



Crown Limited Annual Report 2013





Crown Limited ABN 39 125 709 953

Annual General Meeting

Wednesday 30 October 2013
10.00 am (Melbourne time)
River Room Level 1, Crown Towers
8 Whiteman Street, Southbank, Melbourne

Financial Calendar

Record date for dividend – 27 September 2013
Payment of final dividend – 11 October 2013
Annual General Meeting – 30 October 2013
2014 interim results – second half of February 2014

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“My vision for Crown sees us as a leading global luxury brand, with a clear focus on Asian tourism.”

James Packer
Chairman
Crown Limited

Chairman's Letter

Dear fellow shareholders,

Crown announced a net profit of \$491.0 million for the financial year ended 30 June 2013, before significant items. A final dividend of 19 cents per share, franked to 50%, was announced, bringing the total dividend for the year to 37 cents per share.

During the last 12 months, Australia's leading integrated resorts, Crown Melbourne and Crown Perth, have delivered an improved performance, despite evidence of weak consumer sentiment, particularly in Melbourne. The result demonstrates that by providing first class facilities, we can continue to attract domestic and international visitors to our resorts.

The significant investment we have made in our Australian resorts has ensured they remain two of Australia's premier tourist destinations, capable of competing with the best tourist facilities in the Asian region. The all-encompassing transformation of our properties has reinforced Crown's position as one of the region's leading operators of integrated resorts.

In July 2013, the New South Wales Government invited Crown to advance to Stage Three of the New South Wales Unsolicited Proposal process in respect of our proposed development and operation of a six-star hotel resort at Barangaroo South on Sydney Harbour. Crown is continuing to work with the NSW Government as part of this process.

In Macau, Melco Crown Entertainment's (MCE) development pipeline continues to progress. MCE's Studio City is on track and is due to open in mid-2015. MCE is moving forward with plans for a fifth hotel tower at City of Dreams and anticipates that construction will commence by the end of 2013. MCE also has an interest in a consortium to develop and operate an integrated resort in Manila, the Philippines, which is expected to open in the middle of 2014. These exciting development opportunities are key components of MCE's strategy to diversify its revenue streams, maximise return on invested capital and drive long term shareholder value.

In the year ahead, we will be focussing on the performance of our Australian resorts, including a continued focus on cost control. We will progress the Crown Sydney Hotel Resort proposal and the Crown Towers Perth development. We will continue to assist MCE with their development projects.

The Crown Board has resolved, subject to shareholder approval, that the company change its name from Crown Limited to Crown Resorts Limited. The change of the company name is timely, given the large investment Crown has made in its tourism infrastructure over the last few years and its expanding domestic and international investments.

Crown remains focussed on investing in our employees, who are our most valuable asset, so we can deliver the highest quality service in all segments of our business. We will also continue to invest in Australia's tourism infrastructure, demonstrating our confidence in the ability of our integrated resorts to effectively compete as world-class tourist destinations. In addition, we will continue to work closely with governments at all levels and our other stakeholders.

On behalf of the Board, I wish to thank Crown's employees and management for their valued contributions during 2013. I would also like to thank you for your continued support and interest as a shareholder of Crown Limited.

Yours faithfully,

James Packer
Chairman
Crown Limited



Hotels

Crown's integrated resorts offer premium and luxury accommodation in all of our world-class hotels, with facilities that include swimming pools, gyms, tennis courts, and day spas. This year we provided over one million guest nights, delivering impeccable service to our local, state and international guests.



Dining

From some of the most awarded restaurants in Australia through to casual food court offerings and cafés, Crown Melbourne and Crown Perth are each renowned for their range of cuisines and dining options.



Gaming

Both Crown Melbourne and Crown Perth have luxurious world-class VIP salons and a vibrant and exciting main gaming floor, offering customers a range of gaming experiences.

Entertainment

Crown Melbourne and Crown Perth host a variety of musicals, plays, ballets, rock concerts, comedy acts and other entertainment across a range of excellent venues.



Shopping

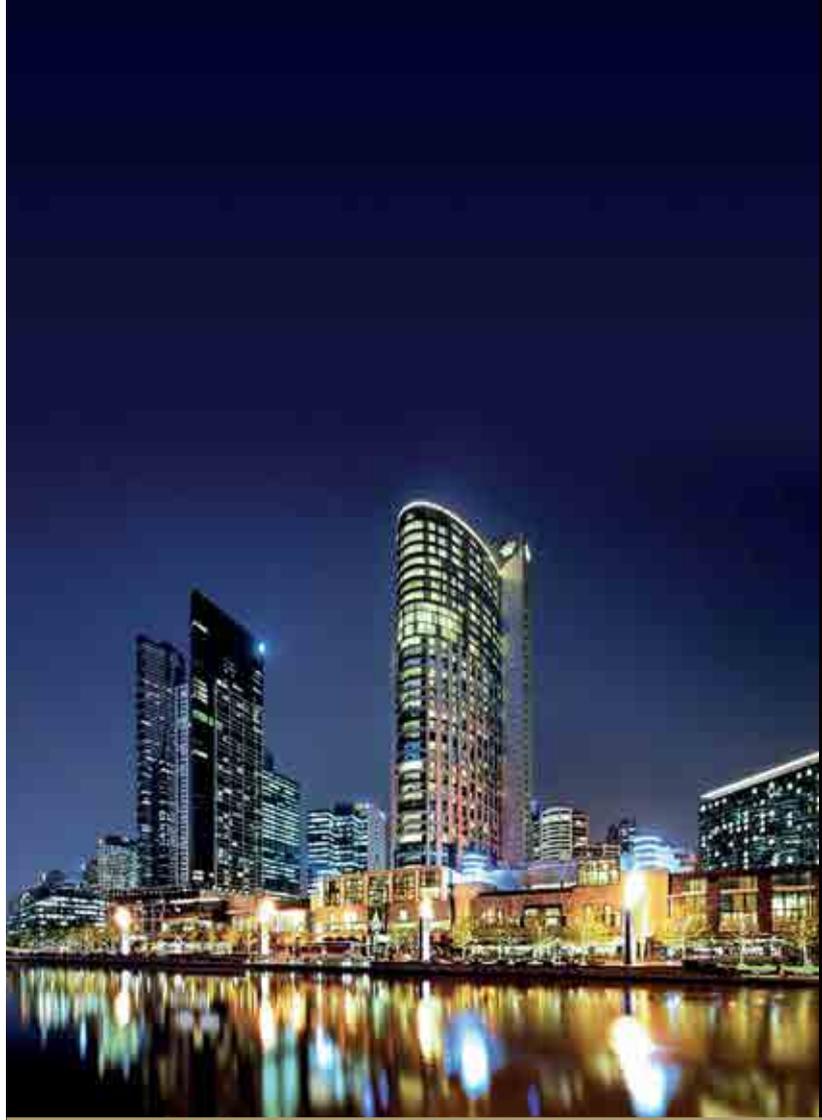
Whether guests are looking for the latest fashion clothing and accessories, or luxury items from Louis Vuitton, Prada, Burberry, Bvlgari, Versace and other leading designers, Crown offers the perfect shopping experience.

Events

Crown hosts an extraordinary range of occasions, from intimate meetings to large-scale corporate conferences, gala events and weddings.



Our goal is to create integrated resorts capable of competing with the best in the Asian region.



MELBOURNE
100% owned

- Crown Melbourne operates 2,500 gaming machines and has approval to operate 500 table games.
- Crown Towers Melbourne hotel has 481 guest rooms.
- Crown Metropal Melbourne hotel has 658 guest rooms.
- Crown Promenade Melbourne hotel has 465 guest rooms.
- Crown Conference Centre has 7,350 square metres of conference and meeting facilities, across three floors.
- Banqueting facilities include the Palladium's 1,500-seat ballroom and the Palms' 900-seat cabaret venue.
- A broad selection of restaurants and bars are provided in the resort, including many of Melbourne's finest.
- Crown Melbourne's retail precinct includes internationally renowned designer boutiques and retail outlets.
- Entertainment facilities include a multi-screen cinema complex, a bowling alley, and an interactive entertainment auditorium.
- Crown Melbourne has two luxurious day spas.



PERTH

100% owned

- Crown Perth has approval to operate 2,100 gaming machines and 245 table games.
- Crown Metropol Perth hotel has 395 guest rooms.
- Crown Promenade Perth hotel has 291 guest rooms.
- Crown Towers Perth hotel will have approximately 500 guest rooms and will be completed in 2016.
- Crown Perth's large-scale entertainment facilities include the 2,300-seat Crown Theatre Perth.
- World-class convention and event facilities are available.
- A broad selection of restaurants and bars are provided in the resort, including some of Perth's best.
- Crown Perth also has a luxury day spa and retail outlets.



MACAU

33.7% interest in Melco Crown Entertainment

CITY OF DREAMS

- City of Dreams operates more than 1,580 gaming machines and approximately 450 table games.
- Crown Towers Macau hotel has approximately 300 guest rooms.
- Hard Rock hotel has approximately 300 guest rooms.
- Grand Hyatt hotel has approximately 800 guest rooms.
- City of Dreams has more than 20 restaurants and bars.
- The resort has a range of retail options.
- City of Dreams hosts Franco Dragone's iconic and spectacular show 'The House of Dancing Water'.
- Other key attractions include The Bubble audio-visual experience and Club Cubic.

ALTIRA

- The casino and hotel feature approximately 170 table games and approximately 200 guest rooms.

MOCHA CLUBS

- The Mocha Clubs are a network of gaming lounges, with approximately 1,600 gaming machines.

Chief Executive Officer's Report



“The extensive capital expenditure program has ensured Crown Melbourne and Crown Perth are world-class resorts, capable of competing with the best in the Asian region. Both resorts offer unsurpassed service, six-star luxury and a variety of entertainment experiences – a unique combination that underpins the strength of Crown’s leading global luxury brand.”

Rowen Craigie Chief Executive Officer Crown Limited

Overview

Crown reported a normalised¹ net profit after tax (NPAT) of \$473.2 million for the 12 months ended 30 June 2013. Crown Melbourne and Crown Perth achieved normalised EBITDA growth of 6.9% and normalised revenue growth of 5.6%. Crown’s operating cash flow was \$496.2 million for the 12 months, and net debt, excluding working capital cash, was \$1,548.3 million at 30 June 2013.

Performance for the year ended

30 June 2013	\$m
Normalised revenue ¹	2,894.4
Normalised expenditure ¹	(2,136.1)
Normalised EBITDA ²	758.3
Normalised EBIT ³	520.2
Normalised net profit after tax before significant items	473.2
Reported net profit after tax before significant items	491.0
Significant items ⁴	(95.2)
Reported net profit after tax	395.8

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

The results from our Macau joint venture, Melco Crown Entertainment, were strong, particularly in the premium mass market segment, and were a major contributor to the growth in Crown’s normalised NPAT.

Development Update

This has been a significant year for Crown. Crown Melbourne has reached the end of its seven-year, \$1.5 billion expansion and upgrade. Property-wide projects have included the addition of the luxurious Crown Metropole Melbourne (the largest hotel in Australia), the expansion and redevelopment of Crown Melbourne’s world-class gaming facilities, the upgrading of the existing hotel facilities, and the enhancement of the retail, dining and entertainment experience.

In addition, with a property-wide refurbishment and expansion, the rebranding of Crown Perth from Burswood was completed in September 2012. This milestone signifies the transformation of the resort and enables it to leverage off the internationally recognisable Crown brand, firmly establishing Crown Perth’s ability to compete successfully in the international tourism market.

Crown Perth’s offering will be further enhanced with the addition of Crown Towers Perth. Due to open in 2016, Crown Towers Perth will be a 500-room six-star luxury hotel with VIP gaming salons, restaurants, bars, resort and convention facilities.

This extensive capital expenditure program has ensured Crown Melbourne and Crown Perth are world-class resorts, capable of competing with the best in the Asian region. Both resorts offer unsurpassed service, six-star luxury and a variety of entertainment experiences – a unique combination that underpins the strength of Crown’s leading global luxury brand. This investment in growth capital is progressively delivering benefits and is expected to be earnings and value accretive for shareholders.

Australian Integrated Resorts

Overall, the results for Crown’s wholly-owned Australian resorts, Crown Melbourne and Crown Perth, were mixed, as we continue to see evidence of weak consumer sentiment, particularly in Melbourne. Cost control continues to be a focus at both resorts. Normalised EBITDA was up 7.1% in Crown Melbourne and up 6.4% in Crown Perth. Across the two resorts, main floor gaming revenue grew by 3.6%, VIP program play turnover grew by 7.8%, and non-gaming revenue grew by 8.1%.

Normalised EBITDA from Crown Melbourne was \$546.7 million, up 7.1% on the prior corresponding period (pcp). Reported EBITDA for the period was \$547.1 million, down 3.0% or \$17.1 million on the pcp. This reflected a win rate of 1.36% which generated a positive EBITDA variance of \$0.4 million, compared to a positive EBITDA variance of \$53.6 million in the pcp when the win rate was 1.50%.

1 Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and significant items.
 2 Normalised earnings before interest, tax, depreciation, and amortisation.
 3 Normalised earnings before interest and tax.
 4 Relates to the loss on disposal of Crown’s investment in Echo, a loss of \$69.6 million net of tax, and Crown’s share of MCE’s development and refinancing costs of \$25.6 million.

Normalised EBITDA from Crown Perth was \$240.8 million, up 6.4% on the pcp. Reported EBITDA for the period was \$240.8 million, down 11.1% or \$30.1 million on the pcp. The win rate in the pcp was 1.84% which resulted in a positive EBITDA variance of \$44.6 million.

To further optimise the synergies and performance of our two Australian resorts, Crown recently created the position of Chief Executive Officer Australian Resorts. Barry Felstead, who had been Chief Executive Officer of Crown Perth, was appointed to that position.

Crown Sydney Hotel Resort Proposal

In July 2013, the New South Wales Government invited Crown to advance to Stage Three of the Unsolicited Proposal process for Crown's proposed development and operation of a six-star hotel resort at Barangaroo South on Sydney Harbour.

The proposed Crown Sydney Hotel Resort will include world-class VIP gaming facilities, 350 hotel rooms and suites, luxury apartments, signature restaurants, bars, luxury retail outlets, pool and spa facilities and conference rooms. Crown is working with the New South Wales Government as part of Stage Three of the Unsolicited Proposal process.

Melco Crown Entertainment (MCE)

Crown's share of MCE's normalised NPAT result for the full year to 30 June 2013 was an equity accounted profit of \$152.3 million, after adjusting for an above theoretical win rate. Crown's share of MCE's reported result before significant items for the full year to June 2013 was an equity accounted profit of \$175.0 million.

MCE incurred costs in respect of debt refinancing 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 and improved group-wide rolling chip volume, together with MCE's committed cost control

culture. City of Dreams again increased its market share in the mass market table games segment and achieved market-leading mass table yields, which is increasingly important in a table supply constrained market.

Studio City, in which MCE has a 60% equity interest, is on budget and on track and due to open in mid-2015. In addition, MCE is moving forward with the fifth hotel tower at City of Dreams and anticipates construction to commence by the end of 2013. As well, MCE, through its 69.3% owned subsidiary, Melco Crown (Philippines) Resorts Corporation, has an interest in a consortium to develop and operate an integrated resort in Manila, the Philippines. The resort is expected to open in the middle of 2014.

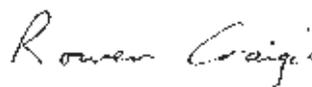
These exciting development opportunities are key components of MCE's strategy to diversify its revenue streams, maximise return on invested capital and drive long-term shareholder value.

Conclusion

Crown remains focussed on optimising the performance of our Australian resorts, and our comprehensive review of back of house and front of house operational efficiency will continue. We will manage the Crown Towers Perth development and construction and complete the final stages of the remaining capital expenditure projects. As well, management will continue to progress the Crown Sydney Hotel Resort proposal.

We will also continue to work closely with MCE to further build the value of MCE's Macau businesses.

I would like to sincerely thank the Board for its support, and all employees and management for their efforts in 2013.



Rowen Craigie
Chief Executive Officer

FIGURE 1
10 YEAR CROWN MELBOURNE NORMALISED REVENUE AND EBITDA PERFORMANCE

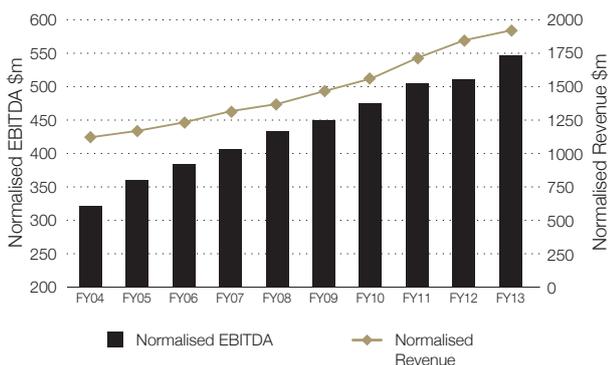
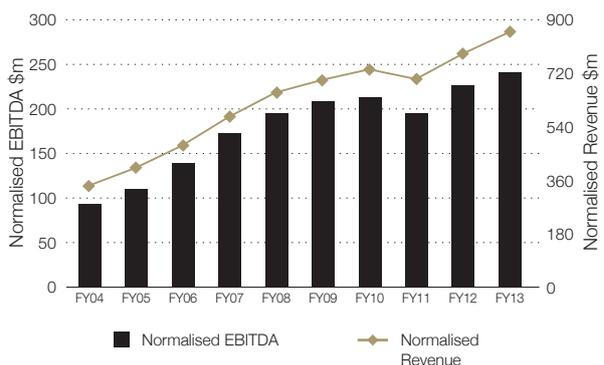


FIGURE 2
10 YEAR CROWN PERTH NORMALISED REVENUE AND EBITDA PERFORMANCE



Figures 1 and 2 show a year by year comparison of the normalised revenue and EBITDA at Crown Melbourne and Crown Perth respectively.



Crown's Australian Resorts



“The quality of Crown Melbourne’s seven-year, \$1.5 billion capital works program has reinforced its position as a leading integrated resort, while providing considerable benefits to the Australian and Victorian tourism industries.”

Barry Felstead Chief Executive Officer Australian Resorts

CROWN MELBOURNE

Overview

Crown Melbourne is Australia’s leading integrated resort. The dynamic and diverse complex, covering more than 550,000 square metres, includes luxury accommodation in its three hotels, world-class dining, a variety of retail options, the Palladium ballroom, outstanding conference facilities and vibrant gaming and entertainment options, making it one of Australia’s most visited tourist attractions. Supporting this extensive offering is a workforce of approximately 8,800 people, making Crown Melbourne Victoria’s largest single-site private sector employer.

In recognition of our commitment to the professional development of our employees, Crown Melbourne was awarded the 2013 Victorian Employer of the Year award, at the prestigious Victorian Government Training Awards. This is a remarkable achievement that

follows Crown Melbourne winning the same award in 2010. Crown Melbourne is now a finalist in the Australian Employer of the Year awards which we also won in 2010.

In this financial year, normalised EBITDA grew by 7.1% and normalised revenue grew by 4.0%. In response to the weak consumer sentiment in Melbourne and low revenue growth in main floor gaming, Crown Melbourne has continued its comprehensive review of back of house costs and front of house operational efficiency. Main gaming floor revenue grew by 0.9% for the year to \$1,000.8 million and normalised VIP program play revenue increased by 9.2% to \$525.2 million on turnover of \$38.9 billion. Non-gaming revenue grew 5.4% to \$392.1 million.

Property Update

The quality of the refurbishment and expansion program undertaken

at Crown Melbourne has reinforced its position as a leading integrated resort, amongst the best in the world, while providing considerable benefits to the Australian and Victorian tourism industries.

The main gaming floor refurbishment, completed in August this year, was the final project of Crown Melbourne’s resort-wide upgrade. The 15-month refurbishment program has added a new level of vibrancy to the property and the changes have been well received by customers.

The luxury experience of Crown Towers Melbourne was enhanced with the extensive refurbishment and upgrade of the award-winning spa, which was completed in September 2012.

Crown Melbourne’s world-class dining options were enriched with a number of additions this year. These included Neil Perry’s Rosetta, an architecturally impressive restaurant on Crown’s

Left to right: Mahogany Room, Crown Melbourne; Bistro Guillaume, Crown Melbourne; Nobu, Crown Melbourne; Crown Towers Melbourne, Crown Melbourne.



Riverfront, which provides guests with the option of the luxurious dining room or the heated alfresco terrace. As well, two new restaurants, Jimbo & Rex and Man Tong Kitchen, were opened in The West End, and the casual Japanese cafe, Gochi, was opened in the retail precinct.

Ensuring the quality of Crown Melbourne's offering across the entire complex, improvements were made to the public Riverside space, including the upgrade of outside seating, lighting and landscaping.

Crown Melbourne's retail offering also expanded this year with the addition of new luxury outlets, complementing the already extensive high-end retail offerings.

Local Gaming and Crown Signature Club

An upgrade to the look and feel of the entire Crown Melbourne main gaming floor was completed in August 2013. As well as refreshing the entrances, the upgrade included the refurbishment of the popular Jackpot Bar, the remodelling of Velvet Bar, and the extensive expansion and refurbishment of the popular restaurant Margo's which is now a 24-hour restaurant, bar and café.

In partnership with Caesar's Entertainment, Crown Melbourne hosted Australasia's first *World Series Poker Championship*. Customer response was overwhelmingly positive, cementing Crown as Australia's leading venue for major poker tournaments.

The Crown Signature Club loyalty program is continuing to grow in popularity, and this year set a record for new memberships. Some of the benefits provided to members and their guests included invitations to the Spring Racing Carnival, the Australian Open Tennis Championships and the Grand Prix.

VIP Program Play

VIP Program Play turnover for the year was \$38.9 billion, an increase of 9.2% on the previous year. Customers from China are still the driving force behind the strong growth, and there has been an improvement in business from South East Asia.

Hotels, Conferences and Retail

With over 1,600 world-class guest rooms, Crown Melbourne's hotels provided over 800,000 guest nights this year, which is an 8% increase on the previous financial year. As industry-leading properties, each one of Crown Melbourne's three hotels has again been recognised as the pre-eminent hotel in its respective class, each receiving several prestigious awards.

The opulent six-star Crown Towers Melbourne was awarded the 2013 Gourmet Traveller Readers' Choice Award for Best Large Luxury Hotel, as well as the 2013 Asia Pacific Hotel Awards Best Hotel in Australia, indicating that guests and tourism industry participants believe that Crown Towers Melbourne provides

the most outstanding service and luxury accommodation offering in Australia.

Crown Metropole Melbourne received two significant awards: the 2012 Victorian Tourism Award for Luxury Accommodation (for the second consecutive year), and the 2012 Hotel Management Award for Best Hotel – Upper Upscale Hotel.

As well, Crown Promenade Melbourne was the 2012 winner of the Superior Accommodation Hotel of the Year category of the Tourism Accommodation Australia (Victoria) State Awards for Excellence.

Crown Melbourne's improved spa offering has been well received by guests, particularly the new aqua retreat areas and the range of specialised treatments available at the Spa at Crown Towers Melbourne. Each pampering area now includes a dedicated aqua retreat with Hamman and vitality pool, and there is also a hair and beauty area, a manicure and pedicure area and indulgence treatment rooms. The ultra-luxurious and state-of-the-art facilities offer guests the ultimate spa experience.

The Conference Centre continues to be a popular choice for local and international companies seeking competitive conference packages in well-managed conference facilities of world-class quality. This year, the Conference Centre hosted over 500 events.

Crown Melbourne's retail precinct was enhanced with the opening of three new luxury brands – Hugo Boss, IM Lingerie and Paspaley.



CROWN MELBOURNE CONTINUED

Restaurants and Bars

Crown Melbourne's quality dining offering was again expanded this year. With the opening of Neil Perry's exclusive Italian restaurant, Rosetta, and several additions to the food court and The West End, there are options for every Crown Melbourne customer.

This year, The West End's restaurants were expanded to include Jimbo & Rex, with its contemporary pub menu, and Man Tong Kitchen, offering authentic Chinese cuisine, and both have proven to be very popular. A more casual Japanese option, Gochi, was also recently opened.

The popular Margo's on the main gaming floor underwent a complete renovation, and re-opened in June 2013 with an increased seating capacity and over 80 international menu items. Other openings, following the main gaming floor refurbishment, included the new Velvet Bar and the expanded and upgraded Las Vegas Bar.

As in past years, Crown Melbourne's restaurants and bars have received numerous awards. Three of our restaurants received awards in the 2012 Restaurant & Catering Victoria Awards for Excellence: Conservatory was awarded Best New Restaurant; Nobu was awarded Best Modern Asian Restaurant; and Silks was awarded Best Chinese Restaurant. Rockpool Bar & Grill, Rosetta and Spice Temple were all awarded two hats in the 2014 Age Good Food Guide Awards, while Bistro Guillaume was awarded one hat. Five other Crown Melbourne restaurants also feature in the guide: The Atlantic, Koko, Mr Hive, Nobu and Silks.

Crown Melbourne continues to receive prestigious awards for its professional development and training programs. The Commercial Cookery program, which operates in Crown Melbourne's training restaurant, was awarded the 2012 Victorian Employer Award for Apprentice Development in the Victorian Training Awards, and was a finalist in the 2013 award. The program also won both the Australian and Victorian 2012 George Mure Memorial Professional Development Awards.

With a strong focus on ensuring a safe and pleasant environment for all customers and employees, Crown Melbourne takes its responsibilities in the provision of Responsible Service of Alcohol (RSA) very seriously. With a dedicated team of RSA officers working closely with Security, and relevant training programs delivered to all employees, we continue to be a leader in RSA best practice within our industry.

Entertainment and Events

This year, over 570 organisations booked nearly 2,000 events at Crown Melbourne, at venues that included Palladium, River Room, Garden Room and Studio 3.

As in past years, the Palladium ballroom hosted some of Australia's most memorable events, including the *TV Week Logie Awards* and the *AFL Brownlow Medal*, which was attended by over 900 guests and televised live nationally. Some of the key charitable events hosted at Crown Melbourne included the *My Room Ball*, *Starry Starry Night* and the *Epworth Medical Foundation Dinner*.

During Victoria's annual Spring Racing Carnival, the Palladium was home to a number of Victoria Racing Club's official events, including the *Crown Oaks Club Ladies Luncheon* and the *Call of the Card*.

The Palms continued to host a diverse range of artists to entertain guests of all ages and interests. Some of this year's key events included performances by Cosentino, Ricki-Lee, Icehouse and Empire.

The two nightclubs at Crown Melbourne, Co. and Fusion, both continued to showcase contemporary Australian artists that included Stan Walker, Havana Brown, Justice Crew, Hed Kandi, the Stafford Brothers and Timomatic.

Crown Melbourne again participated as a partner in the Melbourne Food and Wine Festival held at the Royal Exhibition Building. Crown chefs prepared a three-course meal for over 1,000 guests at the Gala Dinner, which is always the most prestigious event in the festival's program.

Other major events held at Crown Melbourne this year included: the VMC Community Event, the *2013 Diamonds are a Girl's Best Friend Dinner*, the *12WBT Finale Cocktail Party*, and the very popular *Spiegeltent* on the Crown rooftop.

Left to right: Atrium Bar, Crown Melbourne; The Conservatory, Crown Melbourne; Crown Perth; Nobu, Crown Perth.



“This year has been a milestone with the rebranding of Crown Perth from Burswood following the resort-wide refurbishment and expansion. Crown Perth’s revitalised offerings have added a new dimension to Perth’s tourism offering.”

Barry Felstead Chief Executive Officer Australian Resorts

CROWN PERTH

Overview

This year has been a milestone for Crown Perth. After a significant resort-wide refurbishment and expansion, the rebranding of Crown Perth from Burswood occurred in September 2012. Now providing the quality associated with the Crown brand, Crown Perth is able to leverage off the internationally recognised Crown name and is able to compete with the world’s leading integrated resorts.

Crown Perth’s revitalised offerings – including luxury hotel rooms, high-end restaurants and bars, gaming facilities, convention centre, spa and spectacular resort pool area – add a new dimension to Perth’s tourist offering.

Receiving millions of visitors a year, Crown Perth is one of Western Australia’s most visited tourist destinations and the state’s largest single-site employer with a workforce of approximately 6,100 employees.

In this financial year, normalised EBITDA grew by 6.4% and normalised revenue grew by 9.3%. EBITDA growth was less than revenue growth due in part to some one-off costs, including costs associated with the rebranding of the property.

Main gaming floor revenue grew by 9.7% for the year to \$483.5 million. Normalised VIP program play revenue increased by 3.3% to \$159.4 million on turnover of \$11.8 billion. Non-gaming revenue grew by 13.3% to \$215.3 million.

In August 2012, Crown again demonstrated its long-term commitment to Australian tourism, with the decision to develop a new six-star hotel, Crown Towers Perth. The 500-room luxury hotel will add to the quality hotel accommodation already available at Crown Perth, further improving the resort’s ability to attract its share of the international tourism market.

Property Update

The extensive capital expenditure program undertaken at Crown Perth has reinvigorated the resort. The transformation of the resort has been all-encompassing, and developments have included the addition of Crown Metropol Perth’s expansive resort swimming pool, internationally acclaimed restaurants such as Rockpool Bar & Grill, Bistro Guillaume, and Nobu, the upgrade of existing accommodation to five and six-star standard, improved conference and meeting facilities, and renovated gaming areas.

The expansion of the main gaming floor was completed this year, delivering a gaming space in line with Crown’s world-class standards and able to accommodate new gaming product.

The selection of dining options at the resort has also expanded. Accompanying the main gaming floor refurbishment was the opening of three new restaurants and two new bars.



CROWN PERTH CONTINUED

Bistro Guillaume was opened in September 2012 and, taking advantage of the views over the new pool areas, it offers a casual elegance. The Atrium buffet which was re-opened in October 2012, following the expansion to provide additional seating now offers Perth's quintessential buffet dining experience.

The addition of La Vie, an intimate champagne bar, has been particularly well received.

The extensive upgrade to all the guest rooms at Crown Metropol Perth was completed in November 2012, and includes an upgrade to the Infinity Suite, a luxury six-star accommodation offering that was completed in July 2012. The Club Lounge was also refurbished into a sophisticated executive lounge with reception, buffet, dining area, lounge area, library, kitchen and outdoor terrace.

Work is continuing on the expansion of the multi-storey car park. Due to be completed in 2014, the expansion will provide an additional 1,520 parking bays and the flexible access points will improve accessibility to Crown Perth.

Crown Towers Perth

Expected to be completed in 2016, Crown Towers Perth will be the largest hotel in Perth, providing six-star accommodation to domestic and international visitors. Crown Towers Perth will also include resort and convention facilities as well as premium restaurants and bars, making it a significant addition to Crown Perth and reinforcing Crown Perth's status as a world-class integrated resort.

Local Gaming

The growth in revenue from Crown Perth's main gaming floor was predominantly a result of the area's refurbishment and expansion, and the increase in gaming product. The re-branding and associated marketing increased visitation to the resort, which also contributed to this revenue growth.

VIP Program Play

The reinvigorated VIP facilities at Crown Perth, combined with the rebranding of the resort makes the VIP offering instantly recognisable as part of the Crown brand. Crown Perth is now well positioned to compete with the integrated resorts of South East Asia.

Hotels

This year, Crown Perth's two hotels provided almost 320,000 guest nights, as Crown Metropol Perth cemented its position as the leading luxury hotel in Perth.

Crown Metropol Perth again received several prestigious awards, including the Best Gaming Space and Best Resort Pool at the 2012 HOSPY Awards held in Las Vegas, and Best Hotel Renovation for the Asia Pacific region at the International Hotel Awards – Asia Pacific. The hotel was also recognised with a 2013 Certificate of Excellence from TripAdvisor, placing Crown Metropol Perth in TripAdvisor's top 10% of all accommodation providers worldwide.

The upgrade of Crown Metropol Perth's guest rooms addressed every element

of each room, resulting in a luxurious accommodation experience.

Attesting to the quality of the refurbishment was Crown Metropol Perth's success at the Australian Hotels Association (AHA) 2013 ME Bank WA Accommodation Industry Awards. Crown Metropol Perth received the Redeveloped Accommodation Hotel Award, the Deluxe Accommodation Award and the Resort Style Accommodation Award. Crown Promenade Perth was a finalist in the Superior Accommodation Award category.

Restaurants and Bars

Esteemed chef, Guillaume Brahimi, opened his Crown Perth restaurant, Bistro Guillaume, in September 2012. Offering a classic French bistro menu, the world-class restaurant has been well received by customers. Another high-end opening was that of champagne bar La Vie, located in the lobby at Crown Metropol Perth, its luxurious furnishings and beverages proving to be popular with customers. As well, the Atrium Buffet and Lobby Lounge were re-opened following extensive refurbishments.

With the refurbishment of the main gaming floor, several new food and beverage outlets were opened, including the entertainment venue Groove Bar & Lounge, the café Cotta, and the bar Fusion. Other openings included the Junction Grill, offering a menu of classic favourites, and The Merrywell, a gastro pub with a diverse range of American influenced dishes. The Merrywell has



already won 'WA's Best Steak Sandwich' at the AHA's 2013 Metropolitan Steak Sandwich Competition.

The quality of Crown Perth's restaurants and bars has been recognised by several industry awards, including the School/Community Partnership Training Award at the AHA Aon Hotel and Hospitality Awards for Excellence. Crown Perth achieved certification to ISO 22000 and three HACCP standards in February 2013, confirming the emphasis we place on food safety.

This year, four of Crown Perth's premium restaurants have received prestigious accolades. Neil Perry's Rockpool Bar & Grill won two stars in The West Australian Good Food Guide 2013, and two stars in the Australian Gourmet Traveller Restaurant Awards 2013. Bistro Guillaume was named the winner of the Restaurant within an Accommodation Hotel Award at the AHA 2013 ME Bank WA Accommodation Industry Awards. Nobu was awarded one star in The West Australian Good Food Guide 2013 and won Best Asian Restaurant at the Restaurant & Catering HOSTPLUS Awards for Excellence. As well, Modo Mio won Best Italian Restaurant (Formal) at the Restaurant & Catering HOSTPLUS Awards for Excellence, and the quality seal 'Ospitalita' award from the Italian Chamber of Commerce.

Two of our chefs also received recognition in highly regarded competitions: Michael Hull was the winner of the WA Chaine des Rôtisseurs Jeunes Commis Competition in April 2013; and Modo Mio Chef

de Cuisine, Andrea Tranchero, was successful in reaching the semi-finals in the Pasta World Championships in Italy in June 2013.

Crown Perth hosted a number of special events and dining experiences during the year. These included an exclusive champagne tasting event at Bistro Guillaume hosted by Champagne house Château Latour.

Crown's premium Chinese restaurant, Silks, opened in August 2013, bringing a fine Chinese dining experience to Crown Perth customers with its selection of authentic multi-regional dishes.

Crown Perth's restaurants and bars continue to focus on RSA. As a responsible industry participant, Crown Perth has developed comprehensive RSA policies and practices that help to ensure that all guests and employees enjoy a safe and pleasant environment.

Crown Perth was inducted into the AHA Western Australia's Hall of Fame for its success in winning the RSA Award three years in a row.

Entertainment and Events

The re-branding of Crown Perth and the associated marketing considerably increased the resort's public profile, resulting in a renewed interest in Crown Perth's function and event offerings. This coincided with the completion of the refurbishment of pre-function areas, resulting in additional meeting space and an upgraded area in which to conduct VIP pre-function events.

As well, there has been extensive interest in pre-booking the Crown Towers Perth event space for 2017–2019.

Major events this year included the Ronald McDonald House Charities Mercedes-Benz Ball, Western Australian Citizen of the Year Awards, Ernst & Young Entrepreneur of the Year Award, Sandover Medal, Australian Rheumatology Conference and the ALTA Conference. Crown Perth also sponsored many local events, cultural activities and other community-based programs, including Artitude by Crown Perth (an annual art exhibition benefitting the Telethon Speech & Hearing Centre), Boobalicious Ball (benefitting the Breast Cancer Foundation) and The Op Shop Ball (benefitting Anglicare WA).

Crown Theatre has again enjoyed a successful year with long-running seasons of *Annie*, *A Chorus Line* and *Jersey Boys*. Other performances were held by The Australian Ballet, Cosentino, Ronan Keating and Guy Sebastian, along with comedians Wayne Brady, Dave Hughes and the ever-popular Barry Humphries.

The Dome hosted its final shows in September 2012, prior to the opening of Perth Arena in November 2012. Since opening 26 years ago, The Dome has had over 7.5 million attendances at hundreds of shows.



Melco Crown Entertainment

“City of Dreams again increased its market share in the mass market table games segment and achieved market-leading mass table yields, which is increasingly important in a table supply constrained market.”



As at 30 June 2013, Crown held a 33.7% equity interest in Melco Crown Entertainment (MCE), a joint venture between Crown and Melco International Development Limited. MCE has a dual listing on the NASDAQ and the Stock Exchange of Hong Kong.

In Macau, MCE has two premium properties (City of Dreams and Altira Macau), operates the Mocha Clubs, and has a 60% equity interest in Macau Studio City, an integrated resort project on Cotai. In the Philippines, MCE, through its 69.3% owned subsidiary, Melco Crown (Philippines) Resort Corporation (MCP), has an interest in a consortium that will develop and operate an integrated resort in Manila.

MCE reported strong results for the twelve months to 30 June 2013. Crown’s share of MCE’s normalised NPAT result for the full year to 30 June 2013 was an equity accounted profit of \$152.3 million, after adjusting for an above theoretical win rate. Crown’s share of MCE’s reported result before significant items for the full year to 30 June 2013 was an equity accounted profit of \$175.0 million.

During the year, MCE issued a US\$1.0 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 and improved group-wide rolling chip volume, together with MCE’s committed cost control culture. City of Dreams again increased its market share in the mass market table games segment and achieved market-leading mass table yields, which is increasingly important in a table supply constrained market.

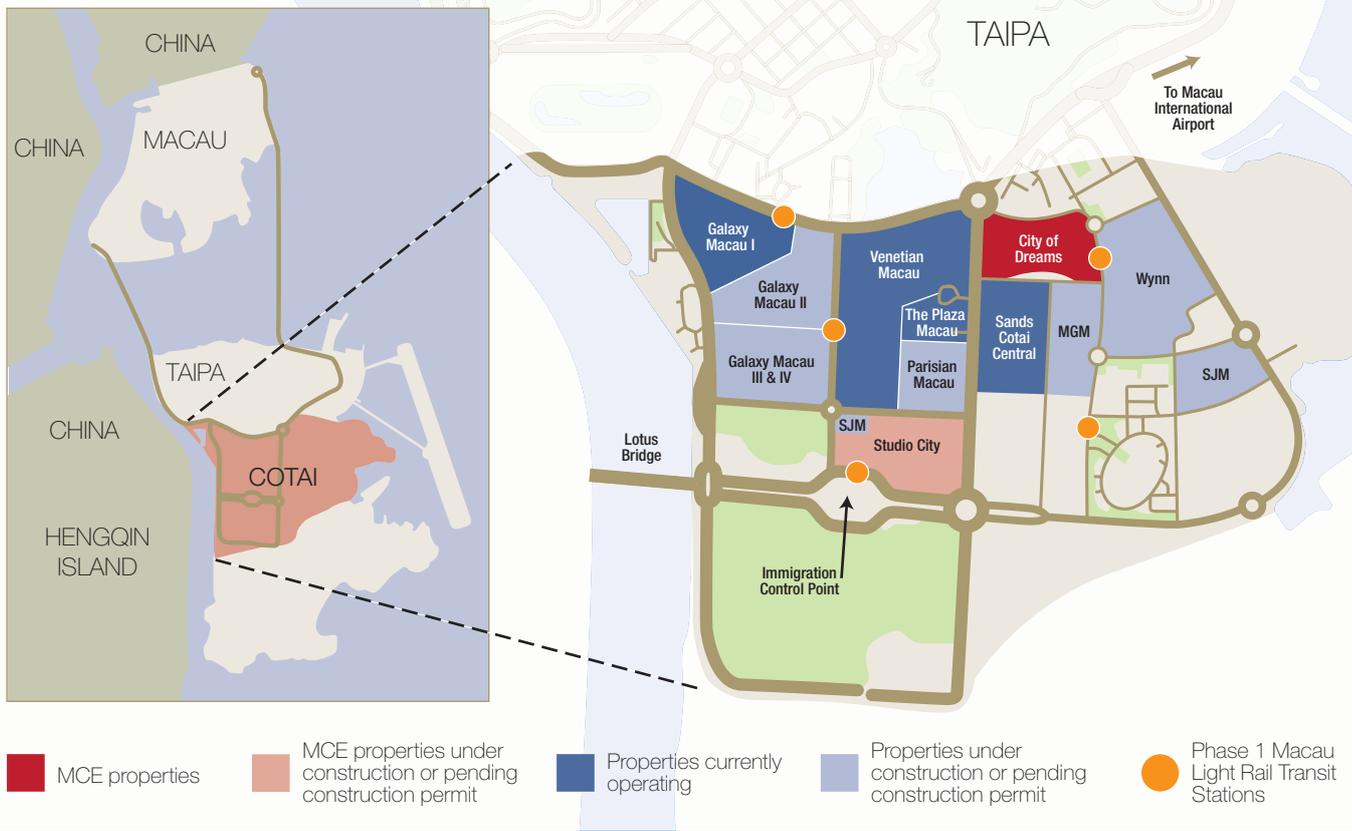
MCE is moving forward with the fifth hotel tower at City of Dreams and anticipates construction to commence by the end of 2013. The addition of the fifth tower at City of Dreams represents a significant addition to the wide array of amenities and attractions that City of Dreams already offers its premium-mass and high-end customers, providing another tool to further extend its leading position in this key segment.

Studio City, in which MCE has a 60% equity interest, is MCE’s next integrated resort offering on Cotai, Macau. Upon completion, Studio City will include significant gaming capacity, five-star hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers. Studio City is designed to capture the increasingly important mass market segment, with its destination theming, unique and innovative interactive attractions, and strong Asian focus.

Top left: House of Dancing Water, City of Dreams
All other images: City of Dreams, Macau



Macau Casino Map – Cotai



MCE believes that the location of Studio City, adjacent to the Lotus Bridge immigration checkpoint and one of the proposed light rail stations, in addition to its vast array of entertainment and leisure offerings, will create a key competitive advantage.

Studio City is on budget and on track, due to open in mid-2015. The resort is expected to cost US\$2.0 billion and is being financed through a US\$1.4 billion senior secured facility and a US\$825 million senior note offering, as well as committed equity from Studio City's shareholders.

MCE, through its interest in Melco Crown (Philippines) Resorts Corporation, is developing a casino, hotel, retail and entertainment complex in Manila, the Philippines. Located in Entertainment City, Manila, the site is close to Metro Manila's international airport and central business districts. The resort is expected to open in the middle of 2014 and will be one of the Philippines' leading integrated tourism resorts in Entertainment City.

Upon completion, and subject to final property design, the Philippines project is expected to have significant gaming space, hosting approximately 1,450 electronic gaming machines and 240 gaming tables. The property will also feature six hotel towers with almost 1,000 rooms in aggregate, including VIP and five-star luxury rooms and high-end boutique hotel rooms. As well, there will be numerous specialty restaurants along with a number of bars and a multi-level car park.



MELCO CROWN ENTERTAINMENT CONTINUED

The resort is expected to house three separate entertainment venues, a live performance central lounge within the casino and a night club within the Fortune Egg. The Fortune Egg is an attractive domelike structure, which will be accentuated with creative external lighting and is expected to become a centrepiece of the property.

MCP's net contribution towards the project up to the time of opening is estimated to be approximately US\$620 million, consisting of funds primarily for capital expenditures, working capital for initial opening and other pre-opening expenses. This project will be financed by both debt financing and the capital generated by a public equity raising undertaken in April 2013, which raised approximately US\$335 million.

This project is expected to diversify MCE's exposure to the rapidly developing Asian gaming and entertainment industry, enabling MCE to further participate in the growth in the Asian middle class and the increasing consumerism of this important target market.

MCE believes that its exciting development opportunities are key components of its strategy to diversify its revenue streams, maximise return on invested capital and drive long-term shareholder value.

Macau Market Update

In financial year 2013, Macau generated record gross gaming revenues of \$40.9 billion, an increase of 11.8% from financial year 2012. The mass market table games segment continues to deliver above-market growth, increasing approximately 27.3% on pcp. As a result of the strength in the mass market segments, the mass market table games and gaming machines segment contributed approximately 32.2% of total gross gaming revenue in financial year 2013, compared to approximately 28.3% in financial year 2012. MCE, through its substantial exposure to mass market segments, particularly through its flagship property City of Dreams and the upcoming Studio City project, is perfectly placed to take full advantage of this fast growing and increasingly important segment of the Macau market.

Tourism is a major driver of Macau's economy. In the 12 months to June 2013, Macau welcomed approximately 28.6 million visitors. Visitors from mainland China increased 5.4% in financial year 2013, compared to the pcp, and accounted for 61.8% of all visitors to Macau, compared to 59.3% the previous year. Visitors from Hong Kong and Taiwan accounted for 24.3% and 3.6% respectively in financial year 2013.

Recognising the significance of tourism to its economy, Macau's government has developed a comprehensive infrastructure plan which will enable it to cater to a wider spectrum of visitors, ultimately driving future growth. The plan ranges from local infrastructure improvements, including increasing the border gate checkpoint capacity to 500,000 people per day, increasing airport capacity, improving ferry terminals and the light rail system, to regional infrastructure improvements aimed at reducing travel time to Macau, including the 50km Zhuhai-Macau Bridge, the Guangzhou-Zhuhai Intercity Mass Rapid Transit and the Guangzhou-Zhuhai Super Highway.

The development of Hengqin Island, which is adjacent to Macau, is also part of the government's infrastructure plan to support and grow Macau's tourism industry. Hengqin Island has been designated a special economic zone under China's 12th Five Year Plan on the basis of developing it into a regional leisure, tourism, commercial and cultural destination – an offering which, given its proximity to Macau, will further enhance Macau's status as an attractive destination for tourists.

The expansive infrastructure development plan, together with the wide-reaching Hengqin development blueprint, will further broaden Macau's appeal and significantly improve visitors' overall experience, thereby ensuring the long-term success of Macau as a world-class leisure and tourism destination.

Left page: Images of City of Dreams, Macau.

Right page: Images of Crown Aspinall's, London.



Crown Aspinall's



Crown Aspinall's, previously Aspinall's Club, is a high-end London casino. It is one of only five licensed casinos in London's prime West End entertainment district. Nestled in the heart of Mayfair, Crown Aspinall's offers members and guests an exciting and opulent world of international VIP gaming, in an environment that only London can provide.

Normalised EBITDA from Crown Aspinall's was \$33.3 million. A below theoretical win rate generated a negative EBITDA variance of \$6.8 million which resulted in a reported EBITDA of \$26.5 million for the period.

Other Investments

Aspers Group

United Kingdom
50.0% interest

Crown holds a 50% equity interest in the Aspers Group, which currently operates four regional casinos in the United Kingdom, in Newcastle, Stratford, Milton Keynes and Northampton (the latter in a joint venture with Kerzner UK Limited). The Stratford casino is located within the new Westfield shopping complex, adjacent to the 2012 Olympic Games site. The casino in Milton Keynes opened in September 2013. Crown did not receive a distribution of any profits or recognise any earnings from Aspers Group during the period.

Betfair

Australia
50.0% interest

Crown has a 50% equity interest in Betfair, a joint venture company with Betfair UK (The Sporting Exchange Limited). Betfair is a betting exchange for customers who reside in Australia and New Zealand. Betfair does not operate retail premises, nor does it have an on-course presence: its services are exclusively provided via the internet or telephone. Crown's equity accounted share of Betfair's loss was \$1.5 million.

Cannery

United States
24.5% interest

Crown holds a 24.5% equity interest in Cannery which is based in the United States and has operations at The Meadows Racetrack & Casino in Pittsburgh, Pennsylvania, and Cannery Casino and East Side Cannery in Las Vegas, Nevada. 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.



Crown Sydney

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 an iconic six-star hotel resort, including VIP gaming facilities, at Barangaroo South.

Crown's proposal for an iconic six-star hotel resort on Sydney Harbour aims to give Sydney a landmark hotel it can be proud of. It is widely accepted in the tourism sector that Sydney's luxury hotels are not competitive with the best hotels in Asia, and the city is missing out on a valuable segment of the luxury tourist market.

In Crown's view, Sydney has a significant opportunity, as Australia's international gateway, to capitalise on the enormous growth in Asian tourism – particularly high net worth tourists from China. Crown believes that to realise this opportunity, Sydney needs a luxury hotel resort whose design, construction and operations are of world-class standard.

The proposed Crown Sydney Hotel Resort will be the city's first six-star hotel resort. Crown's proposal includes 350 hotel rooms and suites, luxury apartments, signature restaurants, bars, retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.

The 'iconic' status of the hotel resort will be assured through the appointment of Wilkinson Eyre, one of the world's best architects, to design a landmark building that will be instantly recognisable around the world and will complement Sydney icons like the Sydney Harbour Bridge and the Sydney Opera House.

Under Crown's proposal, the Crown Sydney Hotel Resort will deliver significant and unique benefits for the people of New South Wales, including increases to employment, business investment, export income, and Gross State Product.

Crown has the track record and experience to deliver something very special for Sydney-siders and visitors from interstate and overseas. Crown believes that the world-class Crown Sydney Hotel Resort will assist New South Wales to meet its tourism targets by attracting a larger share of the booming Asian outbound tourism market. Incorporating world-class VIP gaming into such a hotel resort will provide a further attraction to high net worth tourists from China and other Asian countries and will make the project commercially viable.

Crown is currently working with the New South Wales Government as part of the Stage Three process.





“Sydney is one of the world’s great cities: it deserves one of the world’s great hotels. I want this building to be instantly recognisable around the world and feature on postcards and memorabilia promoting Sydney. That’s how you attract international tourists, create jobs and put Sydney on the map in Asia.”

James Packer Chairman Crown Limited



Sustainability Report: Our People

As the largest single-site private sector employer in both Victoria and Western Australia, Crown understands the importance of recruiting, developing and retaining quality employees across all areas of the business. Approximately 15,000 people come to work at our Australian resorts in more than 700 different roles. Our total employment expenditure is more than \$750 million.

As the first signatory of the Australian Employment Covenant (AEC), which supports the federal government's 'Closing the Gap' strategy, Crown is committed to providing sustainable employment to Indigenous Australians. Our Indigenous Employment Programs at both resorts continue to develop and implement programs that focus on achieving our AEC pledge to provide 2,000 sustainable careers for Aboriginal and Torres Strait Islander Australians by 2020.

Crown believes it can best support reconciliation and work towards 'Closing the Gap' by creating sustainable jobs for Indigenous Australians and supporting Indigenous businesses.

Crown recently announced a partnership with Reconciliation Australia and, in accordance with their guidelines, launched Crown's first Reconciliation Action Plan (RAP). Building on the successful Indigenous employment and mentoring programs currently in place, the RAP will enable these programs to be more focussed on individual support and cultural awareness.

The RAP provides employees and others with an understanding of how we will work towards achieving our

AEC pledge through our Indigenous Employment Programs, career pathways, professional development and contracting.

At the launch of Crown's RAP at Crown Melbourne, Dr Denis Napthine, the Premier of Victoria, said:

"This is a very positive and practical way forward towards true reconciliation with Aboriginal and Torres Strait Islander people. This plan will provide 2,000 jobs across Crown, throughout Australia for people of Aboriginal and Torres Strait Islander background. This is a great opportunity for Aboriginal people."

In recognition of Crown's Indigenous program, we were the recipient of the Australian Business Award's 2012 Community Contribution award.

As in past years, Health and Safety Management training was delivered to key personnel, emphasising our commitment to safety management and awareness programs. These initiatives ensure ongoing legislative compliance, as well as the health and safety of our employees, contractors and visitors.

Both Crown Melbourne and Crown Perth remain committed to increasing and promoting the diversity of their workforce. Each property also has a Disability Employment Program which successfully places people with disabilities into a broad range of careers and provides appropriate training and support. The number of people employed under these programs is steadily increasing at

both resorts, and we are planning further developments to ensure these programs continue to grow.

Crown Melbourne: Our People

Crown Melbourne is Victoria's largest single-site private sector employer, with approximately 8,800 people working on site.

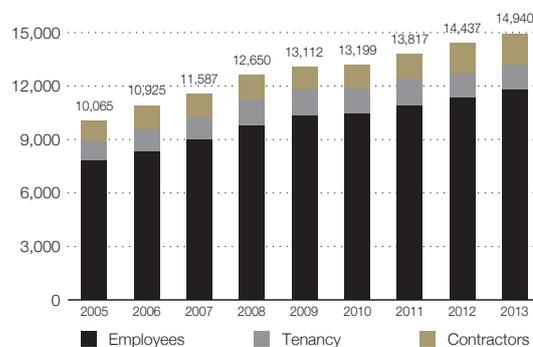
Over 250,000 hours of training were undertaken by Crown Melbourne employees in financial year 2013, and over 580 employees commenced accredited qualifications. Over 4,600 apprentices and trainees have graduated from Crown College since its inception.

This year we have again received several awards that acknowledge Crown's commitment to our employees. These awards include the 2013 Victorian Employer of the Year, awarded at the Victorian Government's Training Awards, the 2012 Victorian Training Award in the Apprentice Development category, the Organisational and Staff Development award at the Learning and Technology Impacts Awards, and the Recommended Employer award at the 2012 Australian Business Awards. We were also a finalist in the Victorian Tourism's Tourism Education and Training award.

Our Learning Pathways program aligns careers with qualifications within the Australian Qualifications Framework. We currently have more than 1,200 employees, including supervisors and managers, completing one of the qualifications we offer.



EMPLOYMENT HEADCOUNT AT CROWN RESORTS



Crown Melbourne has a strong Indigenous Employment Program that focusses on working towards achievement of Crown's AEC pledge.

Crown Melbourne provides support to our Indigenous employees outside of the workplace, assisting them in areas such as counselling, housing, relocation and any other issues that arise directly or indirectly as a result of their employment.

This year, we have again won awards that recognise our commitment and achievements in the employment of Indigenous Australians, including the prestigious Australian Business Awards' 2012 Community Contribution Award.

Crown Melbourne is proud of the success of its Disability Program, evidenced by a retention rate that is almost twice that of the national average. Crown Melbourne's partnership with WISE has greatly enhanced and supported our commitment to disability employment. Crown Melbourne aims to increase the already strong contribution to the program from each business unit, by increasing knowledge, awareness and confidence in the area of disability employment.

This year, we introduced a new program, also in partnership with WISE, called Jobs in Jeopardy. This program identifies employees who have encountered an obstacle to ongoing employment, such as a disability or learning difficulty, or changed medical or personal circumstances. The aim of the program is to identify strategies, opportunities, and practical action

that can help them resume their duties and potentially progress their career.

Crown Melbourne has made significant improvements in key Health and Safety performance measures this year. In particular, we have strengthened our partnerships with a number of service providers who support our Injury Management philosophy, and established a Health and Safety Executive Steering Committee that oversees the mitigation of health and safety risks, and promotes best practice injury management.

In May 2013, Crown Melbourne conducted a business-wide Employee Survey to collect and analyse employees' views on all aspects of the business. The results of the survey have been collated and disseminated to management, and will be used to identify and address areas that will enhance Crown's position as an employer of choice.

Crown Perth: Our People

With approximately 6,100 people working on site, Crown Perth remains Western Australia's largest single-site private sector employer. Crown Perth continues to implement successful recruitment strategies as well as a solid learning and development strategy that delivers talented and skilled employees.

Crown Perth's recruitment requirements have continued to grow in line with the expansion of the resort. With the demand for labour in Western Australia continuing to be highly competitive, Recruitment developed several targeted strategies to maintain

the strength of our employer brand and attract new employees who would meet business requirements. These strategies, along with the corporate advertising and rebranding of the resort, and continued enhancement of our profile in international markets, resulted in an unprecedented number of employment enquiries and applications.

In 2013, approximately 154,000 hours of accredited and non-accredited training was delivered to Crown Perth employees, and we currently have 50 apprentices and over 750 trainees completing nationally accredited training. As further demonstration of Crown Perth's commitment to the professional development of our employees, we successfully applied to have our scope of registration expanded to include the Certificate IV in Hospitality (Supervision), which we began delivering this year.

Crown Perth's Indigenous Employment Program continues to be successful and we are immensely proud of our contribution to Crown's AEC pledge. More than 200 Indigenous Australians have entered employment at Crown Perth since the program began in 2009.

Crown Perth's Disability Employment Program, established early in 2012, has this year been renamed to CROWNability. The program has been very successful, as we have greatly exceeded our targeted number of employees and achieved a very pleasing retention rate. Amongst the program's several noteworthy achievements was the announcement that we were a finalist in the 2013 Australian Human Resources Institute's Diversity Awards.



Sustainability Report: Responsible Gaming

As a world leader in responsible gaming initiatives, we are proud of our long-standing commitment to responsible gaming. We continue to allocate significant resources to raising awareness of responsible gaming and to helping customers enjoy their gaming at Crown. This year, we have again developed and implemented a range of initiatives in this area.

Crown Melbourne and Crown Perth both have dedicated facilities that provide information, referral and other services 24 hours a day, seven days a week. Crown Melbourne's Responsible Gaming Support Centre was the first of its kind in the world when it opened in 2002. Both Centres are staffed by specially trained employees, and provide brochures in English and other languages.

Our ongoing commitment to responsible gaming is further demonstrated by the work of the Crown Limited Responsible Gaming Board Committee which is chaired by Crown Director, Professor John Horvath. The Committee meets regularly to review and monitor the effectiveness of Crown's responsible gaming programs.

Crown employees complete training in responsible gaming that begins with their induction and continues throughout their employment at Crown. This education focusses on legislative compliance and Crown policies, observable signs that may indicate a customer may be experiencing difficulty, and how to direct the customer to appropriate support

services provided by Crown. As such, this comprehensive training underpins Crown's commitment to its responsible gaming programs.

Crown's voluntary pre-commitment system, called the Play Safe Limit Program, operates at both resorts. Introduced at Crown Melbourne in 2003 and Crown Perth in 2010, it enables Crown's loyalty club members who play gaming machines and fully automated table games to select their own time and/or spend limit.

Crown's Self-Exclusion Program, which is legally binding, allows customers to ban themselves from the gaming floors and is available at both resorts.

Crown Melbourne and Crown Perth both have a Responsible Gambling Code of Conduct, specific to each resort. Copies are available on and around the gaming floors at Crown Melbourne and Crown Perth, and in numerous languages on our websites. The Codes are regularly reviewed and updated by Crown, and regularly reviewed by the relevant regulators.

Crown continues to adopt a pro-active and business-wide approach to responsible gaming, and remains actively involved with many community and government bodies. We are proud of our broad range of customer and employee programs and the availability and dissemination of information that promotes awareness of responsible gaming.

Crown Melbourne: Responsible Gaming

Crown Melbourne's Responsible Gaming Support Centre is staffed by a dedicated Responsible Gaming team comprised of managers, Responsible Gaming Liaison Officers, psychologists and a chaplain. The Centre provides a range of specialised services for customers that include the Self-Exclusion Program, the Play Safe Limit Program, the Chaplaincy Support Service and individual counselling, as well as information and referral to government-funded support services.

The team works with several government and community bodies, including the Victorian Responsible Gambling Foundation and Gambler's Help, and has a representative on the steering committee of the Responsible Gambling Awareness Week. The Responsible Gaming team also trains employees in responsible gaming policies and practices, which helps to communicate the importance of responsible gaming to individuals and the community.

Crown Melbourne has participated in each Responsible Gambling Awareness Week since its inception. This year, we hosted an event attended by players from the National Rugby League's Melbourne Storm, players from Super Rugby's Melbourne Rebels, numerous Crown employees and representatives from various community organisations, including Gambler's Help. The General Manager Responsible Gaming spoke

Left to right: Launch of Responsible Gambling Awareness Week, Crown Melbourne; Crown Perth Responsible Gaming Team; Players from the Melbourne Rebels and Melbourne Storm support Crown Melbourne's Responsible Gambling Awareness Week; Attendees at the launch of Crown Melbourne's Responsible Gambling Awareness Week.



about Crown's commitment to responsible gaming and our 'Have you had a break?' campaign, which encourages customers to gamble responsibly and take regular breaks.

The Centre again received a range of local, national and international visitors who work in responsible gambling, representatives from Gambler's Help and other community groups who were keen to learn about the work conducted by the Centre.

As part of our whole-of-property approach to responsible service of gaming, we continued to increase the number of locations where we place customer information. For example, we have introduced a responsible gaming television channel in all Crown hotels, updated the responsible gaming information in restrooms and translated it into three other languages, and included responsible gaming information on the new Wayfinding Kiosks. The whole-of-property approach also ensures that our employees are aware of responsible gaming programs and compliance, and this year we updated our employee training programs and conducted the employee awareness campaign called 'Know your RG'.

Further consolidating our reputation as a leader in responsible gaming, Crown Melbourne was this year invited to deliver a component of the University of Melbourne Law School's inaugural and world-first unit of study called 'Gambling, Policy and the Law', as part of the university's Masters in Law course.

This year we reviewed and updated several forms of responsible gaming information, with a focus on 'Observable Signs'. In particular, we updated our Responsible Gambling Code of Conduct, our on-line Responsible Service of Gaming Training for employees and the responsible gaming component of our Corporate Induction.

Crown Perth: Responsible Gaming

Crown Perth's Responsible Gambling Information Centre continues to offer support and assistance twenty-four hours a day, seven days a week, providing information to customers about responsible gambling, referral services, self-exclusions and third party exclusions.

This year, we have focussed on promoting the twenty-four hour presence across the complex, both to customers and employees, in order to increase the level of awareness of our Responsible Service of Gaming programs. We have received positive feedback about the programs: in particular, employees indicate that they are more aware of the signs of concerning gambling behaviour in customers and the process of referring customers to the Responsible Gambling Information Centre.

Crown Perth has continued to promote Player Activity Statements and Play Safe Limit Program, encouraging customers who play gaming machines to stay informed about their gambling so that they can enjoy their gambling at Crown. To complement this, we ran a number of awareness campaigns on the main gaming floor to promote the use of Player Activity Statements.

As in past years, the Responsible Gambling team has continued to engage with providers of a range of support services in the community, in order to increase awareness of the responsible gambling programs and to encourage referral to the Responsible Gambling team when appropriate.

Crown Perth's continued engagement with Gambling Help WA has been very successful, and this year the team attended information sessions with Gambling Help WA's Financial Counsellor to better understand services available to customers. As in previous years, we also participated in the Responsible Gambling Awareness Week, helping to raise awareness of our programs and of the importance of responsible gambling. During this week, the Responsible Gambling team ran a free coffee service each day for customers on the main gaming floor and received positive feedback from customers and employees. Further, a staff campaign was run back of house to raise awareness of responsible service of gaming.



Sustainability Report: Community

Crown recognises it can play a significant role within the community and seeks to do so by providing assistance, donations and support to a broad range of worthy community activities, local sporting clubs and various charities. Crown's contributions include sponsorship arrangements, employee time, the use of Crown facilities and donations of Crown hospitality packages. In addition, through partnerships with leading community organisations, we work to gain further support for the community service operators and charities we support.

Crown is proud of the community partnerships it maintains with leading charities and community services operators. This year, a number of new partnerships were developed with several such organisations, including National Centre of Indigenous Excellence (NCIE), Reconciliation Australia, Mission Australia and the New South Wales branch of United Voice.

As a corporate partner of the NCIE, Crown is helping the successful not-for-profit organisation to undertake important functions at a local and national level. Through this partnership, Crown contributes financially to the NCIE and has signed an exclusive Memorandum of Understanding to provide a training facility for Indigenous employees at the proposed Crown Sydney Hotel Resort.

Crown's partnership with Reconciliation Australia facilitated the creation of Crown's first Reconciliation Action Plan, launched in March 2013. The plan will build on the already successful Indigenous employment and mentoring programs in Perth

and Melbourne, enabling them to remain focussed on individual support and cultural awareness.

As part of the project to develop the Crown Sydney Hotel Resort, Mission Australia has agreed to become a project partner with Crown. The Memorandum of Understanding signed by Crown and Mission Australia outlines their joint commitment to work together to continue to provide responsible gaming support services at Crown's existing resorts and establish similar services at the proposed Crown Sydney Hotel Resort.

Crown also sponsors several sporting organisations and teams, using these partnerships to align sporting clubs with Crown-supported community initiatives that help raise the profile of these causes. For example, in May this year, players from Melbourne Storm and Melbourne Rebels participated in Crown Melbourne's launch of the *2013 Responsible Gambling Awareness Week*.

Crown hosts or assists with many events that promote and support charitable organisations. One such event this year was the *Autumn Ladies Lunch* that Crown conducted in April to raise money for the National Breast Cancer Foundation. Held in Sydney's Guillaume at Bennelong restaurant located in the Sydney Opera House, the lunch was attended by approximately 120 of Australia's most influential women, including Her Excellency Professor Marie Bashir AC CVO, Governor of New South Wales.

As well, on Stakes Day 2012, Crown donated the use of their front row Birdcage marquee to the Starlight

Children's Foundation and Ronald McDonald House Charities to treat their families to a special day out at Melbourne's Spring Racing Carnival. As well as meeting some of their favourite celebrities, the children were treated to many fun activities, including face painting, magicians, clowns and delicious culinary delights.

Crown Melbourne: Community

Crown Melbourne has continued to support a broad range of community activities and charities, based on the belief that we have a responsibility and the opportunity to help those who are in need of assistance. This year, we have again sponsored many events, contributed employee time and the use of Crown facilities, and donated Crown Melbourne packages, particularly for organisations that help children who are ill.

For more than eight years, Crown Melbourne has sponsored and hosted the *My Room Ball* which raises funds for the Oncology Unit at The Royal Children's Hospital in Melbourne.

This year's *Starry Starry Night* raised more than \$650,000 for The Alannah and Madeline Foundation.

Crown Melbourne also supported the *Epworth Medical Foundation Dinner*, attended by 1,000 guests, along with Challenge's *Robert Allenby Gala Dinner* and the *Diamonds Are A Girl's Best Friend Dinner*, which both assist children living with cancer and other life-threatening blood disorders.

As part of our contribution to The Shane Warne Foundation, Crown

Left to right: Crown Resorts employee; Crown Resorts Reconciliation Action Plan artwork; Crown Perth employees support the Salvation Army's fourth annual Easter Appeal; Crown Perth donate \$1 million to Western Australia's *Teleton*.



Melbourne again sponsored and hosted the *Shane Warne Foundation Boxing Day Breakfast*, the *Joe Hachem and Shane Warne Charity Poker Tournament*, and the *Shane Warne Foundation Anzac Day Brunch*. The Foundation raises money for charities that work with seriously ill and underprivileged Australian children.

Crown Melbourne also supported several gala balls and events for other national charities, including the *Kids Under Cover Umbrella Ball*, the *Ronald McDonald House Charities Ball* and Lillian Frank's *Royal Children's Hospital Fashion Luncheon*.

Many of our employees enthusiastically volunteer their time and effort in a number of ways to benefit the community. For example, hundreds of employees purchased tickets in the *Cadbury Easter Egg Hunt*, the proceeds of which went to the Royal Children's Hospital Good Friday Appeal. Crown Melbourne also raised funds for the Cancer Council by participating in *Australia's Biggest Morning Tea* held in May each year. Many people contributed and baked food, decorated work areas, and encouraged employees to attend and donate a gold coin.

Each year, the Staff Club donates the entry fees for their Family Event to the Royal Children's Hospital, and each Christmas Day our employees support the Open Family Australia Christmas program by packing and distributing more than 250 hampers filled with items donated by Crown Melbourne. With the same generosity of spirit, many employees again personally delivered hampers and other special items to families and individuals living throughout Melbourne.

Crown Melbourne employees also participate in numerous sporting and social events that raise money for charity. Our Staff Club promotes and coordinates participation, and Crown Melbourne subsidises entry fees to encourage staff participation. Events include the *Around the Bay in a Day* cycling event that raises funds for The Smith Family, the *MS Melbourne Summer Cycle*, the *Eureka Climb* that raises funds for Interplas, and the *Run for the Kids*.

Crown Perth: Community

Crown Perth is proud of the funding, support and employee assistance that it provides to many worthwhile charities, organisations and individuals throughout Western Australia.

In addition to a number of not-for-profit charity events and fundraising initiatives, Crown Perth hosts and sponsors a number of gala balls that are considered a highlight on the Perth social calendar, including *Styleaid* for WA Aids Council, *Ronald McDonald House Charities Ball* and the *Western Australian of the Year Awards* for Celebrate WA.

In 2012, Crown Perth again pledged \$1 million to Western Australia's largest fundraising initiative, Telethon, taking its contribution over the past three years to \$3 million dollars. As a million-dollar partner, Crown Perth has made a significant contribution to Telethon's work to support child health services across Western Australia.

Through our long association with Foodbank WA, Crown Perth continues to provide daily donations of soup and has, to date, donated in excess of

117,000 meal portions that have been distributed to more than 600 charitable organisations and schools across Western Australia. Crown Perth is extremely proud of this partnership and the benefits it brings to so many people in the Perth community.

As part of the Global Illumination Project that supports the National Breast Cancer Foundation, Crown Perth again glowed pink all through October 2012. In addition, Crown Perth hosted many fundraising activities and initiatives throughout the month, including the very successful Pink Poker Tournament which was attended by numerous local personalities and media. As a result of these events, more than \$30,000 was raised for the Foundation to go towards valuable research.

At the heart of Crown Perth's community program are our employees, many of whom actively participate in many charitable events, and donate to organisations and events such as the *Anglicare WA Winter Appeal*, *Ronald McDonald House Charities' Make a Meal Program*, and *The Salvation Army's Easter Appeal*.

CEO, Barry Felstead, broke his fundraising record in the annual St Vincent de Paul Society's *CEO Sleepout*, raising a total of \$83,786 for homeless services. Barry has raised a grand total of \$230,000 over four years of participation. The *Sleepout* aims to increase awareness of homelessness across Australia and raise funds for the homeless, and since inception has raised over \$13 million dollars nationally.

“Despite increasing the floor area of both resorts, Crown achieved a reduction in greenhouse gas emissions of 2.9% across both resorts compared to the pcp.”



Sustainability Report: Environment

This year saw a further increase in environmental action across Crown's two resorts, as we continue to work towards being the leader in sustainable business practice in the gaming and entertainment industry. Focussing on three major areas – energy efficiency, water conservation, and waste reduction – we have implemented several programs to reduce our environmental impact. This year we have achieved a combined reduction in greenhouse gas emission of 2.9% across both resorts compared to the pcp, despite increasing the floor area of both resorts.

In particular, our continued live monitoring of energy consumption enables us to review the use of gas, electricity and water, and then take appropriate measures to reduce consumption.

Crown Melbourne and Crown Perth work closely to develop and implement strategies for both resorts that will reduce our impact on the environment, and contribute to developing a more sustainable business. Our Environmental Committee has representatives from each major business unit at both resorts, focussing on numerous energy, water and waste management initiatives. The committee also provides advice to the Executive teams at both resorts on policy development.

Crown proudly participated in a number of externally organised programs, including the global Earth Hour when we turned off all non-essential lighting, World Environment Day, and the Carbon Disclosure Project (for the fourth year running).

Crown Melbourne: Environment

Crown Melbourne has this year reduced its greenhouse gas emission by 6.5% compared to the pcp.

Over the last four years, Crown Melbourne has invested in a resource monitoring and reporting system that provides live data for measuring electricity, gas and water consumption throughout the resort. The system provides each business unit with daily, weekly and monthly reports that show time-of-use data, so that they can identify how to reduce their consumption and then monitor the effectiveness of programs.

Over the same period, more than \$10 million was spent on resource savings projects, such as the energy reduction, water conservation and waste minimisation projects outlined below.

Crown Melbourne's Eco-Shoots team (comprised of volunteer employees) was formed in 2011 and continues to conduct monthly environmental awareness events that encourage employees to reduce, re-use and recycle. This year's major campaigns included Mobile Muster, Battery Recycling, and Corks for the Elephants.

In partnership with Climate Friendly, Crown Melbourne introduced a Carbon Offset program for guests in our hotels. This program subsequently achieved certification under the Australian Government's National Carbon Offset Standard – a first in the hospitality and tourism industry.

Crown Melbourne has retained membership of a number of organisations in order to demonstrate our commitment to sustainability. These include the Australian Packaging Covenant, Waste Wise, and the City of Melbourne's 1200 Buildings Program that aims to reduce the city's environmental impact by retrofitting existing buildings.

Energy Efficiency

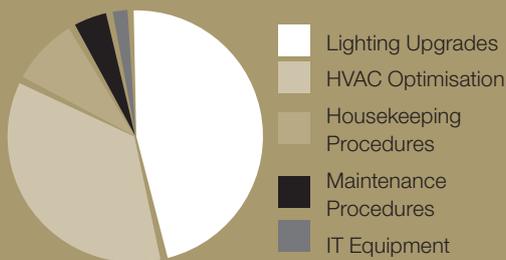
In March 2012, Crown Melbourne completed its largest energy efficiency project to date with the upgrade of the Crown Promenade Hotel. With funding assistance from AusIndustry through the Green Building Fund, the project aimed to reduce greenhouse gas emissions by 3 million kg CO₂, which amounts to a 22% reduction. To achieve this, we replaced more than 9,000 lights with LED and fluoro technology, optimised heating, cooling and ventilation control, and improved housekeeping and maintenance procedures. We have exceeded our target, as the project has so far achieved a 25% reduction in greenhouse gas emissions.

Crown Melbourne also upgraded the controls and lighting systems serving the Clarke Street administration and car park building, resulting in an energy reduction of 16.8%.

Over the last two years, Engineering and Maintenance have focussed on improving the energy efficiency of the central plant. Changes made include installing variable speed drives for cooling towers, upgrading absorption chillers, replacing gas trains on central boilers, replacing heat exchangers, optimising control strategies for electric

Crown Promenade Melbourne's Journey to Energy Efficiency:

CO₂ Savings by Category:



Lighting Projects:



HVAC Projects:

CO₂ levels controlled by monitoring internal ventilation



chillers and gas boilers, and introducing real-time monitoring of the performance of equipment. Along with upgrades to the lighting and HVAC systems, these improvements have resulted in a reduction in electricity consumption in the main complex of 13%.

Throughout the rest of the resort, we have upgraded more than 80,000 lamps to energy efficient technology, installed more than 1,100 occupancy and daylight harvesting sensors, and upgraded 40% of the resort's automation control system.

All of our energy efficiency projects for this year have resulted in a CO₂ abatement of more than 9,700 tonnes, the equivalent to powering more than 800 homes or removing 2,400 cars from the streets.

Water Conservation

Since 2010, Crown Melbourne has invested in a number of water saving projects, resulting in cost efficiencies across the resort.

This year, we have continued operating our water-recycling system, generating 1.4 million litres of recycled water used for toilet flushing, and also expanded our rainwater harvesting system by adding a 125,000-litre rainwater collection and re-use system. These systems have the potential to save 5.5 million litres of drinking water every year. We have also upgraded more than 500 shower heads, 300 taps and 140 toilets.

Life Cycle Management

Life Cycle Management enables us to manage the total life cycle of products and services. By working with suppliers, employees, customers and waste management contractors, we manage

how products are made and distributed, how our products are consumed, and how our products are disposed, enabling us to create more sustainable production and consumption patterns.

We continued to expand our recycling systems including soft plastic, green waste, polystyrene, e-waste, organics, metal, fluorescent tubes, oil, CDs, DVDs, and corks.

The biggest addition to our repertoire of recycling programs is the recycling of gaming cards that began in October 2012. All gaming cards are shredded on-site and then taken off-site for recycling where they are converted into paper towels and toilet tissue. It is estimated that this will divert from landfill approximately 240 tonnes of waste per year.

Crown Perth: Environment

Over the last four years, Crown Perth has invested in a comprehensive resource monitoring and reporting system which provides live data for measuring electricity, gas and water consumption throughout the resort. This year, we strengthened our monitoring and measuring of energy and water use by continuing to install water and energy sub-metering across the resort. By accurately monitoring resource consumption, we are able to identify areas for improvement.

Energy Efficiency

Crown Perth continues to implement resource-saving projects that will produce cost efficiencies and savings.

Energy-saving initiatives that were undertaken this year include: the rollout of sub-metering; the installation

of more efficient heating, ventilation, and air conditioning equipment (an HVAC chiller) in the Convention Centre; optimisation of the casino's chilled water system; and upgrading of the lighting in the undercover car park (halving the energy consumption of the lighting to this area).

As part of our ongoing resort-wide lighting project, we have upgraded the lighting in the VIP Gaming area, replacing the coffer lamps with LED-style lamps. This initiative alone has resulted in a 40% reduction in lighting energy use in this area.

Water Conservation

Crown Perth continues its strong focus on water conservation, successfully implementing a number of water saving initiatives, including the ongoing installation of 2.5-litre tapware restrictors/aerators to hand basins, the installation of a water-flow meter for the main water supply to allow us to actively monitor water use, and the fitting of resource-saving shower heads and tapware in Crown Promenade Perth and Crown Metropolis Perth hotels.

Life Cycle Management

Crown Perth has implemented a resort-wide recycling program, including an organic waste recycling program, allowing us to annually divert from landfill 60% of our waste (approximately 4,000 tonnes), reducing CO₂ emissions by approximately 2,000 tonnes each year.

Crown Perth continues to improve employee awareness of environmental issues by providing employees with relevant information in innovative and effective ways.

Corporate Governance Statement

The Crown Limited Board is committed to the implementation and maintenance of good corporate governance practices.

This Statement sets out the extent to which Crown Limited (Crown) has followed the best practice recommendations set by the ASX Corporate Governance Council (the Principles and Recommendations) during the twelve month period ending 30 June 2013.

Principle 1

Lay Solid Foundations for Management and Oversight

Functions reserved for the Board

The Board is responsible for guiding and monitoring Crown on behalf of its shareholders. In addition, the Board (in conjunction with management) is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a formal Board Charter which sets out a list of specific functions which are reserved for the Board.

Board appointments are made pursuant to formal terms of appointment.

Functions delegated to Senior Executives

Crown's senior executives have responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

Process for evaluating performance of Senior Executives

Crown has established processes for evaluating the performance of its senior executives. In summary, each senior executive is evaluated against the achievement of pre-agreed performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration of the relevant senior executive.

Detailed information regarding Crown's remuneration practices is provided in the Remuneration Report. An evaluation of senior executives took place following the end of the financial year and in accordance with the processes described in the Remuneration Report.

Induction process for new executives

Crown executives are required to undertake formal induction training through either the Crown Melbourne on-site accredited training facility – Crown College, or Crown Perth's on-site training program.

The program involves training about:

- the history and development of the Crown brand and businesses;
- the main legal and regulatory obligations affecting the Crown businesses;
- Crown's responsible gaming policies and procedures;
- Crown's responsible service of alcohol policies; and
- the rights and obligations of Crown employees.

As part of the induction program, executives are required to successfully complete a series of online training modules and to pass the associated assessment.



More information

A full copy of the Crown Board Charter is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

Principle 2 Structure the Board to add value

Composition of the Board

As at the date of this Statement, the Board comprises the following twelve Directors:

- James D Packer
Chairman
- John H Alexander BA
Executive Deputy Chairman
- Benjamin A Brazil BCom LLB
Independent, Non-Executive Director
- Helen A Coonan BA, LLB
Independent, Non-Executive Director
- Christopher D Corrigan
Independent, Non-Executive Director
- Rowen B Craigie BEc (Hons)
Chief Executive Officer and Managing Director
- Rowena Danziger AM, BA, TC, MACE
Independent, Non-Executive Director
- Geoffrey J Dixon
Independent, Non-Executive Director
- Professor John S Horvath AO, MB, BS (Syd), FRACP
Independent, Non-Executive Director
- Ashok Jacob MBA
Non-independent, Non-Executive Director
- Michael R Johnston BEc, CA
Non-independent, Non-Executive Director
- Harold C Mitchell AC
Independent, Non-Executive Director

Information about each current Director's qualifications, experience and period in office is set out in the Directors' Statutory Report.

The roles of Chair and Chief Executive Officer are exercised by separate persons. James Packer acts as Chairman and Rowen Craigie as Chief Executive Officer and Managing Director.

Relationships affecting independence

The Crown Board is currently comprised of twelve Directors, seven of whom are independent Directors. A majority of Directors are therefore independent.

The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter.

Departure from Recommendation 2.2: The Principles and Recommendations recommend that the chair of the Board should be an independent Director. Crown's Chairman is not an independent Director. The Board believes that the interests of shareholders are best served by a Chairman who is sanctioned by shareholders and who will act in the best interests of shareholders as a whole. As the Chairman has a significant relevant interest in Crown, he is well placed to act on behalf of shareholders and in their best interests.

Procedure for selection and appointment of new Directors

Where a new Director appointment is required, Crown adheres to procedures (Selection Procedure) including the following:

- the experience and skills appropriate for an appointee, having regard to those of the existing Board members and likely changes to the Board are considered;
- upon identifying a potential appointee, specific consideration is given to that candidate's:
 - competencies and qualifications;
 - independence;
 - other directorships and time availability; and
 - the effect that their appointment would have on the overall balance and composition of the Board; and
- finally, all existing Board members must consent to the proposed appointment.

The duties, responsibilities and powers of Crown's Nomination and Remuneration Committee extend to reviewing the Selection Procedure and making appropriate recommendations to the Board in relation to the Selection Procedure. The Committee is responsible for implementing the Selection Procedure and developing succession plans in order for the Board to maintain appropriate experience, expertise and diversity.

The re-appointment procedures for incumbent Directors are as outlined in Crown's Constitution. In summary, subject to the specific matters described in the Constitution, an election of Directors must take place each year at which one third of Directors must retire. Any Director who has been in office for three or more years and for three or more annual general meetings must also retire. Directors who retire are generally eligible for re-election.

Process for evaluating performance of the Board, its Committees and its Directors

A performance evaluation of the Board and of its Committees is undertaken annually, following completion of each financial year, by way of a questionnaire sent to each Director.

The questionnaire covers the role, composition, procedure and practices of the Board and its Committees. The individual responses to the questionnaire are confidential to each Director, with questionnaire responses to be provided to the Chairman of the Nomination and Remuneration Committee for his consideration and provision of a report to the Board.

Crown's Nomination and Remuneration Committee also has delegated responsibility for reviewing Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors.

An evaluation of the Board and its Committees took place following the end of the financial year and in accordance with the processes described above.

Procedures for taking independent advice

To enable Crown's Board to fulfil its role, each Director may obtain independent advice on relevant matters at Crown's expense.

In these circumstances, the Director must notify the Chairman of the nature of the advice sought prior to obtaining that advice, so that the Chairman can take steps to ensure that the party from whom advice is sought has no material conflict of interest with Crown. The Chairman is also responsible for approving payment of invoices in relation to the external advice.

In addition, each Committee has the full authority of the Board to:

- communicate and consult with external and internal persons and organisations concerning matters delegated to the Committee; and
- appoint independent experts to provide advice on matters delegated to the Committee.

Crown Board Committees

To assist in carrying out its responsibilities, the Crown Board has established the following Committees:

Committees	Current Members	Meetings held during FY 2013
Audit & Corporate Governance	Benjamin Brazil (Chair) Rowena Danziger Michael Johnston	3
Finance ¹	Geoffrey Dixon (Chair) Benjamin Brazil Michael Johnston	0
Investment ²	James Packer (Chair) John Alexander Rowen Craigie Ashok Jacob	0
Nomination and Remuneration	Geoffrey Dixon (Chair) Christopher Corrigan Harold Mitchell	1
Occupational Health, Safety & Environment	Rowena Danziger (Chair) Rowen Craigie John Horvath Michael Johnston	4
Responsible Gaming	John Horvath (Chair) Rowen Craigie Rowena Danziger	6
Risk Management	Geoffrey Dixon (Chair) Rowen Craigie Rowena Danziger	2

1. The Finance Committee did not meet this financial year, however there were two written resolutions assented to by the Committee during the financial year 2013.
2. The Investment Committee did not meet this financial year, however there were two written resolutions assented to by the Committee during financial year 2013.

Each Committee has adopted a formal Charter that outlines its duties and responsibilities. Since year end, Crown has established a new Corporate Social Responsibility Committee.



More information

A full copy of the Crown Board Charter is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

A description of the procedure for selection, appointment and re-election of Directors is available on the Crown website at: www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 3 Promote Ethical and Responsible Decision-Making

Codes of conduct

Crown has established separate Codes of Conduct that outline the standard of ethical behaviour that is expected of its Directors and of its employees at all times. The Code of Conduct for Employees is a detailed statement of the:

- practices required by employees to maintain confidence in Crown's integrity;
- legal obligations of employees and the reasonable expectations of their stakeholders; and
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Policy concerning diversity

Crown has established a policy concerning diversity and disclosed its policy on its website. The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

In accordance with the policy, Crown has established the measurable objectives for achieving gender diversity set out below.

Except where specifically noted, these objectives have been set in relation to employees of Crown Limited, Crown Melbourne and Crown Perth groups.

An assessment of Crown's progress in achieving those objectives has also been included.

Objective	Crown's Progress
<ul style="list-style-type: none"> • To require that at least one female candidate is presented on candidate short lists for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken. 	<p>During the year, there were a total of 11 recruitment processes commenced for Senior Management and Senior Executive positions within the group.</p> <p>Except in relation to the recruitment of the Crown Melbourne and Crown Perth Chief Financial Officers which were internal recruitment processes where there were no suitable female candidates, all short lists included a female candidate.</p>
<ul style="list-style-type: none"> • To increase the number of female participants in leadership and development programs across the group so that by 2015 females represent at least 45% of all participants. 	<p>During the year, 40% of participants in leadership and development programs across the group were female. Whilst this represents a slight decrease on the percentage participation in 2012 of 43%, overall the total number of participants in leadership programs has increased as has the total number of female participants.</p> <p>Crown will continue its work towards increasing that percentage in a bid to meeting its objective of 45% female participation by 2015.</p>
<ul style="list-style-type: none"> • To incorporate a targeted mentoring program for women into existing group leadership and development programs. 	<p>Leadership development programs conducted across the group all included a mentoring component.</p> <p>Crown is continually developing relevant leadership and development programs so that, where appropriate, female participants on those programs are able to receive targeted mentoring.</p> <p>In addition, funds have been set aside in a diversity budget for FY14 to further develop targeted mentoring for women.</p>

Objective	Crown's Progress
<ul style="list-style-type: none"> To conduct a review on an annual basis of the remuneration for key roles within the group to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps. 	<p>Crown has conducted an annual review of the remuneration of key roles within the group.</p> <p>Based on that review, within Crown's major operating subsidiaries, Crown Melbourne and Crown Perth, the average total male remuneration was \$216,863 and the average total female remuneration was \$182,715.</p> <p>An analysis was conducted to break down this data to see whether a pay gap exists within the same "pay grade", as Crown's management team encompasses several "pay grades".</p> <p>Crown Melbourne examined the grade levels within its Business Operations Team, comparing male and female remuneration, number of employees, and length of service within each grade level. The analysis indicated that the current pay gaps are due to outliers skewing the data, with the removal of the outliers indicating no significant difference in the gender pay gap.</p> <p>The Crown Perth grade system has two pay grades covering employees on its Business Operations Team. An analysis was conducted comparing total employment cost within each grade which revealed a substantially smaller gap between male and female salaries. Additionally, length of service has been determined as a potential contributor and the presence of outliers has impacted the results.</p> <p>Crown Melbourne and Crown Perth will continue to monitor and review the average salaries for key roles.</p>
<ul style="list-style-type: none"> To recruit at least one further female director for Crown Limited by financial year 2013. 	<p>The Honourable Helen Coonan joined the Crown Board in December 2011. Accordingly, the Crown Board is comprised of two female directors and ten male directors and this objective has been achieved.</p>

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2013 is as follows:

Measure	Result
<ul style="list-style-type: none"> Proportion of women employees in the group: 	<p>There were 5,088 women in the group. This represents 43% of the total workforce of 11,764 employees.</p>
<ul style="list-style-type: none"> Proportion of women in senior executive positions in the group: 	<p>There were 28 women in senior executive positions in the group. This represents 31% of senior positions in the group.</p>
<ul style="list-style-type: none"> Proportion of women on the Board: 	<p>Two women out of twelve directors, or 17%.</p>

Crown's Audit & Corporate Governance Committee has been delegated responsibility for developing and monitoring the application of Crown's Diversity Policy.

Policy concerning trading in company securities

Crown has adopted a formal Securities Trading Policy which details Crown's policy concerning trading in Crown shares by Directors, senior executives and employees.

The Securities Trading Policy:

- includes a requirement that employees do not buy and sell Crown shares within a 12 month period (i.e. that they do not short trade);
- establishes formal “trading windows” during which Crown employees can and cannot trade in Crown shares;
- includes restrictions and clearance procedures as to when trading can and cannot occur;
- sets out Crown’s policy on entering into transactions in associated products which limit economic risk; and
- summarises the application of the insider trading provisions of the Corporations Act 2001 and the consequences of contravention thereof.

A copy of the Securities Trading Policy has been given to Australian Securities Exchange and released to the market.

Policy concerning political donations

Crown has adopted a formal Political Donations Policy which details Crown’s policy regarding donations to political parties.

The policy imposes annual monetary limits on political donations and sets up a framework to ensure Crown is able to comply with relevant State based and Commonwealth reporting requirements.

In summary, the policy provides that Crown may make political donations, provided that:

- the contributions support public policy which is aligned to the best interests of Crown’s shareholders, customers, staff and the broader community;
- no particular political party is unduly favoured; and
- contributions are approved, made and recorded in compliance with the requirements of the policy and any other legislative requirements.

Policy concerning anti-corruption and bribery

Crown has adopted a formal Anti-bribery and Corruption Policy which details Crown’s policy concerning acts of bribery and corruption.

Crown takes a zero tolerance approach to acts of bribery and corruption by any officers, employees, third-party representatives or business partners.

Crown’s Anti-bribery and Corruption Policy requires that Crown not, either directly or indirectly, solicit, encourage or accept any form of bribe from anyone, including a business partner, a supplier, a customer or fellow employees as an inducement for business, information or any other purpose.

The Crown Board is fully committed to the implementation of a zero tolerance Anti-bribery and Corruption Policy. The Board and senior management team must continue to foster a culture within Crown in which bribery or corruption is not acceptable.

Employees who are required to deal with external suppliers of goods and services to Crown must avoid placing themselves in situations of a potential conflict of interest.

It is a fundamental principle of Crown that all of its business affairs be conducted legally, ethically and with strict observance of the highest standards of integrity and professionalism.

Corporate Social Responsibility

Since year end, Crown has established a Corporate Social Responsibility Committee to assist the Board in setting Crown’s corporate social responsibility policies and programs and assessing Crown’s corporate social responsibility performance.

The members of the Committee are Helen Coonan (Chair), Rowen Craigie, John Horvath and Harold Mitchell. Three out of four of the Committee members are independent directors of Crown.

Among other things, the Committee’s mandate extends to continuing Crown’s efforts in establishing appropriate corporate social responsibility policies and programs, monitoring and reviewing the effectiveness of those policies and programs and promoting and supporting continuous improvement in Crown’s corporate social responsibility performance.



More information

Full copies of Crown's Code of Conduct for Directors and Code of Conduct for Employees are available at: www.crownlimited.com under the heading Corporate Governance – Codes.

A full copy of Crown's Diversity Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

A full copy of Crown's Securities Trading Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

A full copy of Crown's Anti-Bribery and Corruption Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

A full copy of Crown's Corporate Social Responsibility Charter is available at: www.crownlimited.com under the heading Corporate Governance – Charters.

Principle 4 Safeguard Integrity in Financial Reporting

Crown Audit & Corporate Governance Committee and Charter

As indicated above, Crown has established a formal Audit & Corporate Governance Committee to review the integrity of Crown's financial reporting and to oversee the independence of Crown's external auditors.

The current members of the Audit & Corporate Governance Committee are Ben Brazil (Chair), Rowena Danziger and Michael Johnston. All members of the Committee are Non-Executive Directors and a majority of those Committee members are independent Directors.

The Chairman of the Audit & Corporate Governance Committee, Mr Ben Brazil is an independent Director who has extensive financial qualifications and experience. He holds a Bachelor of Commerce degree and holds a senior role at Macquarie Bank in the Corporate and Asset Finance Group.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report.

The Audit & Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities.

The Charter includes information on the procedures for selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners. Last year marked the fifth anniversary of the appointment of Crown's audit partner and accordingly, a new audit partner has been appointed commencing financial year 2013.

Principle 5 Make Timely and Balanced Disclosure

Policy to ensure compliance with ASX Listing Rule disclosure requirements

Crown has a formal Continuous Disclosure Policy in place which is designed to ensure compliance with ASX Listing Rule requirements. The policy details processes for:

- ensuring material information is communicated to Crown's Chief Executive Officer, its General Counsel and Company Secretary or a member of the Audit & Corporate Governance Committee;
- the assessment of information and for the disclosure of material information to the market; and
- the broader publication of material information to Crown's shareholders and the media.



More information

A full copy of Crown's Continuous Disclosure Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 6 Respect the Rights of Shareholders

Promotion of effective communication with shareholders

Crown has a Communications Policy which seeks to promote effective communication with its shareholders. The policy explains how information concerning Crown will be communicated to shareholders. The communication channels include:

- Crown's Annual Report;
- disclosures made to the ASX; and
- Notices of Meeting and other Explanatory Memoranda.

Crown has a dedicated corporate website which includes copies of all communications and other company information.

Advance notification of results announcements is made via Crown's website.



More information

A full copy of Crown's Communication Policy is available at:
www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 7 Recognise and Manage Risk

Policy for the oversight and management of material business risks

Crown has established policies for the oversight and management of material business risks and has adopted a formal Risk Management Policy. Risk management is an integral part of the industry in which Crown operates.

Design and implementation of risk management and internal control systems

As required by the Board, Crown's management have devised and implemented risk management systems appropriate to Crown.

Management are charged with monitoring the effectiveness of risk management systems and are required to report to the Board via the Risk Management Committee. The Board convened Risk Management Committee administers Crown's Risk Management Policy.

The policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown's controlled businesses and requires that the results of those procedures are reported to the Crown Board. A formal Risk Management Plan has been developed using the model outlined in AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

The Plan identifies specific Head Office risks in light of major risks identified at an operational level and provides the framework for the reporting and monitoring of material risks across the Crown group.

The Board has received, and will continue to receive, periodic reports through the Risk Management Committee, summarising the results of risk management initiatives at Crown.

Chief Executive Officer and Chief Financial Officer assurances

The Crown Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.



More information

A full copy of Crown's Risk Management Committee Charter is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

A full copy of Crown's Risk Management Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 8 Remunerate Fairly and Responsibly

Remuneration of Board members and Senior Executives

Crown has established a formal Nomination and Remuneration Committee. The role of the Nomination and Remuneration Committee includes:

- the review and recommendation of appropriate Directors' fees to be paid to Non-Executive Directors; and
- consideration of remuneration policies to be applied to executives, including any equity-based remuneration plan that may be considered, subject to shareholder approval (where required).

Following the end of the financial year, the Committee has reviewed and approved:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2014; and
- the short term bonus payments made to senior executives referable to the financial year ending 30 June 2013.

The current members of the Nomination and Remuneration Committee are Geoffrey Dixon (Chair), Christopher Corrigan and Harold Mitchell who are each independent, Non-Executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report.

The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities. A summary of current remuneration arrangements is set out more fully in the Remuneration Report. The objective of Crown's remuneration policy is to ensure that:

- senior executives are motivated to pursue the long-term growth and success of Crown; and
- there is a clear relationship between senior executives' performance and remuneration.

Policy on entering into transactions in associated products which limit economic risk

The rules of the 2010 Crown Long Term Incentive Plan specifically provide that a participant must not grant or enter into any Security Interest in or over any Crown shares that may be acquired under the Plan (Participant Shares) or otherwise deal with any Participant Shares or interest in them until the relevant Participant Shares are transferred from the Trustee to the participant in accordance with the Plan rules. Security Interests are defined to extend to any mortgage, charge, pledge or lien or other encumbrance of any nature, and includes any derivative relating to or involving a Participant Share. Any Security Interest, disposal or dealing made by a participant in contravention of the Plan rules will not be recognised by Crown.



More information

A full copy of Crown's Nomination and Remuneration Committee Charter is available at: www.crownlimited.com under the heading Corporate Governance – Charters.

Nevada Information Statement

The gaming industry in Nevada is highly regulated and Crown Limited (Crown) must maintain relevant licences to continue its investments in entities with gaming operations in Nevada. Each of the casinos in which Crown has an interest is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located. These laws, rules and regulations generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interest in gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

Crown is registered as a publicly traded corporation in the state of Nevada. One of the conditions of that registration requires Crown to summarise relevant Nevada gaming law requirements in this Report. Crown Melbourne and Crown Perth are regulated in a similar manner by the Victorian Commission for Gambling and Liquor Regulation and the Western Australian Department of Racing Gaming and Liquor, respectively. We are not, however, required to summarise the regulations specific to Victoria and Western Australia in this Report.

Nevada Government Regulation

The ownership and operation of casino gaming facilities in Nevada are subject to the Nevada Gaming Control Act and the regulations promulgated thereunder (collectively, the Nevada Act) and various local regulations. Gaming operations are subject to the licensing and regulatory control of the Nevada Gaming Commission (the Nevada Commission), the Nevada State Gaming Control Board (the Nevada Board) and various county and city licensing agencies (the local authorities). The Nevada Commission, the Nevada Board and the local authorities are collectively referred to as the "Nevada Gaming Authorities".

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy that are concerned with, among other things:

- the prevention of unsavoury or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
- the establishment and maintenance of responsible accounting practices;
- the maintenance of effective controls over the financial practices of licensees, including the establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- providing reliable record keeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;
- the prevention of cheating and fraudulent practices; and
- providing a source of state and local revenues through taxation and licensing fees.

Each of the entities in which Crown holds an investment and which currently operate casinos in Nevada (the casino licensees) is required to be licensed by the Nevada Gaming Authorities. Certain of Crown's subsidiaries in the Cannery ownership chain have also been licensed or found suitable as shareholders, members or general partners, as relevant, of the casino licensees.

The casino licensees and the foregoing subsidiaries are collectively referred to as the "licensed subsidiaries".

Registration as a Publicly Traded Corporation

Crown is required to be registered by the Nevada Commission as a publicly traded corporation and, as such, is required periodically to submit detailed financial and operating reports to the Nevada Commission and to furnish any other information that the Nevada Commission may require. No person may become a shareholder or member of, or receive any percentage of profits from, the licensed subsidiaries without first obtaining licences and approvals from the Nevada Gaming Authorities.

Additionally, local authorities have taken the position that they have the authority to approve all persons owning or controlling the shares of any corporation controlling a gaming licensee. Crown and the licensed subsidiaries have obtained from the Nevada Gaming Authorities the various registrations, approvals, permits and licences required in order to engage in gaming activities in Nevada.

Suitability of Individuals

Power to investigate

The Nevada Gaming Authorities may investigate any individual who has a material relationship to, or material involvement with, Crown or any of the licensed subsidiaries to determine whether such individual is suitable or should be licensed as a business associate of a gaming licensee.

Officers, Directors and certain key employees of the licensed subsidiaries must file applications with the Nevada Gaming Authorities and may be required to be licensed by the Nevada Gaming Authorities. Crown's officers, Directors and key employees who are actively and directly involved in the gaming activities of the licensed subsidiaries may be required to be licensed or found suitable by the Nevada Gaming Authorities.

The Nevada Gaming Authorities may deny an application for licensing or a finding of suitability for any cause they deem reasonable. A finding of suitability is comparable to licensing and both require submission of detailed personal and financial information followed by a thorough investigation. The applicant for licensing or a finding of suitability, or the gaming licensee by which the applicant is employed or for whom the applicant serves, must pay all the costs of the investigation.

Changes in licensed positions must be reported to the Nevada Gaming Authorities and, in addition to their authority to deny an application for a finding of suitability for a licence, the Nevada Gaming Authorities have jurisdiction to disapprove a change in a corporate position.

Consequences of finding of unsuitability

If the Nevada Gaming Authorities were to find an officer, Director or key employee unsuitable for licensing or to continue having a relationship with Crown or the licensed subsidiaries, such company or companies would have to sever all relationships with that person. In addition, the Nevada Commission may require Crown or the licensed subsidiaries to terminate the employment of any person who refuses to file appropriate applications. Determinations of suitability or of questions pertaining to licensing are not subject to judicial review in Nevada.

Reporting requirements

Crown and the licensed subsidiaries are required to submit detailed financial and operating reports to the Nevada Commission. Substantially all of Crown and the licensed subsidiaries' material loans, leases, sales of securities and similar financing transactions must be reported to or approved by the Nevada Commission.

Consequences of Violation of the Nevada Act

If the Nevada Commission determined that Crown or a licensed subsidiary violated the Nevada Act, it could limit, condition, suspend or revoke, subject to compliance with certain statutory and regulatory procedures, Crown's Nevada gaming licences and those of Crown's licensed subsidiaries. In addition, Crown and the licensed subsidiaries and the persons involved could be subject to substantial fines for each separate violation of the Nevada Act at the discretion of the Nevada Commission.

Certain Beneficial Holders of Shares Required to be Licensed

Generally

Any beneficial holder of Crown's voting securities, regardless of the number of shares owned, may be required to file an application, be investigated and have his or her suitability as a beneficial holder of the voting securities determined if the Nevada Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. The applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting any such investigation.

The Nevada Act requires any person who acquires more than 5% of any class of Crown's voting securities to report the acquisition to the Nevada Commission. The Nevada Act requires that beneficial owners of more than 10% of any class of Crown's voting securities apply to the Nevada Commission for a finding of suitability within thirty days after the Chairman of the Nevada Board mails a written notice requiring such filing.

Institutional investors

Under certain circumstances, an “institutional investor” as defined in the Nevada Act, who acquires more than 10% but not more than 25% of any class of Crown’s voting securities, may apply to the Nevada Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only.

An institutional investor will be deemed to hold voting securities for investment purposes if it acquires and holds the voting securities in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of Crown’s Board of Directors, any change in Crown’s Constitution, management, policies or operations or any of Crown’s gaming affiliates or any other action that the Nevada Commission finds to be inconsistent with holding Crown’s voting securities for investment purposes only.

Activities that are deemed to be consistent with holding voting securities for investment purposes only include:

- voting on all matters voted on by shareholders;
- making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and
- such other activities as the Nevada Commission may determine to be consistent with such investment intent.

Corporations and trusts

If the beneficial holder of voting securities who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information including a list of beneficial owners. The applicant is required to pay all costs of investigation.

Consequences of finding of unsuitability

Any person who fails or refuses to apply for a finding of suitability or a licence within 30 days after being ordered to do so by the Nevada Commission or the Chairman of the Nevada Board may be found unsuitable.

The same restrictions apply to a nominee if the nominee, after request, fails to identify the beneficial owner. Any shareholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of Crown’s shares beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offence in Nevada. Crown will be subject to disciplinary action if, after Crown receives notice that a person is unsuitable to be a shareholder or to have any other relationship with Crown or a licensed subsidiary, Crown or any of the licensed subsidiaries:

- pays that person any dividend or interest upon any of Crown’s voting securities;
- allows that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pays remuneration in any form to that person for services rendered or otherwise; or
- fails to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, the immediate purchase of the voting securities for cash at fair market value.

Certain Debt Holders Required to be Licensed

The Nevada Commission may, in its discretion, require the holder of any of Crown’s debt securities to file an application, be investigated and be found suitable to hold the debt security. If the Nevada Commission determines that a person is unsuitable to own such security, then pursuant to the Nevada Act, Crown can be sanctioned, including the loss of its approvals, if without the prior approval of the Nevada Commission, it:

- pays to the unsuitable person any dividend, interest or any distribution whatsoever;
- recognises any voting right by such unsuitable person in connection with such securities;
- pays the unsuitable person remuneration in any form; or
- makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

Maintenance of Share Register

Crown is required to maintain a current share register in Nevada that may be examined by the Nevada Gaming Authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Nevada Gaming Authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. Crown is also required to render maximum assistance in determining the identity of the beneficial owner. The Nevada Commission has the power to require Crown's holding statements or share certificates bear a legend indicating that such securities are subject to the Nevada Act. To date, however, the Nevada Commission has not imposed such a requirement on Crown.

Actions Requiring Prior Approval of the Nevada Commission

Public offerings to fund Nevada gambling activities

Crown may not make a public offering of any securities without the prior approval of the Nevada Commission if the securities or the proceeds therefrom are intended to be used to construct, acquire or finance gaming facilities in Nevada or to retire or extend obligations incurred for those purposes or for similar purposes. An approval, if given, does not constitute a finding, recommendation or approval by the Nevada Commission or the Nevada Board as to the accuracy or adequacy of the prospectus or the investment merits of the securities. Any representation to the contrary is unlawful.

Transactions effecting a change in control

Changes in control of Crown through merger, consolidation, share or asset acquisitions, management or consulting agreements or any act or conduct by a person whereby he or she obtains control, may not occur without the prior approval of the Nevada Commission. Entities seeking to acquire control of a registered corporation must satisfy the Nevada Board and the Nevada Commission concerning a variety of stringent standards prior to assuming control of the registered corporation. The Nevada Commission may also require controlling shareholders, officers, Directors and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction.

Share buy-backs and other arrangements

Approvals are, in certain circumstances, required from the Nevada Commission before Crown can make exceptional repurchases of voting securities above the current market price and before a corporate acquisition opposed by management can be consummated. The Nevada Act also requires prior approval of a plan of recapitalisation proposed by a registered corporation's Board of Directors in response to a tender offer made directly to the registered corporation's shareholders for the purpose of acquiring control of that corporation.

Investigation and Monitoring of "Foreign Gaming Operations"

Because Crown is involved in gaming ventures outside of Nevada, Crown is required to deposit with the Nevada Board and thereafter maintain a revolving fund in the amount of US\$10,000 to pay the expenses of investigation by the Nevada Board of Crown's participation in such gaming.

The Nevada Board refers to any of Crown's operations outside of Nevada as "foreign gaming operations". The revolving fund is subject to increase or decrease at the discretion of the Nevada Commission. Crown is also required to comply with certain reporting requirements imposed by the Nevada Act. Crown would be subject to disciplinary action by the Nevada Commission if Crown:

- knowingly violates any laws of the foreign jurisdiction pertaining to the foreign gaming operation;
- fails to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations;
- engages in any activity or enters into any association that is unsuitable because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect discredit or disrepute upon the State of Nevada or gaming in Nevada or is contrary to the gaming policies of Nevada;
- engages in any activity or enters into any association that interferes with the ability of the State of Nevada to collect gaming taxes and fees; or
- employs, contracts with or associates with any person in the foreign gaming operation who has been denied a license or a finding of suitability in Nevada on the ground of personal unsuitability or who has been found guilty of cheating at gambling.

Directors' Statutory Report

Company Information

Review of operations

A review of operations of the Crown Limited (Crown) group for the financial year ended 30 June 2013 and the results of those operations is detailed on pages 8 to 29.

The principal activity of the entities within the Crown group is gaming and entertainment.

Significant changes in state of affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2012 include:

- In February 2012, it was announced that Crown had acquired a 10% interest in Echo Entertainment Group Limited (**Echo**) and that, on account of restrictions in the Echo Constitution, Crown had sought relevant regulatory approvals to increase its voting power in Echo beyond 10%. On 4 July 2012, Crown amended its application for regulatory approval by introducing a condition that Crown not acquire more than 25% of the shares in Echo without first seeking and obtaining a further approval from relevant regulators.
- On 1 August 2012, it was announced that Crown intends to develop a new luxury six-star hotel at its Crown Perth integrated resort.
- On 2 August 2012, Crown announced that it had signed an Exclusive Dealing Agreement with Lend Lease Corporation Limited in relation to a proposed development of a world-class, six-star resort at Barangaroo South, Sydney.
- On 3 August 2012, Crown announced that it had raised \$300 million through a new five year bond issue, which was distributed predominantly to institutional investors in Australia and Asia. The proceeds from the issue were used to repay existing debt, diversify Crown's funding sources and extend its debt maturity profile.
- On 13 August 2012, Crown announced that it had launched an offer of dated, unsecured, subordinated, cumulative notes (Crown Subordinated Notes) to raise approximately \$400 million, with the ability to raise more or less. Following the completion of the bookbuild process for Crown Subordinated Notes, the Margin was set at 5.00%. On 14 September 2012 it was announced that the offer of Crown Subordinated Notes had closed, with Crown successfully raising \$532 million.
- On 25 October 2012, Crown announced that the New South Wales Government had invited Crown to proceed to Stage Two of the Government's Unsolicited Proposal process for the Crown Sydney Hotel Resort and confirmed that, in accordance with New South Wales Government guidelines, Crown had lodged an Unsolicited Proposal to construct and manage a world-class, six-star hotel resort at Barangaroo South.
- On 3 December 2012, Crown announced that the Gaming and Wagering Commission of Western Australia had given approval for additional gaming product at Crown Perth, conditional upon the development of Crown Towers Perth proceeding.
- On 10 May 2013, Crown announced that it had received written advice from the New South Wales Independent Liquor and Gaming Authority that the necessary approvals had been granted to allow Crown to have voting power in Echo in excess of 10%, but not to exceed an approved cap of 23%.
- On 17 May 2013, Crown announced that it had received written advice from the Queensland Office of Liquor and Gaming Regulation that the necessary approvals had been granted to allow Crown to have voting power in Echo in excess of 10%.
- On 24 May 2013, Crown announced that it had divested its interest in Echo, pursuant to a block trade agreement. Under the agreement, Crown's 82,561,200 shares in Echo were sold for \$264 million or \$3.20 per Echo share.

Significant events after Balance Date

On 4 July 2013, Crown announced that it had been invited by the New South Wales Government to move to Stage Three of the Unsolicited Proposal process for a six-star hotel resort including VIP gaming facilities at Barangaroo South and on 19 July 2013, Crown announced that it had accepted that invitation.

Subsequent to 30 June 2013, the Directors of Crown announced a final dividend on ordinary shares in respect of the year ending 30 June 2013. The total amount of the dividend is \$138.4 million, which represents 19 cents per share. The final dividend will be 50% franked. None of the unfranked component of the dividend will be conduit foreign income. The dividend has not been provided for in the 30 June 2013 financial statements.

In addition, on 2 August 2013, Crown announced that it has restructured its senior management team in Australia and created the new position of Chief Executive Officer – Australian Resorts. Barry Felstead, the Chief Executive Officer of Crown Perth, was appointed to that position. As a result, the positions of Chief Executive Officer Crown Melbourne and Chief Executive Officer Crown Perth, having been combined into this new position, ceased to exist.

Environmental regulation

The National Greenhouse and Energy Reporting Act 2007 (the NGER Act) established a mandatory reporting system for corporate greenhouse gas emissions and energy production and consumption. Crown is required to report emissions under the NGER Act. Relevant reports have been submitted during the year.

Key features of the NGER Act are:

- reporting of greenhouse gas emissions, energy consumption and production by large corporations;
- corporate level public disclosure of greenhouse gas emissions and energy information; and
- to provide consistent and comparable data for decision making.

The Federal Government's Clean Energy Legislation was introduced on 1 July 2012. Under this legislation, Crown Melbourne is considered a 'liable entity' and is required to register with the Clean Energy Regulator and surrender carbon units on an annual basis.

Crown is also subject to the Energy Efficiency Opportunities Act 2006 which encourages large energy-using businesses to improve their energy efficiency. It does this by requiring businesses to identify, evaluate and report publicly on cost effective energy savings opportunities. Crown submits reports in line with the required reporting schedule.

Under the Western Australian Water By-laws legislation, Crown Perth is required to complete annual water management assessments and submit water efficiency management plans.

The Crown group is not otherwise subject to any particular or significant environmental regulation under Australian law.

Environmental issues are, however, important to Crown and it has taken a number of initiatives in this regard. A description of those initiatives is set out in the Sustainability section of this Annual Report.

Operating and financial review

In addition to the information provided in the review of operations section of this Report, set out below is some additional information that members of Crown might reasonably require to make an informed assessment of the operations, financial position and business strategies of Crown. The commentary which follows omits some information which might be considered relevant to Crown's business strategies and prospects for future financial years, on the basis that the directors have reasonable grounds to believe that disclosure would likely result in unreasonable prejudice to Crown.

Crown reported a consolidated net profit after tax (NPAT) of \$395.8 million and a normalised NPAT¹ of \$473.2 million for the 12 months ended 30 June 2013. Crown Melbourne and Crown Perth achieved normalised EBITDA growth of 6.9% and normalised revenue growth of 5.6%.

Performance for the year ended June 30 2013	\$m
Normalised revenue ¹	2,894.4
Normalised expenditure ¹	(2,136.1)
Normalised EBITDA ²	758.3
Normalised EBIT ³	520.2
Normalised net profit after tax before significant items	473.2
Reported net profit after tax before significant items	491.0
Significant items ⁴	(95.2)
Reported net profit after tax	395.8

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.

The results from Crown's Macau joint venture, Melco Crown Entertainment, were strong, particularly in the premium mass market segment, and were a major contributor to the growth in Crown's normalised NPAT.

The activities and results of Crown's operations are discussed further below.

Crown Melbourne

Normalised EBITDA from Crown Melbourne was \$546.7 million, up 7.1% on the prior comparable period (pcp). Reported EBITDA for the period was \$547.1 million, down 3.0% or \$17.1 million on the pcp. This reflects a win rate of 1.36% which generated a positive EBITDA variance of \$0.4 million, compared to a positive EBITDA variance of \$53.6 million in the pcp when the win rate was 1.50%.

Normalised revenue increased by 4.0% over the pcp to \$1,918.1 million. During the year, main floor gaming revenue grew 0.9% to \$1,000.8 million. Normalised VIP program play revenue increased 9.2% to \$525.2 million on turnover of \$38.9 billion.

Non-gaming revenue grew 5.4% to \$392.1 million. Crown Towers Melbourne hotel occupancy was 93.6% with an average room rate of \$312. Crown Metropole Melbourne achieved hotel occupancy of 89.5% with an average room rate of \$224. Crown Promenade Melbourne hotel occupancy was 90.5% with an average room rate of \$211.

The overall operating margin⁵ improved from 27.7% to 28.5% despite the shift in business mix towards the lower margin VIP business. In response to the weak consumer sentiment in Melbourne and low revenue growth in main floor gaming, Crown Melbourne has continued its comprehensive review of back of house costs and front of house operational efficiency.

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

2 Normalised earnings before interest, tax, depreciation, and amortisation.

3 Normalised earnings before interest and tax.

4 Relates to the loss on disposal of Crown's investment in Echo, a loss of \$69.6 million net of tax, and Crown's share of MCE's development and refinancing costs of \$25.6 million.

5 Normalised EBITDA divided by normalised revenue.

Crown Perth

Normalised EBITDA from Crown Perth was \$240.8 million, up 6.4% on the pcp. Reported EBITDA for the period was \$240.8 million, down 11.1% or \$30.1 million on the pcp. The win rate in the pcp was 1.84% which resulted in a positive EBITDA variance of \$44.6 million.

Normalised revenue increased 9.3% over the pcp to \$858.2 million. During the year, main floor gaming revenue grew 9.7% to \$483.5 million, benefiting from the expansion of Crown Perth's gaming floor. Normalised VIP program play revenue increased 3.3% to \$159.4 million on turnover of \$11.8 billion.

Non-gaming revenue grew 13.3% to \$215.3 million due to the improved trading in food and beverage as a result of the completion of a number of key refurbishment projects and improved trading in both hotels. Crown Metropol Perth hotel occupancy was 83.6% with an average room rate of \$313. Refurbishment work at Crown Metropol Perth has reduced the number of rooms available and hotel occupancy based on available rooms was 90.5%. Hotel occupancy at Crown Promenade Perth was 93.0% with an average room rate of \$220.

The overall operating margin¹ decreased from 28.8% to 28.1%, reflecting the impact of one-off costs associated with the rebranding to Crown Perth and the set-up and opening costs associated with the launch of the new gaming floor and new food and beverage outlets.

The rebranding of Crown Perth from Burswood was completed in September 2012 following the opening of the expansion of Crown Perth's main gaming floor to accommodate new gaming product and new food and beverage areas. Crown Perth's restaurant facilities were further enhanced with the recent opening of the new premier Chinese restaurant, Silks.

The construction of the multi-storey car park, expected to improve accessibility of the complex, is underway and expected to be completed by late 2014. In addition, the demolition of the Dome will create an additional 1,000 car parking spaces by December 2013. Work is progressing on the early stages of Crown Towers Perth which is expected to open in 2016. The capital expenditure undertaken in upgrading and expanding Crown Perth will progressively deliver benefits and is expected to be earnings and value enhancing for shareholders.

Crown Aspinall's (previously Aspinall's Club)

Normalised EBITDA from Crown Aspinall's was \$33.3 million (2012: \$20.6 million). A below theoretical win rate generated a negative EBITDA variance of \$6.8 million which resulted in a reported EBITDA of \$26.5 million (2012: \$1.7 million) for the period.

Melco Crown Entertainment (MCE): Macau (33.7% equity interest)

Crown's share of MCE's normalised NPAT result for the full year to 30 June 2013 was an equity accounted profit of \$152.3 million (2012: \$92.1 million), after adjusting for an above theoretical win rate. Crown's share of MCE's reported result before significant items for the full year to June 2013 was an equity accounted profit of \$175.0 million (2012: \$135.8 million).

During the year MCE issued a US\$1.0 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 and improved group-wide rolling chip volume, together with MCE's committed cost control culture. City of Dreams again increased its market share in the mass market table games segment and achieved market-leading mass table yields, which is increasingly important in a table supply constrained market.

¹ Normalised EBITDA divided by normalised revenue.

Cash flow and debt

Operating cash flow for the period was \$496.2 million. After net capital expenditure of \$253.4 million, dividend payments of \$269.5 million, net repayment of borrowings of \$107.6 million and net investment proceeds of \$184.4 million, total Group debt was \$1,635.3 million as at 30 June 2013 (2012: \$1,694.7 million). Total cash and cash equivalents at 30 June 2013 was \$205.5 million (2012: \$149.4 million), which consisted of cash maintained for working capital purposes of \$118.5 million (2012: \$143.4 million), with the balance of \$87.0 million (2012: \$6.0 million) available for general purposes. Net debt, excluding working capital cash, at 30 June 2013 stood at \$1,548.3 million (2012: \$1,688.7 million).

At 30 June 2013, total liquidity, excluding working capital cash of \$118.5 million, was \$1,213.6 million (2012: \$512.4 million), represented by \$87.0 million (2012: \$6.0 million) in available cash and \$1,126.6 million (2012: \$506.4 million) in committed undrawn facilities.

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. In August 2012, Crown completed a \$300 million five-year bond issue. In September, Crown raised \$532 million through a subordinated notes issue and in November, Crown completed the refinance of its two bank facilities that were to mature in July 2013 into one new \$500 million syndicated facility.

Conclusion

Crown remains focused on optimising the performance of its Australian resorts and its comprehensive review of back of house and front of house operation efficiency will continue. Crown will manage the Crown Towers Perth development and construction and complete the final stages of the remaining capital expenditure projects. As well, management will continue to progress the Crown Sydney Hotel Resort proposal.

Crown will also continue to work closely with MCE to further build the value of MCE's Macau businesses.

Likely developments

Other than the developments described in this Report and the accompanying review of operations, the Directors are of the opinion that no other matter or circumstance will significantly affect the operations and expected results for the Crown group.

Dividends and distributions

Interim Dividend: Crown paid an interim dividend of 18 cents per ordinary share on 16 April 2013. The dividend was 50% franked. None of the unfranked component was conduit foreign income.

Final Dividend: The Directors of Crown have announced a final dividend of 19 cents per ordinary share to shareholders registered as at 27 September 2013. The final dividend will be 50% franked. None of the unfranked component of the dividend will be conduit foreign income.

In summary:	Dividend per share	\$'000
Interim Dividend paid	18 cents per share	\$131,111
Final Dividend payable	19 cents per share	\$138,395
Total	37 cents per share	\$269,506

Crown paid shareholders a final dividend in respect of the 2012 financial year of \$138.4 million.

Directors and Officers

Director details

Set out below are the names of each person who has been a Director of Crown during or since year end and the period for which they have been a Director. There are twelve current Directors.

Name	Date Appointed	Date Ceased
James Douglas Packer	6 July 2007	–
John Henry Alexander	6 July 2007	–
Benjamin Alexander Brazil	26 June 2009	–
Helen Anne Coonan	2 December 2011	–
Christopher Darcy Corrigan	6 July 2007	–
Rowen Bruce Craigie	31 May 2007	–
Rowena Danziger	6 July 2007	–
Geoffrey James Dixon	6 July 2007	–
John Stephen Horvath	9 September 2010	–
Ashok Jacob	6 July 2007	–
Michael Roy Johnston	6 July 2007	–
Harold Charles Mitchell	10 February 2011	–

At Crown's 2012 Annual General Meeting, Mr Ben Brazil, Ms Rowena Danziger, Professor John Horvath and Mr Michael Johnston stood for re-election as Directors. As required by Crown's Constitution, having been appointed a director in December 2011, Ms Helen Coonan also stood for election at Crown's 2012 AGM. Each was re-elected as a Director at that time.

The details of each Director's qualifications and experience as at the date of this Report are set out below. Details of all directorships of other Australian listed companies held in the three years before the end of the financial year have been included.

James D Packer, Chairman

Mr Packer is the Chairman of Consolidated Press Holdings Limited (CPH), a family company. CPH is a substantial shareholder in Crown.

Mr Packer is a director of various companies including Crown Melbourne Limited, Burswood Limited and Melco Crown Entertainment Limited.

Mr Packer is the chair of the Crown Investment Committee.

Directorships of other Australian listed companies held during the last three years:

- Consolidated Media Holdings Pty Limited¹: from 28 April 1992 to 19 November 2012
- Ten Network Holdings Limited: from 13 December 2010 to 2 March 2011

John H Alexander BA, Executive Deputy Chairman

Mr Alexander is the Executive Deputy Chairman of Crown Limited and is also a director of a number of companies, including Seven West Media Limited, Crown Melbourne Limited, Burswood Limited and Aspers Holdings (Jersey) Limited.

Mr Alexander was the Executive Chairman of Consolidated Media Holdings Limited (CMH) from 2007 to November 2012, when CMH was acquired by News Corporation. Prior to 2007, Mr Alexander was the Chief Executive Officer and Managing Director of Publishing and Broadcasting Limited (PBL) from 2004, the Chief Executive of ACP Magazines Limited from 1999 and PBL's group media division comprising ACP Magazines Limited and the Nine Network from 2002.

Before joining the PBL Group, Mr Alexander was the Editor-in-Chief, Publisher & Editor of The Sydney Morning Herald and Editor-in-Chief of The Australian Financial Review.

Mr Alexander is a member of the Crown Investment Committee.

Directorships of other Australian listed companies held during the last three years:

- Consolidated Media Holdings Limited¹: from 16 December 1999 to 19 November 2012
- Seven West Media Limited: from 2 May 2013 to current

Benjamin A Brazil BCom LLB, Independent, Non-Executive Director

Mr Brazil is an Executive Director of Macquarie Group Limited and is Co-Head of its Corporate and Asset Finance Group. He originally commenced employment at Macquarie in 1994 and has operated across a range of geographies and business lines during the course of his career. He holds a Bachelor of Commerce and a Bachelor of Laws from the University of Queensland.

Mr Brazil is the Chairman of the Crown Audit and Corporate Governance Committee and a member of the Crown Finance Committee.

The Honourable Helen A Coonan BA, LLB, Independent, Non-Executive Director

Helen Coonan is a former Senator for New South Wales serving in the Australian Parliament from 1996 to 2011.

She holds degrees in Bachelor of Arts and Bachelor of Laws from the University of Sydney. Prior to entering Parliament she worked as a lawyer including as principal of her own legal firm, as a partner in law firm Gadens, as a commercial barrister in Australia and as an attorney in New York.

In Parliament, Helen Coonan served as the Deputy leader of the Government in the Senate. She was appointed to Cabinet as the former Minister for Communications, Information Technology and the Arts and was shareholder Minister for Telstra Corporation and Australia Post. She also served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulatory Authority.

Ms Coonan is a member of the Advisory Council of J.P. Morgan, a Trustee of the Sydney Opera House Trust, Chair of the Conservation Council of the Opera House Trust, a Member of the Australian World Heritage Advisory Committee, Member of the Board of Advice for AON Australia, Co-Chair of Government Relations Australia Pty Limited (a subsidiary of the Clemenger group of companies), a Non-Executive Director of Obesity Australia Limited and Special Counsel of SR/7 Social Media Intelligence. She is also a member of Chief Executive Women.

Ms Coonan is the Chair of the Crown Corporate Social Responsibility Committee.

Christopher D Corrigan, Independent, Non-Executive Director

From March 1990 to July 2006, Mr Corrigan was Managing Director of Patrick Corporation Limited, Australia's largest container terminal operator and stevedore. Patrick Corporation Limited also had interests in land-based logistics, freight rail transportation and aviation through Virgin Blue.

In 1990, Mr Corrigan sponsored the formation of a development capital business, Jamison Equity, which in December 1996 became a wholly owned subsidiary of the then publicly listed company Patrick Corporation Limited.

Prior to that, Mr Corrigan had a career with Bankers Trust spanning 20 years, including periods as Managing Director of Bankers Trust in Australia and then the Asia-Pacific region.

In September 2011, Mr Corrigan became the Chairman of Qube Logistics Holdings Limited.

Mr Corrigan is a member of the Crown Nomination and Remuneration Committee.

Directorships of other Australian listed companies held during the last three years:

- Consolidated Media Holdings Limited¹: from 8 March 2006 to 19 November 2012
- Qube Logistics Holdings Limited: from 23 March 2011 to current
- Webster Limited: from 30 November 2007 to 9 July 2010, reappointed on 15 October 2012 to current

Rowen B Craigie BEc (Hons), Chief Executive Officer and Managing Director

Mr Craigie was appointed Chief Executive Officer and Managing Director in 2007. He is also a director of Crown Melbourne Limited, Burswood Limited, Melco Crown Entertainment Limited and Aspers Holdings (Jersey) Limited.

Mr Craigie previously served from 2005 to 2007 as the Chief Executive Officer of PBL Gaming and as the Chief Executive Officer of Crown Melbourne Limited from 2002 to 2007. Mr Craigie joined Crown Melbourne Limited in 1993 and was appointed as the Executive General Manager of its Gaming Machines department in 1996 and was promoted to Chief Operating Officer in 2000.

Prior to joining Crown Melbourne Limited, Mr Craigie was the Group General Manager for Gaming at the TAB in Victoria from 1990 to 1993 and held senior economic policy positions in Treasury and the Department of Industry in Victoria from 1984 to 1990.

Mr Craigie is a member of Crown's Investment, Occupational Health, Safety & Environment, Responsible Gaming, Risk Management and Corporate Social Responsibility Committees.

Rowena Danziger AM, BA, TC, MACE, Independent, Non-Executive Director

Mrs Danziger's professional experience spans over 30 years in various Australian and American educational institutions. Mrs Danziger was the Headmistress at Ascham School in Sydney from 1973 to 2003.

Mrs Danziger is a Director of Crown Melbourne Limited and is Chair of the Crown Limited Occupational Health, Safety & Environment Committee and a member of the Crown Audit & Corporate Governance, Risk Management and Responsible Gaming Committees.

Directorships of other Australian listed companies held during the last three years:

- Consolidated Media Holdings Limited¹: 17 September 1997 to to 19 November 2012

Geoffrey J Dixon, Independent, Non-Executive Director

Mr Dixon is Chairman of the Australian Government's major tourism marketing organisation Tourism Australia and Chairman of the Garvan Medical Research Foundation.

Mr Dixon also sits on the board of publicly listed Australian company, Facilitate Digital Holdings Limited. He is on the boards of Voyages Indigenous Tourism Australia, the Museum of Contemporary Art and is an Ambassador for the Australian Indigenous Education Foundation. Mr Dixon has also worked in the media, mining and government sectors.

Mr Dixon was Managing Director and Chief Executive Officer of Qantas Airways Limited from 2001 to 2008. He joined Qantas Airways Limited in 1994 and was also Chief Commercial Officer and, for two years, Deputy Chief Executive.

Mr Dixon is the Chairman of the Crown Finance, Nomination and Remuneration and Risk Management Committees.

Directorships of other Australian listed companies held during the last three years:

- Consolidated Media Holdings Limited¹: from 31 May 2006 to 19 November 2012
- Facilitate Digital Holdings Limited: from 9 July 2009 to current

Professor John S Horvath AO, MB, BS (Syd), FRACP, Independent, Non-Executive Director

Professor John Horvath was the Australian Government Chief Medical Officer from 2003 to 2009. He is currently continuing to advise the Department of Health & Ageing and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.

Professor Horvath is a Fellow of the Royal Australasian College of Physicians and is a distinguished practitioner, researcher and teacher. Professor Horvath sits on the Board of the Garvan Research Foundation, the Centenary Institute of Medical Research and Health Workforce Australia. He is a member of the Advisory Board to the World Health Organisation Influenza Collaborating Centre, a member of the Advisory Council to the Australian Organ and Tissue Donation Agency and a member of the Finance and Administration Committee of the School of Medicine at the University of Sydney.

Professor Horvath was previously Clinical Professor of Medicine at University of Sydney. He is also known as a leader in a range of medical training and workforce organisations. He is also a former President of the Australian Medical Council and the NSW Medical Board.

Professor Horvath is the Chair of the Crown Responsible Gaming Committee and a member of Crown's Occupational Health, Safety & Environment and Corporate Social Responsibility Committees.

Ashok Jacob BSc, MBA, Non-independent, Non-Executive Director

Mr Ashok Jacob is a non-executive director of Crown.

Mr Jacob is the Chairman of Ellerston Capital. Mr Jacob was the Chief Executive Officer of Consolidated Press Holdings Limited from 2006 to 2011 and previously the Joint Chief Executive Officer from 1998 to 2006.

Mr Jacob is a director of Consolidated Press Holdings Limited and a director of MRF Limited.

Mr Jacob holds a Master of Business Administration from the Wharton School, University of Pennsylvania and a Bachelor of Science from the University of Bangalore.

Mr Jacob is a member of the Crown Investment Committee.

Directorships of other Australian listed companies held during the last three years:

- Consolidated Media Holdings Limited¹: from 10 September 2009 to 19 November 2012.

Michael R Johnston BEc, CA, Non-independent, Non-Executive Director

Mr Johnston is the Finance Director of Consolidated Press Holdings Limited, having previously been an advisor to the Consolidated Press Holdings Limited Group for 17 years. As Finance Director, Mr Johnston oversees a large number of operational businesses within the Consolidated Press Holdings Limited Group and its controlled associates. Mr Johnston was also the Chief Financial Officer of Ellerston Capital (a subsidiary of Consolidated Press Holdings Limited) until 30 June 2008.

Prior to his appointment with the Consolidated Press Holdings Limited Group, Mr Johnston was a senior partner in the Australian member firm of Ernst & Young. Mr Johnston was also on the Board of Partners of Ernst & Young, Australia.

Mr Johnston holds a Bachelor of Economics degree from Sydney University and is an Associate of the Institute of Chartered Accountants of Australia.

Mr Johnston is a member of the Crown Audit & Corporate Governance, Finance, and Occupational Health, Safety and Environment Committees.

Directorships of other Australian listed companies held during the last three years:

- Consolidated Media Holdings Limited¹: from 8 April 2009 to 19 November 2012, alternate director to Mr James Packer and Mr Guy Jalland; from 10 September 2009 to 19 November 2012, alternate director to Mr Ashok Jacob
- Living and Leisure Australia Group: from 23 August 2011 to 10 February 2012

Harold C Mitchell AC, Independent, Non-Executive Director

Harold Mitchell is the founder of Mitchell & Partners and Executive Chairman of Aegis Media Pacific. Since he started Mitchell & Partners in 1976, the company has evolved to become the largest media and communications group in Australia today, with a growing presence in New Zealand and across the Asia-Pacific region. In December 2000, he launched the Harold Mitchell Foundation which distributes funds between health and the arts. He has been Chairman of the National Gallery of Australia, President of the Melbourne International Festival of Arts, Director of Deakin Foundation, President of the Museums Board of Victoria and a Board Member of the Opera Australia Council, as well as Chairman of ThoroughVision and Chairman and Owner of the Melbourne Rebels Rugby Union team.

Mr Mitchell holds a large number of community roles including Chairman CARE Australia; Chairman of the Melbourne Symphony Orchestra; Chairman of TVS, University of Western Sydney's television service for Greater Sydney; Chairman of Art Exhibitions Australia, Vice President of Tennis Australia; Chairman of The Florey Institute of Neuroscience and Mental Health, and Board Member New York Philharmonic.

In December 2002, Deakin University conferred on him an honorary degree of Doctor of Laws. In 2003, he delivered the Andrew Olle Memorial Lecture on Media.

In January 2004, he was awarded the Officer of the Order of Australia for his services as a benefactor and fundraiser in support of artistic and cultural endeavour.

On 28 July 2005, he was awarded the Richard Pratt Business Leader Award given by the Australian Business Arts Foundation in recognition of excellence in arts leadership. Mr Mitchell was appointed Companion of the Order of Australia in 2010 for eminent service to the community through leadership and philanthropic endeavours in the fields of art, health and education and as a supporter of humanitarian aid in Timor-Leste and Indigenous communities.

In December 2011, Mr Mitchell was awarded an Honorary Doctorate – Doctor of Business Honoris Causa, by RMIT University and in 2012 he was inducted into the Adnews Hall of Fame.

Mr Mitchell is a member of the Crown Nomination and Remuneration Committee.

Directorships of other Australian listed companies held during the last three years:

- Mitchell Communication Group Limited – From 10 March 2000 to 24 November 2010 (removed from ASX).

Company secretary details

Michael J Neilson BA, LLB

Mr Neilson is Crown's General Counsel and joint Company Secretary. Prior to his appointment with Crown, he was General Counsel for Crown Melbourne Limited, a position he held from 2004 to 2007.

Prior to joining the Crown group, Mr Neilson spent 10 years in a commercial legal practice in Melbourne before joining the Lend Lease Group in Sydney in 1997 as General Counsel for Lend Lease Property Management.

In 1998, he was appointed General Counsel and Company Secretary of General Property Trust, the position he held until joining Crown Melbourne Limited in 2004.

Mr Neilson is also a member of the Board of Trustees of the International Association of Gaming Advisers (IAGA) and a member of the School Council of Camberwell Grammar School.

Mary Manos BCom, LLB (Hons), GAICD

Ms Manos was appointed joint Company Secretary in April 2008. She commenced employment with the Crown group in October 2007 just prior to implementation of the PBL Scheme and the Demerger Scheme. Prior to joining Crown, Ms Manos was a Senior Associate in a Melbourne law firm, specialising in mergers and acquisitions and corporate law.

Ms Manos is a Graduate of the Australian Institute of Company Directors.

Other officer details

In addition to the above, Crown's principal officers include:

- Kenneth M Barton
Chief Financial Officer
- Barry J Felstead*
Chief Executive Officer, Crown Perth until 1 August 2013 and **Chief Executive Officer Crown Resorts** from 1 August 2013
- Greg F Hawkins*
Chief Executive Officer, Crown Melbourne until 1 August 2013
- W Todd Nisbet
Executive Vice President, Strategy and Development

* Subsequent to year end, Mr Hawkins and Mr Felstead's positions were replaced with a new position, Chief Executive Officer – Australian Resorts. Mr Felstead has taken that position and Mr Hawkins has agreed to leave the group.

Relevant interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2013 were as follows:

Director	Total number of ordinary shares ¹
John Alexander	256,549
Rowen Craigie	74,092 ²
Rowena Danziger	30,896
Harold Mitchell	114,887
James Packer	364,270,253

Notes:

- For more information on relevant interests of current Directors, please see the Remuneration Report and the key management personnel disclosures set out in the Notes to the Financial Statements.
- The registered holder of these shares is Australian Executor Trustees Limited as trustee under the 2010 Crown Limited Long Term Incentive Plan. Mr Craigie may become entitled to have those shares transferred to him after 30 June 2014 if certain conditions in the 2010 Crown Limited Long Term Incentive Plan are met.

Other than in connection with Crown's Long Term Incentive Plan which is described in the Remuneration Report, none of Crown's Directors is party to any contract which would give that Director the right to call for the delivery of shares in Crown.

Board and Committee meetings

Set out below are details of the number of Board meetings and Committee meetings held by Crown during the 2013 financial year together with each Director's attendance details.

	Board Meetings		Audit & Corporate Governance Committee Meetings		Nomination and Remuneration Committee Meetings		Occupational Health, Safety & Environment Committee Meetings		Responsible Gaming Committee Meetings		Risk Management Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J D Packer	7	6										
J H Alexander	7	7										
B A Brazil	7	6	3	3								
H L Coonan	7	7										
C D Corrigan	7	5			1	1						
R B Craigie	7	7					4	4	6	4	2	1
R Danziger	7	7	3	3			4	4	6	6	2	2
G J Dixon	7	6			1	1					2	2
J S Horvath	7	7					4	4	6	6		
A P Jacob	7	6										
M R Johnston	7	7	3	3			4	4				
H C Mitchell	7	7			1	1						

The Corporate Governance Statement includes details on Committee structure and membership during the year.

Under Crown's Constitution, its Board and Committee Charters, documents containing written resolutions assented to by Directors are to be taken as a minute of a meeting of Directors or of a Committee (as the case may be). There were four written resolutions assented to by the Board this financial year. There were also two written resolutions assented to by the Investment Committee and two by the Finance Committee. The Investment Committee and Finance Committee did not formally meet this financial year.

Shares and Options

Crown has not granted any options over unissued shares. There are no unissued shares or interests under option. No shares or interests have been issued during or since year end as a result of option exercise.

Indemnity and Insurance of Officers and Auditors

Director and officer indemnities

Crown indemnifies certain persons as detailed in its Constitution in accordance with the terms of the Crown Constitution.

Directors' and officers' insurance

During the year Crown has paid insurance premiums to insure officers of the Crown group against certain liabilities.

The insurance contract prohibits disclosure of the nature of the insurance cover and the amount of the insurance payable.

Auditor Information

Auditor details

Ernst & Young has been appointed Crown's auditor.

Mr David McGregor is the Ernst & Young partner responsible for the audit of Crown's accounts.

True and fair information

There is no additional true and fair information included in the financial report.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 27 of the Financial Report.

Crown acquires non-audit services from Ernst & Young, largely in respect of taxation matters relating to pre-demerger and ongoing taxation items. These include, but are not limited to, matters in respect of the financial years ending on or prior to 30 June 2007, which at the time of the de-merger of Crown and Consolidated Media Holdings Limited (then Publishing and Broadcasting Limited (PBL)) agreed they would share as follows:

- Crown: 75 per cent; and
- CMH: 25 per cent.

The ratio of non-audit to audit services provided by Ernst & Young to Crown is approximately 6.5:1. This ratio reflects that:

- Ernst & Young advised Crown on matters relating to Crown's refinancing activities (including a \$300 million bond issue and a \$532 million subordinated notes issue), Crown's acquisition and divestment of its interest in Echo Entertainment Group Limited, Crown's proposed development at Barangaroo South, Sydney; and
- The fees paid by Crown to Ernst & Young in respect of non-audit services, largely taxation advisory services, mostly reflect taxation matters pre-dating the PBL de-merger (which occurred in December 2007).

In the absence of pre-demerger matters, the ratio of non-audit services to audit services provided by Ernst & Young would be lower.

The Directors are satisfied that the non-audit services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Board considers that the nature and scope of the services provided do not affect auditor independence.

Rounding

The amounts contained in the financial statements have been rounded off to the nearest thousand dollars (where rounding is applicable) under the option available to Crown under ASIC Class Order 98/0100. Crown is an entity to which the Class Order applies.

Remuneration Report

This Remuneration Report for the year ended 30 June 2013, outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Crown group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Crown group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company. For further details of KMP, refer to note 29 of the Financial Report. The disclosures in the Remuneration Report have been audited. The Remuneration Report is presented under the following sections:

1. Introduction
2. Overview of Remuneration Policy
3. Details of Senior Executive Remuneration Structure
 - Fixed Remuneration
 - Performance Based Remuneration
 - *Short Term Incentives*
 - *Long Term Incentive: 2010 Crown LTI*
 - Relationship between Remuneration Policy and Company Performance
 - Policy on entering into transactions in associated products which limit economic risk
4. Remuneration details for Non-Executive Directors (including statutory remuneration disclosures)
5. Remuneration details for Senior Executives
 - Executive Contract Summaries
 - Statutory Remuneration Disclosures

Introduction

Persons to whom Report applies

The remuneration disclosures in this Report cover the following persons:

Non-Executive Directors

- Benjamin A Brazil
- Helen A Coonan
- Christopher D Corrigan
- Rowena Danziger
- Geoffrey J Dixon
- John S Horvath
- Ashok Jacob
- Michael R Johnston
- Harold C Mitchell

Executive Directors

- James D Packer (Chairman)
- John H Alexander (Executive Deputy Chairman)
- Rowen B Craigie (Managing Director and Chief Executive Officer)

Other company executives and key management personnel

- Kenneth M Barton (Chief Financial Officer)
- Barry J Felstead (Chief Executive Officer, Crown Resorts, from 1 August 2013 and Chief Executive Officer, Crown Perth, until 1 August 2013)
- Greg F Hawkins (Chief Executive Officer, Crown Melbourne, until 1 August 2013)
- W Todd Nisbet (Executive Vice President – Strategy and Development)

In this Report the group of persons comprised of the Executive Directors and the other company executives and key management personnel (listed above) are referred to as “Senior Executives”.

This Remuneration Report contains a similar level of disclosure to the 2012 Remuneration Report. As there has been no material change to the Company’s remuneration policy during the period, much of the description of the Company’s remuneration policy in this report is unchanged from last year.

Overview of Remuneration Policy**Philosophy**

Crown is a company that provides outstanding customer service and to remain competitive Crown must continue to enhance the experience of all customers who visit Crown’s properties. As a result, the performance of the Crown group is highly dependent upon the quality of its Directors, senior executives and employees.

Crown seeks to attract, retain and motivate skilled Directors and senior executives in leadership positions of the highest calibre.

Crown’s remuneration philosophy is to ensure that remuneration packages properly reflect a person’s duties and responsibilities, that remuneration is appropriate and competitive both internally and as against comparable companies and that there is a direct link between remuneration and performance.

Crown has differing remuneration structures in place for Non-Executive Directors and senior executives.

Non-Executive Directors

The process for determining remuneration of the Non-Executive Directors has the objective of ensuring maximum benefit for Crown by the retention of a high quality Board.

The Nomination and Remuneration Committee bears the responsibility of determining the appropriate remuneration for Non-Executive Directors. Non-Executive Directors’ fees are reviewed periodically by the Nomination and Remuneration Committee with reference taken to the fees paid to the Non-Executive Directors of comparable companies. The Nomination and Remuneration Committee is subject to the direction and control of the Board.

In forming a view of the appropriate level of Board fees to be paid to Non-Executive Directors, the Nomination and Remuneration Committee may also elect to receive advice from independent remuneration consultants, if necessary. Details regarding the composition of the Nomination and Remuneration Committee and its main objectives are outlined in the Corporate Governance Statement. The Nomination and Remuneration Committee is comprised solely of Non-Executive independent Directors.

No performance based fees are paid to Non-Executive Directors. Non-Executive Directors are not entitled to participate in Crown’s long term incentive plan (described more fully below).

Non-Executive Directors are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the Superannuation Guarantee legislation.

Senior Executives

The remuneration structure incorporates a mix of fixed and performance based remuneration. The following section provides an overview of the fixed and performance based elements of executive remuneration. The summary tables provided later in this Report indicate which elements apply to each Senior Executive.

Crown's key strategies and business focuses are to:

- continue to maximise the performance of Crown Melbourne and Crown Perth and to manage the significant capital expenditure programs currently underway to deliver value for shareholders;
- progress the Crown Sydney Hotel Resort project;
- assist MCE with the Studio City and Philippines projects;
- improve the profitability of Crown's other international joint ventures; and
- assess other relevant growth opportunities.

Senior Executive remuneration structure is tied to these strategies and focuses.

Details of Senior Executive Remuneration Structure

Fixed remuneration

The objective of fixed remuneration is to provide a base level of remuneration which is appropriate to the Senior Executive's responsibilities, the geographic location of the Senior Executive and competitive standing in the appropriate market.

Fixed remuneration is therefore determined with reference to available market data, the scope and any unique aspects of an individual's role and having regard to the qualifications and experience of the individual. From time to time, Crown seeks a range of specialist advice to establish the competitive remuneration for its Senior Executives.

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation Guarantee legislation, mobile telephone costs, complimentary privileges at Crown Melbourne and Crown Perth and may include, at the election of the Senior Executive, other benefits such as a motor vehicle, additional contribution to superannuation, car parking and staff gym membership, aggregated with associated fringe benefits tax to represent the total employment cost (TEC) of the relevant Senior Executive to Crown.

Fixed remuneration for the Senior Executives (except the Chief Executive Officer and Managing Director) is reviewed annually by the Chief Executive Officer and Managing Director and the Chairman of Crown and is approved by the Nomination and Remuneration Committee.

The review process measures the achievement by the Senior Executives of their Key Performance Objectives (KPOs) established at the beginning of the financial year (see further below), the performance of Crown and the business in which the Senior Executive is employed, relevant comparative remuneration in the market and relevant external advice.

Fixed remuneration for the Chief Executive Officer and Managing Director is reviewed by the Chairman and approved annually following consideration by the Nomination and Remuneration Committee of his or her performance against his or her annual KPOs.

The fixed remuneration for Crown's Chief Executive Officer and Managing Director, Mr Rowen Craigie, was determined in 2007 as part of the de-merger of the gaming businesses of Publishing and Broadcasting Limited and listing of Crown Limited in December 2007. Details of Mr Craigie's remuneration, including his fixed remuneration, were included in the Demerger Scheme Booklet issued by Publishing and Broadcasting Limited and considered by Publishing and Broadcasting Limited shareholders at the Scheme meeting on 30 November 2007. Mr Craigie's fixed remuneration has not changed since that date.

Mr Craigie's fixed remuneration is in the top quartile of ASX top 50 listed companies. Mr Craigie's awarded short term incentive, however, is below the 25th percentile for the same group and his total cash remuneration is at the median of that group. In addition, Mr Craigie's fixed remuneration is comparable to the Chief Executive Officers of global gaming companies with operations across several jurisdictions. When taken together with his potential STI payment, Mr Craigie's remuneration is commensurate with his peers in the global gaming industry.

The global gaming industry is highly competitive and the Board believes Mr Craigie's skills and experience in developing and operating major integrated resorts are in high demand in this industry. The Board believes that these capabilities, together with Mr Craigie's longstanding association with Crown's Australian businesses, are valuable to the Group. As a result, giving consideration to the fact that Mr Craigie has not received an increase to his fixed remuneration since 2007 and the Board believes his fixed remuneration remains appropriate.

Any payments relating to redundancy or retirement are as specified in each relevant Senior Executive's contract of employment.

For summaries of Senior Executive contracts of employment, see page 72.

Performance based remuneration

The performance based components of remuneration for Senior Executives seek to align the rewards attainable by Senior Executives with the achievement of particular annual and long term objectives of Crown and the creation of shareholder value over the short and long term. The performance based components which applied to the Senior Executives during the year were as follows:

- Short Term Incentives (STI); and
- Long Term Incentives (the Crown LTI).

A key focus of the Crown Board is the achievement of the Crown group's annual business plan and budget and the long term financial plan. In order to provide incentives to executives, each of the STI and the Crown LTI link back to elements of the business plan and budget and long term financial plan. It is therefore important to understand how that business plan and budget and long term financial plan are developed.

Development of Long Term Financial Plan (Four Year Financial Plan)

Each year, the Crown Board approves a financial plan which contains the key assumptions and forecasts for each Crown group business and for the Crown group as a whole for the four year period commencing in the following financial year (Four Year Financial Plan).

The process for developing, reviewing and approving each Four Year Financial Plan is rigorous. Each department in each Crown business must prepare a four year financial plan. Key inputs into this process include current operating performance and the previously approved Four Year Financial Plan, having regard to:

- performance relative to targets set in the previous Four Year Financial Plan;
- any changes in the business;
- any changes in factors affecting performance over the four year period; and
- any new strategic initiatives and changes in the market in which those businesses are operating.

The targets in each department's four year financial plan incorporate an underlying target growth in operating profit with additional operating profit increases arising from capital expenditure programs, performance improvement initiatives and other strategic impacts.

Each department's four year forecast is consolidated into the relevant business's four year forecast which is then reviewed by the Chief Executive Officer and Chief Financial Officer of the relevant business.

In turn, each business's four year forecast is then incorporated into the Four Year Financial Plan and reviewed by the Crown Limited Chief Executive Officer and Chief Financial Officer. The Four Year Financial Plan is then reviewed by the Chairman before it is submitted to the Crown Board for review and approval.

Development of Annual Business Plan and Budget

Crown's annual business plan and budget (Annual Business Plan and Budget) is prepared having regard to the Crown Four Year Financial Plan.

The Annual Business Plan and Budget is based on the first year of the Four Year Financial Plan and details key operational strategic initiatives and the risks to be addressed. It is developed on a departmental basis, which is then incorporated into each business's annual budget and business plan and, finally, into the Crown group Annual Business Plan and Budget, which then must be approved by the Crown Board.

Short Term Incentives (STI)

The remuneration of the Senior Executives is linked to Crown's short term annual performance through a cash-based STI.

Individuals may be paid an STI following an assessment of the performance of the Crown group in the previous year and the performance of the individual against agreed annual KPOs. Senior Executives have a potential or target STI, which is subject to the Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. In summary, the typical KPO structure might comprise the following elements:

Financial Performance Objectives	Performance against budgeted normalised EBITDA ¹ and/or net profit after tax.
Typical Non-financial Objectives	<ul style="list-style-type: none"> • Management of major capital expenditure programs to ensure projects are delivered on time and on budget, while minimising disruption at relevant Australian properties as well as the subsequent delivery of anticipated benefits from those capital programs. • Reinforcement and delivery of outstanding customer experiences through continuous improvement in Crown's service culture. • Successful management of Crown stakeholders, including government, media, trade unions, community organisations, to achieve targeted outcomes. • Achievement of successful expansion of customer base for Crown properties through marketing or other relevant activities. • Growth in engagement levels of employees across Crown. • Achievement of margin improvement targets through the implementation of approved programs aimed at reducing costs and increasing asset yield. • Achievement (or maintenance) of improvements in key occupational health and safety statistics. • Achievement of VIP turnover growth and market share.

¹ In this Report, the term "normalised EBITDA" represents EBITDA which has been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and the impact of significant items (where applicable).

Financial performance objectives are derived from Crown's Annual Business Plan and Budget as the Crown Board considers this is the best way to ensure that Crown meets that Annual Business Plan and Budget, aligning performance outcomes with shareholder value.

A failure to achieve relevant financial performance objectives will result in Senior Executives receiving either, no STI bonus or, where relevant financial performance objectives are only partially met, a reduced STI bonus. The Crown Board retains discretion, however, to pay an STI bonus where financial performance objectives have not been met, but other objectives have been achieved.

Appropriate non-financial performance objectives (such as those set out above) are also included in a Senior Executive's KPOs where they are within that Senior Executive's sphere of influence and are relevant to the Senior Executive's area of work. These metrics are aligned with the achievement of Crown's Annual Business Plan and Budget.

The performance of each Senior Executive against financial and non-financial KPOs is reviewed on an annual basis. Whether KPOs have been achieved is determined by the Chief Executive Officer and Managing Director, having regard to the operational performance of the business or function in which the Senior Executive is involved and the Chief Executive Officer and Managing Director's assessment of the attainment of the individual's KPOs.

The Chief Executive Officer and Managing Director and the Chairman review performance based remuneration entitlements and recommend the STI payments, subject to final approval by the Nomination and Remuneration Committee and the Board.

The Chief Executive Officer and Managing Director's eligibility for an STI is reviewed by the Chairman and determined by the Nomination and Remuneration Committee on behalf of the Board.

In financial year 2013, the Group's financial performance objectives were only met in part. Crown Perth met its financial performance objectives for its non-VIP businesses. Although Crown Melbourne's financial performance objectives were not met, Crown Melbourne achieved 7% year on year normalised EBITDA growth on the back of significant margin improvement. Crown Limited achieved its normalised NPAT budget, largely as a result of the performance of MCE's businesses in Macau and some important non-financial objectives were also achieved. Accordingly, STI bonuses were reduced by 20% at Crown Perth, by 80% at Crown Melbourne and by 20% at Crown Limited. The Chief Executive Officer received 80% of his target STI bonus of \$1 million and did not receive any part of his further "discretionary bonus" of \$1 million for exceptional performance.

For a more detailed commentary on financial year 2013 STI bonuses see page 77.

2010 Crown LTI (Crown LTI)

The Crown LTI has been made available to selected senior executives with effect from 1 July 2010. All Senior Executives together with approximately 15 other senior executives in the Crown group participate in the Crown LTI. Most participants commenced participating in the Crown LTI with effect from 1 July 2010, but some executives who joined the Crown group after this date are participating on a pro rata basis.

Operation of the Crown LTI

The award of a long term incentive bonus under the Crown LTI is dependent on Crown achieving certain earnings per share hurdles (EPS Hurdles) in respect of, or in relation to, the four financial years ending 30 June 2011, 30 June 2012, 30 June 2013 and 30 June 2014 (each a Plan Year).

For the purposes of the Crown LTI, earnings per share (EPS) excludes contribution from Melco Crown Entertainment Limited (MCE) and is calculated in accordance with the following formula:

$$\frac{\text{Crown Profit}}{\text{Total Crown Shares}}$$

where:

Crown Profit means, in respect of a Plan Year, the normalised net profit after tax of the group for that Plan Year (excluding the contribution made by MCE and significant items); and

Total Crown Shares means the average of the largest number of Crown shares on issue during each day during the relevant Plan Year.

How EPS Hurdles are derived

The EPS Hurdles adopted in the Crown LTI were derived directly from EPS forecasts put in place in respect of the 2011 Four Year Financial Plan (each an EPS Target). Accordingly, the Crown LTI is specifically designed to provide an incentive to senior executives participating in the Crown LTI (Participants) to ensure the Four Year Financial Plan from financial year 2011 to financial year 2014 is met. The way in which Crown's Four Year Financial Plans are developed has been described in detail above.

The EPS Hurdles in financial year 2011, financial year 2012 and financial year 2013 are 98% of the EPS Target for the relevant year in the Four Year Financial Plan. The EPS Hurdle in financial year 2014 is 100% of the EPS Target for the relevant year in the Four Year Financial Plan.

The Four Year Financial Plan upon which EPS Hurdles are based has not been varied and remains the basis for determining the Crown LTI bonus payments.

Why EPS has been used as the single measure for Crown LTI

Crown has elected to use earnings per share as the single measure for its Crown LTI.

Earnings per share targets represent the product of individual business unit future performance projections (as determined by relevant executives based on their business unit's four year financial plan targets). These individual future performance projections are aggregated with group costs, interest and taxes to arrive at a Crown group earnings per share target.

As a result, each executive knows with certainty what performance hurdles need to be met from their respective business operations over an extended period in order to meet the EPS Targets. In addition, as the executive group collectively needs to achieve the consolidated EPS Target, it fosters a cooperative approach across businesses to ensure the Crown group as well as individual business unit outcomes are optimised.

In developing the Crown LTI, consideration was given by the Crown Board to a range of measures as well as multiple measures, however, ultimately, it was determined that a single clear, unambiguous target in the form of an earnings per share hurdle was best suited to Crown. For example, consideration was given to the use of a relative measure, such as relative total shareholder return (TSR), however, it was decided such measures were not appropriate for Crown. This is because there are a limited number of comparable companies within any sizeable ASX comparator group and many of the larger companies listed on ASX bear little resemblance to Crown (e.g. financial institutions and resource companies). As the results and share prices of such companies can be expected to move in line with different economic factors (such as credit conditions and global resource market conditions) the Crown Board considered it to be inappropriate to base Crown executives' long term rewards on factors over which Crown executives have little influence.

In addition, the complexity of TSR and other relative measures (to accommodate changes in the comparator group, restructurings and capital management initiatives) can, in some cases, cause them to be of limited value in motivating executives to individually and collectively deliver outstanding performance. It is difficult for executives to equate their individual performance and efforts to the performance of Crown's share price relative to unrelated and incomparable companies.

Crown acknowledges that its EPS Targets are, to a large degree, an internal measure. However, Crown has disclosed in this Report its historical EPS Targets and EPS Hurdles as well as actual EPS, so that shareholders are able to see the "stretch" nature of these targets.

How bonuses accrue

If an EPS Hurdle is achieved in respect of a Plan Year, a Participant will become entitled to a portion of the potential maximum bonus (Maximum Bonus) which may be achieved under the Crown LTI in accordance with the following table:

Plan Year	Percentage
Plan Year 1	15%
Plan Year 2	20%
Plan Year 3	25%
Plan Year 4	40%

Bonuses are only ultimately paid at the end of financial year 2014 either by way of the transfer of shares acquired under the Crown LTI or the payment of cash. See further below.

Effect of achieving an EPS Hurdle

If an EPS Hurdle is met in respect of a Plan Year, the Crown LTI provides that Crown will calculate the dollar value of the bonus in respect of the relevant Plan Year (Plan Year Bonus) by multiplying the Maximum Bonus for the Participant by the relevant percentage applicable to that Plan Year (as set out in the table above).

If the Plan Year is Plan Year 1, Plan Year 2 or Plan Year 3, Crown will pay the Plan Year Bonus earned by the Participant to the nominated Trustee and instruct the Trustee to apply that Plan Year Bonus to acquire Crown shares on market (Participant Shares), to be held on trust for the benefit of the Participant until the end of Plan Year 4 at which time the shares will be transferred to the Participant.

If the Plan Year is Plan Year 4, Crown will pay the Plan Year 4 Plan Year Bonus to the Participant in cash. Crown will also advise the Trustee, who will arrange for any shares held in trust to be transferred to the relevant Participant. The Plan Year 4 Plan Year Bonus is paid in cash because the Participant will be required to pay tax on the Bonus at this time.

Effect of not achieving one or more EPS Hurdles

If an EPS Hurdle is not met, the Crown LTI provides as follows:

- if an EPS Hurdle in respect of Plan Year 1, Plan Year 2 or Plan Year 3 is not met, Crown will calculate the Plan Year Bonus which would have been applied to the purchase of Participant Shares had the relevant EPS Hurdle been met (Carried Over Plan Year Bonus);
- if the EPS Hurdle in respect of Plan Year 4 is met:
 - the Plan Year 4 Bonus will be paid by Crown to the relevant Participant in cash;
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant; and
 - if the sum of the EPS Targets for financial year 2011, financial year 2012, financial year 2013 and financial year 2014 (Cumulative EPS Hurdle) has also been met, any Carried Over Plan Year Bonuses will also be paid to the relevant Participant in cash. The Carried Over Plan Year Bonuses (if any) are paid in cash because the Participant will be required to pay tax on these Bonuses at this time.
- if the EPS Hurdle in respect of Plan Year 4 is not met but both the Fallback Plan Year 4 EPS Hurdle (i.e. 98% of the Plan Year 4 EPS Target) and the Cumulative EPS Hurdle are met:
 - the Plan Year Bonus in respect of Plan Year 4 will be paid by Crown to the relevant Participant in cash;
 - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Fallback Plan Year 4 EPS Hurdle are met but the Cumulative EPS Hurdle is met:
 - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
 - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Cumulative EPS Hurdle are met (whether or not the Fallback Plan Year 4 EPS Hurdle is met):
 - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
 - any Carried Over Plan Year Bonuses will lapse and will not be paid by Crown to the relevant Participant; and
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.

Illustration

The following is an illustration of a range of outcomes which might have been achieved by a Participant under the Crown LTI. It does not include every permutation or combination of outcomes which the Crown LTI was designed to achieve.

Key: ✓ = Achieved ✗ = Not achieved.

Year 1 EPS Hurdle Met? 15%	Year 2 EPS Hurdle Met? 20%	Year 3 EPS Hurdle Met? 25%	Year 4 EPS Hurdle Met? 40%	Fallback Year 4 EPS Hurdle Met? 40%	Cumulative EPS Hurdle Met?	
✓	✓	✓	✓		✓ 60% shares 40% cash	
✓	✓	✓	✗	✓	✓ 60% shares 40% cash	✗ 60% shares No cash
				✗	✓ 60% shares No cash	✗ 60% shares No cash
✓	✓	✗	✗	✓	✓ 35% shares 65% cash	✗ 35% shares No cash
				✗	✓ 35% shares 25% cash	✗ 35% shares No cash
✓	✗	✗	✗	✓	✓ 15% shares 85% cash	✗ 15% shares No cash
				✗	✓ 15% shares 45% cash	✗ 15% shares No cash
✗	✗	✗	✗	✗		✗ No shares No cash

Note: the percentage allocations between cash and shares are based on the Maximum Bonus, with the share component being valued based on the value of Crown shares at the time of acquisition. Subsequent movements in the price of Crown shares may result in changes to the cash and share proportions.

What happens to dividends earned on Crown shares acquired under the Crown LTI

All dividends received on shares held in trust are passed through to the Participant. All bonuses earned in the final year of the Crown LTI (including any Carried Over Plan Year Bonuses) will be paid in cash and so no dividends are earned or passed through to executives in respect of these bonuses.

What happens if an executive's employment with Crown ceases

If a Participant's employment with Crown ceases, then the Participant would not be entitled to any part of his or her Crown LTI bonus, except for where the Participant's employment has been terminated by Crown without cause, in which case the Participant will be entitled to any tranche (in the form of shares held on trust) which has vested prior to the date of termination.

The shares will only be transferred to the Participant after the end of financial year 2014, in accordance with the terms of the Crown LTI.

How EPS Hurdles can be amended

In the event that corporate control events or capital reconstruction events impact the achievement of EPS Hurdles, then the Crown Board has discretion to amend the EPS Hurdles in such a way that does not materially disadvantage Participants.

The Crown Board retains general power to amend the rules of the Crown LTI from time to time.

How the Crown LTI ameliorates issues with “cliff’s edge” vesting

The key features of the Crown LTI are that:

- the EPS Hurdles for Plan Years 1, 2 and 3 are set at 98% of the EPS Targets in the 2011 Four Year Financial Plan; and
- if at the end of financial year 2014, on a cumulative basis, the EPS Hurdles over all four years are met, then any Carried Over Plan Year Bonuses will vest and be paid to the relevant senior executive in cash.

Accordingly, when viewed as a whole, the Maximum Bonus under the Crown LTI consists of four separate and individually achievable targets, as well as a cumulative target. As a result, there are a range of potential outcomes depending on performance against target in each year of the Crown LTI as well as the cumulative result.

This is designed to ameliorate issues with “cliff’s edge” vesting, by giving participants a “second chance” to have a tranche paid when an individual EPS Hurdle is not met.

Disclosure of prospective EPS Targets and historical EPS Targets

The disclosure of prospective EPS Targets would have the consequence of providing the market and Crown’s competitors with Crown’s forecasted financial targets. It has been Crown’s longstanding practice not to disclose prospective financial information and financial forecasts. Accordingly, Crown will not publicly disclose prospective EPS Targets.

Such concerns, however, are not as significant in relation to historical EPS Targets and EPS Hurdles and performance against those historical EPS Hurdles.

Set out below are the EPS Targets and EPS Hurdles which applied for financial years 2011, 2012 and 2013 together with Crown’s actual EPS for financial years 2011, 2012 and 2013.

	EPS Target (2011 Four Year Financial Plan)	EPS Target Growth (2011 Four Year Financial Plan)	EPS Hurdle (Crown LTI)*	Actual EPS (excludes MCE and significant items)	Growth (from previous year)	Tranche Vested?
FY11	44.1 cents	N/A	43.2 cents	42.3 cents	(3.0%)	No
FY12	48.7 cents	10.4%	47.7 cents	43.9 cents	3.7%	No
FY13	58.9 cents	20.9%	57.7 cents	44.0 cents	0.2%	No

* In financial year 2011, financial year 2012 and financial year 2013, the EPS Hurdle is 98% of the 2011 Four Year Financial Plan EPS Target.

All references in the above table to “EPS” exclude the contribution made by MCE.

In addition, under the Plan Rules for the Crown LTI, EPS for the purposes of measuring performance against EPS Hurdles excludes significant items. Accordingly, the mark-to-market loss on the sale of Crown’s investment in Echo Entertainment Group Limited (which was accounted for as a significant item) did not impact the calculation of Crown’s performance against the 2013 EPS Hurdles. The Crown Nomination and Remuneration Committee conducts an annual review of EPS Hurdles to consider whether the Board should exercise its discretion to adjust the EPS Hurdles. In financial year 2013, the Committee determined that the exercise of its discretion was not warranted. A final assessment will be conducted by the Nomination and Remuneration Committee at the conclusion of the term of the Crown LTI in financial year 2014.

Given that the financial year 2011, 2012 and 2013 EPS Hurdles were not met, participants have lost the opportunity to acquire shares under the Crown LTI.

The range of outcomes available to a Participant are now reduced.

Set out below is an illustration of future outcomes (recognising that the financial year 2011, 2012 and 2013 EPS Hurdles were not met).

Year 1 EPS Hurdle Met? 15%	Year 2 EPS Hurdle Met? 20%	Year 3 EPS Hurdle Met? 25%	Year 4 EPS Hurdle Met? 40%	Fallback Year 4 EPS Hurdle Met? 40%	Cumulative EPS Hurdle Met?	
x	x	x	✓		✓ No shares 100% cash	x No shares 40% cash
x	x	x	x	✓		x No shares No cash

Note: the percentage allocations between cash and shares are based on the Maximum Bonus, with the share component being valued based on the value of Crown shares at the time of acquisition. Subsequent movements in the price of Crown shares may result in changes to the cash and share proportions.

MCE Contribution Bonus

At the commencement of the Crown LTI, the Crown Board considered it of high importance to the Crown group that MCE achieve the MCE “Contribution” targets in Crown’s Four Year Financial Plan and that certain executives who played a key role in Crown’s relationship with MCE be provided with an extra incentive to ensure this goal was achieved. Mr Craigie and Mr Nisbet are Crown nominees on the MCE Board and Mr Barton works with the MCE Chief Financial Officer in providing assistance on MCE financial matters.

Accordingly, in the case of Mr Craigie, Mr Barton and Mr Nisbet, part of the Maximum Bonus to which they are eligible (the MCE Contribution Bonus) is dependent on MCE achieving certain MCE Contribution hurdles (MCE Contribution Hurdles).

Mr Craigie’s maximum potential MCE Contribution Bonus is approximately 15% of his Maximum Bonus. For Mr Barton, it is approximately 11% and for Mr Nisbet it is approximately 17%.

The MCE Contribution Hurdles are derived from the MCE Contribution targets in Crown’s 2011 Four Year Financial Plan (MCE Contribution Targets). MCE Contribution is defined as Crown’s percentage interest in MCE from time to time, multiplied by the normalised net profit after tax of MCE.

If an MCE Contribution Hurdle is achieved in respect of a Plan Year, a Participant will become entitled to a portion of their potential Maximum Bonus. The rules on the effect of achieving or not achieving MCE Contribution Hurdles are the same as for the EPS Bonus.

The MCE Contribution Bonus is independent of the portion of the bonus which is referable to meeting the EPS Hurdles (EPS Bonus). Accordingly, Mr Craigie, Mr Barton and Mr Nisbet may achieve some or all of their entitlement to the MCE Contribution Bonus without achieving any part of the EPS Bonus and the converse also applies.

Disclosure of MCE Contribution Targets

For the same reasons set out above, Crown elects not to publicly disclose prospective MCE Contribution Targets.

Such concerns, however, are not as significant in relation to historical MCE Contribution Targets and MCE Contribution Hurdles and performance against those historical MCE Contribution Hurdles.

Set out below are the MCE Contribution Targets and MCE Contribution Hurdles for financial years 2011, 2012 and 2013 and MCE's actual Contribution for financial years 2011, 2012 and 2013.

	MCE Contribution Target (2011 Four Year Financial Plan)	MCE Contribution Target Growth (2011 Four Year Financial Plan)	MCE Contribution Hurdle*	Actual MCE Contribution	Actual MCE Contribution Growth	Tranche Vested?
FY11	(US\$30.9 million)	N/A	(US\$31.5 million)	US\$20.4 million	154.7%	Yes
FY12	US\$37.2 million	220.4%	US\$36.5 million	US\$95.0 million	365.7%	Yes
FY13	US\$86.3 million	132.0%	US\$84.6 million	US\$156.0 million	64.2%	Yes

* In financial year 2011, financial year 2012 and financial year 2013, the MCE Contribution Hurdle is 98% of the 2011 Four Year Financial Plan MCE Contribution Target.

Given that the financial year 2011, financial year 2012 and financial year 2013 MCE Contribution Hurdles were met, participants will become entitled to the maximum proportion of shares as part of the MCE Contribution Bonus portion of the Crown LTI.

Details of Participation of Senior Executives in Crown LTI

Of the Senior Executives named in this Report, five participate in the Crown LTI. Details of potential Crown LTI cash bonuses are as follows:

Senior Executive	Maximum Value over four year period	30 June 2011 (15%)	30 June 2012 (20%)	30 June 2013 (25%)	30 June 2014 (40%)
Ken Barton	\$4,500,000	\$675,000	\$900,000	\$1,125,000	\$1,800,000
Rowen Craigie	\$12,300,000	\$1,845,000	\$2,460,000	\$3,075,000	\$4,920,000
Barry Felstead	\$3,600,000	\$540,000	\$720,000	\$900,000	\$1,440,000
Greg Hawkins*	\$3,000,000	\$271,500	\$642,000	\$802,500	N/A
Todd Nisbet	\$5,250,000	\$787,500	\$1,050,000	\$1,312,500	\$2,100,000

* As a result of a senior management restructure, Mr Hawkins' position was made redundant effective 1 August 2013 and Mr Hawkins has agreed to leave the group. As no tranche of Mr Hawkins' Crown LTI Bonus has been paid, with no shares held in trust, Mr Hawkins is not entitled to any part of his Crown LTI Bonus.

Mr Hawkins' commencement date with Crown Melbourne Limited was 6 December 2010. Accordingly, his first year entitlement to an EPS Bonus has been reduced on a pro rata basis to approximately seven months of participation in the Crown LTI. Had Mr Hawkins been a participant from 1 July 2010, his Maximum Value over the four year period would have been \$3,210,000. The entitlements for 30 June 2012, 30 June 2013 and 30 June 2014 have been determined by reference to that Maximum Value. On account of the pro rata reduction, the total possible EPS Bonus which Mr Hawkins would have been able to achieve was \$3,000,000.

As noted in the tables above:

- in financial year 2011, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2011 have not vested. The MCE Contribution Hurdle for financial year 2011 was, however, achieved. Accordingly, an entitlement to 15% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested;
- in financial year 2012, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2012 have not vested. The MCE Contribution Hurdle for financial year 2012 was, however, achieved. Accordingly, an entitlement to 20% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested; and
- in financial year 2013, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2013 have not vested. The MCE Contribution Hurdle for financial year 2013 was, however, achieved. Accordingly, an entitlement to 25% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested.

Set out below are the vested bonus amounts for the above participants in respect of financial years 2011, 2012 and 2013 associated with the MCE Contribution Hurdle:

Senior Executive	Maximum Bonus over four year period	Vested in relation to the financial year ended 30 June 2011	Vested in relation to the financial year ended 30 June 2012	Vested in relation to the financial year ended 30 June 2013
Ken Barton	\$4,500,000	\$75,000	\$100,000	\$125,000
Rowen Craigie	\$12,300,000	\$270,000	\$360,000	\$450,000
Barry Felstead	\$3,600,000	Nil	Nil	Nil
Greg Hawkins	\$3,000,000	Nil	Nil	Nil
Todd Nisbet	\$5,250,000	\$135,000	\$180,000	\$225,000

In accordance with the rules of the Crown LTI, the vested component of the cash bonus for financial years 2011 and 2012 has been (and in the case of financial year 2013 will be) applied by Crown to fund the purchase of Crown shares on market, which are to be held on trust for each of Mr Craigie, Mr Barton and Mr Nisbet until the end of financial year 2014.

Details of shares held on trust for Mr Craigie, Mr Barton and Mr Nisbet are set out below:

Senior Executive	Shares Acquired with FY11 Bonus ¹	Shares Acquired with FY12 Bonus ²
Ken Barton	9,782	10,799
Rowen Craigie	35,217	38,875
Todd Nisbet	17,608	19,438

1. Shares acquired for an average price of \$7.65 per share.

2. Shares acquired for an average price of \$9.24 per share.

As at the date of this report, no shares had yet been acquired with the Bonus for financial year 2013.

Relationship between policy and company performance

As detailed above in the sections on Fixed Remuneration, STI and the Crown LTI, various elements of Crown's remuneration policy are linked to company performance, in particular, the achievement of Crown's Board approved Annual Budget and Business Plan (in the case of STI) and Crown's Board approved Four Year Financial Plan (in the case of the Crown LTI).

The Crown Board has sought to achieve this link by requiring the achievement of an annual level of normalised EBITDA and net profit after tax (in the case of STI) or predetermined EPS Targets and the achievement of MCE Contribution Targets (in the case of the Crown LTI).

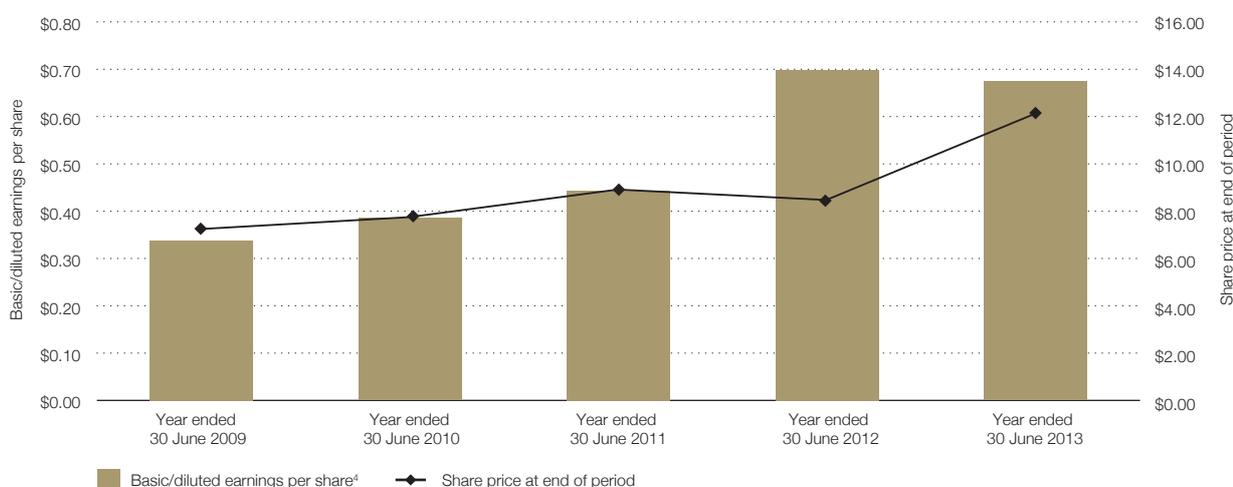
Full details of how these links have been achieved are set out in the sections of the Report above, but, in summary:

- An STI may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her annual KPOs, assessed using a combination of financial and non-financial measures;
- The Crown LTI may be payable where Crown achieves predetermined EPS Hurdles in financial year 2011, financial year 2012, financial year 2013 and financial year 2014; and
- A component of the Crown LTI may be payable to key senior executives involved in managing the performance of MCE, where MCE has achieved predetermined MCE Contribution Targets.

This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, grew by 6.9%. The compound average normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period commencing from financial year 2008 through to financial year 2013 was 4.6%. Normalised Crown group NPAT grew by 14.0% in financial year 2013. The compound average normalised NPAT growth for the Crown group for the five year period commencing from financial year 2008 through to financial year 2013 was 5.0%.

The table and graph below set out information about movements in shareholder wealth for the years ended 30 June 2009 to 30 June 2013.

	Year ended 30 June 2009	Year ended 30 June 2010	Year Ended 30 June 2011	Year Ended 30 June 2012	Year Ended 30 June 2013
Share price at start of period	\$9.29	\$7.27	\$7.77	\$8.93	\$8.49
Share price at end of period	\$7.27	\$7.77	\$8.93	\$8.49	\$12.11
Full year dividend	37 cents ¹	37 cents ¹	37 cents ²	37 cents ³	37 cents ³
Basic/diluted earnings per share ⁴	33.74 cps	38.54 cps	44.29 cps	69.78 cps	67.40 cps



Notes:

1. Franked to 60% with none of the unfranked component comprising conduit foreign income.
2. Interim dividend franked to 60% and final dividend franked to 50% with none of the unfranked components comprising conduit foreign income.
3. Franked to 50% with none of the unfranked component comprising conduit foreign income.
4. Excluding the effect of discontinued operations and significant items.

Policy on entering into transactions in associated products which limit economic risk

Directors and Senior Executives are prohibited from entering into transactions in associated products which limit economic risk. This policy is further described in the Corporate Governance Statement.

Remuneration Details for Non-Executive Directors

Non-Executive Directors

Non-Executive Directors are entitled to a base fee of \$100,000 per annum for acting as a Director of Crown.

Non-Executive Directors acting on the Board of Crown Melbourne Limited are entitled to receive a further fee of \$60,000 per annum.

Non-Executive Directors of Crown are entitled to additional fees if they act as either chair or a member of an active Committee (the Audit & Corporate Governance Committee, the Occupational Health, Safety & Environment Committee, the Nomination and Remuneration Committee or the Risk Management Committee):

- \$20,000 per annum for acting as Chair of an active Board Committee; or
- \$10,000 per annum for acting as a member of an active Board Committee.

All Directors are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

In accordance with Crown’s constitution, Non-Executive Directors’ fees are currently determined within an aggregate Non-Executive Directors’ fee cap of \$1,300,000 per annum.

Set out below is a table showing Non Executive Director remuneration for financial years 2013 and 2012.

Remuneration Table – Non-Executive Directors

	Financial Year	Short Term Benefits			Post-employment Benefit – Superannuation	Long Term Incentives		Termination Benefits	Total
		Salary & Fees	Non Monetary	Other		Cash Based	Equity Based		
Ben Brazil	2013	120,000	–	–	10,800	–	–	–	130,800
Non-Executive Director	2012	120,000	–	–	10,800	–	–	–	130,800
Helen Coonan¹	2013	100,000	–	–	9,000	–	–	–	109,000
Non-Executive Director	2012	58,333	–	–	5,250	–	–	–	63,583
Christopher Corrigan	2013	110,000	–	–	9,900	–	–	–	119,900
Non-Executive Director	2012	110,000	–	–	9,900	–	–	–	119,900
Rowena Danziger²	2013	210,000	–	–	–	–	–	–	210,000
Non-Executive Director	2012	210,000	–	–	–	–	–	–	210,000
Geoffrey Dixon	2013	140,000	–	–	–	–	–	–	140,000
Non-Executive Director	2012	140,000	–	–	–	–	–	–	140,000
John Horvath²	2013	190,000	–	–	16,470	–	–	–	206,470
Non-Executive Director	2012	190,000	–	–	15,775	–	–	–	205,775
Ashok Jacob³	2013	–	–	–	–	–	–	–	–
Non-Executive Director	2012	–	–	–	–	–	–	–	–
Michael Johnston³	2013	–	–	–	–	–	–	–	–
Non-Executive Director	2012	–	–	–	–	–	–	–	–
Harold Mitchell	2013	101,750	–	–	8,250	–	–	–	110,000
Non-Executive Director	2012	77,000	–	–	42,900	–	–	–	119,900
2013 TOTALS		971,750	–	–	54,420	–	–	–	1,026,170
2012 TOTALS		905,333	–	–	84,625	–	–	–	989,958

Notes:

- Ms Coonan was appointed on 2 December 2011.
- Mrs Danziger and Professor Horvath each received Directors' fees at a rate of \$60,000 per annum for their participation on the Crown Melbourne Limited Board.
- Neither Mr Jacob nor Mr Johnston receives remuneration for their services to Crown.

Remuneration details for Senior Executives

Senior Executives

Senior Executives are employed under service agreements with Crown or a subsidiary of Crown. Common features to these service agreements include (unless noted otherwise):

- an annual review of the executive's fixed remuneration, with any increases requiring approval of the Chief Executive Officer and Managing Director and the Nomination and Remuneration Committee and dependent on Crown's financial performance, the individual's KPO performance and market changes;
- competitive performance based incentive payments annually and in the long term, dependent upon Crown achieving its objectives and the Senior Executive achieving his or her KPOs;
- a provision that Crown may ask the executive to act as a Director of a member or associate of the Crown group for no additional remuneration;
- a prohibition from gambling at any property within the Crown group during the term of employment and for three months following termination and a requirement that the executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling and Liquor Regulation and the Western Australian Gaming and Wagering Commission);

- where post-employment restraints apply, a restraint covering, amongst other things, competitive activities to those of the Crown group. Restraint periods vary and have been noted in each instance;
- where an employment agreement is terminated by Crown, a provision that notice may be given in writing or payment may be made (wholly or partly) in lieu of notice;
- a provision that all contracts may be terminated without notice by Crown for serious misconduct; and
- all Senior Executives are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

Specific details of each Senior Executive’s contract of employment which applied during the financial year ending 30 June 2013 are summarised in the tables on the following pages. Where a Senior Executive has had more than one contract of employment during the year, or where a new contract of employment has been entered into post year end, this has been noted in those tables.

Summary of New or Amended Contracts of Employment

Senior Executive	Date of new or amended employment agreement	Key features/changes from previous contract
John H Alexander	Extension and variation of employment agreement entered into on 13 September 2013.	<p>Mr Alexander’s extended and varied contract of employment has no fixed term and may be terminated by Mr Alexander on 12 months’ notice or by Crown on 12 months’ notice.</p> <p>Mr Alexander is no longer entitled to an annual increase in remuneration based on CPI.</p> <p>Mr Alexander’s post-employment restraint will apply for periods of up to 12 months.</p>
Barry J Felstead	New employment agreement entered into on 1 August 2013.	<p>Mr Felstead is now employed by Crown Limited in the role of Chief Executive Officer – Australian Resorts and Chief Executive Officer – VIP International.</p> <p>Commensurate with his new role, Mr Felstead’s total fixed remuneration per annum has been increased to \$2,100,000, with an annual review at the discretion of Crown.</p> <p>A travel allowance of up to \$50,000 per annum applies.</p> <p>Mr Felstead’s employment agreement has no fixed term and may be terminated by Mr Felstead on 12 months’ notice or by Crown on 12 months’ notice.</p> <p>Mr Felstead’s post-employment restraint will apply for periods of up to 12 months.</p> <p>Mr Felstead’s short term incentive target percentage remains at 40%.</p>

Summary of Contracts of Employment Applicable During the Year Ended 30 June 2013

	James D Packer	John H Alexander
Current Position	Chairman	Executive Deputy Chairman (commenced 1 December 2007): Mr Alexander's employment with Crown Limited continued on the terms set out in his employment agreement. That employment agreement was extended and amended by agreement dated 13 September 2013. The following summarises the terms of Mr Alexander's employment agreement, with key changes between that employment agreement and his amended and restated employment agreement summarised above.
Fixed Remuneration		
Base salary:	Nil. The Chairman, Mr Packer does not receive any remuneration for his services to Crown. Mr Packer acts as a Director of Melco Crown Entertainment Ltd, a company in which Crown has a significant investment. Mr Packer does not receive a fee from Crown for these services.	\$1,483,530 per annum
Superannuation	Nil	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$16,470 per annum.
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities.	Complimentary privileges at Crown Melbourne and Crown Perth facilities and superannuation.
Performance based remuneration	Not applicable	Not applicable
2013 Percentage breakdown of remuneration	Not applicable	Fixed remuneration ¹ 100% STI 0% LTI 0%
Post-employment benefits	Not applicable	Nil
Post-employment restraint	Not applicable	Crown was entitled to impose a restraint for the five year term of Mr Alexander's employment agreement up to 30 November 2012.
Termination		
By Senior Executive:	Not applicable	12 months' notice.
By Crown:	Not applicable	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.
Termination benefits	Not applicable	Nil
Payments made prior to commencement	Not applicable	Nil
Directors' Fees	Nil	Nil

1. Includes voluntary and compulsory superannuation.

	Rowen B Craigie	Kenneth M Barton
Current Position	Chief Executive Officer and Managing Director (commenced 1 December 2007): Mr Craigie's five year employment agreement with Crown Limited will expire on 15 September 2015.	Chief Financial Officer (commenced 9 March 2010): Mr Barton's employment agreement with Crown Limited commenced on 9 March 2010 and expires in March 2015.
Fixed Remuneration		
Base salary:	\$2,983,530 per annum.	\$1,333,530 per annum.
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$16,470 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$16,470 per annum.
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Until Mr Barton relocates to Melbourne, Crown will meet the weekly travel costs of his Melbourne/Sydney commuting and will provide hotel accommodation while in Melbourne.
Performance based remuneration		
STI:	A maximum of \$1,000,000, assessed by the Chairman based on the achievement of personal KPOs. A further \$1,000,000 may be paid at the discretion of the Crown Board if Crown's performance substantially exceeds that set out in Crown's business plan and represents an exemplary outcome.	Mr Barton's annual target STI is \$500,000 and payment depends on meeting agreed personal KPOs. The STI may, at the discretion of the Nomination and Remuneration Committee, be increased to a maximum of \$750,000 if Mr Barton exceeds his KPOs and Crown also achieves its performance objectives.
LTI:	Mr Craigie participates in the Crown LTI. See further page 62.	Mr Barton participates in the Crown LTI. See further page 62.
2013 Percentage breakdown of remuneration	Fixed remuneration¹ 60% STI 16% LTI 24%	Fixed remuneration¹ 64% STI 18% LTI 18%
Post-employment benefits	Nil	Nil
Post-employment restraint	Crown may impose a restraint for various periods up to 24 months.	Nil
Termination		
By Senior Executive:	12 months' notice.	6 months' notice.
By Crown:	12 months' notice without cause; one month's notice for performance issues (following least three months' notice to improve); three months' notice for incapacity.	6 months' notice without cause; one month's notice for performance issues (following least 3 months' notice to improve); 3 months' notice for incapacity.
Termination benefits	Subject to the receipt of shareholder approval, Mr Craigie will be entitled to receive a severance payment equal to 24 months' fixed remuneration in the event of early termination of his employment by Crown. The imposition of Mr Craigie's post-employment restraint is conditional upon receipt of his severance payment.	Nil
Payments made prior to commencement	Nil	A \$400,000 sign on payment in 2010 less applicable taxes in order to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.
Directors' Fees	Nil	Nil

1. Includes voluntary and compulsory superannuation.

	Greg F Hawkins	Barry J Felstead
Current Position	Chief Executive Officer, Crown Melbourne (from 5 December 2011): Mr Hawkins commenced the role of Chief Executive Officer of Crown Melbourne on 5 December 2011. As a result of a senior management restructure, Mr Hawkins' position was made redundant effective 1 August 2013 and Mr Hawkins has agreed to leave the group.	Chief Executive Officer, Crown Perth (from 6 March 2007): During FY13, Mr Felstead's employment arrangements were governed by an employment agreement entered into on 24 June 2011 which was to expire in accordance with its terms. Mr Felstead entered into a new employment agreement on 1 August 2013. The key changes between the employment agreement which applied during FY13 and Mr Felstead's new employment agreement are summarised above.
Fixed Remuneration		
Base salary:	\$1,065,030 per annum.	\$1,193,530 per annum.
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$16,470 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$16,470 per annum.
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Felstead is entitled to one annual economy airfare between Perth and Melbourne for himself and his family.
Performance based remuneration		
STI:	Discretionary STI based on the performance of Crown Limited and the achievement of personal KPOs. Mr Hawkins' annual target STI is 40% of his TEC.	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Felstead's annual target STI is 40% of his TEC.
LTI:	Mr Hawkins participates in the Crown LTI. See further page 62.	Mr Felstead participates in the Crown LTI. See further page 62.
2013 Percentage breakdown of remuneration	Fixed remuneration¹ 79% STI 6% LTI 15%	Fixed remuneration¹ 65% STI 21% LTI 14%
Post-employment benefits	Nil	Nil
Post-employment restraint	Crown may impose various restraint periods up to a period of up to 12 months post-employment.	Crown may impose various restraint periods up to a period of 12 months post-employment.
Termination		
By Senior Executive:	6 months' notice.	6 months' notice.
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.
Termination benefits	Nil	Nil
Payments made prior to commencement	Nil	Nil
Directors' Fees	Nil	Nil

1. Includes voluntary and compulsory superannuation.

W. Todd Nisbet							
Current Position	Executive Vice President – Strategy and Development (from 9 August 2010): Mr Nisbet's employment agreement with Crown Limited is due to expire in November 2014.						
Fixed Remuneration							
Base salary:	\$1,933,530 per annum.						
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$16,470 per annum.						
Non-monetary benefits and other:	<p>Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.</p> <p>Mr Nisbet is entitled to Relocation Benefits to assist with the relocation of him and his family from Nevada, USA to Melbourne.</p> <p>During Mr Nisbet's employment with Crown, he will also be entitled to additional customary expatriate benefits for himself and his family.</p> <p>Upon cessation of employment Mr Nisbet will be entitled to relocation benefits for him and his family to Las Vegas.</p>						
Performance based remuneration							
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Nisbet's annual target STI is 50% of his base salary.						
LTI:	Mr Nisbet participates in the Crown LTI. See further page 62.						
2013 Percentage breakdown of remuneration	<table border="1"> <thead> <tr> <th>Fixed remuneration¹</th> <th>STI</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td>60%</td> <td>26%</td> <td>14%</td> </tr> </tbody> </table>	Fixed remuneration ¹	STI	LTI	60%	26%	14%
Fixed remuneration ¹	STI	LTI					
60%	26%	14%					
Post-employment benefits	Nil						
Post-employment restraint	Crown may impose various restraint periods up to a period of up to 12 months post-employment.						
Termination							
By Senior Executive:	6 months' notice.						
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.						
Termination benefits	Nil						
Payments made prior to commencement	Nil						
Directors' Fees	Nil						

1. Includes voluntary and compulsory superannuation.

Remuneration table for Senior Executives

The structure of senior executive remuneration has been described in detail in this Report, both generically and specifically in relation to each named Senior Executive. In addition, a table summarising all remuneration to be attributed to each Senior Executive for the financial years ending 30 June 2013 and 30 June 2012 is set out below. Accounting Standards are prescriptive in relation to the required presentation of remuneration tables. Accordingly, as an aid to understanding, the following additional information should be read in conjunction with the table set out below.

Fixed Remuneration

Neither of Mr Alexander nor Mr Craigie received an increase to their fixed remuneration in financial year 2013 as compared with financial year 2012.

Mr Barton and Mr Hawkins received increases to their fixed remuneration of 3.8% and 3.0% respectively in financial year 2013 as compared with financial year 2012. Mr Nisbet and Mr Felstead received increases to their fixed remuneration of 24% and 18% respectively, reflecting the increased scope of their responsibilities.

Short Term Incentives (STI)

In financial year 2013, the Group's financial performance objectives were only met in part. Crown Perth met its financial performance objectives for its non-VIP businesses. Although Crown Melbourne's financial performance objectives were not met, Crown Melbourne achieved 7% year on year normalised EBITDA growth on the back of significant margin improvement. Crown Limited achieved its normalised NPAT budget, largely as a result of the performance of MCE's businesses in Macau. However, some important non-financial objectives were achieved, including successfully moving to Stage Three of the New South Wales Unsolicited Proposal process for the proposed Crown Sydney Hotel Resort, solid performance in the Group's international businesses and successful bank refinancing and debt capital market projects. Accordingly, STI bonuses were reduced by 20% at Crown Perth, by 80% at Crown Melbourne and by 20% at Crown Limited. Mr Craigie, Mr Barton, Mr Felstead and Mr Hawkins received STI bonuses in accordance with the above. Mr Craigie received 80% of his target STI bonus of \$1 million and did not receive any part of his further "discretionary bonus" of \$1 million for exceptional performance.

In the case of Mr Nisbet, he received a discretionary STI bonus based on the achievement of additional significant non-financial performance objectives including the successful completion of major capital expenditure projects, design of the proposed Crown Sydney Hotel Resort and supporting MCE with the Philippines project.

Long Term Incentives (LTI)

As summarised earlier, Senior Executives participate in the Crown LTI.

In accordance with relevant accounting standards, the Crown LTI is included in the remuneration for each Senior Executive on the basis that it is considered more likely than not at the date of this financial report that the performance condition and service condition will occur evenly over the life of the Crown LTI, notwithstanding that the benefits will vest for the Senior Executives at a different rate. During the 2013 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. The total expected LTI payments will continue to be expensed on a straight line basis over the period of the Plan. Accordingly, 25% of the total expected Crown LTI bonus for which each Senior Executive is potentially eligible will be included in the remuneration table for each of the four active years of the plan, regardless of whether a bonus has vested or not.

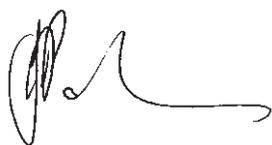
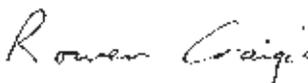
As explained earlier, the first, second and third tranches of the Crown LTI represents 15%, 20% and 25% (respectively) of the total Crown LTI bonus for which each Senior Executive is eligible. The EPS Hurdle of the Crown LTI for financial years 2011, and 2012 and 2013 were not met, but the MCE Contribution Hurdles were met, resulting in 15%, 20% and 25% (respectively) of the MCE Contribution Bonus of the Crown LTI for eligible Senior Executives vesting. Detail of the actual sums vested to relevant Senior Executives has been provided earlier.

	Financial Year	Short Term Benefits					Post-employment Benefits – Super-annuation ⁴	Long Term Incentives			Total
		Salary & Fees	Non Monetary	Other	STI	% of max STI		Cash Based	Equity Based – Crown LTI ⁵	Termination Benefits	
James Packer Chairman	2013	–	–	–	–	–	–	–	–	–	–
	2012	–	–	–	–	–	–	–	–	–	–
John Alexander Executive Deputy Chairman	2013	1,483,530	–	–	–	–	16,470	–	–	–	1,500,000
	2012	1,484,225	–	–	–	–	15,775	–	–	–	1,500,000
Ken Barton Chief Financial Officer	2013	1,333,530	45,522	–	400,000	80%	16,470	–	405,000	–	2,200,522
	2012	1,284,225	56,753	–	550,000	110%	15,775	–	1,125,000	–	3,031,753
Rowen Craigie Chief Executive Officer & Managing Director	2013	2,983,530	–	–	800,000	80%	16,470	–	1,185,000	–	4,985,000
	2012	2,984,225	–	–	800,000	80%	15,775	–	3,075,000	–	6,875,000
Barry Felstead⁴ Chief Executive Officer Crown Perth	2013	1,193,530	–	–	390,000	80%	16,470	–	252,000	–	1,852,000
	2012	1,014,225	–	–	650,000	158%	15,775	–	900,000	–	2,580,000
Greg Hawkins⁴ Chief Executive Officer Crown Melbourne Limited	2013	1,065,030	–	–	86,500	20%	16,470	–	210,000	–	1,378,000
	2012	970,588	–	–	84,000	20%	15,775	–	750,000	–	1,820,363
Todd Nisbet¹ Executive Vice President – Strategy & Development	2013	1,933,530	–	248,675	975,000	100%	16,470	–	529,500	–	3,703,175
	2012	1,560,025	–	240,876	985,000	125%	15,775	–	1,312,500	–	4,114,176
2013 TOTALS		9,992,680	45,522	248,675	2,651,500		98,820	–	2,581,500	–	15,618,697
2012 TOTALS		9,297,513	56,753	240,876	3,069,000		94,650	–	7,162,500	–	19,921,292

Notes:

1. Refer to the summary of Mr Nisbet's contract of employment for a description of the short term benefits to which Mr Nisbet is entitled.
2. Long service leave accrued balances have increased during the financial year ended 30 June 2013 for the following Senior Executives: Mr Alexander \$25,000, Mr Barton \$24,430, Mr Craigie \$50,000, Mr Felstead \$75,010, Mr Hawkins \$22,426, Mr Nisbet \$44,325.
3. The Crown LTI has been included in total remuneration on the basis that it is considered more likely than not at the date of this financial report that the performance condition and service condition will occur evenly over the life of the Crown LTI, notwithstanding that the benefits will vest for the Senior Executives at a different rate. During the 2013 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. Detail of the actual sums vested to relevant Senior Executives has been provided earlier.
4. As a result of a senior management restructure, Mr Hawkins' position was made redundant effective 1 August 2013 and Mr Hawkins has agreed to leave the group. As no tranche of Mr Hawkins' Crown LTI Bonus has been paid, with no shares held in trust, Mr Hawkins is not entitled to any part of his Crown LTI Bonus. With effect from 1 August 2013, Mr Felstead is now employed by Crown Limited in the role of Chief Executive Officer – Australian Resorts and Chief Executive Officer – VIP International.

Signed in accordance with a resolution of the Directors.


J D Packer
Director

R B Craigie
Director

Melbourne, 18th day of September, 2013

Auditor's Independence Declaration



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Auditor's Independence Declaration to the Directors of Crown Limited

In relation to our audit of the financial report of Crown Limited for the financial year ended 30 June 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
18 September 2013

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Independent Auditor's Report



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Independent auditor's report to the members of Crown Limited

Report on the financial report

We have audited the accompanying financial report of Crown Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement for the 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 year-end or from time to time during the financial-year.

Directors' Responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 that the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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.



Opinion

In our opinion:

- a. The financial report of Crown Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Crown Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

David McGregor
Partner
Melbourne
18 September 2013

Directors' Declaration

In accordance with a resolution of the Directors, we declare as follows:

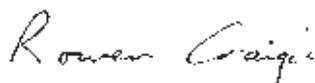
In the opinion of the directors:

1. the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
2. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1 of the Financial Report;
3. 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;
4. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2013; and
5. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 31 of the Financial Report will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



J D Packer
Director



R B Craigie
Director

Melbourne, 18th day of September, 2013



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Additional Information

Statement of Profit or Loss

For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Revenues	3	2,894,804	2,808,870
Other income	3	183	426
Expenses	3	(2,467,540)	(2,214,766)
Share of profits of associates and joint venture entities	2,10	147,911	138,872
Profit before income tax and finance costs		575,358	733,402
Finance costs	3	(133,446)	(113,584)
Profit before income tax		441,912	619,818
Income tax expense	2,5	(46,125)	(106,493)
Net profit after tax		395,787	513,325

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

	Note	2013 Cents per share	2012 Cents per share
Earnings per share (EPS)			
Basic EPS	28	54.34	69.78
Diluted EPS	28	54.34	69.78
EPS calculation is based on the weighted average number of shares on issue throughout the period			
Dividends per share			
Current year final dividend proposed	4	19.00	19.00
Current year interim dividend paid	4	18.00	18.00

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Net profit after tax		395,787	513,325
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation ⁽¹⁾	21	134,621	40,385
Movement in cashflow hedge reserve	21	17,383	32,941
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Unrealised gain/(loss) on investments	21	204	(328)
Other comprehensive income/(loss) for the period, net of income tax		152,208	72,998
Total comprehensive income/(loss) for the period		547,995	586,323

(1) The movement in the foreign currency translation reserve is largely attributable to foreign exchange movements relating to Crown's equity accounted investment in Melco Crown.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Current assets			
Cash and cash equivalents	23	205,511	149,353
Trade and other receivables	6	257,459	201,734
Inventories	7	12,639	11,850
Prepayments		17,476	18,693
Other financial assets	8	1,568	337
Total current assets		494,653	381,967
Non-current assets			
Receivables	6	126,822	102,867
Other financial assets	8	925	–
Investments	9	89,671	454,338
Investments in associates	10	1,403,037	1,088,744
Property, plant and equipment	11	2,865,462	2,804,379
Licences	12	649,511	656,983
Other intangible assets	13	204,572	207,772
Deferred tax assets	5	112,212	112,640
Other assets	15	62,780	62,840
Total non-current assets		5,514,992	5,490,563
Total assets		6,009,645	5,872,530
Current liabilities			
Trade and other payables	16	296,581	325,731
Interest-bearing loans and borrowings	17	81,395	29,077
Income tax payable		53,642	100,598
Provisions	18	120,262	101,977
Other financial liabilities	19	–	22,221
Total current liabilities		551,880	579,604
Non-current liabilities			
Other payables	16	138	138
Interest-bearing loans and borrowings	17	1,553,868	1,665,589
Deferred tax liabilities	5	202,235	205,605
Provisions	18	44,304	38,183
Other financial liabilities	19	4,619	8,661
Total non-current liabilities		1,805,164	1,918,176
Total liabilities		2,357,044	2,497,780
Net assets		3,652,601	3,374,750
Equity			
Contributed equity	20	446,763	446,763
Treasury shares	20	(1,118)	(480)
Reserves	21	450,994	298,786
Retained earnings	21	2,755,962	2,629,681
Total equity		3,652,601	3,374,750

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Receipts from customers		2,846,300	2,764,378
Payments to suppliers and employees		(2,130,086)	(2,027,218)
Dividends received		3,328	4,628
Interest received		9,842	7,124
Borrowing costs paid		(138,052)	(122,459)
Income tax paid		(95,134)	(55,753)
Net cash flows from/(used in) operating activities	23b	496,198	570,700
Cash flows from investing activities			
Purchase of property, plant and equipment		(253,620)	(464,403)
Proceeds from sale of property, plant and equipment		183	461
Payment for purchases of investments		(66,938)	(261,676)
Net proceeds from sale of equity investments		261,332	6,632
Loans to associated entities		(12,644)	(27,364)
Other (net)		2,689	(3,300)
Net cash flows from/(used in) investing activities		(68,998)	(749,650)
Cash flows from financing activities			
Proceeds from borrowings		2,083,708	962,542
Repayment of borrowings		(2,191,326)	(347,786)
Dividends paid		(269,506)	(272,741)
Payment for share buy-back		–	(238,057)
ESP proceeds received		–	39,345
Net cash flows from/(used in) financing activities		(377,124)	143,303
Net increase/(decrease) in cash and cash equivalents		50,076	(35,647)
Cash and cash equivalents at the beginning of the financial year		149,353	183,699
Effect of exchange rate changes on cash		6,082	1,301
Cash and cash equivalents at the end of the financial year	23a	205,511	149,353

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 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
Year ended 30 June 2013								
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	–	–	395,787	–	–	–	–	395,787
Other comprehensive income	–	–	–	204	134,621	17,383	–	152,208
Total comprehensive income for the period	–	–	395,787	204	134,621	17,383	–	547,995
Dividends paid	–	–	(269,506)	–	–	–	–	(269,506)
Shares acquired under Long Term Incentive Plan	–	(638)	–	–	–	–	–	(638)
Balance at 30 June 2013	446,763	(1,118)	2,755,962	628,908	(188,798)	(2,126)	13,010	3,652,601
Year ended 30 June 2012								
Balance at 1 July 2011	645,475	–	2,389,097	629,032	(363,804)	(52,450)	13,010	3,260,360
Profit for the period	–	–	513,325	–	–	–	–	513,325
Other comprehensive income	–	–	–	(328)	40,385	32,941	–	72,998
Total comprehensive income for the period	–	–	513,325	(328)	40,385	32,941	–	586,323
Dividends paid	–	–	(272,741)	–	–	–	–	(272,741)
ESP proceeds received	39,345	–	–	–	–	–	–	39,345
Share buy-back	(238,057)	–	–	–	–	–	–	(238,057)
Shares acquired under Long Term Incentive Plan	–	(480)	–	–	–	–	–	(480)
Balance at 30 June 2012	446,763	(480)	2,629,681	628,704	(323,419)	(19,509)	13,010	3,374,750

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies

(a) Basis of preparation

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments and investments that have been measured at fair value and investments in associates accounted for using the equity method.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

The financial report of Crown Limited and its controlled entities (the Group) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 18 September 2013 subject to final approval by a subcommittee.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Group has adopted the following accounting standards, which became applicable from 1 July 2012:

– AASB 2011-9 – Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ending 30 June 2013 are outlined in the table below.

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 10	Consolidated Financial Statements	1 January 2013	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 <i>Consolidated and Separate Financial Statements</i> dealing with the accounting for consolidated financial statements and UIG-112 <i>Consolidation – Special Purpose Entities</i> . Crown does not expect any significant impact on the Group.	1 July 2013
AASB 11	Joint Arrangements	1 January 2013	AASB 11 replaces AASB 131 <i>Interests in Joint Ventures</i> and UIG-113 <i>Jointly-controlled Entities – Non-monetary Contributions by Ventures</i> . AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition AASB 11 removes the option to account for jointly-controlled entities using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Crown does not expect any significant impact on the Group.	1 July 2013

(1) Designates the beginning of the applicable annual reporting period unless otherwise stated.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies *continued*

(b) Statement of compliance *continued*

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. This standard may result in additional or changes in disclosure.	1 July 2013
AASB 13	Fair Value Measurement	1 January 2013	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Crown does not expect any significant impact on the Group.	1 July 2013
AASB 119	Employee Benefits	1 January 2013	The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Crown does not expect any significant impact on the Group.	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards – <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013	AASB 2012-2 principally amends AASB 7 <i>Financial Instruments</i> : Disclosures to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position, when all the offsetting criteria of AASB 132 are not met. Crown does not expect any significant impact on the Group.	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to <i>Remove Individual Key Management Personnel Disclosure Requirements</i> [AASB 124]	1 July 2013	This amendment will result in the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions forming part of the Remuneration Report instead of the KMP note of the accounts.	1 July 2013

(1) Designates the beginning of the applicable annual reporting period unless otherwise stated.

1. Summary of Significant Accounting Policies *continued*

(b) Statement of compliance *continued*

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 2012-3	Amendments to Australian Accounting Standards – <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014	AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments</i> : Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. Crown does not expect any significant impact on the Group.	1 July 2014

(1) Designates the beginning of the applicable annual reporting period unless otherwise stated.

(c) Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Crown Limited (the parent entity) and all entities that Crown Limited controlled from time to time during the year and at reporting date.

Information from the financial statements of subsidiaries is included from the date the parent entity obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent entity has control.

Subsidiary acquisitions are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

The accounting policies adopted have been applied consistently throughout the two reporting periods.

(d) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill and casino licences with indefinite useful lives

The Group determines whether goodwill and casino licences with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and casino licences with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and casino licences with indefinite useful lives are discussed in note 14.

Fair value of investments

In accordance with accounting standards the Group uses the Level Three method in estimating the fair value of financial assets. Accordingly, the fair value is estimated using inputs for the asset that are not based on observable market data.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Doubtful debts

An allowance for doubtful debts is recognised when there is objective evidence that an individual trade debt is impaired.

Significant Items

Significant items are transactions or events that fall outside the ordinary course of business. Significant items are disclosed separately to allow users of the financial report to see the performance of the Group in a comparable form to that of the comparative period.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies *continued*

(e) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not the Statement of Profit or Loss.

(f) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- gaming revenues, due to the GST being offset against casino taxes; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Foreign currency translation

Both the functional and presentation currency of Crown Limited and its Australian subsidiaries is Australian dollars.

Each foreign entity in the Group determines its own functional currency and items included in the financial statements of each foreign entity are measured using that functional currency, which is translated to the presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

1. Summary of Significant Accounting Policies *continued*

(g) Foreign currency translation *continued*

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Limited at the rate of exchange ruling at the reporting date and the profit or loss is translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Statement of Profit or Loss.

(h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprises of cash at bank and on hand, and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in future value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when there is objective evidence that the full amount may not be collected. Bad debts are written off when identified.

Receivables from associates and other related parties are carried at amortised cost less an allowance for impairment. Interest, when charged is taken up as income on an accrual basis.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Inventories which include food, beverages and other consumables are costed on a weighted average basis; and
- net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Investments in associates

The financial statements of the associates are used by the Group to apply the equity method. Where associates apply different accounting policies to the Group, adjustments are made upon application of the equity method.

Investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Statement of Profit or Loss reflects the Group's share of the results of operations of the associates.

Where there has been a change recognised directly in the associates' equity, the Group recognises its share of any changes and discloses this, when applicable in the Statement of Comprehensive Income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long term receivables and loans, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

(l) Investments and other financial assets

Financial assets are classified based on:

- (i) The objective of the entity's business model for managing the financial assets; and
- (ii) The characteristics of the contractual cash flow.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. An irrevocable election is made by instrument to determine if the instrument is measured at fair value either through Other Comprehensive Income (OCI) or the Statement of Profit or Loss.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets at fair value through OCI, directly attributable transaction costs.

The best evidence of fair value is quoted prices in an active market. The fair value of the investments and other financial assets that do not have a price quoted in an active market have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. The fair value is reassessed each reporting period.

If the fair value through Statement of Profit or Loss approach is adopted, increments and decrements on the fair value of the financial asset at each reporting date are recognised through the Statement of Profit or Loss.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies *continued*

(l) Investments and other financial assets *continued*

If the fair value through OCI approach is adopted, increments and decrements on the fair value are recognised in OCI, without recycling of gains and losses between the Statement of Profit or Loss and OCI, even on disposal of the investment. Dividends in respect of these investments that are a return on investment are recognised in the Statement of Profit or Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Freehold buildings – 40 to 75 years;
- Leasehold improvements – lease term; and
- Plant and equipment – 2 to 15 years.

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

(n) Intangible assets

Licences

Licences are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The directors regularly assess the carrying value of casino licences so as to ensure they are not carried at a value greater than their recoverable amount.

The casino licence premiums are carried at cost of acquisition. The Crown Melbourne licence is being amortised on a straight-line basis over the remaining life of the licence from the time PBL acquired Crown Melbourne, being 34 years. The Crown Perth licence is assessed as perpetual and, as such, no amortisation is charged. The Crown Perth licence is subject to an annual impairment assessment.

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

1. Summary of Significant Accounting Policies *continued*

(n) Intangible assets *continued*

Other intangible assets

Acquired both separately and from a business combination.

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the Statement of Profit or Loss.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and annually in the case of intangible assets with indefinite lives, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the net asset is derecognised.

(o) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(p) Trade and other payables

Trade and other payables are brought to account for amounts payable in relation to goods received and services rendered, whether or not billed to the Group at reporting date. The Group operates in a number of diverse markets, and accordingly the terms of trade vary by business.

(q) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly associated with qualifying assets are capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation rate to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year, in this case 6.7%.

All other borrowing costs are expensed in the period they are incurred.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) to make a future sacrifice of economic benefits to other entities as a result of past transactions or other events, it is probable that a future sacrifice of economic benefit will be required and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, or publicly recommended on or before the reporting date.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies *continued*

(s) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to reporting date including related on-costs. The benefits include wages and salaries, incentives, compensated absences and other benefits, which are charged against profits in their respective expense categories when services are provided or benefits vest with the employee.

The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled. Benefits expected to be settled after twelve months from the reporting date are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(t) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

(u) Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(v) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward exchange contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Statement of Profit or Loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

1. Summary of Significant Accounting Policies *continued*

(w) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the Statement of Profit or Loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Profit or Loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the current market rate of return for a similar financial asset.

(x) Contributed equity

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of the consideration received, less transaction costs.

(y) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered to have passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services

Revenue is recognised when control of the right to be compensated for the services and the stage of completion can be reliably measured.

Casino revenues are the net of gaming wins and losses.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(z) Earnings per share (EPS)

Basic EPS is calculated as net profit after tax, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit after tax, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies *continued*

(aa) 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 has three operating segments being Crown Melbourne, Crown Perth and Crown Aspinall's.

(ab) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

2. Segment Information

30 June 2013

	Normalised Result ⁽¹⁾					Adjust- ment ⁽¹⁾ \$'000	Significant Items ⁽³⁾ \$'000	Actual Crown Group \$'000
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinall's \$'000	Unall- located \$'000	Crown Group \$'000			
Operating revenue								
Main floor gaming	1,000,768	483,461	62	–	1,484,291	–	–	1,484,291
VIP program play	525,190	159,356	114,178	–	798,724	(8,658)	–	790,066
Non Gaming	392,118	215,299	592	3,328	611,337	–	–	611,337
Intersegment					(3,743)	–	–	(3,743)
Operating revenue	1,918,076	858,116	114,832	3,328	2,890,609	(8,658)	–	2,881,951
Interest revenue					13,036	–	–	13,036
Total revenue	1,918,076	858,116	114,832	3,328	2,903,645	(8,658)	–	2,894,987⁽²⁾
Segment result								
Gaming taxes & commissions	(606,770)	(203,077)	(55,196)	–	(865,043)	2,321	–	(862,722)
Operating expenses	(764,564)	(414,281)	(26,325)	(65,868)	(1,271,038)	–	–	(1,271,038)
Intersegment					3,743	–	–	3,743
Earnings before interest, tax, depreciation and amortisation "EBITDA"	546,742	240,758	33,311	(62,540)	758,271	(6,337)	–	751,934
Depreciation and amortisation	(177,189)	(57,018)	(1,073)	(2,847)	(238,127)	–	–	(238,127)
Earnings before interest and tax "EBIT"	369,553	183,740	32,238	(65,387)	520,144	(6,337)	–	513,807
Loss on disposal of investments	–	–	–	–	–	–	(99,396)	(99,396)
Equity accounted share of associates' net profit/(loss)					150,903	22,602	(25,594)	147,911
Net interest income/(expense)					(120,410)	–	–	(120,410)
Income tax benefit/(expense)					(77,420)	1,476	29,819	(46,125)
Profit/(loss) after tax	369,553	183,740	32,238	(65,387)	473,217	17,741	(95,171)	395,787
Capital expenditure	133,075	135,596	599	11,609	280,879	–	–	280,879
Investments in associates	–	–	–	1,403,037	1,403,037	–	–	1,403,037

(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), refinance and development costs from Melco Crown and loss on disposal of 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.

(2) Total revenue of \$2,895.0 million includes \$0.2 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 items relate to the loss on disposal of Crown's Investment in Echo, which resulted in a loss of \$99.4 million for the year (\$69.6 million net of tax) and Crown's share of Melco Crown's development and refinance costs (\$25.6 million). Refer note 3.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

2. Segment Information *continued*

30 June 2012

	Normalised Result ⁽¹⁾					Adjust- ment ⁽¹⁾ \$'000	Actual Crown Group \$'000
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinall's \$'000	Unall- ocated \$'000	Crown Group \$'000		
Operating revenue							
Main floor gaming	991,915	440,774	253	–	1,432,942	–	1,432,942
VIP program play	481,013	154,267	91,402	–	726,682	70,636	797,318
Non Gaming	372,074	190,068	1,138	4,627	567,907	–	567,907
Intersegment					(393)	–	(393)
Operating revenue	1,845,002	785,109	92,793	4,627	2,727,138	70,636	2,797,774
Interest revenue					11,522	–	11,522
Total revenue	1,845,002	785,109	92,793	4,627	2,738,660	70,636	2,809,296⁽²⁾
Segment result							
Gaming taxes & commissions	(580,959)	(195,946)	(48,839)	–	(825,744)	8,619	(817,125)
Operating expenses	(753,457)	(362,884)	(23,310)	(40,123)	(1,179,774)	–	(1,179,774)
Intersegment					393	–	393
Earnings before interest, tax, depreciation and amortisation "EBITDA"	510,586	226,279	20,644	(35,496)	722,013	79,255	801,268
Depreciation and amortisation	(168,519)	(45,916)	(1,195)	(2,630)	(218,260)	–	(218,260)
Earnings before interest and tax "EBIT"	342,067	180,363	19,449	(38,126)	503,753	79,255	583,008
Equity accounted share of associates' net profit/(loss)					95,133	43,739	138,872
Net interest income/(expense)					(102,062)	–	(102,062)
Income tax benefit/(expense)					(81,864)	(24,629)	(106,493)
Profit/(loss) after tax	342,067	180,363	19,449	(38,126)	414,960	98,365	513,325
Capital expenditure	249,418	238,611	1,827	33	489,889	–	489,889
Investments in associates	–	–	–	1,088,744	1,088,744	–	1,088,744

(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). 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 \$2,809.3 million includes \$0.4 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

3. Revenue and Expenses

	2013 \$'000	2012 \$'000
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Revenue from services	2,498,042	2,433,817
Revenue from sale of goods	355,520	339,402
Interest	13,036	11,522
Dividends	3,328	4,627
Other operating revenue	24,878	19,502
	2,894,804	2,808,870
(b) Other income		
Profit on disposal of non-current assets	183	426
(c) Expenses		
Cost of sales	131,211	127,210
Operating activities	2,168,218	2,044,803
Loss on disposal of investment in Echo	99,396	–
Other expenses	68,715	42,753
	2,467,540	2,214,766
Depreciation of non-current assets <i>(included in expenses above)</i>		
Buildings	80,535	70,394
Plant and equipment	140,374	130,182
	220,909	200,576
Amortisation of non-current assets <i>(included in expenses above)</i>		
Casino licence fee and management agreement	14,413	14,437
Other assets	2,805	3,247
	17,218	17,684
Total depreciation and amortisation expense	238,127	218,260
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	143,232	125,705
Capitalised interest	(9,786)	(12,121)
	133,446	113,584
Operating leases	3,218	7,002
Superannuation expense	48,462	45,219
Other employee benefits expense	722,147	683,951
Net mark-to-market gain on listed investments & total return swaps	–	(20,111)
Net foreign currency (gains)/losses	(2,818)	(1,214)

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

3. Revenue and Expenses *continued*

	2013 \$'000	2012 \$'000
(e) Significant items (net of tax)		
Loss on disposal of investment in Echo	(69,577)	–
Crown's share of Melco Crown's development and refinance costs	(25,594)	–
	(95,171)	–

4. Dividends Paid and Announced

	2013 \$'000	2012 \$'000
(a) Dividends declared and paid during the financial year		
<i>Prior year final dividend (paid 12 October 2012)</i>		
Paid at 19 cents (2011: 19 cents) per share and franked at 50% (2011: 50% franked) at the Australian tax rate of 30% (2011: 30%)	138,395	141,630
<i>Current year interim dividend (paid 16 April 2013)</i>		
Paid at 18 cents (2012: 18 cents) per share franked at 50% (2012: 50% franked) at the Australian tax rate of 30% (2012: 30%)	131,111	131,111
Total dividends appropriated	269,506	272,741
(b) Dividends announced and not recognised as a liability		
<i>Current year final dividend (expected to be paid 11 October 2013)</i>		
Announced at 19 cents (2012: 19 cents) per share and franked at 50% (2012: 50% franked) at the Australian tax rate of 30% (2012: 30%)	138,395	138,395
(c) Franking credits		
The tax rate at which the final dividend will be franked is 30% (2012: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2013.		
The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2012: 30%)	24,922	6,550
Franking credits that will arise from the payment of income taxes payable as at the end of the financial year	15,714	42,955
Franking debits that will arise from the refund of income taxes receivable as at the end of the financial year ⁽¹⁾	(21,469)	(528)
Total franking credits	19,167	48,977
The amount of franking credits available for future reporting periods:		
Impact on the franking account of dividends announced before the financial report was authorised for issue but not recognised as a distribution to equity holders during the financial year	(29,656)	(29,656)
Total franking credits available for future reporting periods	(10,489)	19,321

(1) Refund is not anticipated until after the payment of the current year final dividend.

5. Income Tax

	2013 \$'000	2012 \$'000
(a) Income tax expense		
The prima facie tax expense, using tax rates applicable in the country of operation, on profit differs from income tax provided in the financial statements as follows:		
Profit before income tax	441,912	619,818
Prima facie income tax expense on profit at the Australian rate of 30% (2012: 30%)	132,574	185,945
Tax effect of:		
Non deductible depreciation and amortisation	2,242	2,242
Share of associates' net losses/(profits)	(44,373)	(41,662)
Differences in foreign tax rates	(29,070)	(34,850)
Deferred income tax on temporary differences	(2,881)	(8,238)
Income tax (over)/under provided in prior years	(7,174)	11,820
Franking credits	(1,415)	–
Other items – net	(3,778)	(8,764)
Income tax expense	46,125	106,493
Income tax expense comprises:		
Current expense	85,999	102,912
Deferred expense	(2,881)	(8,456)
Deferred expense/(benefit) due to change in tax rate	–	217
Adjustments for current income tax of prior periods	(7,174)	11,820
Tax on loss on disposal of investment in Echo	(29,819)	–
	46,125	106,493
(b) Deferred income taxes		
Deferred income tax assets	112,212	112,640
Deferred income tax liabilities	202,235	205,605
Net deferred income tax assets/(liabilities)	(90,023)	(92,965)
(c) Deferred income tax assets and liabilities at the end of the financial year		
The balance comprises temporary differences attributable to:		
Doubtful debt provision	14,582	8,851
Employee benefits provision	27,202	26,442
Revenue losses carried forward	–	3,241
Other receivables	24,125	33,474
Other provisions	26,920	23,289
Prepaid casino tax	(17,230)	(18,050)
Licences and intangibles	(105,241)	(109,565)
Land and buildings	(75,111)	(77,653)
Property, plant & equipment	3,371	6,683
Other	11,359	10,323
Net deferred income tax assets/(liabilities)	(90,023)	(92,965)

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

5. Income Tax *continued*

	2013 \$'000	2012 \$'000
(d) Movements in deferred income tax assets and liabilities during the financial year		
Carrying amount at the beginning of the year	(92,965)	(101,194)
Charged/(credited) to the income statement	2,881	8,239
Exchange differences	61	(10)
Carrying amount at the end of the year	(90,023)	(92,965)
(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable		
The Group has tax losses arising in Australia that are available indefinitely for offset against future capital gains.		
Capital gains tax – no expiry date	801,992	1,190,351
Total tax losses not brought to account	801,992	1,190,351
Potential tax benefit at respective tax rates	240,597	357,105

(f) Unrecognised temporary differences

At 30 June 2013, there is no recognised or unrecognised deferred income tax liability (2012: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures, as the Group has no liability for additional taxation should such amounts be remitted.

(g) Tax consolidation

Crown Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Limited in order to allocate income tax expense between Crown Limited and the wholly owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date the possibility of default is remote.

(h) Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the period. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries inter-company accounts with the tax consolidated group head company, Crown Limited.

6. Trade and Other Receivables

	2013 \$'000	2012 \$'000
Current		
Trade receivables	291,372	203,532
Provision for doubtful debts (a)	(57,605)	(31,389)
	233,767	172,143
Loans to associated entities	–	209
Other receivables	23,692	29,382
	23,692	29,591
	257,459	201,734

6. Trade and Other Receivables *continued*

(a) Allowance for Doubtful Debts

Trade debtors are non-interest bearing and are generally 30 day terms.

An allowance for doubtful debts is recognised when there is objective evidence that an individual trade debt is impaired.

Movements in the allowance for doubtful debts

	2013 \$'000	2012 \$'000
Allowance for doubtful debts at the beginning of the year	(31,389)	(30,704)
Net doubtful debt expense ⁽¹⁾	(27,354)	(17,326)
Net Amounts written off	1,365	16,659
Exchange differences	(227)	(18)
	(57,605)	(31,389)

(1) Amounts are included in other expenses.

Ageing analysis of trade debtors

	0-30 days \$'000	>30 days \$'000	Total \$'000
2013 – consolidated			
Current	86,783	–	86,783
Past due not impaired	–	146,984	146,984
Considered impaired	425	57,180	57,605
	87,208	204,164	291,372

2012 – consolidated

Current	22,137	–	22,137
Past due not impaired	–	150,006	150,006
Considered impaired	136	31,253	31,389
	22,273	181,259	203,532

	2013 \$'000	2012 \$'000
Non-current		
Loans to associated entities ⁽¹⁾	117,059	92,713
Other receivables	9,763	10,154
	126,822	102,867

(1) Loan terms are outlined in note 30.

7. Inventories

	2013 \$'000	2012 \$'000
Current		
Finished goods (at cost)	12,639	11,850

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

8. Other Financial Assets

	2013 \$'000	2012 \$'000
Current		
Receivable on forward exchange contracts	1,568	337
	1,568	337
Non-current		
Receivable on interest rate swaps	925	–
	925	–

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 34.

9. Investments

	2013 \$'000	2012 \$'000
At fair value		
Shares – listed (Australia)	–	353,362
Shares – unlisted (Australia)	36,353	37,305
Shares – unlisted (North America)	53,318	63,671
	89,671	454,338

Investments consist of shares, and therefore have no fixed maturity date or coupon rate.

The fair value of listed investments have been determined by reference to published price quotations in an active market. On 24 May 2013 Crown divested its interest in Echo.

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 Profit or Loss are reasonable and the most appropriate at the reporting date.

Based on the valuation techniques performed, there has been no fair value movement on unlisted investments during the year (2012: \$nil), other than foreign exchange rate movements.

10. Investments in Associates

	2013 \$'000	2012 \$'000
Investment details:		
Associated entities – unlisted shares	5,314	6,800
Associated entities – listed shares	1,397,723	1,081,944
Total investments in associates	1,403,037	1,088,744
Fair value of listed investments:		
Melco Crown Entertainment Ltd ⁽¹⁾	4,562,303	2,087,261
	4,562,303	2,087,261

(1) Reflects Melco Crown share price at balance date, converted to Australian dollars. In accordance with Crown's accounting policies, recoverable amount is the greater of fair value less costs to sell and value in use. The Melco Crown carrying amount does not exceed its recoverable amount.

10. Investments in Associates *continued*

Investments in Associates	Reporting Date	Principal Activity	Principal Place of Business	% Interest	
				30 June 2013	30 June 2012
Melco Crown Entertainment Ltd	31 Dec ⁽¹⁾	Resort/Casino and gaming machine operator	Macau ⁽²⁾	33.7	33.6
Betfair Australasia Pty Ltd	30 April ⁽¹⁾	Betting exchange	Australia	50.0	50.0
Aspers Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	U.K.	50.0	50.0

(1) The Group uses 30 June results to equity account for the investments.

(2) Melco Crown Entertainment Ltd was incorporated in the Cayman Islands.

	2013 \$'000	2012 \$'000
Share of associates' revenue and profits/(losses)		
Share of associates':		
Revenue	2,166,081	1,759,465
Operating profit/(loss) before income tax	147,274	140,214
Income tax benefit/(expense)	637	(1,342)
Share of associates' net profit/(loss) after income tax	147,911	138,872
	2013 \$'000	2012 \$'000
Carrying amount of investments in associates		
Balance at the beginning of the financial year	1,088,744	851,721
Carrying amount of investments in associates acquired during the year	16,563	57,550
Share of associates' net profit/(loss) for the year	147,911	138,872
Foreign exchange movements	149,819	40,601
Carrying amount of investment in associates at the end of the financial year	1,403,037	1,088,744
Represented by:		
• Melco Crown	1,397,723	1,081,944
• Betfair	5,314	6,800
	1,403,037	1,088,744
The consolidated entity's share of the assets and liabilities of associates in aggregate		
Current assets	1,141,043	744,152
Non-current assets	2,007,996	1,517,125
Current liabilities	(463,733)	(490,183)
Non-current liabilities	(1,103,412)	(648,641)
Net assets	1,581,894	1,122,453
Retained profits/(accumulated losses) of the consolidated entity attributable to associates		
Balance at the beginning of the financial year	(99,502)	(238,374)
Share of associates' net profits/(losses)	147,911	138,872
Balance at the end of the financial year	48,409	(99,502)

The investment in Aspers Holdings (Jersey) Ltd was previously written down to \$nil and Crown has therefore discontinued recognising its share of further losses. The Group's share of unrecognised losses as at 30 June 2013 for Aspers Group is \$12.1 million (2012: \$10.4 million).

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

10. Investments in Associates *continued*

Impairment Testing

Based on detailed impairment testing performed, there has been no impairment charge during the year (2012: \$nil).

For the purposes of impairment testing, management estimated the present value of the future cash flows expected to be generated from operations and the proceeds from ultimate disposal. These calculations use cash flow projections based on past performance and expectations for the future using a four year cash flow period. The implied terminal growth rate beyond the four year period does not exceed the forecasted long term inflation rates of up to 3.5% (2012: 3.5%). Post-tax discount rates of between 10% and 13% were used in the impairment review calculations (2012: 10% – 12%).

Any reasonable possible change in key assumptions used would not cause the carrying amount of the investments to exceed their recoverable amounts.

11. Property, Plant and Equipment

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
Year ended 30 June 2013						
At 1 July 2012, net of accumulated depreciation and impairment	1,022,193	854,182	799,898	128,106	–	2,804,379
Additions	5,042	79,495	106,558	78,239	11,545	280,879
Disposals	–	(4)	(13)	–	–	(17)
Depreciation expense	(27,089)	(53,446)	(140,178)	–	(196)	(220,909)
Exchange differences	–	756	374	–	–	1,130
Reclassification/transfer	80,244	52,383	(27,719)	(104,908)	–	–
At 30 June 2013, net of accumulated depreciation and impairment	1,080,390	933,366	738,920	101,437	11,349	2,865,462
At 1 July 2012						
Cost (gross carrying amount)	1,248,223	1,312,721	1,901,664	128,106	–	4,590,714
Accumulated depreciation and impairment	(226,030)	(458,539)	(1,101,766)	–	–	(1,786,335)
Net carrying amount	1,022,193	854,182	799,898	128,106	–	2,804,379
At 30 June 2013						
Cost (gross carrying amount)	1,337,994	1,440,699	1,971,334	101,437	11,545	4,863,009
Accumulated depreciation and impairment	(257,604)	(507,333)	(1,232,414)	–	(196)	(1,997,547)
Net carrying amount	1,080,390	933,366	738,920	101,437	11,349	2,865,462

11. Property, Plant and Equipment *continued*

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
Year ended 30 June 2012						
At 1 July 2011, net of accumulated depreciation and impairment	906,013	685,752	746,534	176,606	–	2,514,905
Additions	326	214,978	67,832	206,753	–	489,889
Disposals	–	(74)	(25)	–	–	(99)
Depreciation expense	(23,812)	(46,582)	(130,182)	–	–	(200,576)
Exchange differences	–	108	152	–	–	260
Reclassification/transfer	139,666	–	115,587	(255,253)	–	–
At 30 June 2012, net of accumulated depreciation and impairment	1,022,193	854,182	799,898	128,106	–	2,804,379
At 1 July 2011						
Cost (gross carrying amount)	1,103,774	1,098,679	1,729,766	176,606	10,679	4,119,504
Accumulated depreciation and impairment	(197,761)	(412,927)	(983,232)	–	(10,679)	(1,604,599)
Net carrying amount	906,013	685,752	746,534	176,606	–	2,514,905
At 30 June 2012						
Cost (gross carrying amount)	1,248,223	1,312,721	1,901,664	128,106	–	4,590,714
Accumulated depreciation and impairment	(226,030)	(458,539)	(1,101,766)	–	–	(1,786,335)
Net carrying amount	1,022,193	854,182	799,898	128,106	–	2,804,379

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

12. Licences

	Casino Licence ⁽¹⁾ \$'000
Year ended 30 June 2013	
At 1 July 2012, net of accumulated amortisation and impairment	656,983
Amortisation expense	(7,472)
At 30 June 2013, net of accumulated amortisation and impairment	649,511
At 1 July 2012	
Cost (gross carrying amount)	794,899
Accumulated amortisation and impairment	(137,916)
Net carrying amount	656,983
At 30 June 2013	
Cost (gross carrying amount)	794,899
Accumulated amortisation and impairment	(145,388)
Net carrying amount	649,511
Year ended 30 June 2012	
At 1 July 2011, net of accumulated amortisation and impairment	664,455
Amortisation expense	(7,472)
At 30 June 2012, net of accumulated amortisation and impairment	656,983
At 1 July 2011	
Cost (gross carrying amount)	794,899
Accumulated amortisation and impairment	(130,444)
Net carrying amount	664,455

(1) Purchased as part of a business combination.

The casino licence premiums are carried at cost and amortised on a straight line basis over their useful lives.

The Crown Melbourne licence is being amortised over 34 years. The Crown Perth licence is assessed as perpetual and no amortisation is charged.

13. Other Intangible Assets

	Goodwill ⁽¹⁾ \$'000	Casino Management Agreement ⁽¹⁾ \$'000	Other \$'000	Total \$'000
Year ended 30 June 2013				
At 1 July 2012, net of accumulated amortisation and impairment	56,950	148,659	2,163	207,772
Exchange differences	3,812	–	–	3,812
Amortisation expense	–	(6,941)	(71)	(7,012)
At 30 June 2013, net of accumulated amortisation and impairment	60,762	141,718	2,092	204,572
At 1 July 2012				
Cost (gross carrying amount)	56,950	245,279	2,812	305,041
Accumulated amortisation and impairment	–	(96,620)	(649)	(97,269)
Net carrying amount	56,950	148,659	2,163	207,772
At 30 June 2013				
Cost (gross carrying amount)	60,762	245,279	2,813	308,854
Accumulated amortisation and impairment	–	(103,561)	(721)	(104,282)
Net carrying amount	60,762	141,718	2,092	204,572
Year ended 30 June 2012				
At 1 July 2011, net of accumulated amortisation and impairment	56,518	155,624	888	213,030
Additions	–	–	1,787	1,787
Exchange differences	432	–	–	432
Amortisation expense	–	(6,965)	(512)	(7,477)
At 30 June 2012, net of accumulated amortisation and impairment	56,950	148,659	2,163	207,772
At 1 July 2011				
Cost (gross carrying amount)	56,518	245,279	1,025	302,822
Accumulated amortisation and impairment	–	(89,655)	(137)	(89,792)
Net carrying amount	56,518	155,624	888	213,030

(1) Purchased as part of a business combination

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 14). \$48.9 million of the goodwill balance at 30 June 2013 is attributable to Crown Aspinall's.

The useful life of the Crown Melbourne casino management agreement is 34 years, and is amortised on a straight line basis.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

14. Impairment Testing of Intangible Assets

Impairment tests for intangible assets

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGU's) identified according to business segment.

The recoverable amount of a CGU is determined based on fair value less costs to sell. Fair value less costs to sell is calculated using a discounted cash flow methodology covering a specified period, with an appropriate residual value at the end of that period, for each segment. The methodology utilises cash flow forecasts that are based primarily on business plans presented to and approved by the Board. The implied terminal growth rate beyond the five year period does not exceed the forecasted long term Australian inflation rate of 2.5% (2012: 2.2%).

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and casino licences.

(a) Cash flow forecasts

Cash flow forecasts are based on past performance and expectations for the future using a five year cash flow period.

(b) Residual value

Residual value is calculated using a perpetuity growth formula based on the cash flow forecast using a weighted average cost of capital (after tax) and forecast growth rate.

(c) Forecast growth rates

Forecast growth rates are based on past performance and management's expectations for future performance in each segment.

(d) Discount rates

A weighted average cost of capital (after tax) of between 8% and 10% was used by the Group in impairment testing, risk adjusted where applicable.

15. Other Assets

	2013 \$'000	2012 \$'000
Non-current		
Prepaid casino tax at cost	100,800	100,800
Accumulated amortisation	(43,369)	(40,634)
	57,431	60,166
Other prepayments	5,349	2,674
	62,780	62,840

16. Trade and Other Payables

	2013 \$'000	2012 \$'000
Current – unsecured		
Trade and other payables	296,411	324,561
Deferred Income	170	1,170
	296,581	325,731
Non-current – unsecured		
Other	138	138
	138	138

17. Interest-Bearing Loans and Borrowings

	2013 \$'000	2012 \$'000
Current – unsecured		
Bank Loans – unsecured	80,726	29,077
Finance Lease – secured	669	–
	81,395	29,077
Non-current – unsecured		
Bank Loans – unsecured	331,549	1,295,509
Capital Markets Debt – unsecured	1,211,613	370,080
Finance Lease – secured	10,706	–
	1,553,868	1,665,589

Assets pledged as security

The lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

Fair Value Disclosures

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 34.

Financial Risk Management

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 34.

Financing and Credit Facilities

Unsecured credit facilities are provided as part of the overall debt funding structure of the Crown Group as follows:

Facility Type	Facility Amount \$'000	Drawn Amount \$'000	Letters of Credit Issued \$'000	Available \$'000	Expiry Dates
Bank Facilities					
Bilateral Multi Option Facilities	170,000	80,726	22,702	66,572	Oct 13/Feb 14
Syndicated Revolving Facilities	1,250,000	190,000	–	1,060,000	2015 – 2017
GBP Syndicated Facility	141,549	141,549	–	–	2015 – 2016
Letter of Credit Facility	185,000	–	185,000	–	June 2021
	1,746,549	412,275	207,702	1,126,572	
Debt Capital Markets					
Euro Medium Term Note	174,634	174,634	–	–	July 2036
Australian Medium Term Note	300,000	300,000	–	–	July 2017
AUD Subordinated Notes	518,065	518,065	–	–	Sept 2072
US Private Placement	218,914	218,914	–	–	2015 – 2020
	1,211,613	1,211,613	–	–	
Total at 30 June 2013	2,958,162	1,623,888	207,702	1,126,572	
Total at 30 June 2012	2,405,589	1,694,666	204,498	506,425	

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

17. Interest-Bearing Loans and Borrowings *continued*

The bank facilities are provided on an unsecured basis by domestic and international banks.

The debt capital markets drawn amounts represent unsecured notes issued to domestic and international debt investors.

Crown is able to make advances and issue letters of credit under the letter of credit facility, syndicated facilities and the bilateral facilities which are multi option in nature.

Each of the above mentioned facilities is issued by or supported by a Group guarantee from Crown and certain of its subsidiaries and impose various affirmative covenants on Crown, which may include compliance with certain financial ratios and negative covenants, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

During the current and prior year, there were no defaults or breaches on any of the loans or borrowings.

Refer to note 23(b) for a summary of Crown's overdraft facilities.

18. Provisions

	Employee Entitlements \$'000	Other \$'000	Total \$'000
At 1 July 2012	122,937	17,223	140,160
Arising during the year	92,271	3,077	95,348
Utilised during the year	(69,412)	(1,530)	(70,942)
At 30 June 2013	145,796	18,770	164,566
Current 2013	103,163	17,099	120,262
Non-current 2013	42,633	1,671	44,304
At 30 June 2013	145,796	18,770	164,566
Current 2012	84,754	17,223	101,977
Non-current 2012	38,183	–	38,183
At 30 June 2012	122,937	17,223	140,160

19. Other Financial Liabilities

	2013 \$'000	2012 \$'000
Current		
Payables on interest rate swaps	–	11,185
Payables on total return swaps	–	11,036
	–	22,221
Non-current		
Payables on interest rate swaps	679	146
Payables on cross currency swaps	3,940	8,515
	4,619	8,661

Other financial liabilities are outlined in note 34.

20. Contributed Equity

	2013 \$'000	2012 \$'000
Issued share capital		
Ordinary shares fully paid	446,763	446,763
Movements in issued share capital		
Carrying amount at the beginning of the financial year	446,763	645,475
ESP proceeds	–	39,345
Share buy-back	–	(238,057)
Carrying amount at the end of the financial year	446,763	446,763
Shares held in Trust		
Balance at beginning of the financial year	(480)	–
Shares acquired by the Crown Limited Long Term Incentive Plan	(638)	(480)
Balance at the end of the financial year	(1,118)	(480)

	2013 No.	2012 No.
Issued share capital		
Ordinary shares fully paid	728,394,185	728,394,185
Movements in issued share capital		
Balance at the beginning of the financial year	728,394,185	758,394,185
Share buy-back	–	(30,000,000)
Balance at the end of the financial year	728,394,185	728,394,185

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held.

The voting rights attaching to ordinary shares provide that each ordinary shareholder present in person or by proxy or attorney or being a corporation present by representative at a meeting shall have:

- (a) on a show of hands, one vote only;
- (b) on a poll, one vote for every fully paid ordinary share held.

Capital Management

When managing capital, the Group's objective is to maintain optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During 2013, the Group paid dividends of \$269.5 million. The Group's dividend policy going forward is to pay the higher of 37 cents per share or 65% of normalised full year NPAT (excluding non-cash profits from associates), subject to the Group's financial position.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

21. Reserves and Retained Earnings

	2013 \$'000	2012 \$'000
Foreign currency translation reserve	(188,798)	(323,419)
Employee equity benefits reserve	13,010	13,010
Net unrealised gains reserve	628,908	628,704
Cash flow hedge reserve	(2,126)	(19,509)
	450,994	298,786
Foreign Currency Translation Reserve		
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to recognise gains and losses on hedges of the net investment in foreign operations.		
Balance at the beginning of the financial year	(323,419)	(363,804)
Net foreign exchange translation	134,621	40,385
Balance at the end of the financial year	(188,798)	(323,419)
Employee Equity Benefits Reserve		
The employee equity benefits reserve is used to record share based remuneration obligations to executives in relation to ordinary shares.		
Balance at the beginning of the financial year	13,010	13,010
Balance at the end of the financial year	13,010	13,010
Net Unrealised Gains Reserve		
The net unrealised gains reserve records the movement from changes in investments and associates equity.		
Balance at the beginning of the financial year	628,704	629,032
Change in net unrealised gains reserve	204	(328)
Balance at the end of the financial year	628,908	628,704
Cash Flow Hedge Reserve		
The cash flow hedge reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.		
Balance at the beginning of the financial year	(19,509)	(52,450)
Movement in interest rate swaps	11,577	(361)
Movement in cross currency swaps	4,575	54,740
Movement in forward exchange contracts	1,231	2,399
Transfer to statement of financial position/statement of comprehensive income	-	(23,837)
Balance at the end of the financial year	(2,126)	(19,509)

21. Reserves and Retained Earnings *continued*

	2013 \$'000	2012 \$'000
Retained Earnings		
Balance at the beginning of the financial year	2,629,681	2,389,097
Net profit after tax	395,787	513,325
Total available for appropriation	3,025,468	2,902,422
Dividends provided for or paid	(269,506)	(272,741)
Balance at the end of the financial year	2,755,962	2,629,681

22. Expenditure Commitments

(a) Capital expenditure commitments

	2013 \$'000	2012 \$'000
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	89,155	213,043
Payable after one year but not more than five years	20,000	20,683
	109,155	233,726

At 30 June 2013, the Group has capital expenditure commitments principally relating to funding various projects.

(b) Non-cancellable operating lease commitments

	2013 \$'000	2012 \$'000
Payable within one year	3,538	2,672
Payable after one year but not more than five years	6,851	6,022
Payable more than five years	11,373	11,911
	21,762	20,605

The Group has entered into non-cancellable operating leases. The leases vary in contract period depending on the asset involved but generally have an average lease term of approximately 10 years (2012: 11 years). Operating leases include telecommunications rental agreements and leases on assets including motor vehicles, land and buildings and items of plant and equipment. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated. There are no restrictions placed upon the lessee by entering into these leases.

In addition, in 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which Crown Melbourne Entertainment Complex is located. For years one to forty inclusive the annual rent payable by the parent entity is one dollar per annum. For years forty-one to ninety-nine inclusive the annual rent payable will be the then current market rent for the site. The aggregate lease expenditure contracted for at balance date but not provided for which is disclosed in this report does not include an estimate for the rent payable for years forty-one to ninety-nine inclusive due to the uncertainty of these amounts.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

22. Expenditure Commitments *continued*

(c) Non-cancellable finance lease commitments

	2013 \$'000	2012 \$'000
Payable within one year	669	–
Payable after one year but not more than five years	10,706	–
	11,375	–

Under the terms of the lease, Crown has the option to acquire the leased asset for a predetermined residual value on expiry of the lease.

23. Cash Flow Statement Reconciliation

	2013 \$'000	2012 \$'000
(a) Cash balance represents:		
• cash on hand and at bank	187,651	131,545
• deposits at call	17,860	17,808
	205,511	149,353

The above closing cash balances includes \$118.5 million (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 and cash of \$87.0 million (2012: \$6.0 million) for other purposes.

23. Cash Flow Statement Reconciliation *continued*

	2013 \$'000	2012 \$'000
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit after tax	395,787	513,325
Depreciation and amortisation:		
• property, plant and equipment	220,909	200,576
• intangibles	17,218	17,684
(Profit)/loss on sale of property, plant and equipment	(183)	(426)
Unrealised foreign exchange (gain)/loss	(1,189)	(816)
Share of associates' net (profit)/loss	(147,911)	(138,872)
Net loss on disposal of investments	69,577	–
Net mark-to-market (gain)/loss on investments & total return swaps	–	(20,111)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(91,525)	(77,942)
Increase/(decrease) in doubtful debts	26,216	685
(Increase)/decrease in inventories	(789)	6,220
(Increase)/decrease in prepayments	(1,458)	(820)
(Increase)/decrease in deferred income tax asset	428	(3,909)
(Increase)/decrease in other assets	(2,574)	(9,329)
(Decrease)/increase in payables	52,368	17,639
(Decrease)/increase in current income tax liability	(46,956)	61,573
(Decrease)/increase in provisions	9,650	9,543
(Decrease)/increase in deferred income tax liability	(3,370)	(4,320)
Net cash flows from operating activities	496,198	570,700

Bank Overdraft Facilities

The consolidated entity has bank overdraft facilities available as follows:

Bank	2013	2012
ANZ Banking Group Limited	A\$20 million	A\$20 million
Citibank NA	US\$10 million	US\$10 million
Royal Bank of Scotland PLC	£20 million	£20 million

As at 30 June 2013 there were no drawn down amounts on the overdraft facilities (2012: £8.0million).

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

24. Events After the Reporting Period

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. Crown accepted the invitation and the conditions requested by the New South Wales Government.

Subsequent to 30 June 2013, the directors of Crown announced a final dividend on ordinary shares in respect of the year ending 30 June 2013. The total amount of the dividend is \$138.4 million, which represents a dividend of 19 cents per share franked at 50%. The dividend has not been provided for in the 30 June 2013 financial statements.

25. Executive Share Plan

The Executive Share Plan (ESP) was wound up in the 2012 financial year.

At 30 June 2013, there were no remaining ESP shares on issue.

	2013 No.	2012 No.
Shares at the beginning of the financial year	–	4,952,807
Forfeited	–	(4,952,807)
Shares on issue at the end of the financial year	–	–
Loans to executives at the beginning of the financial year	–	\$57,726,075
Loans repaid and satisfied during the year	–	(\$57,726,075)
Loans to executives at year end	–	–

Long Term Incentive Plan (Crown LTI)

In 2010, Crown established a new long term incentive plan. The Crown LTI was designed as a successor long term incentive to the Employee Share Plan which was wound up during financial year 2012. The Crown LTI has been made available to selected senior executives with effect from 1 July 2010. The Crown LTI rewards relevant senior executives for achieving certain earnings per share targets over the four year period from 1 July 2010 to 30 June 2014. Further detail regarding the operation of the Crown LTI and the Senior Executives (or KMPs) who participate in the Crown LTI can be found in the Remuneration Report.

26. Contingent Liabilities and Related Matters

The Group has no contingent liabilities at 30 June 2013.

Legal Actions

Entities within the group are defendants from time to time in legal proceedings arising from the conduct of their business. The group does not consider that the outcome of any proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

27. Auditors' Remuneration

	2013 \$'000	2012 \$'000
Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
Auditing the accounts	774	873
Taxation services	5,725	4,716
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:		
Auditing the accounts	115	165
Other services:		
• Taxation services	79	171
• Consulting services	14	184
	6,707	6,109
Amounts received, or due and receivable, by non Ernst & Young audit firms for:		
Auditing services	76	49

28. Earnings Per Share (EPS)

	2013	2012
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Net profit/(loss) after tax used in calculating basic and diluted EPS (\$'000)	395,787	513,325
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	728,394	735,634

There are no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

29. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

James D Packer	Chairman
John H Alexander	Executive Deputy Chairman
Benjamin A Brazil	Non-Executive Director
Helen A Coonan	Non-Executive Director
Christopher D Corrigan	Non-Executive Director
Rowen B Craigie	Chief Executive Officer and Managing Director
Rowena Danziger	Non-Executive Director
Geoffrey J Dixon	Non-Executive Director
John S Horvath	Non-Executive Director
Ashok Jacob	Non-Executive Director
Michael R Johnston	Non-Executive Director
Harold C Mitchell	Non-Executive Director

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

29. Key Management Personnel Disclosures *continued*

(a) Details of key management personnel *continued*

(ii) Executives

Kenneth M Barton	Chief Financial Officer
Barry J Felstead	Chief Executive Officer – Crown Perth (until 1 August 2013), Chief Executive Officer – Australian Resorts (from 1 August 2013)
Greg F Hawkins	Chief Executive Officer – Crown Melbourne (until 1 August 2013)
W Todd Nisbet	Executive Vice President – Strategy and Development

(b) Remuneration of key management personnel

Total remuneration for key management personnel for the Group and Parent Entity during the financial year are set out below:

	2013 \$	2012 \$
Remuneration by category		
Short term benefits	12,938,377	12,664,142
Post employment benefits	98,820	94,650
Long term incentives	2,581,500	7,162,500
	15,618,697	19,921,292

Further details are contained in the Remuneration Report.

(c) Shareholdings of key management personnel

Ordinary shares held in Crown (directly and indirectly)

30 June 2013

	Balance 1 July 2012	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2013
Directors (including directors who left the Board during the year)				
James D Packer ⁽¹⁾	350,311,967	–	13,958,286	364,270,253
John H Alexander ⁽¹⁾	506,047	–	(249,498)	256,549
Rowen B Craigie ⁽²⁾	35,217	38,875	–	74,092
Rowena Danziger	30,896	–	–	30,896
Harold C Mitchell	114,887	–	–	114,887
Executives				
Ken M Barton ⁽²⁾	9,782	10,799	–	20,581
Greg F Hawkins	1,509	–	–	1,509
Todd W Nisbet ⁽²⁾	17,608	19,438	–	37,046

(1) Change is a result of an on market trade.

(2) The registered holder of these shares is Australian Executor Trustees Limited as trustee under the 2010 Crown Limited Long Term Incentive Plan. Mr Craigie, Mr Barton and Mr Nisbet may become entitled to have those shares transferred to them after 30 June 2014 if certain conditions in the 2010 Crown Limited Long Term Incentive Plan are met.

The Company does not have any options on issue.

29. Key Management Personnel Disclosures *continued*

(c) Shareholdings of key management personnel

Ordinary shares held in Crown (directly and indirectly)

30 June 2012

Directors (including directors who left the Board during the year)	Balance 1 July 2011	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2012
James D Packer ⁽¹⁾	326,129,244	–	24,182,723	350,311,967
John H Alexander	506,047	–	–	506,047
Rowen B Craigie ⁽³⁾	2,341,102	35,217 ⁽²⁾	(2,341,102)	35,217
Rowena Danziger	30,896	–	–	30,896
Harold C Mitchell	114,887	–	–	114,887

Executives	Balance 1 July 2011	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2012
Ken M Barton ⁽²⁾	–	9,782	–	9,782
Barry J Felstead ⁽³⁾	234,110	–	(234,110)	–
Greg F Hawkins	1,509	–	–	1,509
Todd W Nisbet ⁽²⁾	–	17,608	–	17,608

(1) Change is a result of an on market trade.

(2) The registered holder of these shares is Australian Executor Trustees Limited as trustee under the 2010 Crown Limited Long Term Incentive Plan. Mr Craigie, Mr Barton and Mr Nisbet may become entitled to have those shares transferred to them after 30 June 2014 if certain conditions in the 2010 Crown Limited Long Term Incentive Plan are met.

(3) The other net change reflects the sale of ESP shares as part of the wind up of the ESP which completed during the 2012.

The Company does not have any options on issue.

30. Related Party Disclosures

(a) Parent entity

Crown Limited is the ultimate parent entity of the Group.

(b) Controlled entities, associates and joint ventures

Interests in significant controlled entities are set out in note 31.

Investments in associates and joint ventures are set out in note 10.

(c) Entity with significant influence over the Group

At balance date Consolidated Press Holdings Group ("CPH"), comprising Consolidated Press Holdings Limited and its related corporations, a group related to Mr James Packer, holds 50.01% (2012: 48.09%) of the Company's fully paid ordinary shares.

(d) Director related entities

Until 19 November 2012, Consolidated Media Holdings ("CMH") was an entity classified as a related party due to Crown and CMH having a number of common directors.

(e) Key management personnel

Disclosures relating to key management personnel are set out in note 29, and in the Remuneration Report.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

30. Related Party Disclosures *continued*

(f) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms, unless otherwise stated.

(g) Transactions with related parties

The continuing operations have had the following transactions with related parties:

(i) Director related entities and entities with significant influence over the Group

CPH provided corporate secretarial and administrative services to Crown and its controlled entities of \$0.1 million during the year (2012: \$0.2 million). CPH paid costs on behalf of Crown to third parties totalling \$1.3 million during the year (2012: \$0.7 million). In addition, Crown reimbursed CPH with \$5.3 million, representing probity related costs incurred by CPH on behalf of Crown (2012: \$nil). At 30 June 2013 there were no amounts owing to CPH (2012: \$nil).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$62,000 during the year (2012: \$41,000). At 30 June 2013 there were no amounts owing from CPH (2012: \$nil).

Crown and CMH jointly engaged certain legal and other advisers in relation to certain matters arising prior to the PBL demerger. Costs of these advisers are shared in a manner consistent with Section 14 of the PBL Scheme Booklet, generally Crown – 75% and CMH – 25%. Similarly, payments in relation to liabilities arising from activities prior to the PBL demerger were shared on the same basis. At 30 June 2013 there were no amounts owing to CMH (2012: \$0.2 million) in relation to pre-demerger matters.

(ii) Associates

Crown acquired additional equity in Melco Crown from Melco Crown SPV Limited for an amount of \$16.6 million (2012: \$nil). In 2012, Crown acquired additional equity in Melco Crown for an amount of \$57.5 million arising from the conversion of previously outstanding shareholder loans to Melco Crown.

There was no interest charged on loans to Melco Crown for the year (2012: \$45,000). Crown provided Melco Crown IT and related services of \$0.6 million (2012: \$1.5 million) at cost during the year. There were no amounts receivable from Melco Crown at 30 June 2013 (2012: \$0.7 million).

Melco Crown provided \$5,000 (2012: \$38,000) in Hotel and other services to Crown during the year. In addition, Melco Crown paid costs of \$0.1 million (2012: \$0.1 million) on behalf of Crown during the year which has subsequently been reimbursed in full.

Crown provided additional loans of \$12.6 million (2012: \$27.4 million) to Aspers Holdings (Jersey) Ltd during the year. There were no loan repayments to Crown during the year (2012: \$nil). Interest charged on loans advanced to Aspers was \$10.4 million for the year (2012: \$7.5 million). At 30 June 2013 \$105.4 million (2012: \$81.2 million) was owed by Aspers. There were no costs paid by Aspers on behalf of Crown during the year (2012: \$nil). At 30 June 2013 there were no amounts owing to Aspers (2012: \$nil).

Crown made no further loans to Betfair during the year (2012: \$nil). The loan balance with Betfair at 30 June 2013 was \$11.7 million (2012: \$11.7 million). No interest is payable on the loan. Crown provided Betfair Hotel, Banqueting and other services of \$0.4 million (2012: \$0.1 million) during the year. There were no amounts receivable from Betfair at 30 June 2013 (2012: \$nil).

For the year ended 30 June 2013, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties as there have been no default of payment terms and conditions (2012: \$nil).

An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss. During the financial year Crown has assessed there is no impairment to related party receivables.

31. Investment in Controlled Entities

The consolidated financial statements include the financial statements of Crown Limited and its controlled entities. Significant controlled entities and those included in a class order with the parent entity are:

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2013	2012		2013 %	2012 %
Crown Limited			Australia	Parent Entity	
Artra Pty Ltd			Australia	100	100
Aspinall's Club Limited			United Kingdom	100	100
Burswood Limited	A	A	Australia	100	100
Burswood Nominees Ltd	A	A	Australia	100	100
Burswood Resort (Management) Ltd	A	A	Australia	100	100
Crown Asia Investments Limited	A	A	Australia	100	100
Crown Australia Pty Ltd	A		Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Limited			Australia	100	100
Crown CCR Group Holdings One Pty Ltd	A	A	Australia	100	100
Crown CCR Group Holdings Two Pty Ltd			Australia	100	100
Crown CCR Group Holdings General Partnership			USA	100	100
Crown CCR Group Investments One LLC			USA	100	100
Crown CCR Group Investments Two LLC			USA	100	100
Crown CCR Holdings LLC			USA	100	100
Crown CPS Holdings Pty Ltd	A	A	Australia	100	100
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown Gateway Luxembourg Pty Ltd	A	A	Australia	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Management Holdings Pty Ltd	A	A	Australia	100	100
Crown Management Pty Ltd	A	A	Australia	100	100
Crown Melbourne Limited	A	A	Australia	100	100
Crown North America Holdings One Pty Ltd			Australia	100	100
Crown North America Investments LLC			USA	100	100
Crown Overseas Investments Pty Ltd	A	A	Australia	100	100
Crown Services (US) LLC			USA	100	100
Crown Sydney Pty Ltd			Australia	100	100
Crown UK Investments Ltd			United Kingdom	100	100
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100
Flienn Pty Ltd	A	A	Australia	100	100
Jade West Entertainment Pty Ltd	A	A	Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Nine Television (Netherlands Antilles) Pty Ltd			Australia	100	100
PBL (CI) Finance Limited			Cayman Islands	100	100
Pennwin Pty Ltd	A	A	Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Publishing and Broadcasting International Holdings Ltd			Bahamas	100	100
Renga Pty Ltd	A	A	Australia	100	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

A These controlled entities have entered into a deed of cross guarantee with the parent entity under ASIC Class Order 98/1418 – the “Closed Group” (refer note 32).

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

32. Deed of Cross Guarantee

Certain controlled entities of Crown Limited, as detailed in note 31, are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

By entering into the deed, pursuant to ASIC Class Order 98/1418, certain controlled entities of Crown have been granted relief from the Corporations Act 2001 requirements for preparation, audit and publication of accounts.

The consolidated income statement and balance sheet of the entities which are members of the "Closed Group" are detailed below.

	Closed Group	
	2013 \$'000	2012 \$'000
Consolidated income statement		
Profit/(loss) before income tax	593,880	622,722
Income tax (expense)/benefit	(55,267)	(89,961)
Net profit/(loss) after income tax	538,613	532,761
Retained earnings/(accumulated losses) at the beginning of the financial year	(144,363)	(222,182)
Retained earnings/(accumulated losses) of entities entering Closed Group	–	(182,201)
Dividends provided for or paid	(269,506)	(272,741)
Retained earnings/(accumulated losses) at the end of the financial year	124,744	(144,363)

32. Deed of Cross Guarantee *continued*

	Closed Group	
	2013 \$'000	2012 \$'000
Consolidated balance sheet		
Current assets		
Cash and cash equivalents	156,247	159,027
Trade and other receivables	237,825	176,908
Inventories	12,172	11,613
Prepayments	16,507	16,225
Other financial assets	1,568	337
Total current assets	424,319	364,110
Non-current assets		
Receivables	1,105,002	1,080,508
Other financial assets	2,529,798	2,511,130
Investments	3,364	357,327
Investment in associates	1,403,037	1,088,744
Property, plant and equipment	2,850,817	2,790,405
Licences	649,511	656,983
Other intangible assets	155,858	162,714
Deferred tax assets	112,187	101,734
Other assets	62,780	62,840
Total non-current assets	8,872,354	8,812,385
Total assets	9,296,673	9,176,495
Current liabilities		
Trade and other payables	265,705	292,679
Interest-bearing loans and borrowings	81,395	29,077
Income tax payable	37,377	83,695
Provisions	117,499	99,213
Other financial liabilities	–	22,221
Total current liabilities	501,976	526,885
Non-current liabilities		
Other payables	138	138
Interest-bearing loans and borrowings	3,095,334	3,384,382
Deferred tax liability	201,938	205,481
Provisions	44,304	38,183
Other financial liabilities	4,619	8,661
Total non-current liabilities	3,346,333	3,636,845
Total liabilities	3,848,309	4,163,730
Net assets	5,448,364	5,012,765
Equity		
Contributed equity	4,809,818	4,809,818
Treasury shares	(1,118)	(480)
Reserves	514,920	347,790
Retained earnings	124,744	(144,363)
Total equity	5,448,364	5,012,765

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

33. Parent Entity Disclosures

	Crown Limited	
	2013 \$'000	2012 \$'000
Results of the parent entity		
Profit after tax for the period	276,360	419,503
Other comprehensive income/(loss)	–	–
Total comprehensive income for the period	276,360	419,503
Financial position of the parent entity		
Current assets	–	3
Non-current assets	9,858,901	9,787,154
Total assets	9,858,901	9,787,157
Current liabilities	38,803	83,192
Non-current liabilities	2,873,344	2,764,065
Total liabilities	2,912,147	2,847,257
Total equity of the parent entity comprising of:		
Issued capital	9,927,204	9,927,204
Employee equity benefits reserve	13,010	13,010
Accumulated losses	(2,993,460)	(3,000,314)
Total equity	6,946,754	6,939,900

Contingent liabilities

There are no contingent liabilities for the parent entity at 30 June 2013 (2012: \$nil).

Capital expenditure

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2013 (2012: \$nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in notes 31 and 32.

34. Financial Risk Management Objectives and Policies

The Group's principle financial instruments comprise receivables, payables, bank loans, capital market debt, finance lease liabilities, investments, cash and short term deposits and derivatives.

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. Other than as described in this note, the Group is satisfied that there are no material concentrations of risk.

The Group has policies in place to manage different types of risks to which it is exposed. Policies include monitoring the level of interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange rates. Ageing analysis of and monitoring of exposures to counterparties are undertaken to manage credit risk. Liquidity risk is monitored through the employment of rolling cash flow forecasts.

Financial risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board are informed on a regular basis of risk management activities.

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk

(i) Interest rate risk – cash flow

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents and long term debt obligations as outlined in note 17.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates that are not designated as cash flow hedges.

	2013 \$'000	2012 \$'000
Financial assets		
AUD cash on hand and at bank	24,925	15,460
AUD deposits at call	17,860	17,808
GBP cash on hand and at bank	43,532	(9,555)
EUR cash on hand and at bank	599	–
USD cash on hand and at bank	65	15
Total financial assets	86,981	23,728
Financial liabilities		
AUD bank loans	210,000	865,000
AUD Capital Market debt	218,065	–
Finance lease liability	11,375	–
HKD bank loans	60,726	29,077
GBP bank loans	16,653	15,354
Total financial liabilities	516,819	909,431
Net exposure	(429,838)	(885,703)

As at balance date, the Group maintained floating rate liabilities of \$516.8 million (2012: \$909.4 million) that were not hedged by interest rate swaps. The associated interest rate risk is partially mitigated by total financial assets of \$87.0 million (2012: \$23.7 million). Under the financial liabilities outstanding, for AUD facilities, the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 100 and 500 basis points, for the finance lease liability, the Group pays USD LIBOR plus a margin of 200 basis points, for GBP facilities, the Group pays LIBOR plus a margin of 180 basis points, and for HKD facilities, the Group pays HIBOR plus a margin of 62.5 basis points.

Of the AUD cash on hand and at bank \$24.9 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$17.9 million are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$118.5 million for operational purposes and is non interest bearing (2012: \$125.6 million).

As at balance date, the Group maintained floating rate borrowings in HKD of \$60.7m (2012: \$29.1m) and had minimal interest earning cash and cash equivalents (2012: minimal).

As at balance date, the Group maintained no floating rate borrowings in USD (2012: \$nil) and had minimal cash and cash equivalents (2012: minimal).

As at balance date, the Group maintained no floating rate borrowings in EUR (2012: \$nil) and had minimal cash and cash equivalents (2012: minimal).

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(i) Interest rate risk – cash flow *continued*

Group Sensitivity

If there was an increase of 75 basis points in AUD interest rates, an increase of 100 basis points in GBP, EUR and USD interest rates, and an increase of 50 basis points in HKD interest rates, the Group's post-tax-profit for the year would have decreased by \$2.1 million (2012: \$6.6 million).

If there was a decrease of 50 basis points in AUD and GBP interest rates, and a decrease of 25 basis points in USD, EUR and HKD interest rates, the Group's post-tax-profit for the year would have increased \$1.4 million (2012: \$4.4 million).

The Group, where appropriate, uses interest rate swaps to manage the risk of adverse movements in interest rates for its long term floating rate borrowings which are subject to variable rates.

The Group uses cross-currency interest rate swaps to manage the risk of adverse movements in interest rates for its long term foreign currency denominated borrowings which are subject to variable rates.

As at balance date the notional principal amounts and period of expiry of the interest rate swap contracts were as follows:

	2013 \$'000	2012 \$'000
Cash flow hedge		
Maturity under 1 year	–	300,000
Maturity 1 -5 years	424,896	115,155
Maturity over 5 years	174,634	174,634
Closing Balance	599,530	589,789

As at balance date the key terms of the interest rate swap contracts were as follows:

Hedge Type	Maturity Date	Interest Rate Received	Interest Rate Paid	Fair Value of Swap Contract \$'000
Year Ended 30 June 2013				
Interest Rate Swap Contract	June 2015	BBSW	3.00%	(151)
Interest Rate Swap Contract	March 2016	BBSW	3.20%	(236)
Interest Rate Swap Contract	June 2017	BBSW	3.26%	254
Interest Rate Swap Contract	March 2018	BBSW	3.50%	38
Interest Rate Swap Contract	June 2018	BBSW	3.39%	633
Interest Rate Swap Contract	December 2015	LIBOR	1.00%	(109)
Interest Rate Swap Contract	December 2016	LIBOR	1.19%	(183)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	(3,940)
Year Ended 30 June 2012				
Interest Rate Swap Contract	June 2013	BBSW	6.99%	(11,185)
Interest Rate Swap Contract	December 2015	LIBOR	1.00%	(110)
Interest Rate Swap Contract	December 2016	LIBOR	1.19%	(36)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	(8,515)

The terms of each of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective.

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(ii) Interest rate risk – fair value

Where appropriate, the Group enters into fixed rate debt to mitigate exposure to interest rate risk. As the Group holds fixed rate debt there is a risk that the fair value of financial instruments will fluctuate because of market movements in interest rates. The level of fixed rate debt at balance date was \$1,118.4 million (2012: \$785.2 million).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances.

(iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the Group's functional currency.

Treasury, on behalf of the operating units, uses forward exchange contracts to minimise the currency exposure on any significant receivables or payables as is deemed appropriate.

All forward exchange contracts must be in the same currency as the firm commitment and the Group negotiates the terms of the hedges to exactly match the underlying commitment to maximise hedge effectiveness. As at balance date, the Group had hedged the majority of its foreign currency receivables and payables that are firm commitments.

As at balance date, the Group had the following material foreign exchange exposures that were not designated as cash flow hedges:

	2013 \$'000	2012 \$'000
USD Exposure		
Financial assets		
Cash and cash equivalents	876	1,442
Total financial assets	876	1,442
Financial liabilities		
US Private Placement	218,914	195,446
Total financial liabilities	218,914	195,446
Net exposure	(218,038)	(194,004)

	2013 \$'000	2012 \$'000
GBP Exposure		
Financial assets		
Cash and cash equivalents	3,257	2,780
Loans to associates	105,359	81,222
Total financial assets	108,616	84,002
Financial liabilities		
GBP Loan Facilities	141,549	110,241
Total financial liabilities	141,549	110,241
Net exposure	(32,933)	(26,239)

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

	2013 \$'000	2012 \$'000
HKD Exposure		
Financial assets		
Cash and cash equivalents	2,501	5,811
Trade and other receivables	62,668	29,072
Total financial assets	65,169	34,883
Financial liabilities		
Trade and other payables	6,293	2,440
HKD Debt Facilities	60,726	29,077
Total financial liabilities	67,019	31,517
Net exposure	(1,850)	3,366

	2013 \$'000	2012 \$'000
SGD Exposure		
Financial assets		
Cash and cash equivalents	1,768	3,023
Total financial assets	1,768	3,023
Net exposure	1,768	3,023

Group sensitivity – USD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10c against the USD would be \$21.6 million higher or \$26.9 million lower (2012: \$17.4 million higher or \$21.2 million lower).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 10c against the USD would not be material as at balance date (2012: not material).

Group sensitivity – GBP

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 5c against the GBP would be \$2.8 million higher or \$3.3 million lower (2012: \$2.1 million higher or \$2.4 million lower).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 5c against the GBP would not be material as at balance date (2012: not material).

Group sensitivity – HKD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 50c against the HKD would not be material as at balance date (2012: not material).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 50c against the HKD would not be material as at balance date (2012: not material).

Group sensitivity – SGD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10c against the SGD would not be material as at balance date (2012: not material).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 10c against the SGD would not be material as at balance date (2012: not material).

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

Foreign Exchange Contracts

The Group uses derivative instruments such as forward exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance.

Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. These derivatives qualify for hedge accounting and are based on limits set by the Board.

Cash flow hedges

At balance date details of outstanding contracts denominated in AUD was:

	Notional Amounts		Average Rate	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Buy USD/Sell AUD				
Maturity under 1 year	14,906	14,881	1.0153	1.0169

The change in fair value of cash flow hedges as at balance date was not material (2012: not material).

The forward exchange contracts are considered to be highly effective hedges as they are matched against known and committed receivables and payments and any gain or loss on the hedged risk is taken directly to equity.

(b) Price Risk

(i) Equity Securities Price Risk

The Group is exposed to equity securities price risk. Equity securities price risk arises from investments held by the Group and classified on the balance sheet as investments.

	2013 \$'000	2012 \$'000
Shares – listed	–	353,362
Shares – unlisted	89,671	100,976
Net exposure	89,671	454,338

Group sensitivity

The Group's sensitivity to equity securities price risk for the unlisted investments has been estimated using valuation techniques based on the fair value of securities held. The sensitivity to fair value movements through equity or profit and loss as a result of movement in value of the securities was not material as at balance date (2012: not material).

(ii) Commodity Price Risk

Neither the Group nor the parent entity is exposed to commodity price risk.

Notes to the Financial Statements *continued*

For the year ended 30 June 2013

34. Financial Risk Management Objectives and Policies *continued*

(c) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is outlined under each applicable note.

The Group does not hold any credit derivatives or collateral to offset its credit exposure.

All investment and financial instruments activity is with approved counterparties with investment grade ratings and is in accordance with approved policies. There are no significant concentrations of credit risk within the Group and the aggregate value of transactions is spread amongst a number of financial institutions to minimise the risk of default of counterparties.

Credit risk in trade receivables is managed in the following ways:

- (i) The provision of credit is covered by a risk assessment process for all customers.
- (ii) Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.
- (iii) The provision of cheque-cashing facilities for gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank opinions and the use of a central credit agency which collates information from major casinos around the world.

(d) Liquidity Risk

It is the Group's objective to maintain a balance between continuity of funding and flexibility through the use of cash reserves, committed bank lines and capital markets debt in order to meet its financial commitments in a timely manner.

At balance date 5.0% or \$81 million of the Group's interest bearing liabilities will mature in less than 12 months (2012: 1.7%).

As at balance date the Group had \$1,127 million in undrawn committed bank lines (2012: \$506 million).

34. Financial Risk Management Objectives and Policies *continued*

(d) Liquidity Risk *continued*

Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of financial assets and financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	1 year or less		1 to 5 years		more than 5 years		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial assets								
Cash and cash equivalents	205,511	149,353	–	–	–	–	205,511	149,353
Receivables – trade	257,459	201,525	9,763	10,154	–	–	267,222	211,679
Receivables – associates	–	209	117,059	92,713	–	–	117,059	92,922
Forward exchange contracts receivable	16,565	14,789	–	–	–	–	16,565	14,789
Cross currency interest rate swaps receivable	6,786	6,058	27,143	24,233	122,145	115,109	156,074	145,400
Total financial assets	486,321	371,934	153,965	127,100	122,145	115,109	762,431	614,143
Financial liabilities								
Trade and other payables	296,581	325,731	138	138	–	–	296,719	325,869
Finance lease liabilities	669	–	10,706	–	–	–	11,375	–
Capital markets	–	–	316,419	14,658	895,194	355,422	1,211,613	370,080
Bank loans	80,726	29,077	331,549	1,295,509	–	–	412,275	1,324,586
Total return swap contracts	–	11,036	–	–	–	–	–	11,036
Forward exchange contracts payable	14,906	14,881	–	–	–	–	14,906	14,881
Interest rate swaps payable	1,940	10,809	5,768	1,630	–	–	7,708	12,439
Cross currency interest rate swaps payable	12,312	12,312	49,248	49,248	221,611	233,928	283,171	295,488
Total financial liabilities	407,134	403,846	713,828	1,361,183	1,116,805	589,350	2,237,767	2,354,379
Net maturity	79,187	(31,912)	(559,863)	(1,234,083)	(994,660)	(474,241)	(1,475,336)	(1,740,236)

(e) 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 *continued*

For the year ended 30 June 2013

34. Financial Risk Management Objectives and Policies *continued*

(e) Fair Value of Financial Instruments *continued*

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Valuation Technique			Total \$'000
	Quoted market price	Observable inputs	Non market observable	
	Level One \$'000	Level Two \$'000	Level Three \$'000	
Year ended 30 June 2013				
Financial Assets				
<i>Derivative Instruments</i>				
Receivable on forward exchange contracts	–	1,568	–	1,568
Receivable on interest rate swaps	–	925	–	925
<i>Investments</i>				
Shares – unlisted (Australia)	–	–	36,353	36,353
Shares – unlisted (North America)	–	–	53,318	53,318
	–	2,493	89,671	92,164
Financial Liabilities				
<i>Derivative Instruments</i>				
Payables on interest rate swaps	–	679	–	679
Payables on cross currency swaps	–	3,940	–	3,940
	–	4,619	–	4,619
Year ended 30 June 2012				
Financial Assets				
<i>Derivative Instruments</i>				
Receivable on forward exchange contracts	–	337	–	337
<i>Investments</i>				
Shares – listed (Australia)	353,362	–	–	353,362
Shares – unlisted (Australia)	–	–	37,305	37,305
Shares – unlisted (North America)	–	–	63,671	63,671
	353,362	337	100,976	454,675
Financial Liabilities				
<i>Derivative Instruments</i>				
Payables on interest rate swaps	–	11,331	–	11,331
Payables on cross currency swaps	–	8,515	–	8,515
Payables on total return swaps	–	11,036	–	11,036
	–	30,882	–	30,882

There have been no transfers during the financial year ended 30 June 2013.

34. Financial Risk Management Objectives and Policies *continued***(e) Fair Value of Financial Instruments** *continued***Reconciliation of Level Three fair value movements:**

	2013 \$'000	2012 \$'000
Opening balance	100,976	98,658
Capital return received	(20,713)	–
Disposal of shares	(1,155)	–
Other Comprehensive Income	10,563	2,318
Closing Balance	89,671	100,976

Shareholder Information

Substantial shareholders as at 13 September 2013:

The following information is extracted from substantial shareholder notices received by Crown.

Shareholder	Number of ordinary Shares	% of Issued Capital
Consolidated Press Holdings Limited	364,270,253	50.01%

Holders of each class of equity securities

Crown only has ordinary shares on issue. The total number of ordinary shares on issue is 728,394,185 held by 51,399 shareholders.

Voting rights of ordinary shares

Crown's Constitution sets out the information in relation to the voting rights attached to shares. In summary, at a general meeting on a show of hands, every member present has one vote; and on a poll, every member present has:

- one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
- a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid on the share bears to the total amount paid and payable on the share.

Distribution of shareholders as at 13 September 2013:

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	33,928	1.87
1,001 – 5,000	15,526	4.47
5,001 – 10,000	1,285	1.23
10,001 – 100,000	580	1.72
100,001+	80	90.72
Total	51,399	100.00
Holding less than a marketable parcel	1,074	

The 20 largest shareholders as at 13 September 2013:

Name	No. of Shares	% of Issued Capital
1. CONSOLIDATED PRESS HOLDINGS LIMITED	162,113,176	22.26
2. BAREAGE PTY LIMITED	158,486,104	21.76
3. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	85,482,152	11.74
4. J P MORGAN NOMINEES AUSTRALIA LIMITED	53,771,393	7.38
5. NATIONAL NOMINEES LIMITED	50,890,253	6.99
6. CITICORP NOMINEES PTY LIMITED	17,525,130	2.41
7. BNP PARIBAS NOMS PTY LTD <DRP>	16,241,941	2.23
8. CAVALANE HOLDINGS PTY LTD	15,250,723	2.09
9. CAIRNTON HOLDINGS LIMITED	14,641,045	2.01
10. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PI POOLED A/C>	11,626,830	1.60
11. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	11,564,927	1.59
12. SAMENIC LIMITED	10,188,370	1.40
13. JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	7,655,792	1.05
14. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	6,357,196	0.87
15. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	3,530,206	0.48
16. UBS NOMINEES PTY LTD	3,513,055	0.48
17. AMP LIFE LIMITED	2,818,939	0.39
18. ARGO INVESTMENTS LIMITED	2,084,184	0.29
19. CONSOLIDATED PRESS INVESTMENTS PTY LTD	2,069,387	0.28
20. UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,938,963	0.27
Total	637,749,766	87.56
Others	90,644,419	12.44

Details of equity securities

Crown has 728,394,185 shares currently on issue, all of which are quoted.

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the Share Registry's website at www.investorcentre.com. For security reasons, shareholders need to enter their Security holder Reference Number (SRN) or Holding Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online. Alternatively, download the relevant forms and have the completed forms mailed to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry, Computershare Investor Services, on telephone number 1300 659 795, or if calling from outside Australia (61 3) 9415 4000 or by fax (61 3) 9473 2500.

Electronic shareholder communications

Receiving shareholder communications electronically, instead of by post enables you to:

- Receive important shareholder and company information faster
- Reduce your impact on the environment
- Securely store important shareholder documents online, reducing clutter in your home or office
- Access all documents conveniently 24/7

Shareholders who wish to receive email alerts informing them of Annual Report, Notice of Meeting, Issuer Holding Statements, Payment Advices and other company related information on Crown's website, www.crownlimited.com may either contact the Share Registry or lodge such instructions online at the Share Registry's website at www.investorcentre.com.

Change of address

Issuer sponsored shareholders should notify the Share Registry immediately in writing or by telephone upon any change in their address quoting their SRN. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate HIN.

Direct payment to shareholders' accounts

Dividends may be paid directly to any bank, building society or credit union account in Australia. Payments are electronically credited on the dividend date with advisory confirmation containing payment details mailed to shareholders. Shareholders who wish to have their dividends paid directly to their account may advise the Share Registry in writing or may update their payment instructions online on www.investorcentre.com prior to the dividend record date.

Tax File Numbers

Crown is obliged to deduct tax at the top marginal rate plus Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number (TFN) or exemption details. If you wish to provide your TFN or exemption details, please contact the Share Registry.

Consolidation of multiple holdings

If you have multiple holdings which you wish to consolidate, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Crown website

Crown has a dedicated corporate website, www.crownlimited.com which includes Crown's Annual Report, disclosures made to the ASX and Notices of Meeting and other Explanatory Memoranda.

Investment Warning

All information provided in the Annual Report is provided as of the date stated or otherwise as at the date of the Report.

The Annual Report has not taken into account any particular investor's investment objectives or other circumstances.

Investors are encouraged to make an independent assessment of Crown or seek independent professional advice.

Corporate Information

Directors

- James D Packer Chairman
- John H Alexander BA Executive Deputy Chairman
- Rowen B Craigie BEc (Hons) Chief Executive Officer and Managing Director
- Benjamin Brazil BCom, LLB
- The Honourable Helen A Coonan BA, LLB
- Christopher D Corrigan
- Rowena Danziger BA, TC, MACE
- Geoffrey J Dixon
- John S Horvath AO, MB, BS, FRACP
- Ashok Jacob BSc, MBA
- Michael R Johnston BEc, CA
- Harold C Mitchell AC

Company Secretaries

- Michael J Neilson BA, LLB
- Mary Manos BCom, LLB (Hons), GAICD

Crown's registered office and principal corporate office

Level 3
Crown Towers
8 Whiteman Street
Southbank VIC 3006
Australia
Phone: (61 3) 9292 8824

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Phone: 1300 659 795 (within Australia)
(61 3) 9415 4000 (outside Australia)
Fax: (61 3) 9473 2500
Website: www.computershare.com.au

Stock Exchange Listing

Crown's ordinary shares are listed on the Australian Securities Exchange under the code "CWN". Crown's Subordinated Notes are listed on the Australian Securities Exchange under the code "CWNHA". The home exchange is Melbourne.

Website

Visit our website www.crownlimited.com for media releases and financial information.

Auditor

Ernst & Young

Banker

Australia and New Zealand Banking Group Limited

www.colliercreative.com.au #CRO0009

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