



**ASX / MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
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**CROWN LIMITED  
2009 ANNUAL GENERAL MEETING  
CHIEF EXECUTIVE OFFICER'S ADDRESS  
ROWEN CRAIGIE**

Thank you, James. Welcome everyone.

This morning I will provide you with an overview of Crown's 2009 financial results; further information on the major capital expenditure programs currently underway at Crown Melbourne and Burswood; an update on Macau and I will conclude with a summary of recent trading at our Australian casinos.

**OVERVIEW OF THE 2009 TRADING RESULT**

The full details of Crown's results for the 2009 financial year were provided in our ASX release and presentation in August and in our annual report which was sent to shareholders earlier this month.

By way of an overview, the 2009 result was marked by the strong performance of our Australian casinos, but significant write-downs of our North American investments.

Normalised NPAT was \$280.7 million which was driven primarily by the superior performance of our Australian casinos. Both Burswood and Crown Melbourne achieved solid growth despite a challenging domestic and international environment and disruption from the continuing refurbishment program at both properties.

Crown reported a net loss of \$1.2 billion after write-downs and other non recurring items of \$1.44 billion. The write-downs were primarily due to the major adverse impact of the global financial crisis on the North American casino industry which has impacted the carrying value of our North American investments.

Despite these write-downs, Crown has one of the strongest balance sheets of any gaming company in the world with a comparatively low net debt of around \$540 million at 30 June 2009 and low gearing with a net debt to EBITDA ratio of 0.9 times, as James has just outlined.

Across our two Australian casinos, normalised revenue increased by 6.8% to \$2,163.7 million and normalised EBITDA grew 4.8% to \$658.9 million. Main floor gaming revenue grew approximately 7% and this growth was achieved consistently throughout the period. However, non-gaming operations were adversely impacted by the downturn in the Australian corporate sector and achieved little growth. Hotel bookings, conference and banqueting bookings and entertainment shows all suffered, and offset otherwise solid growth in the retail and leisure segments of our non-gaming operations.

The margin on our domestic business was maintained at both properties.

Despite increased international competition, VIP program play revenue (at the theoretical win rate of 1.35%) grew 13.2% with turnover at both casinos hitting all time records and totalling \$34.8 billion.

The win rate on VIP program play at Crown Melbourne of 1.48% was above the theoretical or expected long-term win rate of 1.35% resulting in a positive variance to theoretical EBITDA of \$27 million. The win rate on VIP program play at Burswood of 1.34% was close to theoretical (1.35%).

## **CAPITAL PROJECTS - CROWN MELBOURNE AND BURSWOOD**

I would like to take this opportunity to give shareholders an update on the significant capital expenditure program that's under way here at Crown Melbourne and at Burswood. These projects are progressing on time and on budget and we are confident they will supplement earnings growth and further enhance the facilities at both properties. We are carefully staging these works to minimise disruption to the customer experience although some impact is unavoidable.

I will start first with Crown Melbourne where Crown Metropol, the third hotel in the Crown Melbourne precinct, is on budget and is expected to open one month early in April 2010. The addition of the 658 hotel room Crown Metropol will give this complex more hotel rooms than any other hotel complex in Australia, a total of 1,600 rooms.

The upgrade of the standard hotel rooms in Crown Towers was completed in July 2009 and the Crown Conference Centre, which is adjacent to Crown Promenade is scheduled to open in December 2009.

A re-developed food and beverage area at the western end of the property was opened progressively from May through to July 2009.

Preliminary work has commenced on an upgrade of the Teak Room, the Mahogany Room and the VIP gaming salons to help ensure Crown Melbourne remains competitive with the world's best VIP gaming facilities.

The refurbishment of the main casino floor is almost 50% complete. The remaining refurbishment projects have been programmed over the next two to three years.

The redevelopment of Crown Melbourne has already generated revenue improvements for the business and will continue to drive growth as the balance of the program is completed.

The next two slides display photographs of Crown Metropol, which is due to open in April 2010, images of the Crown Conference Centre, the western gaming precinct and the new food and beverage precinct at the western end of the property. The slide also displays images of the new standard rooms and bathrooms at Crown Towers.

Burswood is also in the midst of a significant capital expenditure program.

The refurbishment of the main casino floor of the Burswood casino is well advanced (approximately 70% complete) with major projects opening during the year including the Meridian room, a VIP gaming machine room which will complement the existing VIP high limit gaming room, a new casino entrance, new poker room and the new main casino gaming floor bar, Mesh. Carvers Buffet and Snax Café which is located immediately adjacent to the gaming floor opened in August 2009.

Work is also underway on a third VIP suite and refurbishment of the InterContinental Club Rooms and River Suites as well as the continued refurbishment of the main floor gaming areas.

These completed projects have started contributing to Burswood's revenue growth and further growth is expected as the remaining areas are refurbished.

The next two slides display photographs of the new casino entrance at Burswood, the VIP infinity suites and Mesh; a contemporary bar and meeting place on the main gaming floor and an artist's impressions of the central casino refurbishment and two new restaurants that will be located adjacent to the gaming floor.

## **MACAU**

Let me move now to Macau. Crown's investment in Macau is through Melco Crown Entertainment, a company in which Crown has a 33.5% stake and which is one of six licence holders in Macau. Macau enjoys a remarkable position being within a 2,500 mile radius of over 2 billion people and being the only place in China where casino gaming is legal.

The first phase of City of Dreams opened in June and is Melco Crown's flagship integrated casino and leisure resort. The 800 room Grand Hyatt Hotel opened in late September 2009, and when fully on-line, will provide City of Dreams with its full complement of 1,400 hotel rooms.

Melco Crown's other casino in Macau, the Asian VIP focused Altira Macau, has not seen any meaningful cannibalisation of its VIP volumes following the opening of City of Dreams.

Recent data indicates that the business environment in Macau is improving. Gaming revenues were up year on year in July, August and September 2009 (the first monthly increases since November 2008) and October will also deliver good year on year growth being boosted by the "Golden Week" holiday in China.

This slide provides an analysis of quarterly gaming revenue from Q1 in 2006 to Q3 2009. Overall, gaming revenue in Macau has grown at a compound annual growth rate of 26.5% since the first quarter of 2006. This graph illustrates the decline in revenue that was experienced across the 2009 financial year, however you will note the improvement in revenue in the first quarter of this current financial year.

A regulated and enforceable junket commission cap of 1.25% is in the process of being introduced by the Macau Government which should improve casino margins for VIP operations in Macau.

Melco Crown raised additional equity of US\$180 million in April 2009 and a further US\$220 million in August 2009, both by way of institutional placements. These follow on capital raisings have further strengthened Melco Crown's balance sheet. Melco Crown's capital expenditure at City of Dreams is essentially finished following the completion of the Grand Hyatt Macau in September 2009.

The next slide provides an overview of the facilities offered at City of Dreams. The initial phase of City of Dreams features approximately 520 gaming tables and 1,350 gaming machines.

This slide displays three perspectives on City of Dreams including on the left the Crown Towers Hotel, in the centre a night time photograph of the broader complex and on the right the Hard Rock at City of Dreams with the Grand Hyatt in the background.

## **PRODUCTIVITY COMMISSION**

I wanted to take the opportunity to make some comments on the draft Report on Gambling released by the Productivity Commission last week.

This has already been the subject of some political and media comment.

Let me say firstly that it is a 650 page document which requires careful reading and analysis. Also, it is a DRAFT report upon which the Productivity Commission has invited further submissions. The final report is not due to be provided to the Federal Government by the Commission until February 2010.

The draft Report does recognise that casinos are different to pubs and clubs for the reasons James spoke about.

I would also like to make the point that several of the draft recommendations dealing with problem gambling, have already been in operation in some form here at Crown for many years. James spoke about these earlier. For example, Crown Melbourne's Play Safe program, which allows Crown Club members to set time and loss limits on their gaming machine play. Crown Melbourne has extensive warnings about responsible gaming on its gaming machines and on the gaming floor. ATMs at Crown Melbourne and Burswood are already positioned away from the gaming floor.

Crown is continuing to analyse the draft report and will continue to participate in the Productivity Commission process.

## **CURRENT TRADING**

Now, let me move on to a trading update for Crown Melbourne and Burswood.

I'm pleased to inform you that recent trading at our Australian casinos continues to exhibit solid growth. Across Crown Melbourne and Burswood, combined revenue from main floor gaming (excluding VIP commission program play) from 1 July to 21 October is up about 4% on the previous corresponding period last year. Non gaming revenue across both properties has recovered somewhat from last financial year and is now up about 5% over this same period compared to last year.

While a few domestic customer segments continue to exhibit some signs of softness (and in particular I refer to some corporate events and corporate hotel bookings), these impacts have been offset by growth in other customer segments such as consumer and leisure bookings.

VIP program play turnover across the two casinos is up about 5% over the comparable period which is pleasing given the strength of last year's first half international activity.

## **IN CONCLUSION**

Crown's Australian casinos continue to perform well and drive Crown's growth. They are currently amongst the best performing casinos in the world. The ongoing refurbishment and expansion programs will enhance revenue growth into the future.

There are indications that the business environment in Macau is improving. We see long term potential for the Macau market growth given its exposure to China.

Crown has one of the strongest balance sheets of any global gaming company.

Crown management's focus will be on continuing to maximise the performance at Crown Melbourne and Burswood and effectively managing the substantial refurbishments and capital expenditure programs presently underway across both properties.

Additionally we will be working with Melco Crown to further build the value of its Macau business.

We will also be working with our JV partners to optimise the value of Crown's other international investments.

Thank you very much for coming along today. I will now hand back to James.

## **ENDS**

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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.crownlimited.com](http://www.crownlimited.com).