

Crown Limited 2013 Full Year Results Presentation

23 August 2013



Crown Limited Results Overview

- Normalised¹ NPAT before significant items up 14.0% to \$473.2 million
- Reported NPAT before significant items down 4.3% to \$491.0 million
- Significant items after tax of \$95.2 million represents the loss on the disposal of Crown's investment in Echo (\$69.6 million) and Crown's share of costs associated with Melco Crown Entertainment's (MCE) refinancing and development costs (\$25.6 million)
- Reported NPAT of \$395.8 million after significant items, down 22.9%
- Australian resorts performance:
 - Normalised EBITDA up 6.9% to \$787.5 million
 - Reported EBITDA down 5.7% to \$787.9 million due to a lower VIP program play win rate compared to last year
 - Normalised revenue up 5.6% to \$2,776.3 million
 - Main floor gaming revenue up 3.6%
 - VIP program play turnover up 7.8%
 - Non-gaming revenue up 8.1%
- MCE's results were strong and a major contributor to the growth in Crown's normalised NPAT
 - Crown's equity accounted share of MCE's normalised NPAT result was \$152.3 million
- Crown Aspinall's normalised EBITDA of \$33.3 million, reported EBITDA of \$26.5 million
- Final dividend of 19 cps announced (total full year dividend of 37 cps)

1. Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and excludes significant items. 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 gaming revenue.

Crown Limited Group Result

	F13 Normalised \$m	F12 Normalised \$m	Variance F/(U)	F13 Actual \$m	F12 Actual \$m	Variance F/(U)
Crown Melbourne EBITDA	546.7	510.6	7.1%	547.1	564.2	(3.0%)
Crown Perth EBITDA	240.8	226.3	6.4%	240.8	270.9	(11.1%)
Crown Aspinall's EBITDA	33.3	20.6	61.7%	26.5	1.7	1,458.8%
Corporate costs (net)	(62.5)	(35.5)	(76.1%)	(62.5)	(35.5)	(76.1%)
EBITDA	758.3	722.0	5.0%	751.9	801.3	(6.2%)
Depreciation and amortisation	(238.1)	(218.3)	(9.1%)	(238.1)	(218.3)	(9.1%)
EBIT	520.2	503.7	3.3%	513.8	583.0	(11.9%)
Net interest	(120.4)	(102.1)	(17.9%)	(120.4)	(102.1)	(17.9%)
Income tax	(77.4)	(81.8)	5.4%	(75.9)	(106.5)	28.7%
Equity accounted - Melco Crown Entertainment	152.3	92.1	65.4%	175.0	135.8	28.9%
- Betfair	(1.5)	3.1	(148.4%)	(1.5)	3.1	(148.4%)
Net Profit before significant items	473.2	415.0	14.0%	491.0	513.3	(4.3%)
<u>Significant items</u>						
Loss on disposal of Echo investment (net of tax)	-	-	-	(69.6)	-	N/A
Crown's share of MCE's development and refinancing costs	-	-	-	(25.6)	-	N/A
Net Profit after significant items	473.2	415.0	14.0%	395.8	513.3	(22.9%)

Crown Melbourne and Crown Perth Results

Normalised F13

	Crown Melbourne \$m	Variance F/(U)	Crown Perth \$m	Variance F/(U)	Australian Casinos \$m	Variance F/(U)
Main floor gaming	1,000.8	0.9%	483.5	9.7%	1,484.3	3.6%
VIP program play	525.2	9.2%	159.4	3.3%	684.6	7.8%
Non-gaming	392.1	5.4%	215.3	13.3%	607.4	8.1%
Total Revenue (Normalised)	1,918.1	4.0%	858.2	9.3%	2,776.3	5.6%
Gaming taxes & commissions	(606.8)	(4.4%)	(203.1)	(3.6%)	(809.9)	(4.2%)
Operating expenses	(764.6)	(1.5%)	(414.3)	(14.2%)	(1,178.9)	(5.6%)
EBITDA	546.7	7.1%	240.8	6.4%	787.5	6.9%
Depreciation & amortisation	(177.2)	(5.1%)	(57.0)	(24.2%)	(234.2)	(9.2%)
EBIT	369.5	8.0%	183.8	1.9%	553.3	5.9%
EBITDA / revenue %	28.5%	0.8%	28.1%	(0.8%)	28.4%	0.3%
Total revenue (actual)	1,921.5	1.3%	853.9	1.5%	2,775.4	1.3%
VIP turnover \$ billion	38.9	9.2%	11.8	3.3%	50.7	7.8%
VIP win rate (1.35% theoretical)	1.36%		1.31%		1.35%	

Crown Aspinall's Results

	F13 Normalised \$m	F12 Normalised \$m	Variance F/(U)	F13 Actual \$m	F12 Actual \$m	Variance F/(U)
Total revenue	114.8	92.8	23.7%	107.0	54.5	96.3%
Total expenses	(81.5)	(72.2)	(13.0%)	(80.5)	(52.8)	52.5%
EBITDA	33.3	20.6	61.7%	26.5	1.7	1,458.8%
Depreciation & amortisation	(1.1)	(1.2)	10.2%	(1.1)	(1.2)	10.2%
EBIT	32.2	19.4	65.8%	25.4	0.5	4,980.0%
EBITDA / revenue %	29.0%	22.2%	6.8%	24.8%	3.1%	21.7%
VIP turnover (billion)	8.6	5.6	53.4%	8.6	5.6	53.4%
VIP win rate ¹	1.33%	1.64%		1.24%	0.95%	

1. Crown Aspinall's normalised VIP win rate based on the mix of play during the period.

Property Update: Crown Melbourne

Jimbo & Rex, Man Tong Kitchen, Gochi and Margo's

Jimbo & Rex



Man Tong Kitchen



Gochi



Margo's



Property Update: Crown Perth

Main Gaming Floor, La Vie, Infinity Suite and Bistro Guillaume

Main Gaming Floor



La Vie



Infinity Suite



Bistro Guillaume



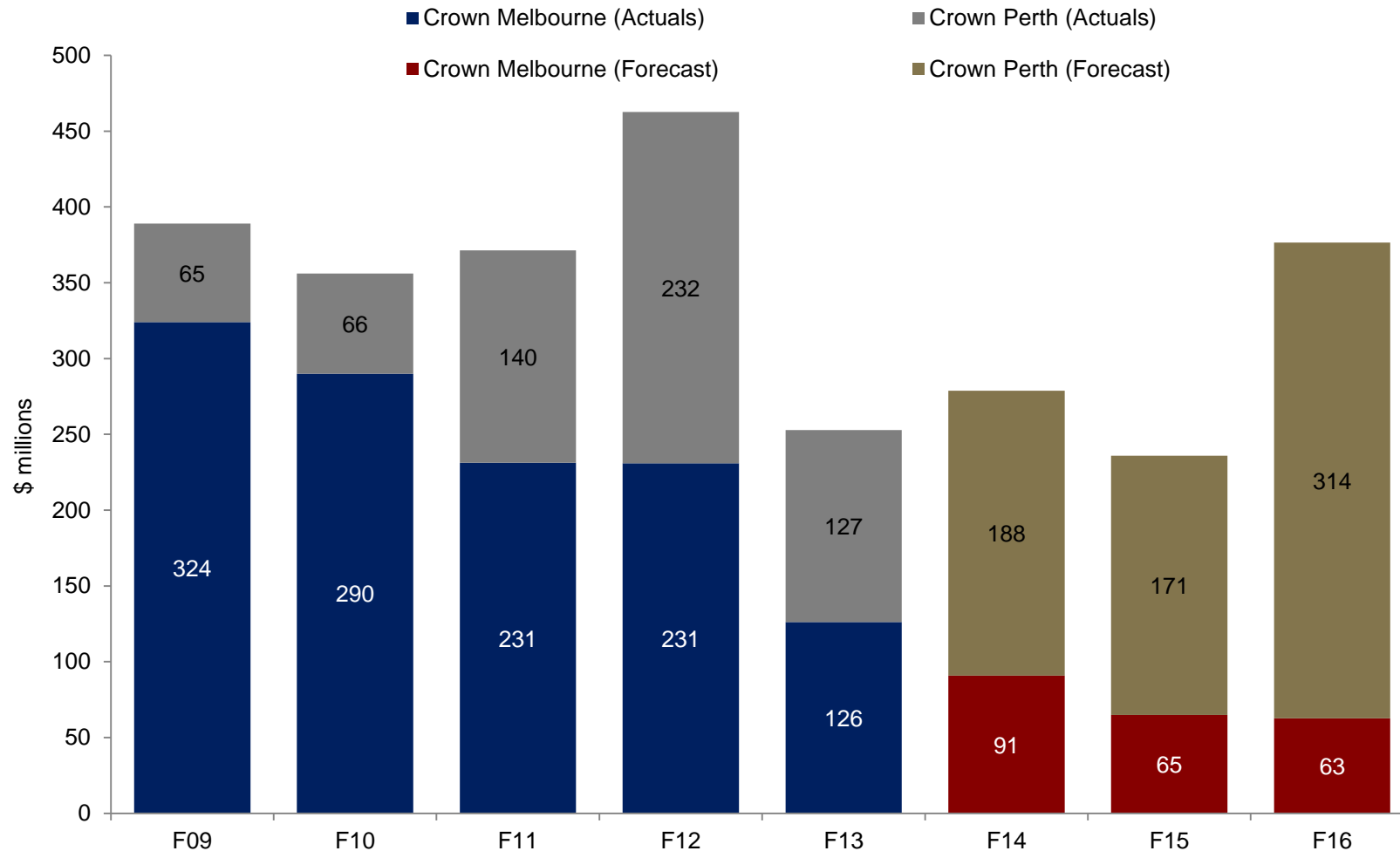
Property Update: Crown Perth

Crown Towers Perth and Multi-Storey Car Park



Investment in Large Scale Tourism Attractions

From F09 to F16 Crown will have undertaken over \$2.7 billion of capital expenditure projects



Crown Sydney Proposal

- In July 2013, the New South Wales Government invited Crown to move to Stage Three of the Unsolicited Proposal process for Crown's proposed development and operation of a six-star hotel resort including VIP gaming facilities at Barangaroo South on Sydney Harbour
- The proposed Crown Sydney Hotel Resort will be Sydney's first six-star hotel resort
- Crown's proposal includes 350 hotel rooms and suites, 80 luxury apartments, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities
- Crown is in the process of finalising the design of the hotel resort



- Crown's share of MCE's normalised NPAT result for the full year to June 2013 was \$152.3 million. Crown's share of MCE's reported NPAT result for the period, before significant items, was an equity accounted profit of \$175.0 million
- During the year MCE issued a US\$1 billion senior note offering at a 5.0% coupon, allowing MCE to, among other things, refinance MCE's existing US\$600 million 10.25% senior notes
- MCE incurred costs in respect of the debt refinance and costs associated with the Studio City and Philippines development projects. Crown's share of these costs was \$25.6 million which has been reported as a significant item
- The growth in MCE's EBITDA was achieved despite an overall subdued performance in the Macau VIP market and was attributable to strong growth in the mass market table games segment at City of Dreams, improved group-wide rolling chip volume, together with MCE's committed cost control culture
- MCE are moving forward with the fifth hotel tower at City of Dreams and anticipate construction to commence by the end of 2013

MCE Development Pipeline

Studio City, Cotai

- MCE has a 60% equity interest in Studio City – a new integrated resort project located on Cotai in Macau
- The project will be financed through a US\$1.4 billion senior secured facility and an US\$825 million senior note offering, as well as committed equity from Studio City shareholders
- Studio City remains on track to open in mid-2015



Manila, Philippines

- MCE, through a 69.3% owned subsidiary, has an interest in a consortium to develop and operate a casino resort in Manila, the Philippines
- The project will be financed by both debt financing and the capital generated by the Melco Crown Philippines public equity raising undertaken in April 2013, which raised approximately US\$335 million
- The project is expected to open mid-2014



Aspers Group

- The Aspers Group casino in Stratford, London, was impacted by disruptions arising from the staging of the London Olympics, however trading results in the second half of the year have improved
- The fit out of a new casino in Milton Keynes, London, is underway and the casino is expected to open in September 2013

Betfair

- Crown's equity accounted share of Betfair's loss was \$1.5 million

Cannery

- Crown continues to hold a 24.5% equity share in Cannery. Crown did not receive a distribution of any profits or recognise any earnings from Cannery during the period

Echo

- Crown sold its shareholding in Echo in May 2013. This resulted in an after tax loss of \$69.6 million which has been reported as a significant item

Debt Structure

Nature of Facility	30 Jun 13 \$m	31 Dec 12 \$m	30 Jun 12 \$m
Bank debt	412.3	757.6	1,324.6
Finance Lease Liability	11.4	-	-
Capital market debt - EMTN	174.6	174.6	174.6
- USPP (\$US200m)	218.9	192.4	195.5
- AMTN	300.0	300.0	-
- Subordinated Notes ¹	518.1	517.9	-
Total Outstanding Debt	1,635.3	1,942.5	1,694.7
Less available cash ²	(87.0)	(52.2)	(6.0)
Net Debt	1,548.3	1,890.3	1,688.7

- Committed un-drawn bank facilities of \$1,126.6 million at 30 June 2013
- Weighted Average Maturity : 4.7 years
- Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB – all stable

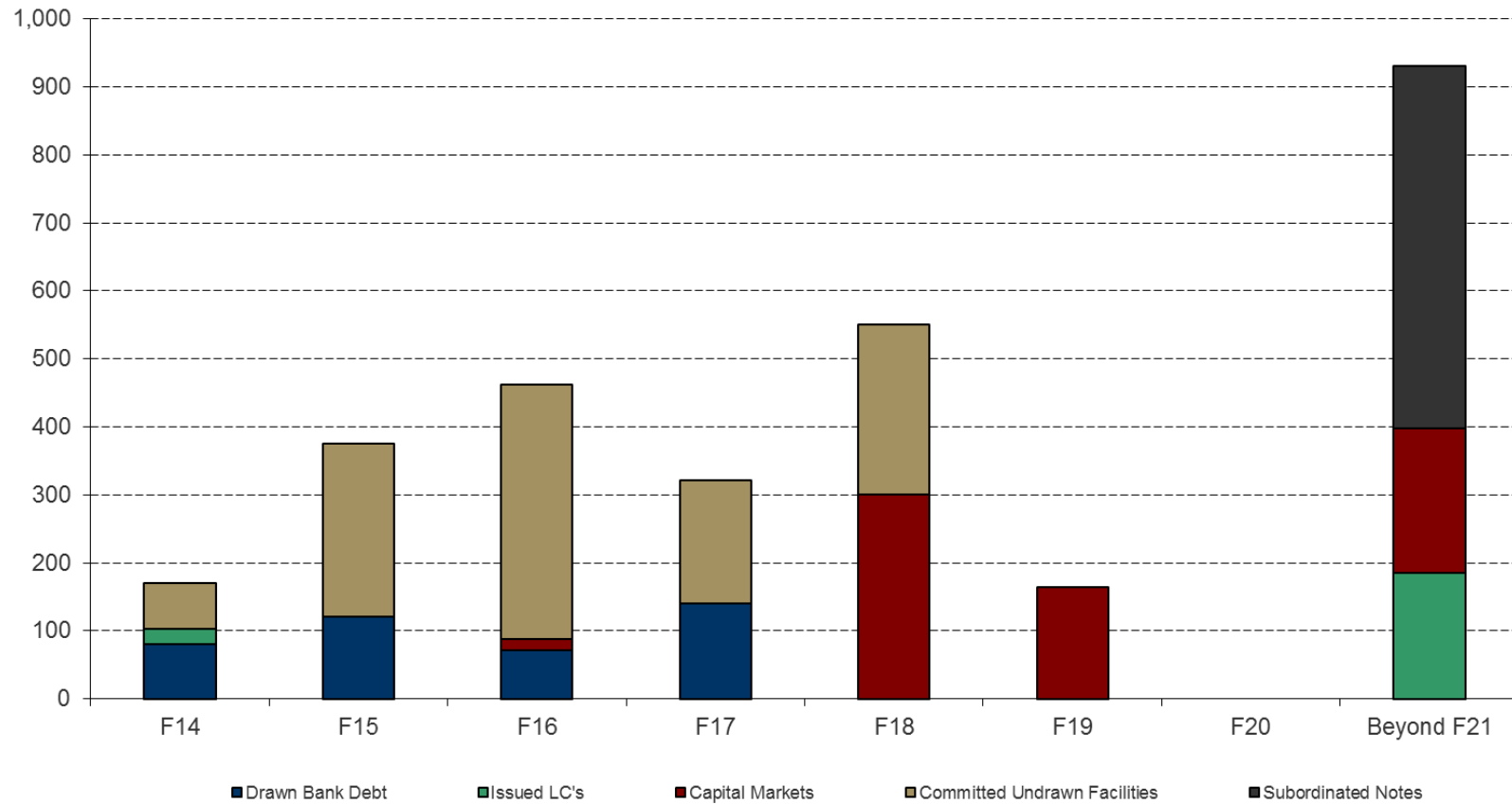
1. Net of unamortised transaction costs.

2. Available cash refers to the closing cash balance of \$205.5 million (Dec 2012: \$205.9 million, June 2012: \$149.4 million) less working capital cash of \$118.5 million (Dec 2012: \$153.7 million, June 2012: \$143.4 million). The working capital cash refers to cash held on the premises and in bank accounts for day-to-day operations of the businesses.

- Crown's capital management strategy targets an efficient capital structure with sufficient liquidity and flexibility to support its strategy and maintain its current investment grade credit ratings
- Crown has undertaken a number of significant refinancing tasks to maintain liquidity and extend maturities:
 - Crown completed a \$300 million five-year bond issue in August 2012
 - Crown raised \$532 million through a subordinated notes issue in September 2012
 - Crown completed the refinancing of its two bank facilities that were to mature in July 2013 into one new \$500 million syndicated facility in November 2012

Debt Maturity Profile

Crown Limited Debt Maturity Profile at 30 June 2013



Operating Cash Flow

\$m	F13	F12
Normalised EBITDA	758.3	722.0
Win rate variance	(6.4)	79.3
Reported EBITDA	751.9	801.3
Working capital movements	(35.7)	(64.1)
Cash Flow Generated by Operations	716.2	737.2
Net interest	(128.2)	(115.3)
Dividends received	3.3	4.6
Income tax payments	(95.1)	(55.8)
Operating Cash Flow	496.2	570.7

Group Net Cash Flow

\$m	F13	F12
Operating Cash Flow	496.2	570.7
Capital expenditure (net) ¹	(253.4)	(463.9)
Investments (net)	184.4	(285.7)
Cash Flow before Financing Activities	427.2	(178.9)
Net borrowings	(107.6)	614.8
Share buy-back	-	(238.1)
Dividends paid	(269.5)	(272.7)
ESP proceeds received	-	39.3
Effect of exchange rates on cash	6.0	1.3
Net increase / (decrease) in cash	56.1	(34.3)
Closing Cash ²	205.5	149.4

1. Net of proceeds from sale

2. Includes \$118.5 million (Jun 2012: \$143.4 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

Australian Resorts

- Overall, the results for Crown's wholly-owned Australian resorts, Crown Melbourne and Crown Perth, were mixed. The expansion of Crown Perth's gaming floor to accommodate new gaming product was a significant source of growth. Crown Melbourne was impacted by weak consumer sentiment and the effects of refurbishment disruption. A comprehensive review of back of house costs and front of house operational efficiency is continuing

Melco Crown Entertainment

- MCE reported strong results for the twelve months to June 2013 particularly in premium mass market
- MCE believes the Studio City and Philippines projects are key components of their strategy to maximise return on invested capital and drive long term shareholder value

Management Focus

- Optimising the performance of the Australian casinos resorts including cost control and margins
- Managing Crown Towers Perth development and construction and completing the final stages of other capital expenditure projects
- Progressing the Crown Sydney Hotel Resort proposal
- Assisting MCE with the Studio City and Philippines projects

- All information provided in this presentation is provided as of the date stated or otherwise as of the date of the presentation.
- This presentation may include forward looking statements. Forward looking statements, by their nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are beyond Crown's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative.
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- Non-IFRS measures have not been subject to audit or review.

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