



# Crown Resorts Limited Annual General Meeting

*20 October 2016*



# Presentation Outline

## ◆ F16 Year in Review





# Crown Resorts Limited Group Result

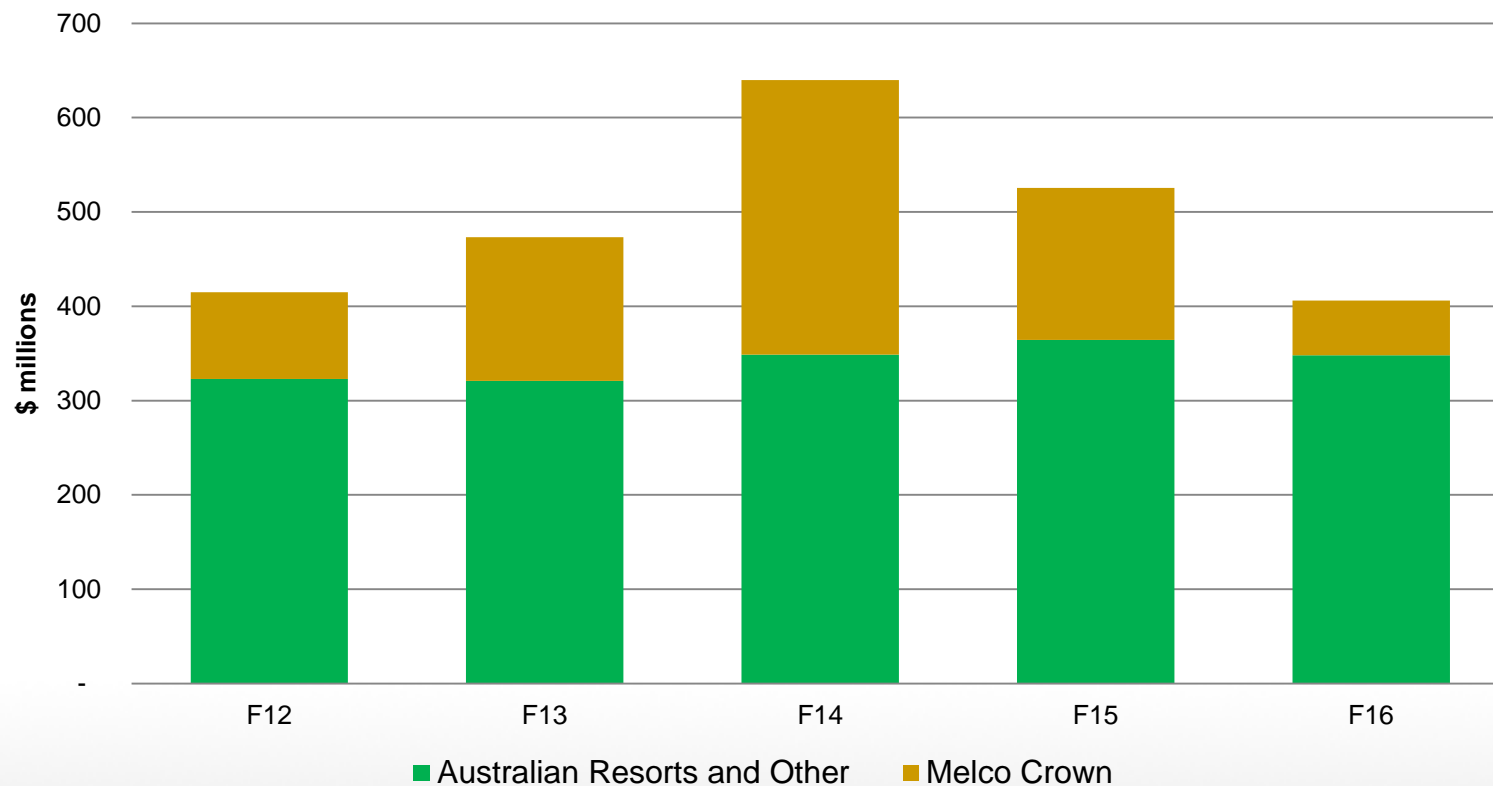


	F16 Normalised \$m	F15 Normalised \$m	Variance F/(U)	F16 Actual \$m	F15 Actual \$m
Australian Resorts EBITDA	933.2	916.5	1.8%	949.2	946.7
Crown Aspinalls EBITDA	26.5	31.7	(16.4%)	16.0	(45.3)
Wagering and Online Social Gaming Operations EBITDA	(5.4)	(16.0)	66.3%	(5.4)	(16.0)
Corporate costs	(98.5)	(107.3)	8.2%	(98.5)	(107.3)
<b>EBITDA</b>	<b>855.8</b>	<b>824.9</b>	<b>3.8%</b>	<b>861.3</b>	<b>778.1</b>
Depreciation and amortisation	(282.7)	(262.9)	(7.6%)	(282.7)	(262.9)
<b>EBIT</b>	<b>573.1</b>	<b>562.0</b>	<b>2.0%</b>	<b>578.6</b>	<b>515.2</b>
Net interest	(141.6)	(112.3)	(26.1%)	(141.6)	(112.3)
Income tax	(87.2)	(92.2)	5.4%	(89.9)	(85.3)
Equity accounted - MCE	58.1	161.3	(64.0%)	42.7	122.0
- Other	(1.4)	0.0	N/A	(1.4)	0.0
<b>NPAT (pre non-controlling and significant items)</b>	<b>401.0</b>	<b>518.8</b>	<b>(22.7%)</b>	<b>388.4</b>	<b>439.6</b>
Non-controlling interest	5.2	6.7	(22.4%)	5.2	6.7
<b>NPAT (pre significant items)</b>	<b>406.2</b>	<b>525.5</b>	<b>(22.7%)</b>	<b>393.6</b>	<b>446.3</b>
Significant items (net of tax)	-	-		555.2	(61.3)
<b>Net Profit - attributable to the parent</b>	<b>406.2</b>	<b>525.5</b>	<b>(22.7%)</b>	<b>948.8</b>	<b>385.0</b>

# Share of Normalised NPAT - Australia v Macau



Earnings were affected by challenging market conditions in Macau which impacted Melco Crown's result. Crown's Australian operations delivered a solid performance.



# Australian Resorts Results

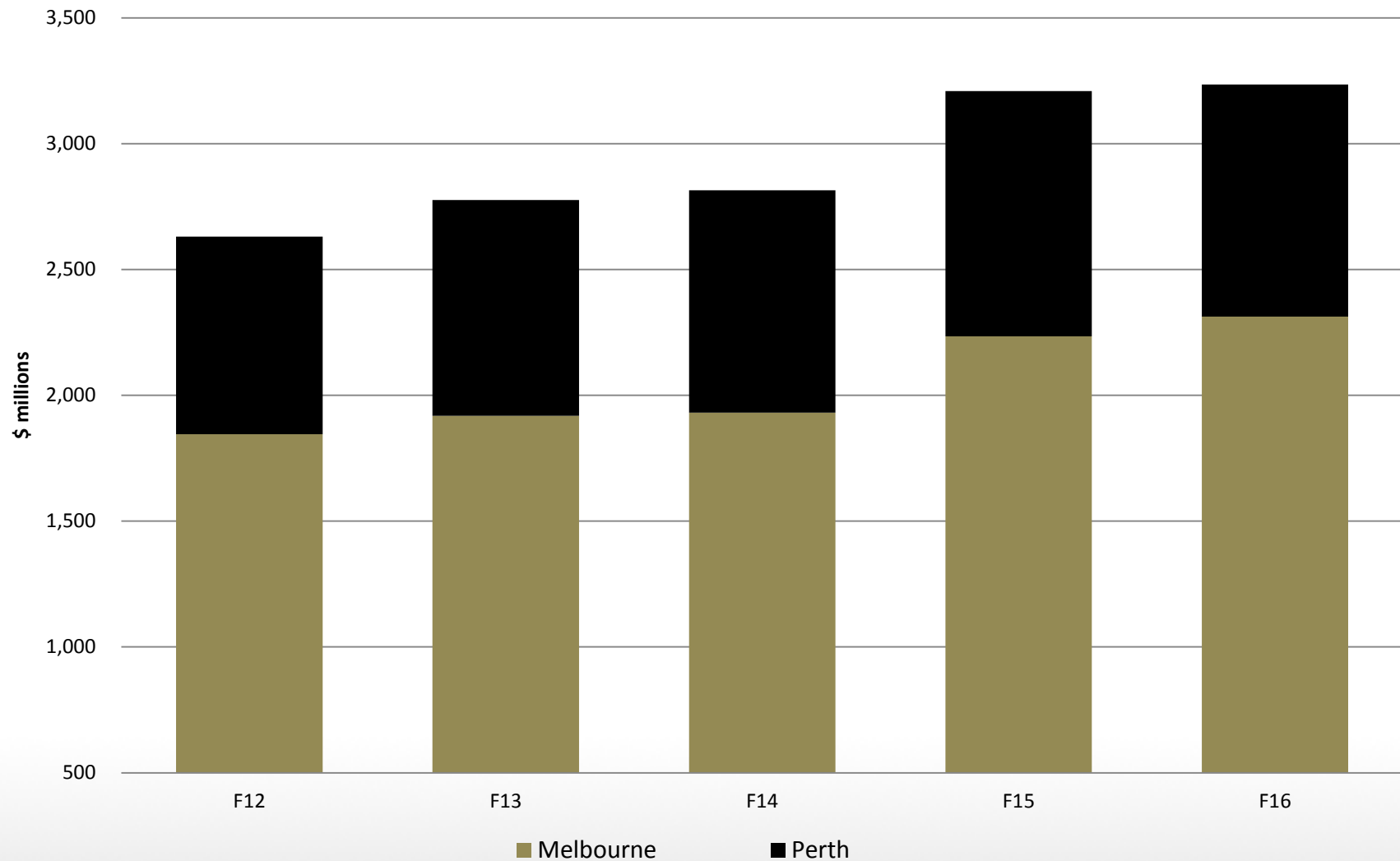
## Normalised F16



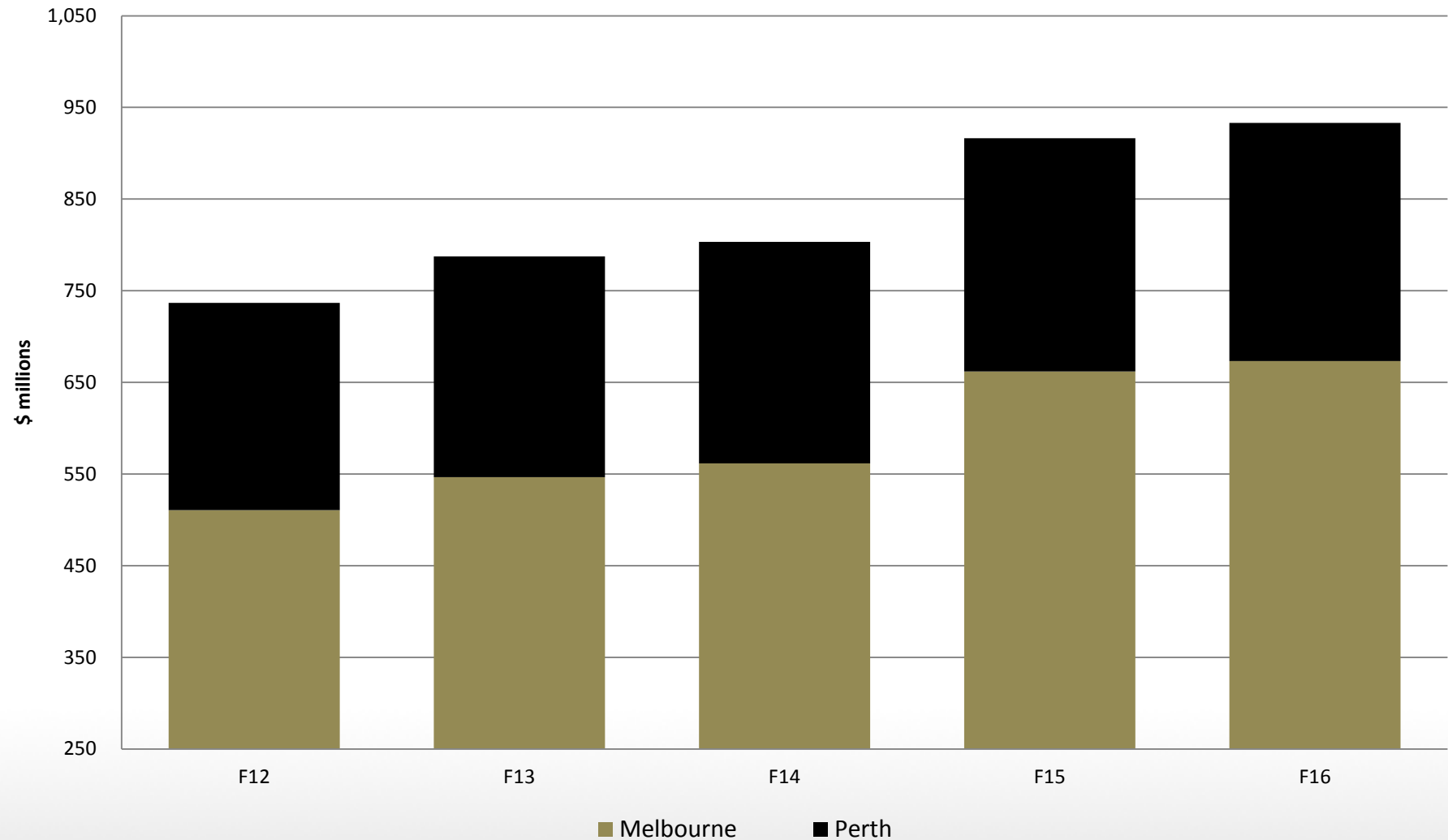
	Australian Resorts \$m	Variance F/(U)
Main floor gaming	1,680.6	5.8%
VIP program play	879.3	(8.0%)
Non-gaming	674.6	1.5%
<b>Total Revenue (Normalised)</b>	<b>3,234.5</b>	<b>0.8%</b>
Gaming taxes, commissions & other	(989.7)	4.5%
Operating expenses	(1,311.6)	(4.3%)
<b>EBITDA</b>	<b>933.2</b>	<b>1.8%</b>
Depreciation & amortisation	(260.9)	(4.0%)
<b>EBIT</b>	<b>672.3</b>	<b>1.0%</b>
EBITDA / revenue %	28.9%	0.3%
Total revenue (actual)	3,277.4	(2.3%)
VIP turnover \$ billion	65.1	(8.0%)
VIP win rate (1.35% theoretical)	1.42%	(0.14%) <sup>1</sup>

1. Represents the difference in win rate to the pcg

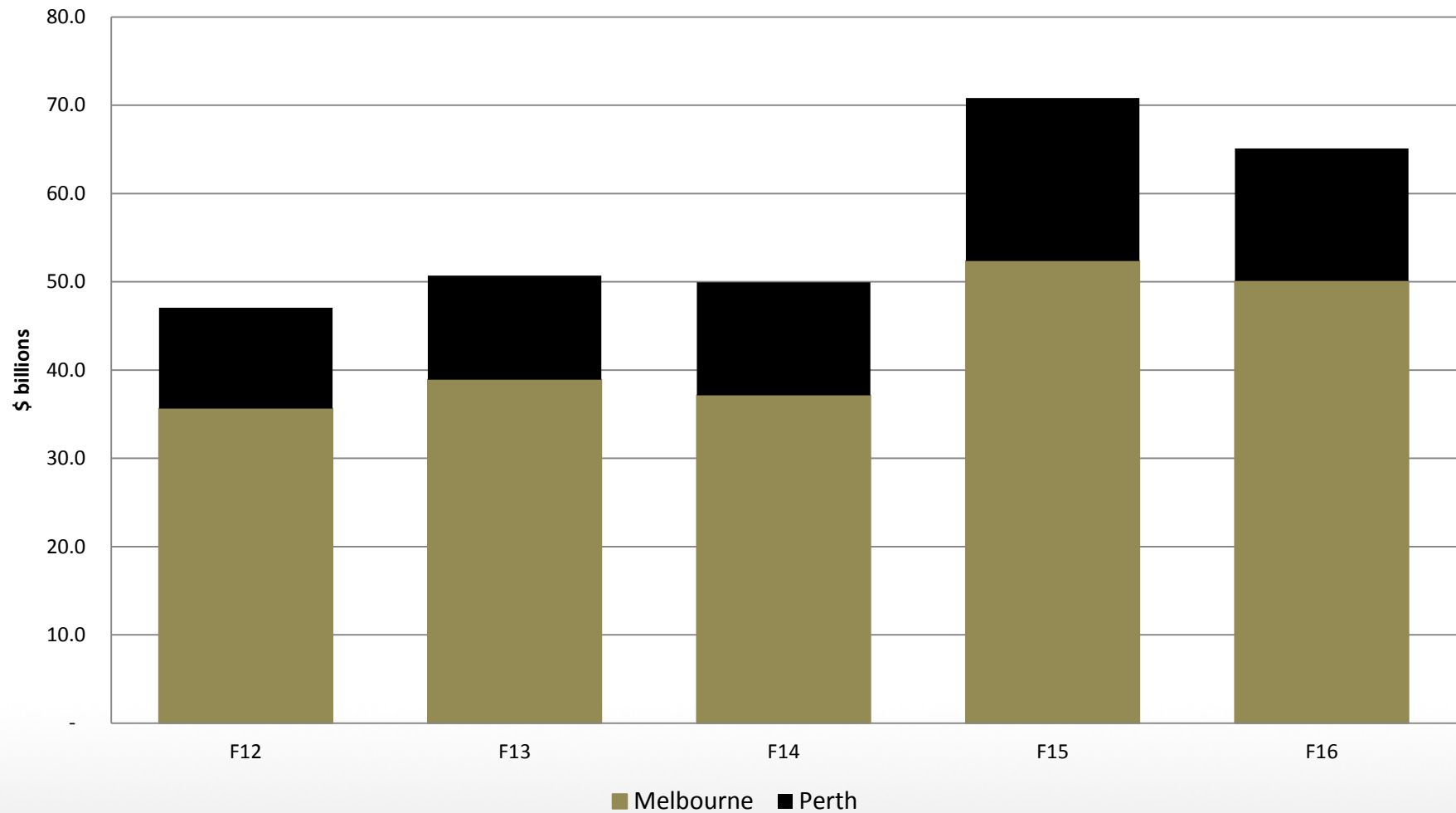
# Australian Resorts – Normalised Revenue



# Australian Resorts – Normalised EBITDA



# Australian Resorts – VIP Turnover





# Other Results



- Normalised EBITDA from Crown Aspinalls, was \$26.5 million, down 16.4% on the previous year
- EBITDA from Crown's wagering and online social gaming operations business was a loss of \$5.4 million. Overall the wagering and online social gaming businesses were profitable in the second half and revenue growth was strong

# Melco Crown Entertainment (MCE)



- ◆ Crown's share of MCE's normalised NPAT for the full year to 30 June 2016 was an equity accounted profit of \$58.1 million, down \$103.2 million or 64.0% on the previous year<sup>1</sup>
- ◆ Crown's share of MCE's reported NPAT result for the year was an equity accounted profit of \$42.7 million, down \$79.3 million or 65.0% on the previous year

1. Crown had a 34.3% interest for the full reporting period in 2015 and 34.3% interest for approximately 10 months and 27.4% for approximately 2 months in 2016

# Significant Items



- ◆ The partial sale of Crown's shares in MCE resulted in a net gain on sale of \$602.0 million, which is reported as a significant item.

	F16 \$m
Net gain on sale of MCE	602.0
Early debt retirements costs (net of tax)	(40.8)
Asset impairment reversal	35.4
Proposed demerger related costs	(9.0)
Tax provision – amended assessments	(32.4)
<b>Significant items net of tax – income / (expense)</b>	<b>555.2</b>

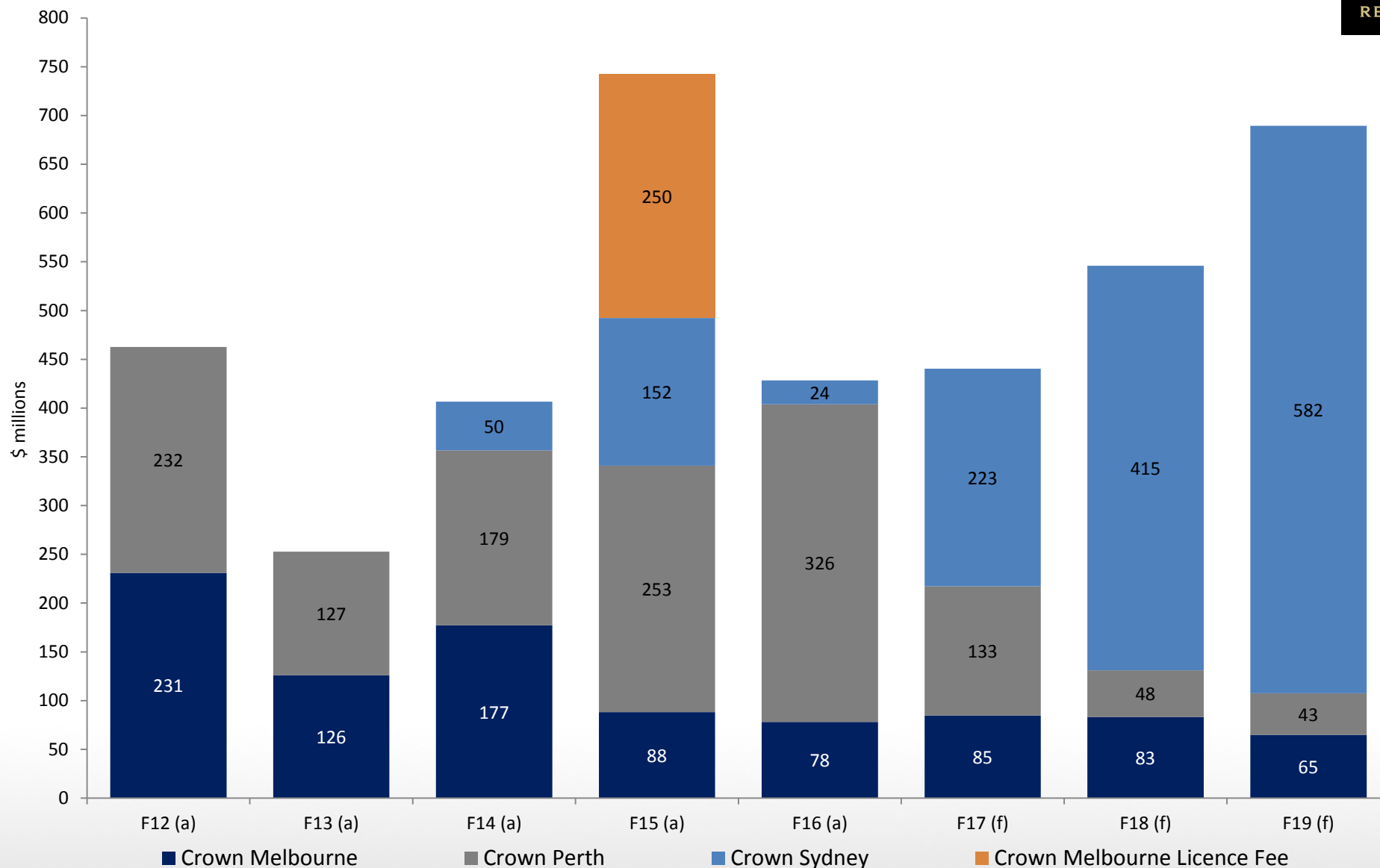
# Recent Trading Update



## 1 July to 16 October 2016

- ◆ Main floor gaming revenue (Australian resorts combined) increased by 1% on the pcp
- ◆ Non-gaming revenue (Australian resorts combined) increased by 5% on the pcp
- ◆ VIP program play turnover has been softer than the prior year across both properties
- ◆ Crown's wagering and online businesses are showing good revenue growth

# Investment in Australian Resorts

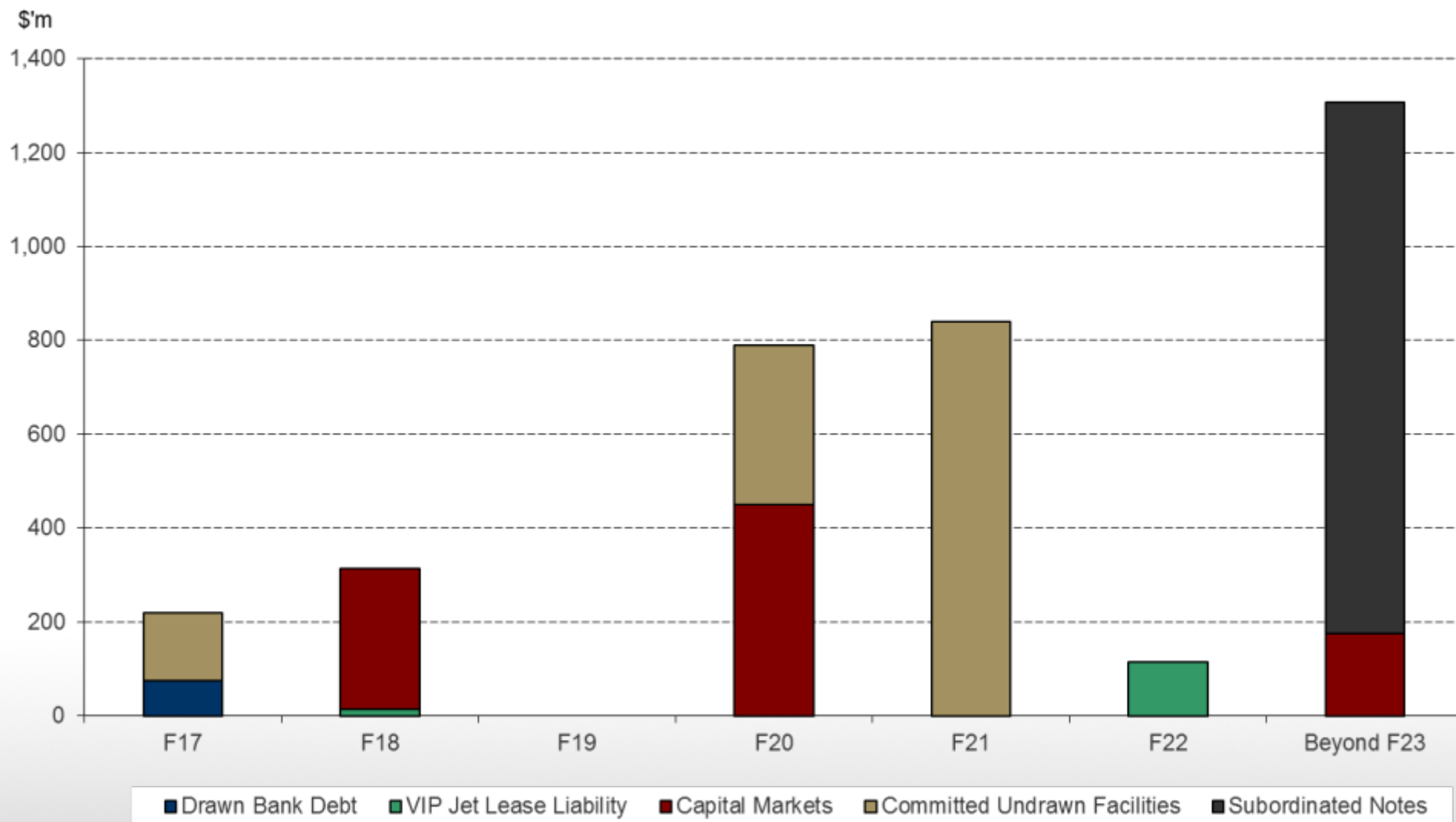


This chart excludes investment in the Alon Las Vegas JV, the Queensbridge Hotel JV with Schiavello, Crown Aspinalls and Crown Wagering and Online social gaming operations

# Debt Maturity Profile



Crown Resorts Limited Debt Profile - 30 June 2016







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# Crown's Contribution to Western Australia

- 64,000 people directly employed in WA's tourism industry.
- By 2050 Perth will be within a short flight of 3 of the 5 largest economies in the world – Indonesia, India and China.

Increase in Perth visitor numbers FY16:

- Singapore 15.8%
- China 15.7%
- Malaysia 18.6%





# Investing in Perth's Tourism Infrastructure

- ◆ \$1.4 billion annual contribution to the WA economy.
- ◆ 5,800 people working at Crown Perth.
- ◆ \$1.5 billion invested in upgrading and opening new attractions.
- ◆ Approximately 10 million visits per annum.
- ◆ Crown's existing two hotels have occupancy rates above 90%.



# Crown Towers Perth

- ◆ Official opening:  
14 December 2016.
- ◆ 500 luxury hotel rooms and suites, villas and private gaming salons.
- ◆ Restaurants, bars, a grand ballroom, convention centre, luxury retail outlets, resort pool and spa facilities.
- ◆ One of the most luxurious hotels in Australia.



*Crown Towers Perth*



# Investing in Australia's tourism infrastructure

- ◆ Committed to building a worldwide reputation for the best in luxury experiences, hotel accommodation, gaming, signature dining and retail.
- ◆ 31 million visits every year to our Australian resorts.
- ◆ A track record of delivering consistently strong results from its controlled operating businesses.



# Major Initiatives To Enhance Shareholder Value

## Demerger

- ◆ Potential change in corporate structure through the demerger of certain international investments into a separately listed holding company.
- ◆ Increase transparency on the underlying quality of the assets and operations of the two entities.

## Real Estate Investment Trust

- ◆ Crown has been evaluating a potential Initial Public Offer of a Real Estate Investment Trust that would own a 49 per cent in some of our Australian hotels. Crown Resorts would retain 51 per cent.
- ◆ The Crown Resorts Board has approved the implementation of this proposed Initial Public Offer.
- ◆ Implementation of this proposed Initial Public Offer is subject to final approval from the Crown Resorts Board and approvals, consents and waivers from third parties.



# Building a Portfolio of Luxury Tourism Assets



# Crown Sydney Resort Hotel



- ◆ Sydney's first six-star hotel
- ◆ It will be one of Australia's most recognisable buildings.
- ◆ June 2016: Planning approval by the NSW Planning Assessment Commission (PAC) – subject to a number of modifications and conditions.
- ◆ August 2016: legal proceedings challenging the validity of the PAC decision.



Proposed Concept Render

# Proposed Queensbridge Hotel Tower

- ◆ Joint Venture between Crown Resorts and Schiavello Group.
- ◆ 388 room six-star hotel and approximately 700 luxury apartments.
- ◆ Remains conditional upon negotiation of final legal agreements with the Schiavello Group and financing arrangements.







# Alon Las Vegas project

- ◆ 34.6-acre vacant site on the Las Vegas strip.
- ◆ Crown and its partners are continuing design work on the project.
- ◆ Project subject to obtaining finance on terms acceptable to the Crown Board.



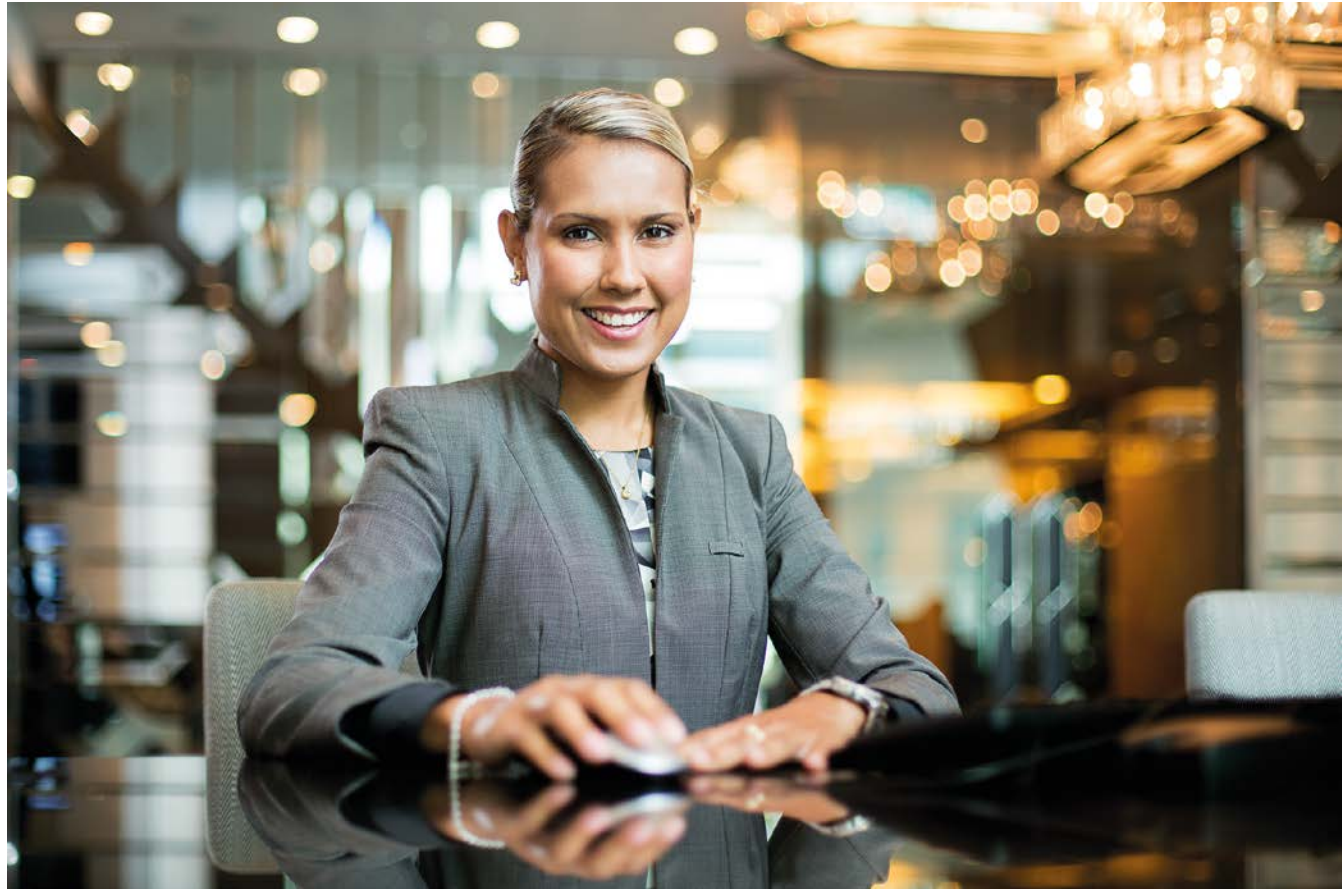
# Macau

- ◆ Gross gaming revenue increased by 7.3 per cent in September, following a modest increase in August.
- ◆ More than 1 million hotel guests were recorded in August.
- ◆ Since the formation of MCE, Crown has achieved cash returns equivalent to double the total cash it has invested in MCE.



# Employment and Training Achievements

- ◆ Committed to providing extensive career development and training opportunities.
- ◆ Employee of the year for 3 of the past 6 years.
- ◆ Crown College has graduated over 7,600 apprentices and trainees.





# Crown Resorts Foundation

- ◆ Promoting Indigenous education opportunities, the arts and culture.
- ◆ Significant funding for two outstanding Indigenous education programs which provide education opportunities for Aboriginal and Torres Strait Islander girls.
- ◆ The Crown Resorts Foundation, in partnership with the Packer Family Foundation, is two years into its 10 year journey to deliver \$200 million of funding to the Australian community.
- ◆ Providing funding to over 85 community and education organisations.



# Questions





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