



**ASX / MEDIA RELEASE
FOR IMMEDIATE RELEASE
26 October 2017**

**CROWN RESORTS LIMITED
2017 ANNUAL GENERAL MEETING
EXECUTIVE CHAIRMAN'S ADDRESS
JOHN ALEXANDER**

Shareholders,

It is a great pleasure to be here with you today at Crown Melbourne, Australia's leading integrated resort, to present my first address as Executive Chairman.

I would like to start by welcoming our former Chairman, James Packer, back on to the Crown Resorts Board. James' ongoing guidance, support, vision and drive has seen Crown become, and remain, one of Australia's largest entertainment groups with a portfolio of some of the most valuable current and future tourism assets in Australia across Melbourne, Perth and Sydney.

It is with this reputation that Crown attracted approximately 31 million local and international visits during F17 and has remained the largest single-site private sector employer in both Victoria and Western Australia, with more than 15,600 people working at Crown Melbourne and Crown Perth in over 700 different roles.

Before I commence the presentation, I would like to address Andrew Wilkie MP's comments, which were made under parliamentary privilege.

As I have stated previously, I am angered and disappointed by the outrageous and unfounded allegations levelled at us by Mr Wilkie, which unfairly smeared Crown by asserting that we have acted improperly in relation to our gaming machines and operations.

We emphatically reject these allegations.

Mr Wilkie's inferences and commentary are deeply offensive to Crown, our Board of Directors and our employees. This is amplified by the fact that these allegations have been made by anonymous persons and Mr Wilkie has admitted that he does not know whether there is any substance to them.

As you would all appreciate, Crown operates in one of the most highly regulated and supervised industries in Australia, involving multiple government agencies and State law enforcement bodies. We have a sophisticated anti-money laundering program and we take compliance with AUSTRAC requirements very seriously.

We also do not improperly manipulate our gaming machines. Any employee found breaching our codes and practices would face severe disciplinary consequences.

Crown is a world leader in the provision of responsible gaming initiatives, including the establishment, in 2002, of the world first Responsible Gaming Support Centre, which operates 24 hours a day, 7 days a week.

I again urge Mr Wilkie, if he believes he has evidence of wrongdoing, to stop the political games and immediately provide any information he has in his possession directly to the relevant authorities.

Unless and until he does so, no purpose is served by further discussion of his allegations. We will of course work closely, and co-operate fully, with any inquiries by authorities.

I would now like to move to our results for F17.

GROUP RESULTS AND SALE OF INTEREST IN MELCO RESORTS & ENTERTAINMENT LIMITED (MRE)

The full details of Crown's results for the 2017 financial year were provided in our ASX results release in August and in our Annual Report, which was sent to shareholders last month. Therefore, I will provide just an overview of the financial results today.

F17 was a challenging year given the detention of a number of current and former Crown employees in China last October. We are pleased that all of our employees have now been reunited with their families and loved ones. As I'm sure shareholders will appreciate, it is not appropriate for us to make further comments in relation to this matter at this time.

For the financial year ended June 30, 2017, Crown Resorts announced normalised EBITDA of \$828.0 million, which was down 3.3% from the previous year, and normalised NPAT of \$343.1 million before significant items, which was down 15.5% from the previous year. This result reflects difficult trading conditions at Crown's Australian resorts, due primarily to the reduction in VIP program play revenue and the challenging economic conditions in Perth.

Crown's reported NPAT after significant items was approximately \$1.9 billion, up 96.7%. This includes the profit from the sale of Crown's interest in MRE, which generated proceeds of approximately \$3.1 billion, resulting in a net gain to Crown of approximately \$1.7 billion. Crown no longer holds an interest in MRE.

It should be noted that Macau was a tremendous investment for Crown, having generated cash returns equivalent to approximately six times the total amount we invested in MRE. We believe that the sale of our interest in MRE will provide Crown with a solid financial base from which to undertake our Australian investment projects, most notably Crown Sydney. The sale of our interest in MRE will also enable investors and analysts to more easily assess the value of Crown's high quality core Australian operations.

CROWN MELBOURNE AND CROWN PERTH RESULTS

In F17, normalised EBITDA from Crown's Australian resorts was \$833.7 million, down 10.7%. This result was impacted by the challenging Perth economy and the reduction in VIP program play revenue in Australia, where turnover was down 48.9% compared to the prior year.

In response to these challenging trading conditions and the increased focus on Crown's Australian assets, Crown simplified its organisational structure, which reduced costs across the business during the second half of F17. A number of productivity and efficiency improvements were also implemented at both Crown Melbourne and Crown Perth.

We will remain focussed on continuing to identify opportunities to deliver improved operating performance at both of our Australian properties.

RECENT TRADING UPDATE

Now let me update you on more recent trading.

Across our Australian resorts, for the period July 1 to October 22, 2017, revenue from main floor gaming (excluding VIP program play revenue) was slightly up on the prior corresponding period, while non-gaming revenue grew by around 6%.

Crown Melbourne's main floor gaming revenue increased on the prior corresponding period while non-gaming revenue was flat. Crown Perth's main floor gaming revenue has been softer due to challenging market conditions, while non-gaming is growing in part due to the opening of Crown Towers Perth.

VIP program play turnover at our Australian resorts was down around 17% on the prior corresponding period, however, Crown Melbourne's VIP program play turnover exceeded expectations, which is encouraging given that most of the prior corresponding period preceded the detention of Crown's staff in China.

Our wagering and online businesses continue to show good revenue growth.

CAPITAL MANAGEMENT

Following completion of the sale of Crown's interest in MRE, Crown returned approximately \$1.1 billion of capital to shareholders via a special dividend of 83 cents per share and the completion of an approximately

\$500 million on-market share buy-back. In addition, Crown has bought back approximately \$130 million of Subordinated Notes listed on the ASX under the code "CWNHA".

Consistent with our objective to increase cash returns to all shareholders, Crown adopted a new dividend policy to pay 60 cents per share on a full year basis, subject to Crown's financial position. In F17, Crown declared a dividend of 30 cents per share, franked to 60%, at both the half and full year results. This resulted in a total dividend for the year of \$1.43 per share including the special dividend.

Crown has significantly reduced its net debt following receipt of the proceeds from the sale of its interest in MRE and has strengthened its balance sheet and credit profile to ensure we are well placed to fund our Australian development project pipeline.

Crown's net debt position (excluding working capital cash) was \$308.5 million at June 30, 2017 and total liquidity (excluding working capital cash) was approximately \$2 billion, which includes approximately \$1.6 billion in available cash and \$414.8 million in committed undrawn facilities.

This slide shows the maturity profile for Crown's debt facilities as at June 30, 2017. As you can see, Crown has a range of debt maturities spread across a number of years. Subsequent to June 30, 2017, we have repaid the \$300 million AMTN that matured in July 2017 and terminated \$105.7 million of finance leases, which were due to mature in June 2022.

MAJOR FOCUS AREAS

Following the sale of Crown's interest in MRE and the decision not to proceed with the Alon Las Vegas project, Crown is now primarily focussed on its world-class, core Australian operations and development projects.

Crown's major focus is to improve the underlying performance of our key Australian resorts, execute on our existing development project pipeline and continue to grow our digital businesses.

INVESTMENT IN AUSTRALIAN RESORTS

Crown continues to invest significantly in its Australian properties so that they can remain competitive with new integrated resorts emerging across Asia and Australia.

This slide provides an overview of Crown's actual capital expenditure from F13 to F17 and projected capital expenditure from F18 to F20.

Actual capex spent on Crown Melbourne, Crown Perth and Crown Sydney in the period F13 to F17 was \$1.9 billion, including the completion of Crown Towers Perth.

A further \$1.9 billion in capex is forecast to be spent from F18 to F20, approximately \$1.6 billion of which relates to the construction of the Crown Sydney Hotel Resort.

This is a very significant investment by the Company in large scale Australian tourism attractions – a total of around \$4 billion between F13 and F20.

CROWN SYDNEY PROJECT

In New South Wales, Crown is excited to have commenced construction of the Crown Sydney Hotel Resort at Barangaroo South. We are working diligently to deliver Sydney's first six-star hotel and a landmark building of global significance on one of the world's most beautiful harbours.

Crown Sydney is expected to be completed in the first half of 2021.

PROPOSED ONE QUEENSBRIDGE PROJECT

In Victoria, Crown and its joint venture partner, the Schiavello Group, were pleased to receive conditional planning approval in February 2017 to construct the proposed One Queensbridge project. The project includes a new 388 room luxury six-star hotel, connected to Crown Melbourne by a sculptural pedestrian bridge.

The project remains subject to financing and long-form agreements between Crown and the Schiavello Group. The proposed One Queensbridge project would cement Crown Melbourne's position as the largest single-site accommodation provider in Australia and create over 3,900 new jobs for Victoria.

CROWN TOWERS PERTH

In Western Australia, Crown officially opened Perth's first luxury six-star hotel, Crown Towers Perth, on December 15, 2016.

Crown Towers Perth features 500 luxury hotel rooms and suites, villas, private gaming salons, restaurants, bars, a grand ballroom, a convention centre, luxury retail outlets, a resort pool and spa facilities.

We believe that Crown Towers Perth, which takes the total number of guest rooms and suites at our Perth resort to approximately 1,200, is one of the most luxurious hotels in Australia and the region, and has set a new benchmark in six-star accommodation.

CROWN DIGITAL

Crown's digital businesses saw strong revenue growth and improved profitability during F17.

We were pleased with the performance of Crown's wagering and online social gaming operations which generated EBITDA of \$14.8 million, compared to a loss of \$5.4 million in the previous year. The assets and investments in Crown Digital include CrownBet, Betfair Australasia and DGN Games.

Crown Digital also includes Crown's investment in Chill Gaming, a 50/50 joint venture with the founders of Wymac Gaming Solutions. Chill Gaming will focus on innovation and providing current gaming customers with new entertaining product options.

EMPLOYMENT AND TRAINING ACHIEVEMENTS

Crown is a large and diverse business, serving millions of customers each year, and is responsible for the employment of over 15,600 people at our Melbourne and Perth resorts.

This year we have continued the momentum of our award-winning Indigenous Employment Program, having now provided over 700 Indigenous employment opportunities.

We also continue to make good progress with *CROWNability*, our disability employment program. I am proud to advise that we now employ almost 200 Australians with a disability as a result of the *CROWNability* program.

Our efforts in diversity and inclusion resulted in Crown Perth receiving the 2017 Employer of the Year award for Innovation at the atWork Australia awards and Crown Melbourne receiving the National Employer of the Year 2016 award from OCTEC Employment Services.

Crown College is one of Australia's most awarded and respected Registered Training Organisations. Since its inception, approximately 8,250 apprentices and trainees have graduated from Crown College, with approximately 370,000 training hours being delivered in F17. Leveraging this success, Crown College International was established in March 2017, which will provide training to international students.

While we maintain our industry leading commitment to the training and development of our employees, a particular focus of our diversity and inclusion programs this year has been addressing gender equity within our business. We are working at all levels of our business to create positive and proactive change for gender equity.

We are grateful for the efforts of all our employees and are mindful of our responsibilities to them and to the communities in which we operate.

CROWN RESORTS FOUNDATION

Through the Crown Resorts Foundation, and together with the Packer Family Foundation, we continue to set the benchmark in corporate philanthropy with our \$200 million National Philanthropic Fund.

We are proud of the work the Crown Resorts Foundation continues to deliver with its community partners. Currently, the Foundation is working with 115 not-for-profit community organisations to provide thousands of school students across Australia with greater access to enhanced and creative educational programs, and pathways to employment and community re-engagement.

We have recently committed approximately \$2 million in funding to Indigenous education programs as the Foundations continue to support organisations working to improve the education opportunities provided to Aboriginal and Torres Strait Islander Australians.

I would like to thank the Honourable Helen Coonan, Chair of the Crown Resorts Foundation, and Gretel Packer, Chair of the Packer Family Foundation, for their tireless efforts, as well as both Foundation Boards.

RETIREMENT OF ROWENA DANZIGER AS A DIRECTOR

Finally, we are announcing today that Rowena Danziger will retire as a director of Crown Resorts at the conclusion of this Annual General Meeting.

I would like to thank Rowena for her valuable contribution to Crown over the past 10 years.

CONCLUSION

On behalf of the Board, I wish to sincerely thank you, as a valued shareholder of Crown Resorts, for your support as we continue our strategy to maximise the performance of Crown Melbourne and Crown Perth and progress our strong portfolio of future projects.

We will now resume the formal business of the meeting.

ENDS

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

COPIES OF RELEASES

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