32.6
Other financial liabilities		2.5	2.1
Total non-current liabilities		1,530.8	2,170.2
Total liabilities		2,691.5	3,013.8
Net assets		5,033.9	5,157.9
Equity			
Contributed equity	8	(203.3)	(71.9)
Treasury shares	8	-	(15.7)
Reserves		(37.8)	(60.5)
Retained earnings		5,275.0	5,306.0
Total equity		5,033.9	5,157.9

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

Cash Flow Statement

For the half year ended 31 December 2018

	31 December 2018	31 December 2017
Note	\$m	\$m
Cash flows from operating activities		
Receipts from customers	1,608.8	1,685.1
Payments to suppliers and employees	(1,161.2)	(1,224.6)
Dividends received	3.9	3.9
Interest received	17.1	13.2
Borrowing costs paid	(42.3)	(59.1)
Income tax paid	(44.0)	(50.0)
Net cash flows from/(used in) operating activities	382.3	368.5
Cash flows from investing activities		
Purchase of property, plant and equipment	(209.4)	(167.0)
Proceeds from sale of property, plant and equipment	0.1	0.1
Investment in equity accounted associates	(0.7)	(3.9)
Proceeds from disposal of investments	7.6	100.7
Loans to associated entities	-	(1.0)
Net cash flows from/(used in) investing activities	(202.4)	(71.1)
Cash flows from financing activities		
Proceeds from borrowings	24.4	55.6
Repayment of borrowings	(436.1)	(458.1)
Payments for share buy-back	8 (131.4)	(0.1)
Dividends paid to equity holders of the Parent	(205.9)	(206.7)
Net cash flows from/(used in) financing activities	(749.0)	(609.3)
Net increase/(decrease) in cash and cash equivalents	(569.1)	(311.9)
Cash and cash equivalents at the beginning of the period	1,844.6	1,771.2
Effect of exchange rate changes on cash	0.9	0.1
Cash accounted for as held for sale assets	-	(23.5)
Cash and cash equivalents at the end of the period	6 1,276.4	1,435.9

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

Statement of Changes in Equity

For the half year ended 31 December 2018

	Ordinary Shares	Shares Held in Trust	Retained Earnings	Reserves	Total	Non- Controlling Interest	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
31 December 2018							
Balance at 1 July 2018	(71.9)	(15.7)	5,306.0	(60.5)	5,157.9	-	5,157.9
Profit for the period	-	-	174.9	-	174.9	(0.5)	174.4
Other comprehensive income/(loss)	-	-	-	23.9	23.9	0.2	24.1
Total comprehensive income for the period	-	-	174.9	23.9	198.8	(0.3)	198.5
Dividends paid	-	-	(205.9)	-	(205.9)	-	(205.9)
Share buy-back	(131.4)	-	-	-	(131.4)	-	(131.4)
Movement in non-controlling put option	-	-	-	(2.7)	(2.7)	0.3	(2.4)
Share based payments	-	15.7	-	1.5	17.2	-	17.2
Balance at 31 December 2018	(203.3)	-	5,275.0	(37.8)	5,033.9	-	5,033.9
31 December 2017							
Balance at 1 July 2017 ⁽¹⁾	(53.2)	(19.4)	5,153.1	14.4	5,094.9	24.8	5,119.7
Profit/(loss) for the period	-	-	238.6	-	238.6	10.9	249.5
Other comprehensive income	-	-	-	(8.9)	(8.9)	(0.6)	(9.5)
Total comprehensive income/(loss) for the period	-	-	238.6	(8.9)	229.7	10.3	240.0
Dividends paid	-	-	(206.7)	-	(206.7)	-	(206.7)
Movement in non-controlling put option ⁽¹⁾	-	-	-	1.8	1.8	(1.0)	0.8
Share based payments	-	3.7	-	0.9	4.6	-	4.6
Balance at 31 December 2017	(53.2)	(15.7)	5,185.0	8.2	5,124.3	34.1	5,158.4

⁽¹⁾ The balance at 1 July 2017 has been restated, refer note 20 of the 2018 annual financial report for further details. The restatement of the prior period includes the addition of the Movement in non-controlling put option.

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

Notes to the Financial Statements

For the half year ended 31 December 2018

1. Corporate Information

The consolidated interim financial report of Crown Resorts Limited and its controlled entities (the Group) for the half year ended 31 December 2018 was authorised for issue, subject to final approval by a sub committee, in accordance with a resolution of the directors on 19 February 2019. Crown Resorts Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange

2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The half year financial report for the six months ended 31 December 2018 has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The half year financial report does not include all the information and disclosures required in the annual financial report, and should be read in conjunction with the annual financial report of Crown Resorts Limited as at 30 June 2018. It is also recommended that the half year financial report be considered together with any public announcements made by Crown Resorts Limited and its controlled entities during the half year ended 31 December 2018 and up to the date of this report in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the ASX Listing Rules.

The half year financial report is presented in Australian dollars and all values have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Crown is an entity to which this Instrument applies. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the annual financial report of Crown Resorts Limited for the year ended 30 June 2018, except for the adoption of new standards effective as of 1 July 2018.

The Group has adopted, for the first time, AASB 15 *Revenue from Contracts with Customers* that requires restatement of the previous financial statements. As required by AASB 134, the nature and effect of the changes are disclosed below.

Several other amendments and interpretations apply for the first time from July 2018, but do not have a material impact on the financial position or performance of the Group during the period.

AASB 15 Revenue from Contracts with Customers

This standard specifies the accounting treatment for revenue arising from contracts with customers providing a framework for determining whether, when and how much revenue should be recognised. The standard requires an entity to recognise revenue when it transfers promised goods or services to customers at the transaction price, at an amount that reflects what it expects to be entitled to receive in exchange for the goods or services.

The Group adopted AASB 15 using the full retrospective method of adoption. Certain prior period amounts have been adjusted to reflect the full retrospective adoption of the standard. For the six months ended 31 December 2017, the Statement of Profit or Loss was restated, resulting in a decrease in 'revenue' and 'expenses' of \$198.3 million. Also the Cash Flow Statement was restated resulting in a decrease in 'receipts from customers' and 'payments to suppliers and employees' of \$198.3 million. There was no impact on the net profit or net cash flows of the Group in the current or comparative reporting period.

Notes to the Financial Statements

For the half year ended 31 December 2018

2. Basis of preparation and changes to the Group's accounting policies *continued*

Crown's accounting policy for Revenue from Contracts with Customers and impact on adoption is as follows:

Revenue from Contracts with Customers

Crown Melbourne, Crown Perth and Crown Aspinalls

Gaming Revenue

Gaming revenue is the net difference between gaming wins and losses, and is recognised upon the outcome of the game. Commissions rebated to customers or promoters are recorded as a reduction of revenue. Prior to adoption of AASB 15, commissions rebated to customers or promoters were recorded within operating expenses.

The Statement of Profit or Loss for the six months ended 31 December 2017 was restated, resulting in a decrease in 'revenue' of \$198.3 million and a decrease in 'expenses' of \$198.3 million.

Food and beverage revenue

Food and beverage revenue is recognised as the goods are provided.

Other than described in the Complimentary goods or services section below, no changes to revenue recognition were identified upon adoption of AASB 15.

Hotel, entertainment and other operating revenues

Hotel, entertainment and other operating revenues are recognised as services are performed.

Other than described in the Complimentary goods or services section below, no changes to revenue recognition were identified upon adoption of AASB 15.

Complimentary goods or services

For gaming transactions that include complimentary goods or services being provided to customers, Crown allocates revenue from the gaming transaction to the good or service provided based on the standalone selling price.

Prior to the adoption of AASB 15, revenue from gaming transactions that included complimentary goods or services being provided to customers was not allocated from gaming revenue to the good or service provided.

As the gaming revenue and revenue from complimentary goods or services are contained within revenue for Crown Melbourne, Crown Perth and Crown Aspinalls as disclosed in note 4, no restatement of the statement of profit or loss for the six months ended 31 December 2017 was required.

Wagering and Online

Revenue from exchange betting

Revenue from exchange betting represents commission and other charges earned on betting activity. Revenue is recognised as the performance obligations are satisfied, which is considered to be upon the outcome of the bet being determined.

No changes to revenue recognition were identified upon adoption of AASB 15.

Online gaming revenue

Online gaming revenue is derived from the purchase of credits. Revenue is recognised in the accounting periods in which the transactions occur on a gross basis and commission costs are expensed as incurred.

No changes to revenue recognition were identified upon adoption of AASB 15.

Notes to the Financial Statements

For the half year ended 31 December 2018

3. Segment Information *continued*

31 December 2017	Normalised Result ⁽¹⁾						Adjustment ⁽¹⁾⁽²⁾	Significant Items ⁽⁴⁾	Actual
	Crown Melbourne	Crown Perth	Crown Aspinalls	Wagering & Online	Unallocated	Crown Group			
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Operating revenue									
Main floor tables	387.3	104.9	-	-	-	492.2			
Main floor machines	230.9	136.5	-	-	-	367.4			
VIP program play	262.8	42.7	39.2	-	-	344.7			
Wagering & Non gaming	246.7	143.4	0.6	191.5	0.1	582.3			
Intersegment						(2.0)			
Operating revenue	1,127.7	427.5	39.8	191.5	0.1	1,784.6	(202.8)	-	1,581.8
Interest revenue						13.3	-	-	13.3
Total revenue	1,127.7	427.5	39.8	191.5	0.1	1,797.9	(202.8)	-	1,595.1
Segment result									
Operating expenses	(802.4)	(298.8)	(30.1)	(182.7)	(24.9)	(1,338.9)	155.4	-	(1,183.5)
Intersegment						2.0	-	-	2.0
Earnings before interest, tax, depreciation and amortisation "EBITDA"	325.3	128.7	9.7	8.8	(24.8)	447.7	(47.4)	-	400.3
Depreciation and amortisation	(90.6)	(44.2)	(0.7)	(11.8)	(2.7)	(150.0)	-	-	(150.0)
Earnings before interest and tax "EBIT"	234.7	84.5	9.0	(3.0)	(27.5)	297.7	(47.4)	-	250.3
Asset impairment reversal						-	-	121.8	121.8
Restructuring & other expenses						-	-	(16.0)	(16.0)
Equity accounted share of associates' net profit/(loss)						2.5	-	(2.7)	(0.2)
Net interest income/(expense)						(27.9)	-	-	(27.9)
Income tax benefit/(expense)						(83.4)	14.2	(9.3)	(78.5)
Profit/(loss) after tax						188.9	(33.2)	93.8	249.5
Non-Controlling Interest						3.5	-	(14.4)	(10.9)
Profit/(loss) attributable to equity holders of the Parent						192.4	(33.2)	79.4	238.6

(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 and Crown Aspinalls) 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, operating expenses and income tax expense. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided. Normalised results are a non-IFRS measure.

(2) During the period Crown incurred \$198.3 million of VIP program play commission expenses. This is included in the total normalised Operating Expenses for the period of \$1,338.9 million. In the actual results, the commission expenses have been allocated out of Operating Expenses and recognised as a reduction to revenue. This difference between the normalised and actual result is included in the Adjustment column above. In prior periods, commission expense was separately disclosed along with taxes (being Victorian gaming taxes, Western Australian gaming taxes and any net GST attributable to gambling supplies and UK gaming duty) and other expenses.

(3) Total revenue of \$1,595.1 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.

(4) Significant items of \$79.4 million includes the Alon asset impairment reversal, partially offset by restructuring & other expenses and significant items relating to Crown's equity accounted interests.

Notes to the Financial Statements

For the half year ended 31 December 2018

4. Revenue and Expenses

	31 December 2018 \$m	31 December 2017 \$m
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Crown Melbourne	1,043.9	1,081.9
Crown Perth	437.7	444.0
Crown Aspinalls	32.1	44.7
Wagering & Online	65.4	191.0
Less Commissions	(134.9)	(198.3)
Total Revenue from Contracts with Customers	1,444.2	1,563.3
Tenancy revenue	18.3	18.3
Interest	15.4	13.3
Dividends	0.1	-
Total Revenue	1,478.0	1,594.9
(b) Other income		
Profit on disposal of non-current assets	0.1	0.2
	0.1	0.2
(c) Expenses		
Cost of sales	83.9	85.3
Operating activities	1,098.1	1,218.6
Asset impairment reversal	-	(121.8)
Restructuring & other expenses	-	16.0
Other expenses	29.3	27.6
	1,211.3	1,225.7
Depreciation of non-current assets <i>(included in expenses above)</i>		
Buildings	48.2	48.8
Plant and equipment	79.7	86.2
	127.9	135.0
Amortisation of non-current assets <i>(included in expenses above)</i>		
Casino licence fee and management agreement	10.2	10.2
Other assets	2.3	4.8
	12.5	15.0
Total depreciation and amortisation expense	140.4	150.0
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	43.8	54.3
Capitalised interest	(19.8)	(13.1)
	24.0	41.2
(e) Significant items - income / (expense)		
Asset impairment reversal	-	121.8
Associates significant items	-	(2.7)
Restructuring & other expenses	-	(16.0)
Net tax on significant items	-	(9.3)
	-	93.8

Notes to the Financial Statements

For the half year ended 31 December 2018

5. Dividends Paid and Declared

	31 December 2018	31 December 2017
	\$m	\$m
(a) Dividends declared and paid during the half year		
<i>Prior year final dividend (paid 5 October 2018)</i>		
Paid at 30.0 cents (2017: 30.0 cents) per share and franked at 60% (2017: 60%) at the Australian tax rate of 30% (2017: 30%)	205.9	206.7
(b) Dividends declared and not recognised as a liability		
<i>Current year interim dividend (expected to be paid 4 April 2019)</i>		
Declared at 30.0 cents (2017: 30.0 cents) per share and franked at 60% (2017: 60%) at the Australian tax rate of 30% (2017: 30%)	203.1⁽¹⁾	206.7

⁽¹⁾ Dollar value is based on the total number of shares on issue as at the date of declaration.

No shareholders' dividend plans are in operation.

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

6. Cash and Cash Equivalents

For the purpose of the half year cash flow statement, cash and cash equivalents are comprised of the following:

	31 December 2018	31 December 2017
	\$m	\$m
Cash on hand and at bank	487.3	545.8
Deposits on call	789.1	890.1
	1,276.4	1,435.9

The above closing cash balances includes \$177.7 million (2017: \$168.4 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 and cash of \$1,098.7 million (2017: \$1,267.5 million) for other purposes.

Notes to the Financial Statements

For the half year ended 31 December 2018

7. Interest-Bearing Loans and Borrowings

	31 December 2018 \$m	30 June 2018 \$m
Current		
Bank Loans - unsecured	41.2	25.7
Capital Markets Debt - unsecured	259.1	-
	300.3	25.7
Non-current		
Bank Loans - unsecured	-	28.9
Capital Markets Debt - unsecured ⁽¹⁾	789.8	1,437.1
Other loans - unsecured	1.1	1.0
	790.9	1,467.0

⁽¹⁾ On 14 September 2018, Crown redeemed all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" (the "Notes") in accordance with the terms of the Notes. This reduced Crown's gross debt by approximately \$400 million.

8. Contributed Equity

	31 December 2018 \$m	30 June 2018 \$m
Issued share capital		
Ordinary shares fully paid	(203.3)	(71.9)
Movements in issued share capital		
Carrying amount at the beginning of the financial year	(71.9)	(53.2)
Share buy-back, inclusive of costs	(131.4)	(18.7)
Carrying amount at the end of the financial period	(203.3)	(71.9)
Shares held in Trust		
Balance at beginning of the financial year	(15.7)	(19.4)
Shares transferred under the 2014 Crown Long Term Incentive Plan	15.7	3.7
Balance at the end of the financial period	-	(15.7)
	31 December 2018 No.	30 June 2018 No.
Issued share capital		
Ordinary shares fully paid	677,158,271	687,421,194
Movements in issued share capital		
Balance at the beginning of the financial year	687,421,194	688,847,822
Share buy-back	(10,262,923)	(1,426,628)
Balance at the end of the financial period	677,158,271	687,421,194

During the period, the Group carried out an on-market share buy-back as an element of its capital management program. For the half year ended 31 December 2018, shares to a value of \$131.4 million have been purchased.

Due to share buy-backs being undertaken at higher prices than the original subscription prices, the balance of contributed equity is reflected as a negative balance, which shows the excess value of shares bought back over the original amount of subscribed capital.

Notes to the Financial Statements

For the half year ended 31 December 2018

9. Financial Instruments

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 31 December 2018:

	Loans and receivables at amortised cost \$m	Fair value profit or loss \$m	Fair value other comprehensive income \$m	Present value equity reserve \$m
31 December 2018				
Financial assets:				
Trade and other receivables	144.1	-	-	-
Foreign currency derivative assets	-	-	10.8	-
Total current	144.1	-	10.8	-
Trade and other receivables	156.9	-	-	-
Cross currency swap contracts	-	-	37.4	-
Share option contracts	-	3.9	-	-
Total non-current	156.9	3.9	37.4	-
Total	301.0	3.9	48.2	-
Financial liabilities:				
Trade and other payables	452.9	-	-	-
Interest bearing loans and borrowings	300.3	-	-	-
Total current	753.2	-	-	-
Other long term payables	224.8	49.4	-	51.2
Interest bearing loans and borrowings	790.9	-	-	-
Interest rate swap contracts	-	-	2.5	-
Total non-current	1,015.7	49.4	2.5	51.2
Total	1,768.9	49.4	2.5	51.2
30 June 2018				
Financial assets:				
Trade and other receivables	172.3	-	-	-
Foreign currency derivative assets	-	-	9.2	-
Total current	172.3	-	9.2	-
Trade and other receivables	143.0	-	-	-
Cross currency swap contracts	-	-	23.3	-
Total non-current	143.0	-	23.3	-
Total	315.3	-	32.5	-
Financial liabilities:				
Trade and other payables	427.5	-	-	-
Interest bearing loans and borrowings	25.7	-	-	-
Total current	453.2	-	-	-
Other long term payables	191.8	47.0	-	48.8
Interest bearing loans and borrowings	1,467.0	-	-	-
Interest rate swap contracts	-	-	2.1	-
Total non-current	1,658.8	47.0	2.1	48.8
Total	2,112.0	47.0	2.1	48.8

Instruments allocated to the column 'fair value other comprehensive income' are derivative financial instruments designated as cash flow hedges.

Notes to the Financial Statements

For the half year ended 31 December 2018

9. Financial Instruments *continued*

Risk management activities

The Group's business activities expose it to the following risks; market risks (interest rate, share price and foreign exchange), credit risk and liquidity risk. For each of these risks, the Group considers the counterparties, geographical area, currency and markets as applicable to determine whether there are concentrations of risk.

During the period, the Group held and entered into foreign exchange contracts to hedge future transactions in foreign currencies, which were designated in hedge accounting relationships. In addition, the Group maintained interest rate swap contracts and cross currency swap contracts, which were designated in hedge accounting relationships. These hedges were assessed to be highly effective as at 31 December 2018.

For the period ended 31 December 2018, an unrealised gain of \$10.7 million in relation to the above foreign exchange and interest rate contracts was included in other comprehensive income.

In December 2018, Crown entered into a derivative instrument to hedge its exposure under the 2017 Senior Executive Incentive Plan. This hedge does not qualify for hedge accounting and therefore has not been designated in a hedge accounting relationship. For the period ended 31 December 2018, no unrealised gain or loss in relation to this derivative instrument was included in the statement of profit or loss.

Fair value of financial instruments

The fair value of the Group's financial assets and financial liabilities approximates the carrying value as at balance date.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level One - the fair value is calculated using quoted prices in active markets;
- Level Two - the fair value is estimated using inputs other than quoted prices included in Level One that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level Three - the fair value is estimated using inputs for the asset or liability that are not based on observable market data, including cash flow forecasts, implied growth rates and implied discount rates.

As at 31 December 2018, the Group held the following classes of financial instruments measured at fair value:

Notes to the Financial Statements

For the half year ended 31 December 2018

9. Financial Instruments *continued***Fair value of financial instruments** *continued*

	Valuation Technique			Total \$m
	Quoted market price	Observable inputs	Non market observable	
	Level One \$m	Level Two \$m	Level Three \$m	
31 December 2018				
Financial Assets				
Foreign currency derivative assets	-	10.8	-	10.8
Share option contracts	-	3.9	-	3.9
Cross currency swap contracts	-	37.4	-	37.4
	-	52.1	-	52.1
Financial Liabilities				
Contingent consideration	-	-	49.4	49.4
Interest rate swap contracts	-	2.5	-	2.5
	-	2.5	49.4	51.9
30 June 2018				
Financial Assets				
Foreign exchange contracts	-	9.2	-	9.2
Cross currency swap contracts	-	23.3	-	23.3
	-	32.5	-	32.5
Financial Liabilities				
Contingent consideration	-	-	47.0	47.0
Interest rate swap contracts	-	2.1	-	2.1
	-	2.1	47.0	49.1

During the period ended 31 December 2018, there were no transfers between fair value measurement levels.

The contingent consideration as at 31 December 2018 is due in December 2020, based on the 2020 earnings of the DGN Group. 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.

Reconciliation of Level Three recurring fair value movements

	31 December 2018 \$m	30 June 2018 \$m
Financial Liabilities		
Opening balance	47.0	45.3
Other comprehensive income	2.4	1.7
Closing Balance - Financial Liabilities	49.4	47.0

The other comprehensive income amount in the prior comparative period represents a 12 month movement.

Notes to the Financial Statements

For the half year ended 31 December 2018

10. Impairment Testing of Intangible Assets

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGUs) identified according to the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets.

The recoverable amount of a CGU is determined based on a value in use calculation using a discounted cash flow methodology covering a specified period, with an appropriate residual value at the end of that period, for each CGU. The methodology utilises cash flow forecasts that are based primarily on business plans presented to and approved by the Board.

Note 13 of the 30 June 2018 Annual report described key assumptions on which management based its cash flow projections to undertake impairment testing of intangible assets which included cash flow forecasts, residual value, forecast growth rates, and discount rates.

The Group performs impairment testing for intangible assets on an annual basis (at 30 June each year) or when there are other indicators of impairment. At 31 December 2018 potential indicators of impairment were identified for the Crown Perth and DGN CGUs. No impairment indicators were identified for any other CGUs at 31 December 2018.

As a result of the potential indicator of impairment identified for Crown Perth and DGN CGU, the five-year cash flow forecasts were revised to determine their recoverable amount at 31 December 2018. No changes were made to other key assumptions adopted for the Crown Perth and DGN CGU from 30 June 2018.

No impairment loss has been recorded against the Group's intangible assets during the half year.

Sensitivity analysis

The key estimates and assumptions used to determine the value in use of the Crown Perth and DGN CGUs are based on management's current expectations based on past experience, future plans and external market information. They are considered to be reasonably achievable, however changes in any of the key estimates and assumptions may result in Crown Perth and DGN's carrying value exceeding its recoverable amount, resulting in an impairment charge.

The Group will continue to monitor the performance of all CGUs going forward, and consider the impact on the respective CGUs' impairment testing assumptions and carrying value.

11. Contingent Liabilities

On 15 February 2016 Crown was issued with amended assessments and notices of penalty by the Australian Taxation Office ("ATO") for a total of approximately \$362 million which comprise primary tax, interest and penalties. The amended assessments are in respect of income tax paid for the financial years ended 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 ("Cannery") in North America. Crown formally objected to the amended assessments and notices of penalty, but those objections were disallowed in full by the ATO. On 10 July 2018 Crown lodged applications for an appeal against the objection decisions relating to the amended assessments in the Federal Court. On 7 September 2018 Crown applied to the Administrative Appeals Tribunal ("AAT") for a review of the objection decisions relating to the notices of penalty.

Crown was issued with further amended assessments and notices of penalty dated 31 August 2018 in respect of the financial years ended 30 June 2014 to 30 June 2016 (inclusive). The further amended assessments and notices of penalty have been issued for a total of approximately \$34 million which comprise primary tax, interest and penalties, and similarly relate to some of the financing for Crown's investment in Cannery. Crown formally objected to the amended assessments and notices of penalty, but those objections were disallowed in full by the ATO. On 21 December 2018 Crown lodged applications for an appeal against the objection decisions relating to the further amended assessments in the Federal Court, and applied to the AAT for a review of the objection decisions relating to the notices of penalty. Pursuant to orders made by the Federal Court and the AAT, the appeals and applications for review relating to the further amended assessments and notices of penalty have been joined to the existing Federal Court and AAT proceedings commenced in respect of the original amended assessments and notices of penalty issued to Crown on 15 February 2016.

Crown considers that it has paid the correct amount of tax in respect of these matters and intends to continue to pursue all available avenues of resolution.

As announced by Crown on 4 December 2017, Maurice Blackburn Lawyers have commenced a class action proceeding against Crown in the Federal Court of Australia. The proceeding has been filed on behalf of persons who acquired an interest in Crown shares between 6 February 2015 and 16 October 2016. Crown has announced that it intends to vigorously defend the proceeding.

Notes to the Financial Statements

For the half year ended 31 December 2018

11. Contingent Liabilities *continued*

In addition to the above matters, entities within the group are defendants from time to time in legal proceedings arising from the conduct of their business. The group does not consider that the outcome of any proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

The group has no other material contingent liabilities at 31 December 2018.

12. Events After the Reporting Period

Subsequent to 31 December 2018, the directors of Crown Resorts declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2018. Based on the number of shares on issue at 31 December 2018, the total amount of the dividend is expected to be \$203.1 million, which represents a dividend of 30 cents per share franked at 60%. The unfranked portion of the dividend has been declared to be conduit foreign income.

Directors' Declaration

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



John Alexander
Executive Chairman

Melbourne, 20th day of February, 2019.

Independent Auditor's Review Report to the Members of Crown Resorts Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Crown Resorts Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Michael Collins' in a cursive style.

Michael Collins
Partner
Melbourne
20 February 2019