

Appendix 4D

Half year ended 31 December 2013

(previous corresponding period: half year ended 31 December 2012)

Results for announcement to the market

Results in accordance with Australian Accounting Standards		\$'000	
Revenue from operations	up	3.4%	to 1,562,534
Net profit for the period attributable to members of the parent	up	111.6%	to 382,451

	Normalised Results ⁽¹⁾		Actual Results ⁽²⁾	
	\$'000	% Movement	\$'000	% Movement
Revenue from operations	1,467,949	(5.9%)	1,562,534	3.4%
Earnings before interest, tax, depreciation and amortisation	392,306	(2.0%)	478,952	26.8%
Depreciation & amortisation	(123,084)	3.8%	(123,084)	3.8%
Earnings before interest & tax	269,222	(4.4%)	355,868	37.4%
Share of associates' profits	138,815	116.8%	145,672	106.2%
Net interest expense	(50,985)		(50,985)	
Income tax expense	(42,031)		(68,104)	
Net profit after tax	315,021	29.4%	382,451	111.6%

(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, Crown Aspinall's and Melco Crown) and pre-opening costs from Melco Crown. Normalised results for the previous corresponding period have also been adjusted to exclude the mark-to-market loss on Crown's investment in Echo Entertainment Group Ltd (Echo). 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, income tax expense and equity accounted share of associates' results. Refer to note 3 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 in the previous corresponding period.

Dividends	Amount per security	Franked amount per security
Interim dividend:	18.0 cents	9.0 cents
Previous corresponding period:	18.0 cents	9.0 cents
Record date for determining entitlements to the dividend:	28 March 2014	
Interim dividend payment date:	11 April 2014	
Net Tangible Asset Backing	31 December 2013	31 December 2012
Net tangible asset backing per ordinary security on issue at period end:	\$4.20	\$3.49
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

Your directors submit their report for the half year ended 31 December 2013.

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.

James D Packer
John H Alexander
Benjamin A Brazil
Helen Coonan
Christopher D Corrigan (resigned 29 November, 2013)
Rowen B Craigie
Rowena Danziger
Geoffrey J Dixon
John S Horvath
Ashok Jacob
Michael R Johnston
Harold C Mitchell

Review and Results of Operations

For the half year ended 31 December 2013 Crown reported a net profit of \$382.5 million, compared to \$180.8 million in the prior comparable period (pcp). The result in comparison to the prior period has been impacted by an increase in the VIP program play win rate (\$77.9 million post tax impact for wholly owned operations) and continued growth in Crown's Macau joint venture, Melco Crown Entertainment (MCE). The prior year's result included a mark-to-market loss on Crown's investment in Echo of \$52.0 million (net of tax).

Overall, Crown has seen weak consumer sentiment that has adversely impacted trading at both Crown Melbourne and Crown Perth. The results for those resorts were below expectations and reflect the fact that their local economies are experiencing structural and cyclical challenges.

Compared to last year, normalised EBITDA was down 4.6% in Crown Melbourne and down 4.1% in Crown Perth and main floor gaming revenue was down 0.6% across Crown Melbourne and Crown Perth.

VIP program play turnover was well below expectations, particularly at Crown Melbourne, which was down 33.1% on the prior year, reflecting the competitive challenges facing Crown Melbourne.

In contrast, MCE has achieved another record result, with significant year on year growth across both the VIP and the mass market segments. This record result was the major contributor to the growth in Crown's normalised NPAT. Crown's share of MCE's normalised result for the period was an equity accounted profit of \$140.6 million, up 118.0% on the prior year. After adjusting for an above theoretical win rate and pre-opening costs, Crown's share of MCE's reported NPAT result for the half year was an equity accounted profit of \$147.5 million.

Associates

The Group's reported equity accounted profit for the period was \$145.7 million, reflecting a \$147.5 million profit from MCE (\$71.1 million profit in the pcp), and a \$1.8 million loss from Betfair (\$0.4 million loss in the pcp).

Cash flow

Net operating cash flow for the period of \$304.1 million compared to last year's cash flow of \$165.4 million. After net capital expenditure of \$172.2 million, licence fee payments of \$5.0 million, dividend payments of \$138.4 million, net debt drawdowns of \$94.3 million and net investment payments of \$98.8 million, the Group's net debt position (excluding working capital cash of \$124.3 million) at 31 December 2013 was \$1,683.5 million, consisting of total debt of \$1,751.9 million and cash (excluding working capital cash) of \$68.4 million.

Directors' Report *continued*

For the half year ended 31 December 2013

Dividend

The Directors have declared a dividend on ordinary shares of 18 cents per share franked at 50% payable on 11 April 2014 to shareholders registered at 5.00pm on 28 March 2014. No part of the unfranked portion of the dividend will consist of 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 2013. 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 \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which this Class Order applies.

Signed in accordance with a resolution of the directors.



J.D. Packer
Director



R.B. Craigie
Director

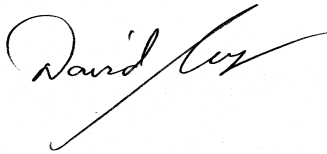
Melbourne, 21st day of February, 2014.

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

In relation to our review of the financial report of Crown Resorts Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



David McGregor
Partner
21 February 2014

Statement of Profit or Loss

For the half year ended 31 December 2013

		31 December 2013	31 December 2012
	Note	\$'000	\$'000
Revenues	4	1,562,534	1,510,475
Other income	4	343	40
Expenses	4	(1,198,754)	(1,319,344)
Share of profits of associates and joint venture entities		145,672	70,654
Profit before income tax and finance costs		509,795	261,825
Finance costs	4	(59,240)	(65,914)
Profit before income tax		450,555	195,911
Income tax expense		(68,104)	(15,136)
Net profit after tax		382,451	180,775

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

	31 December 2013	31 December 2012
	Cents per share	Cents per share
Earnings per share (EPS)		
Basic EPS	52.51	24.82
Diluted EPS	52.51	24.82
EPS calculation is based on the weighted average number of shares on issue throughout the period		
Dividends per share		
Current year interim dividend declared	18.00	18.00
Prior year final dividend paid	19.00	19.00

Statement of Comprehensive Income

For the half year ended 31 December 2013

	31 December 2013 \$'000	31 December 2012 \$'000
Net profit after tax	382,451	180,775
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit & loss:</i>		
Foreign currency translation ⁽¹⁾	43,054	(14,246)
Movement in cashflow hedge reserve	5,379	(3,947)
<i>Items that will not be reclassified subsequently to profit & loss:</i>		
Changes in the fair value of investments	-	245
Other comprehensive income / (loss) for the period, net of income tax	48,433	(17,948)
Total comprehensive income / (loss) for the period	430,884	162,827

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 Resorts' equity accounted investment in Melco Crown.

Statement of Financial Position

As at 31 December 2013

	Note	31 December 2013 \$'000	30 June 2013 \$'000
Current assets			
Cash and cash equivalents	5	192,655	205,511
Trade and other receivables		323,252	257,459
Inventories		13,210	12,639
Prepayments		23,015	17,476
Other financial assets		1,179	1,568
Total current assets		553,311	494,653
Non-current assets			
Receivables		152,094	126,822
Other financial assets		2,526	925
Investments		92,609	89,671
Investments in associates		1,588,629	1,403,037
Property, plant and equipment		3,024,359	2,865,462
Licences		650,775	649,511
Other intangible assets		233,759	204,572
Deferred tax assets		119,742	112,212
Other assets		60,103	62,780
Total non-current assets		5,924,596	5,514,992
Total assets		6,477,907	6,009,645
Current liabilities			
Trade and other payables		329,942	296,581
Interest-bearing loans and borrowings		81,346	81,395
Income tax payable		88,434	53,642
Provisions		145,782	120,262
Total current liabilities		645,504	551,880
Non-current liabilities			
Other payables		138	138
Interest-bearing loans and borrowings		1,670,517	1,553,868
Deferred tax liabilities		197,571	202,235
Provisions		19,436	44,304
Other financial liabilities		452	4,619
Total non-current liabilities		1,888,114	1,805,164
Total liabilities		2,533,618	2,357,044
Net assets		3,944,289	3,652,601
Equity			
Contributed equity		446,763	446,763
Treasury shares		(1,919)	(1,118)
Reserves		499,427	450,994
Retained earnings		3,000,018	2,755,962
Total equity		3,944,289	3,652,601

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 2013

	Note	31 December 2013 \$'000	31 December 2012 \$'000
Cash flows from operating activities			
Receipts from customers		1,505,456	1,397,127
Payments to suppliers and employees		(1,104,316)	(1,105,497)
Interest received		4,708	3,177
Borrowing costs paid		(60,304)	(66,966)
Income tax paid		(41,480)	(62,406)
Net cash flows from/(used in) operating activities		304,064	165,435
Cash flows from investing activities			
Purchase of property, plant and equipment		(172,530)	(153,173)
Proceeds from sale of property, plant and equipment		346	9
Payment in respect of licences		(5,000)	-
Payment for purchases of investments		(24,051)	(66,938)
Payment for the acquisition of controlled entities		(63,308)	-
Net proceeds from sale of investments		201	-
Loans to associated entities		(11,322)	(4,108)
Repayment of loans from associated entities		2,527	-
Other (net)		(2,823)	3,989
Net cash flows from/(used in) investing activities		(275,960)	(220,221)
Cash flows from financing activities			
Proceeds from borrowings		351,649	1,755,727
Repayment of borrowings		(257,352)	(1,506,972)
Dividends paid		(138,395)	(138,395)
Net cash flows from/(used in) financing activities		(44,098)	110,360
Net increase/(decrease) in cash and cash equivalents		(15,994)	55,574
Cash and cash equivalents at the beginning of the period		205,511	149,353
Effect of exchange rate changes on cash		3,138	939
Cash and cash equivalents at the end of the period	5	192,655	205,866

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 2013

	Ordinary Shares \$'000	Shares Held in Trust \$'000	Retained Earnings \$'000	Net Unrealised Gains Reserve \$'000	Foreign Currency Translation Reserve \$'000	Cashflow Hedge Reserve \$'000	Employee Benefits Reserve \$'000	Total Equity \$'000
31 December 2013								
Balance at 1 July 2013	446,763	(1,118)	2,755,962	628,908	(188,798)	(2,126)	13,010	3,652,601
Profit for the period	-	-	382,451	-	-	-	-	382,451
Other comprehensive income	-	-	-	-	43,054	5,379	-	48,433
Total comprehensive income for the period	-	-	382,451	-	43,054	5,379	-	430,884
Dividends paid	-	-	(138,395)	-	-	-	-	(138,395)
Shares acquired under Long Term Incentive Plan	-	(801)	-	-	-	-	-	(801)
Balance at 31 December 2013	446,763	(1,919)	3,000,018	628,908	(145,744)	3,253	13,010	3,944,289
31 December 2012								
Balance at 1 July 2012	446,763	(480)	2,629,681	628,704	(323,419)	(19,509)	13,010	3,374,750
Profit for the period	-	-	180,775	-	-	-	-	180,775
Other comprehensive income	-	-	-	245	(14,246)	(3,947)	-	(17,948)
Total comprehensive income for the period	-	-	180,775	245	(14,246)	(3,947)	-	162,827
Dividends paid	-	-	(138,395)	-	-	-	-	(138,395)
Shares acquired under Long Term Incentive Plan	-	(639)	-	-	-	-	-	(639)
Balance at 31 December 2012	446,763	(1,119)	2,672,061	628,949	(337,665)	(23,456)	13,010	3,398,543

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 2013

1. Corporate Information

The consolidated financial report of Crown Resorts Limited (formerly Crown Limited) for the half year ended 31 December 2013 was authorised for issue, subject to final approval by a sub committee, in accordance with a resolution of the directors on 20 February 2014. Crown Resorts Limited is a company incorporated in Australia and limited by shares, which 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 2013 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 2013. 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 2013 and up to the date of this report in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The half year financial report is presented in Australian dollars. 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 2013, except for the adoption of new standards and interpretations as of 1 July 2013, noted below:

- AASB 10 – Consolidated Financial Statements
- AASB 11 – Joint Arrangements
- AASB 12 – Disclosure of Interests in Other Entities
- AASB 13 – Fair Value Measurement
- AASB 119 – Employee Benefits
- AASB 2012-2 – Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

The adoption of these standards did not have a material effect on the financial position or performance of the Group during the period.

Notes to the Financial Statements

For the half year ended 31 December 2013

3. 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 three operating segments being Crown Melbourne, Crown Perth and Crown Aspinall's.

31 December 2013	Normalised Result ⁽¹⁾					Adjust- ment ⁽¹⁾	Actual Crown Group
	Crown Melbourne	Crown Perth	Crown Aspinall's	Unallocated	Crown Group		
	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating revenue							
Main floor gaming	514,725	242,956	-	-	757,681	-	757,681
VIP program play	219,290	90,796	58,715	-	368,801	94,585	463,386
Non gaming	216,209	117,688	496	-	334,393	-	334,393
Intersegment					(838)	-	(838)
Operating revenue	950,224	451,440	59,211	-	1,460,037	94,585	1,554,622
Interest revenue					8,255	-	8,255
Total revenue	950,224	451,440	59,211	-	1,468,292	94,585	1,562,877
Segment result							
Gaming taxes & commissions	(275,997)	(113,961)	(25,027)	-	(414,985)	(7,939)	(422,924)
Operating expenses	(395,726)	(219,570)	(16,578)	(21,710)	(653,584)	-	(653,584)
Intersegment					838	-	838
Earnings before interest, tax, depreciation and amortisation "EBITDA"	278,501	117,909	17,606	(21,710)	392,306	86,646	478,952
Depreciation and amortisation	(90,197)	(30,699)	(592)	(1,596)	(123,084)	-	(123,084)
Earnings before interest and tax "EBIT"	188,304	87,210	17,014	(23,306)	269,222	86,646	355,868
Equity accounted share of associates' net profit/(loss)					138,815	6,857	145,672
Net interest income/(expense)					(50,985)	-	(50,985)
Income tax benefit/(expense)					(42,031)	(26,073)	(68,104)
Profit/(loss) after tax	188,304	87,210	17,014	(23,306)	315,021	67,430	382,451

⁽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) and pre-opening costs from Melco Crown. 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, income tax expense and equity accounted share of associates' results.

⁽²⁾ Total revenue of \$1,562.9 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.

Notes to the Financial Statements

For the half year ended 31 December 2013

3. Segment Information *continued*

31 December 2012	Normalised Result ⁽¹⁾					Adjustment ⁽¹⁾ \$'000	Significant Items ⁽³⁾ \$'000	Actual Crown Group \$'000
	Crown Melbourne	Crown Perth	Crown Aspinall's	Unallocated	Crown Group			
	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating revenue								
Main floor gaming	515,889	246,327	74	-	762,290	-	-	762,290
VIP program play	327,953	89,053	63,517	-	480,523	(50,040)	-	430,483
Non gaming	204,398	108,378	298	22	313,096	-	-	313,096
Intersegment					(1,616)	-	-	(1,616)
Operating revenue	1,048,240	443,758	63,889	22	1,554,293	(50,040)	-	1,504,253
Interest revenue					6,262	-	-	6,262
Total revenue	1,048,240	443,758	63,889	22	1,560,555	(50,040)	-	1,510,515 ⁽²⁾
Segment result								
Gaming taxes & commissions	(358,601)	(107,098)	(31,560)	-	(497,259)	27,494	-	(469,765)
Operating expenses	(397,756)	(213,721)	(11,215)	(35,627)	(658,319)	-	-	(658,319)
Intersegment					1,616	-	-	1,616
Earnings before interest, tax, depreciation and amortisation "EBITDA"	291,883	122,939	21,114	(35,605)	400,331	(22,546)	-	377,785
Depreciation and amortisation	(88,992)	(27,692)	(539)	(1,335)	(118,558)	-	-	(118,558)
Earnings before interest and tax "EBIT"	202,891	95,247	20,575	(36,940)	281,773	(22,546)	-	259,227
Mark-to market loss on investment					-	-	(74,318)	(74,318)
Equity accounted share of associates' net profit/(loss)					64,039	6,615	-	70,654
Net interest income/(expense)					(59,652)	-	-	(59,652)
Income tax benefit/(expense)					(42,695)	5,264	22,295	(15,136)
Profit/(loss) after tax	202,891	95,247	20,575	(36,940)	243,465	(10,667)	(52,023)	180,775

(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) and the mark-to-market loss on Crown's investment in Echo. 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, income tax expense and equity accounted share of associates' results.

(2) Total revenue of \$1,510.5 million includes \$0.04 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) The significant item relates to the mark-to-market on Crown's investment in Echo, which resulted in a loss of \$74.3 million for the half (\$52.0 million net of tax). Refer note 4 (e).

Notes to the Financial Statements

For the half year ended 31 December 2013

4. Revenue and Expenses

	31 December 2013 \$'000	31 December 2012 \$'000
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Revenue from services	1,339,630	1,302,547
Revenue from sale of goods	201,454	187,646
Interest	8,255	6,262
Dividends	-	22
Other operating revenue	13,195	13,998
	1,562,534	1,510,475
(b) Other income		
Profit on disposal of non-current assets	343	40
(c) Expenses		
Cost of sales	72,091	69,452
Gaming activities	1,103,357	1,138,612
Significant items (Mark-to-market on investment in Echo)	-	74,318
Other expenses	23,306	36,962
	1,198,754	1,319,344
Depreciation of non-current assets <i>(included in expenses above)</i>		
Buildings	42,348	38,246
Plant and equipment	72,308	71,912
	114,656	110,158
Amortisation of non-current assets <i>(included in expenses above)</i>		
Casino licence fee and management agreement	7,207	7,207
Other assets	1,221	1,193
	8,428	8,400
Total depreciation and amortisation expense	123,084	118,558
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	63,559	70,650
Capitalised interest	(4,319)	(4,736)
	59,240	65,914
(e) Significant items (net of tax)		
Mark-to-market loss on investment in Echo	-	52,023
	-	52,023

Notes to the Financial Statements

For the half year ended 31 December 2013

5. Cash and Cash Equivalents

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

	31 December 2013 \$'000	31 December 2012 \$'000
Cash on hand and at bank	174,775	188,013
Deposits on call	17,880	17,853
	192,655	205,866

The above closing cash balances includes \$124.3 million (2012: \$153.7 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 \$68.4 million (2012: \$52.2 million) for other purposes.

6. Dividends Paid and Declared

	31 December 2013 \$'000	31 December 2012 \$'000
(a) Dividends declared and paid during the half year		
<i>Prior year final dividend (paid 11 October 2013)</i>		
Paid at 19 cents (2012: 19 cents) per share and franked at 50% (2012: 50%) at the Australian tax rate of 30% (2012: 30%)	138,395	138,395
(b) Dividends declared and not recognised as a liability		
<i>Current year interim dividend (payable 11 April 2014)</i>		
Declared at 18 cents (2012: 18 cents) per share and franked at 50% (2012: 50%) at the Australian tax rate of 30% (2012: 30%)	131,111	131,111

No shareholders' dividend plans are in operation.

No part of the unfranked portion of the dividend will consist of conduit foreign income.

Notes to the Financial Statements

For the half year ended 31 December 2013

7. Business Combinations

Acquisition of Capital Club Pty Ltd

On 1 December 2013, Crown acquired Capital Club Pty Ltd and its controlled entities ("Capital Club"), the owner and operator of the Capital Golf Club and the Melbourne Golf Academy. The purchase price (inclusive of acquisition costs) was \$67.6 million, resulting in Crown owning 100% of the ordinary shares in Capital Club. Crown had previously acquired an exclusive corporate membership share in Capital Club for \$36.4 million.

The initial accounting for the business combination requires the identification of fair values to be assigned to Capital Club's identifiable assets, liabilities and contingent liabilities. Due to the acquisition occurring close to the reporting date, the fair values assigned to Capital Club's assets are provisional. Therefore the initial accounting for the business combination is provisional. In accordance with Australian Accounting Standards, Crown will recognise any adjustments to these provisional values as a result of completing the initial accounting within 12 months of the acquisition date.

Based on the provisional fair values, Capital Club's net assets at the date of acquisition were \$77.1 million, resulting in \$26.9 million of goodwill. The acquisition of Capital Club will provide Crown with full and exclusive access to the golf course to entertain guests and international VIP patrons, as well as the ownership of the freehold land associated with the golf course. None of the goodwill recognised is expected to be deductible for income tax purposes.

The interim financial statements include the results of Capital Club for the one month period from the acquisition date.

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

	Consolidated fair value at acquisition date
	\$'000
Cash and cash equivalents	4,311
Other current assets	337
Property, plant and equipment	75,955
Deferred tax assets	174
	80,777
Trade and other payables	2,942
Deferred tax liabilities	718
	3,660
Provisional fair value of identifiable net assets	77,117
Goodwill arising on acquisition	26,855
Fair value of net assets	103,972
Net Cash Flow - Acquisition of subsidiary	
Cash Paid	67,619
Cash Acquired	(4,311)
Net Cash Flow - Acquisition of subsidiary	63,308

Notes to the Financial Statements

For the half year ended 31 December 2013

8. 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 2013:

	Loans and receivables	Fair value profit or loss	Fair value other comprehensive income
	\$'000	\$'000	\$'000
Financial assets:			
Trade and other receivables	323,252	-	-
Foreign currency forward contracts	-	-	1,179
Total current	323,252	-	1,179
Trade and other receivables	9,700	-	-
Loans receivable	142,394	-	-
Interest rate swap contracts	-	-	1,112
Cross currency interest rate swap contracts	-	-	1,414
Equity instruments	-	89,786	-
Total non-current	152,094	89,786	2,526
Total	475,346	89,786	3,705
Financial liabilities:			
Trade and other payables	329,942	-	-
Interest bearing loans and borrowings	81,346	-	-
Total current	411,288	-	-
Other long term payables	138	-	-
Interest bearing loans and borrowings	1,670,517	-	-
Interest rate swap contracts	-	-	452
Total non-current	1,670,655	-	452
Total	2,081,943	-	452

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

Risk management activities

The Group's business activities expose it to the following risks; market risks (interest rate 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 2013.

For the period ended 31 December 2013, an unrealised gain of \$5.4 million in relation to the above foreign exchange and interest rate contracts was included in other comprehensive income.

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.

Notes to the Financial Statements

For the half year ended 31 December 2013

As at 31 December 2013, the Group held the following classes of financial instruments measured at fair value

	Level One \$'000	Level Two \$'000	Level Three \$'000	Total \$'000
Financial Assets				
Foreign currency forward contracts	-	1,179	-	1,179
Interest rate swap contracts	-	1,112	-	1,112
Cross currency swap contracts	-	1,414	-	1,414
Equity instruments	35,356	-	54,430	89,786
	35,356	3,705	54,430	93,491
Financial Liabilities				
<i>Derivative Instruments</i>				
Interest rate swap contracts	-	452	-	452
	-	452	-	452

During the period ended 31 December 2013, there were no transfers between fair value measurement levels.

Reconciliation of Level Three recurring fair value movements

	31 December 2013 \$'000
Opening balance at 1 July 2013	89,671
Transfer due to business combination	(36,353)
Other Comprehensive Income	1,112
Closing Balance	54,430

Valuation techniques

The fair value of the unlisted investments have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Management believes that the estimated fair values resulting from the valuation techniques and recorded in the Statement of Financial Position and the related changes in fair value recorded in the Statement of Comprehensive Income are reasonable and the most appropriate at the reporting date.

Based on the valuation techniques performed, there has been no fair value movement on Level Three financial instruments during the period to 31 December 2013, other than foreign exchange rate movements.

A weighted average cost of capital (after tax) of between 6% and 10% was used by the Group in impairment testing, risk adjusted where applicable. The sensitivity to the fair value of Level Three financial instruments of a one percent increase or decrease in either the forecast earnings growth rate or discount rate would be an increase of up to US\$7 million or a reduction of up to US\$5 million in fair value.

9. Contingent Liabilities

The group has no contingent liabilities at 31 December 2013.

10. Events After the Reporting Period

Subsequent to 31 December 2013, the directors of Crown Resorts declared an interim dividend on ordinary shares in respect of the half year ending 31 December 2013. The total amount of the dividend is \$131.1 million, which represents a dividend of 18 cents per share franked at 50%. No part of the unfranked portion of the dividend will consist of conduit foreign income.

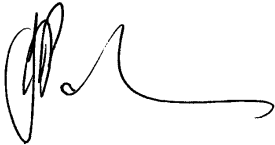
Directors' Declaration

In accordance with a resolution of the directors of Crown Resorts Limited, we state that:


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 2013 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 consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



J.D. Packer
Director



R.B. Craigie
Director

Melbourne, 21st day of February, 2014.

To the members of Crown Resorts Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Crown Resorts Limited, which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and the 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 controls as the directors determine are 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, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its 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 Crown Resorts Limited and the entities it controlled during the half-year, 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

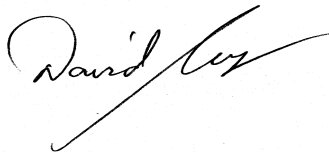
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Crown Resorts Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its 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*.



Ernst & Young



David McGregor
Partner
Melbourne
21 February 2014