



**ASX / MEDIA RELEASE
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CROWN ANNOUNCES 2015 FULL YEAR RESULTS

MELBOURNE: Crown Resorts Limited (ASX: CWN) today announced its results for the full year ended 30 June 2015:

- **Crown Resorts Limited performance:**
 - Normalised¹ NPAT attributable to the parent of \$525.5 million, down 17.9%
 - Reported NPAT of \$446.3 million, down 36.5% before significant items
 - The full year result was also impacted by asset impairments of \$61.3 million
 - Reported NPAT attributable to the parent of \$385.0 million, down 41.3% after significant items
 - Normalised EBITDA of \$824.9 million, up 5.4%
 - Reported EBITDA of \$778.1 million, down 11.4%
 - Normalised EBIT of \$562.0 million, up 4.5%
 - Reported EBIT of \$515.2 million, down 18.6%
 - Final dividend of 19 cents per share declared (total full year dividend of 37 cents per share)

- **Australian resorts performance:**
 - Normalised revenue of \$3,209.2 million, up 14.0%
 - Main floor gaming revenue of \$1,588.6 million, up 5.5%
 - Non-gaming revenue of \$664.7 million, up 4.7%
 - VIP program play turnover of \$70.8 billion, up 41.8%
 - Normalised EBITDA of \$916.5 million, up 14.1%
 - Reported EBITDA of \$946.7 million, up 4.1%

- **Melco Crown Entertainment (MCE) performance:**
 - Weak market conditions in Macau adversely impacted MCE's performance
 - Crown's share of MCE's Normalised NPAT of \$161.3 million, down \$129.9 million or 44.6%
 - Crown's share of MCE's Reported NPAT of \$122.0 million, down \$165.6 million or 57.6%

¹ Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play, pre-opening costs from MCE and significant items (see Attachment A for further information). Crown considers that normalised earnings, which are calculated at theoretical win rates, are the best reflection of the underlying performance of the business as it removes the inherent volatility in VIP program play revenue.

The Chief Executive Officer of Crown Resorts, Mr Rowen Craigie, said:

“Overall, the results for Crown’s portfolio of businesses were mixed.”

“Crown Melbourne’s results were pleasing with normalised EBITDA up 17.8% compared to the prior comparable period while Crown Perth’s results were more subdued with normalised EBITDA up 5.3%, assisted by cost reductions.”

“Main floor gaming revenue increased by 6.9% at Crown Melbourne but only 2.6% at Crown Perth.”

“We have put additional resources into VIP international marketing over the last year and that has helped deliver strong growth in VIP program play turnover of 41.8%. The removal of ‘Super Tax’ on VIP program play at Crown Melbourne and the reduction in the tax rate applicable to VIP program play from 12% to 9% at Crown Perth, have also allowed Crown’s Australian resorts to be more competitive against other international destinations which target international VIP gaming players.”

“The decline in MCE’s result was attributable to weak market conditions in Macau. Overall gross gaming revenue across the Macau market in the year to 30 June 2015 declined 26.8%, however the rate of decline increased in the second half with gross gaming revenue declining 37.0% in the six months to 30 June 2015.”

“During the year Crown continued in its role as a good corporate citizen, including the expansion of its award-winning Indigenous Employment Program and the work of the Crown Resorts Foundation and its \$200 million National Philanthropic Fund. In addition, Crown paid over \$640 million of taxes to all levels of Governments in Australia during F15, almost two thirds of Crown’s Australian normalised profit before tax.”

CROWN MELBOURNE

Normalised EBITDA from Crown Melbourne was \$662.1 million, up 17.8% on the prior comparable period (pcp). Reported EBITDA for the period was \$644.6 million, up 8.6% on the pcp. This reported EBITDA result takes into account an adverse variance from the theoretical VIP program play result which had a negative EBITDA impact of \$17.5 million. This compares to a positive EBITDA impact of \$31.5 million in the pcp.

Normalised revenue of \$2,233.9 million was up 15.7% on the pcp. During the year, main floor gaming revenue was \$1,090.6 million, up 6.9% on the pcp.

Normalised VIP program play revenue was \$706.6 million, up 41.0% on the pcp with turnover of \$52.3 billion. The removal of ‘Super Tax’ on VIP program play at Crown Melbourne effective from 1 July 2014 has improved the international competitiveness of the Crown Melbourne VIP business.

Non-gaming revenue grew 6.6% to \$436.7 million. Crown Towers Melbourne hotel occupancy was 96.0% with an average room rate of \$353. Crown Metropal Melbourne achieved hotel occupancy of 91.5% with an average room rate of \$261. Crown Promenade Melbourne hotel occupancy was 94.2% with an average room rate of \$222. These high occupancy rates reflect the very strong demand for luxury hotel accommodation in Melbourne.

The overall normalised operating margin improved from 29.1% to 29.6%. This reflects productivity and efficiency improvements, partially offset by the shift in business mix towards international VIP gaming.

CROWN PERTH

Normalised EBITDA from Crown Perth was \$254.4 million, up 5.3% on the pcp. Reported EBITDA for the period was \$302.1 million, down 4.3% on the pcp. This reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result which had a positive EBITDA impact of \$47.7 million. This compares to a positive EBITDA impact of \$74.1 million in the pcp.

Normalised revenue of \$975.3 million was up 10.4% on the pcp. During the year, main floor gaming revenue was \$498.0 million, up 2.6% on the pcp.

Normalised VIP program play revenue was \$249.3 million, up 44.1% on the pcp with turnover of \$18.5 billion. The reduction in the tax rate, effective December 2014, applicable to VIP program play, from 12% to 9%², has improved the international tax competitiveness of the Crown Perth VIP business. Crown has provided a “no

² Inclusive of the Burswood Park Board levy

worse off" guarantee in relation to the minimum tax to be paid to the Western Australian Government in relation to VIP program play.

Non-gaming revenue grew 1.3% to \$228.0 million. Crown Metropol Perth hotel occupancy was 90.5% with an average room rate of \$314. Hotel occupancy at Crown Promenade Perth was 83.8% with an average room rate of \$218. Refurbishment work at Crown Promenade Perth has reduced the number of rooms available and hotel occupancy based on available rooms was 91.2%.

The overall normalised operating margin decreased from 27.3% to 26.1%. This reflects the change in business mix, partially offset by productivity and efficiency improvements.

CROWN ASPINALLS

Normalised EBITDA from Crown Aspinalls was \$31.7 million, down 9.9% on the pcp. Reported EBITDA for the year was negative \$45.3 million. This reported EBITDA result takes into account an adverse variance from the theoretical VIP program play result which had a negative EBITDA impact of \$77.0 million. This compares to a negative EBITDA impact of \$10.1 million in the pcp.

CROWN WAGERING

EBITDA from Crown's wagering businesses, Betfair and CrownBet, was a loss of \$16.0 million. Turnover from CrownBet continues to track in line with expectations, given the start-up nature of the business. Significant product enhancements are being rolled out together with rebranding and promotional initiatives. Betfair's results were in line with expectations.

MELCO CROWN ENTERTAINMENT: Macau (34.3% equity interest)

Crown's share of MCE's normalised NPAT for the year to 30 June 2015 was an equity accounted profit of \$161.3 million, down \$129.9 million or 44.6% on the pcp. After adjusting for a below theoretical win rate and pre-opening costs, Crown's share of MCE's reported NPAT result for the year was an equity accounted profit of \$122.0 million, down \$165.6 million or 57.6% on the pcp.

Macau is currently experiencing a difficult period which has adversely affected all casino operators. Overall gross gaming revenue across the Macau market in the year to 30 June 2015 declined 26.8%, however the rate of decline increased in the second half with gross gaming revenue declining 37.0% in the six months to 30 June 2015 compared to the pcp.

However, MCE believes that through the strong leadership from the Macau and Chinese governments, the ongoing build-out of significant local and regional infrastructure, together with an expanding and increasingly affluent Chinese middle-to-upper-class, Macau remains the world's most important and exciting gaming market over the longer term.

Studio City³, MCE's second large-scale resort in Cotai, is on track to open on 27 October 2015 and meet its design and construction budget of US\$2.3 billion. MCE is monitoring news reports and Macau Government policies relating to gaming table allocation in Macau. MCE is mindful that the operational and financial performance of Studio City will depend to a large extent on the number of gaming tables allocated by the Macau Government and MCE remains concerned about receiving materially fewer tables than MCE has requested for Studio City. Notwithstanding this concern, MCE believes Studio City's unique and diversified offerings will make it a unique asset built consistent with the Macau Government's objective of delivering world-class entertainment.

City of Dreams Manila⁴ continues to grow revenues across all business segments, with MCE reporting that the rolling chip segment (VIP program play) gained meaningful traction in July 2015. The property's world-class array of gaming and non-gaming attractions enables City of Dreams Manila to enjoy market-leading visitation in Manila, positioning the property for long term success as Manila develops into one of the leading tourism destinations in Asia.

³ Macau Studio City is 60% owned by Melco Crown Entertainment

⁴ The operator of City of Dreams Manila is owned by Melco Crown (Philippines) Resorts Corporation which is a 68.8% owned subsidiary of MCE

MCE implemented a stock repurchase program during the year, in which Crown and Melco have not participated, and, as a result, Crown's ownership of MCE has increased from 33.6% at June 2014 to 34.3% as at June 2015.

OTHER INVESTMENTS

Alon Las Vegas Project – on 4 August 2014, Crown announced that a majority owned subsidiary had acquired a 34.6 acre vacant site on the Las Vegas strip. Crown and its partners are continuing design work on the project as well as developing a number of funding options.

Crown Melbourne and the Schiavello Group Joint Venture – On 12 December 2014, Crown announced that it had made an initial investment of \$50 million to acquire a 50% share interest in land as part of a joint venture with the Schiavello Group. The parties are in the process of negotiating final joint venture arrangements. Designs are being finalised for an iconic world-class hotel and apartment complex on the site in Queensbridge Street, Melbourne, adjacent to the Crown Melbourne complex. It has been agreed in principle that Crown has the right to acquire and manage the hotel on completion. The development remains subject to negotiation of a joint venture agreement, financing arrangements and construction contract as well as being subject to planning and other government approvals.

On-line Social Gaming Operations – Crown acquired a 60% interest in DGN Games LLC (DGN) in July 2015 for consideration of US\$27.5 million. In addition, Crown has contributed US\$5.0 million to DGN to fund growth. DGN is based in Austin, Texas and is a leading developer of on-line social games.

Aspers Group – Crown did not receive a distribution of any profits or recognise any earnings from the Aspers Group during the year. Total debt owed to Crown at 30 June 2015 was £68.6 million.

Cannery – Crown continues to hold a 24.5% equity share in Cannery. Due to the financial position of Cannery and the uncertainty surrounding the proposed sale of The Meadows, the carrying value of Crown's investment in Cannery was written down to nil during the first half, resulting in a US\$45.6m (A\$55.9m) impairment charge which has been reported as a significant item. During the year, Crown did not receive a distribution of any profits or recognise any earnings from Cannery.

CROWN MELBOURNE LICENCE REFORM

On 3 November 2014, the Victorian Commission for Gambling and Liquor Regulation amended the Melbourne Casino Licence to give effect to the agreement reached between Crown Melbourne and the Victorian Government, the terms of which were announced on 22 August 2014. The amendments to the Melbourne Casino Licence included:

- The removal of 'Super Tax' on VIP program play at Crown Melbourne effective from 1 July 2014;
- An increase in gaming product permitted to be operated at Crown Melbourne; and
- An extension of the Melbourne Casino Licence to 2050.

In return, Crown Melbourne agreed to make a series of payments to the Victorian Government, the first of which, being \$250 million, was paid following the amendment to the Melbourne Casino Licence.

CROWN SYDNEY PROJECT

The Independent Liquor and Gaming Authority issued a restricted gaming licence to Crown for Crown Sydney at Barangaroo South on 8 July 2014. On 27 May 2015, Crown finalised agreements with the Barangaroo Delivery Authority and Lend Lease, which give Crown the opportunity to develop the Crown Sydney site at Barangaroo South. The Crown Sydney project remains conditional upon receipt of planning approval for the amendments to the Barangaroo South masterplan and the development of Crown Sydney.

ELLERSTON

Crown has reached agreement in principle with the Consolidated Press Holdings Group to acquire a 50% interest in part of the property and operations at Ellerston in the Hunter Valley for \$60 million (plus acquisition costs). The part of Ellerston in which Crown will acquire its 50% interest comprises approximately 1,400ha and includes luxury accommodation, one of Australia's best golf courses, a go-cart track, cinema, several swimming pools and other luxury attractions, but does not include the part of Ellerston on which the agricultural business is conducted. The acquisition remains subject to the completion of long form sale and subdivision documentation. The acquisition will enable Crown to give effect to its commitment to the NSW

Government to give VIP gaming customers at Crown Sydney access to the luxury facilities at Ellerston. The acquisition has been approved by Crown's independent directors.

CASH FLOW AND DEBT

Net operating cash flow for the period of \$634.6 million compared to last year's cash flow of \$702.0 million. After net capital expenditure of \$502.0 million, licence fee payments of \$345.0 million, dividend payments of \$269.5 million, net investment payments of \$198.7 million, cash injections from non-controlling interests of \$72.4 million and the effect of exchange rates, the Group's net debt position (excluding working capital cash of \$144.3 million) at 30 June 2015 was \$2,465.3 million, consisting of total debt of \$2,662.0 million and cash (excluding working capital cash) of \$196.7 million.

At 30 June 2015, total liquidity, excluding working capital cash of \$144.3 million, was \$1,674.5 million, represented by \$196.7 million in available cash and \$1,477.8 million in committed undrawn facilities.

Crown has undertaken a number of significant refinancing tasks to maintain liquidity and extend maturities:

- In April 2015, Crown raised \$630 million through a subordinated notes issue;
- In November 2014, Crown issued \$450 million of Medium Term Notes maturing in November 2019; and
- During the period Crown increased one of its syndicated bank facilities from \$375 million to \$500 million and extended the maturity date from July 2019 to July 2020.

As part of Crown's ongoing capital management strategy, Crown will continue to explore both capital markets and bank markets to finance anticipated growth projects.

CORPORATE COSTS

During the period corporate costs were \$107.3 million which was \$51.4 million above the pcp. These costs include Crown's share of the costs of the production of a short promotional film, costs associated with the Queen's Wharf Brisbane project, other business development costs and the Crown Resorts Foundation. The Crown Resorts Foundation provides support for organisations that are working to improve the education, life skills and ultimately the employment prospects of young Australians, with a particular focus on the Arts and providing opportunities for Indigenous Australians.

INTEREST EXPENSE

The total net interest expense for the year was \$112.3 million, an increase of \$13.3 million on the pcp. This reflects higher net debt levels, partially offset by higher capitalised interest relating to Crown Towers Perth and Crown Sydney projects.

SIGNIFICANT ITEMS

Significant items of \$61.3 million during the year consist of asset impairments relating primarily to Crown's investment in Cannery and costs associated with the proposed project in Sri Lanka, which has now been discontinued.

DIVIDEND

Crown has declared a final dividend on ordinary shares of 19 cents per share, franked to 50%, payable to shareholders registered at 5.00pm on Friday 25 September 2015. The dividend is due to be paid on Friday 9 October 2015. No part of the unfranked portion of the dividend will consist of conduit foreign income.

ENDS

Financial Media Enquiries – Ken Barton, Chief Financial Officer, 03 9292 8824.

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COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Crown are available at Crown's website at www.crownresorts.com.au



CROWN GROUP RESULT
Twelve Months ended 30 June 2015

Normalised Results ⁽¹⁾				Actual Results ⁽²⁾		
12 mths ended June 2015	12 mths ended June 2014	% movement on Normalised		12 mths ended June 2015	12 mths ended June 2014	% movement on Actual
\$ M	\$ M			\$ M	\$ M	
<u>3,404.5</u>	<u>2,935.4</u>	16.0%	OPERATING REVENUE ⁽³⁾	<u>3,465.6</u>	<u>3,078.8</u>	12.6%
824.9	782.7	5.4%	EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & SIGNIFICANT ITEMS	778.1	878.2	(11.4)%
<u>(262.9)</u>	<u>(244.9)</u>		Depreciation & Amortisation	<u>(262.9)</u>	<u>(244.9)</u>	
562.0	537.8	4.5%	EARNINGS BEFORE INTEREST, TAX & SIGNIFICANT ITEMS	515.2	633.3	(18.6)%
<u>(112.3)</u>	<u>(99.0)</u>		Net Interest Income / (Expense)	<u>(112.3)</u>	<u>(99.0)</u>	
449.7	438.8	2.5%	PROFIT BEFORE TAX & SIGNIFICANT ITEMS	402.9	534.3	(24.6)%
<u>(92.2)</u>	<u>(86.6)</u>		Taxation	<u>(85.3)</u>	<u>(116.0)</u>	
357.5	352.2	1.5%	PROFIT AFTER TAX & BEFORE SIGNIFICANT ITEMS	317.6	418.3	(24.1)%
<u>161.3</u>	<u>287.8</u>		Equity Accounted Profit / (Loss)	<u>122.0</u>	<u>284.2</u>	
518.8	640.0	(18.9)%	NET PROFIT AFTER TAX	439.6	702.5	(37.4)%
<u>6.7</u>	<u>0.0</u>		Non-controlling interest	<u>6.7</u>	<u>0.0</u>	
<u>525.5</u>	<u>640.0</u>	(17.9)%	NET PROFIT ATTRIBUTABLE TO PARENT BEFORE SIGNIFICANT ITEMS	<u>446.3</u>	<u>702.5</u>	(36.5)%
			Significant items net of tax ⁽⁴⁾	<u>(61.3)</u>	<u>(46.7)</u>	
			NET PROFIT ATTRIBUTABLE TO PARENT	<u>385.0</u>	<u>655.8</u>	(41.3)%

(1) Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and pre-opening costs. The difference between reported NPAT before significant items of \$446.3 million and normalised NPAT of \$525.5 million is due to a below theoretical result at Crown Aspinall's of \$61.0 million and an adjustment to the equity accounted share of NPAT from MCE of \$39.3 million to exclude the impact of a below theoretical win rate on VIP play and pre-opening costs, partially offset by an above theoretical result on VIP program play in Crown's Australian casinos of \$21.1 million.

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

(3) Operating revenue excludes interest revenue.

(4) Current year significant items consist of asset impairments relating primarily to Crown's investment in Cannery. Prior year significant items of \$46.7 million consists of legal settlement costs and an asset impairment charge.