



CROWN
RESORTS

CROWN

ANNUAL REPORT 2019



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Financial Calendar

Record date for final dividend:	20 September 2019
Payment of final dividend:	4 October 2019
Annual General Meeting:	24 October 2019
2020 half year results:	19 February 2020

Annual General Meeting

10.00am (Melbourne time)
Thursday, 24 October 2019
River Room
Level 1, Crown Towers Melbourne
8 Whiteman Street
Southbank, Victoria

Executive Chairman's Message

Crown is proud to be the largest single-site private sector employer in both Victoria and Western Australia and makes a major contribution to the Australian economy



As one of Australia's largest entertainment groups, Crown makes a major contribution to the Australian economy through its role in tourism, employment, training, and its corporate responsibility programs.

Crown's investments in its Australian resorts have ensured that its properties are iconic tourism destinations that continue to shape the cities they call home and are amongst Australia's most visited tourist attractions.

We are proud to be the largest single-site private sector employer in both Victoria and Western Australia with approximately 18,500 people working across our resorts in over 700 different roles. Crown is committed to providing its employees with meaningful learning and development opportunities, allowing staff to develop tangible career pathways. Crown also supports an ecosystem of indirect jobs, spending over \$900 million annually with approximately 4,000 local businesses in Victoria and Western Australia.

Crown continues to be a significant tax payer, incurring over \$650 million in taxes to all levels of government in Australia in the 2019 financial year representing approximately two-thirds of Crown's pre-tax profits.

Crown also recognises its responsibility to the communities in which it operates, and is proud to support a number of charities and employee-led community programs as well as providing financial support to many worthwhile community groups and charities through the Crown Resorts Foundation.

These contributions risk being overshadowed by recent media reporting which has unfairly sought to tarnish Crown's reputation. These allegations are understandably having an impact on Crown and our employees who proudly come to work every day.

Crown operates in one of the most highly regulated industries in Australia with our business subject to ongoing review and monitoring by State gaming regulators and Governmental agencies such as AUSTRAC. Crown runs a compliant business and has zero tolerance for criminal elements.

It comes as no surprise that various regulators and other agencies have launched inquiries given recent media reports and the sensationalist nature of the allegations raised.

We view these regulatory inquiries as a forum to provide our perspective and look forward to cooperating through the process, as we have always done.

Results

For the financial year ended 30 June 2019, Crown recorded a normalised net profit after tax attributable to Crown of \$368.6 million, which was down 4.7% from the previous year. This result reflects subdued market conditions, with a reduction in VIP program play revenue and continued softness in Perth partly offset by modest revenue growth in Melbourne's local businesses.

We were pleased to have grown the level of visitation at both of Crown's Australian resorts during the year, demonstrating that Crown remains an attractive entertainment destination. Subdued revenue growth across Crown's main floor businesses was driven by lower average customer spend, which was symptomatic of the subdued consumer environment.

A final dividend of 30 cents per share was declared, bringing the total dividend for the year to 60 cents per share.

Major Focus Areas

Crown remains focussed on maximising shareholder returns by identifying opportunities to deliver improved operating performance at Crown Melbourne, Crown Perth and Crown Aspinalls, delivering the Crown Sydney Hotel Resort on time and on budget and creating value from the Crown Digital portfolio and Crown's equity accounted investments.

Crown continues to deliver cash returns to shareholders. Crown declared a dividend of 60 cents per share for the 2019 financial year, in line with our dividend policy, and bought back approximately \$131 million worth of shares under an on-market share buy-back.

With a net debt position of \$87 million at 30 June 2019, Crown's balance sheet remains well placed to deliver on these major focus areas.

Crown Melbourne

Normalised revenue at Crown Melbourne was \$2,155.4 million, down 5.4%, with VIP program play revenue down 25.4%, main floor gaming revenue up 1.5% and non-gaming revenue up 1.9%.

Normalised EBITDA from Crown Melbourne was \$589.5 million, down 8.6%, with a decline in overall normalised operating margin driven by an increase in labour and other costs in an environment of subdued revenue growth. Reported EBITDA was \$615.0 million, up 4.9%, which takes into account a favourable variance from the theoretical VIP program play result.

Crown continues to progress the implementation of the various recommendations from the Victorian Commission for Gambling and Liquor Regulation (VCGLR) which arose out of the Sixth Review of the Casino Operator and Licence. Crown remains on track to respond to all recommendations within the timeframes agreed with the VCGLR.

Crown Perth

Normalised revenue at Crown Perth was \$799.4 million, down 5.3%, with VIP program play down 30.1%, main floor gaming down 2.1% and non-gaming down 1.5%.

Normalised EBITDA from Crown Perth was \$221.8 million, down 10.8%, with a decline in overall normalised operating margin driven by the decline in revenues combined with modest growth in labour and fixed costs. Reported EBITDA for the period was \$244.6 million, up 10.4%. The reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result.

Crown Aspinalls

Crown Aspinalls' performance continued to reflect the difficult trading conditions across the London high-end casino market, with normalised EBITDA of \$6.4 million down 46.5%.

Crown Digital

EBITDA from Crown's wagering and online social gaming operations of \$26.1 million was down 2.7%. The prior year included the consolidated operating results of CrownBet until it was sold by Crown in February 2018.

Crown's current wagering and online social gaming operations — Betfair Australasia and DGN Games — both grew revenue and EBITDA during the year.

Australian Projects

Construction of the Crown Sydney Hotel Resort is well advanced. The tower has risen past the halfway mark and the fit out of the hotel guestrooms and suites is progressing through the lower floors of the structure. Pre-opening activities have commenced and will escalate through the course of the coming year in preparation for the opening in 2021.

We are also pleased to have settled the sight lines matter with Infrastructure New South Wales. Whilst the terms of the settlement remain confidential, we are satisfied with the outcome and the retention of the sight lines from the Crown Sydney Hotel Resort.

In Victoria, Crown has reached agreement to acquire our joint venture partner's interest in the One Queensbridge development site. Once completed this acquisition will give Crown 100% ownership of this strategically located site adjacent to the Crown Melbourne entertainment complex.

Our People

Crown acknowledges its responsibility to create a safe and rewarding workplace.

Crown's commitment to inclusive employment practices has continued to strengthen. Significant progress has been made on Crown's first Gender Action Plan, which will be published in 2019 and strengthens a longstanding commitment to gender equity. Crown also continues to support a number of leading employment programs, including the CROWNability and Indigenous Employment Programs.

During the 2019 financial year, Crown launched a purpose statement and set of values to guide Crown's culture. These values will be embedded into all employment practices to ensure employees and customers are at the heart of everything Crown does.

Our Commitment to Community

Crown recognises its responsibility to the communities in which it operates. Crown is proud to support a number of charities, employee-led community programs such as the Community Champions, as well as the work undertaken through the Crown Resorts Foundation.

The conclusion of the 2019 financial year marked the halfway point of the Crown Resorts Foundation and the Packer Family Foundation National Philanthropic Fund. To date, over \$83 million has been allocated to 300 grant recipients. The Crown Resorts Foundation Board remains dedicated to identifying worthy organisations to support through the 10-year funding commitment and, in particular, to those aligned to its core mission to provide opportunities for young Australians, primarily through education.

On behalf of the Board, I wish to sincerely thank all our employees for their continued hard work and dedication during the year in our efforts to deliver a world-class customer experience for our patrons. I would also like to thank our shareholders for their ongoing support.



John Alexander

Executive Chairman
Crown Resorts Limited

11 September 2019

Financial Performance

The 2019 full year result reflected subdued market conditions

- Total normalised¹ revenue across Crown's Australian resorts, Crown Melbourne and Crown Perth, decreased by 5.4%. This decline was primarily due to the reduction in normalised VIP program play revenue across Crown's Australian resorts, which was down 26.1%, with modest revenue growth in Melbourne's main gaming floor offset by continued softness in Perth.
- Normalised EBITDA at Crown's Australian resorts of \$811.3 million was down 9.2%, while reported EBITDA of \$859.6 million was up 6.4%, with an above theoretical VIP win rate experienced at both Crown Melbourne and Crown Perth.
- Crown's normalised net profit after tax (NPAT) attributable to the parent of \$368.6 million was down 4.7%, whilst reported NPAT attributable to the parent of \$401.8 million was up 23.0% before significant items.
- A final dividend of 30 cents per share, franked to 25%, was declared, bringing the full year dividend to 60 cents per share.

Group performance for the year ended 30 June 2019

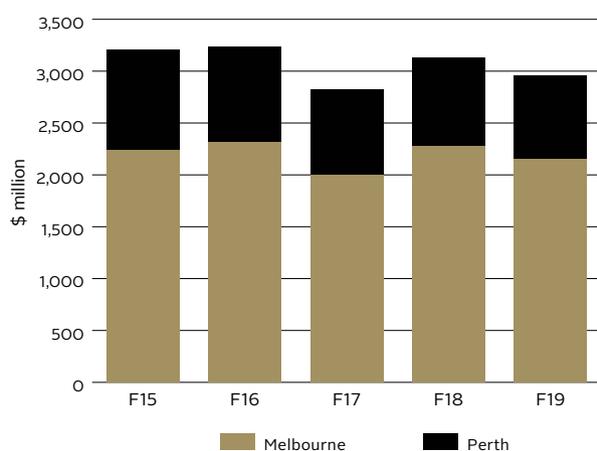
	F19 \$m	F18 \$m	% change
Summary of performance			
Normalised revenue	3,139.2	3,483.4	(9.9%)
Normalised EBITDA ²	802.1	878.3	(8.7%)
Normalised EBIT ³	528.5	592.4	(10.8%)
Normalised NPAT attributable to Crown	368.6	386.8	(4.7%)
Reported NPAT before significant items attributable to Crown	401.8	326.7	23.0%
Significant items (net of tax) attributable to Crown ⁴	-	232.2	(100.0%)
Reported NPAT after significant items attributable to Crown	401.8	558.9	(28.1%)
Normalised EBITDA by segment			
Crown Melbourne	589.5	645.0	(8.6%)
Crown Perth	221.8	248.8	(10.8%)
Crown Aspinalls	6.4	12.0	(46.5%)
Wagering and online social gaming operations	26.1	26.9	(2.7%)
Corporate	(41.7)	(54.4)	23.3%

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 and Crown Aspinalls) and significant items.
2. Normalised earnings before interest, tax, depreciation and amortisation.
3. Normalised earnings before interest and tax.
4. Significant items with a net \$nil value were recorded during F19, with an impairment charge of \$48.9 million recorded against DGN's goodwill offset by a corresponding reduction to the contingent consideration associated with the acquisition of Winners Club Limited. F18 included a net gain from significant items attributable to the parent of \$232.2 million, which includes the reversal of an impairment of the Alon Las Vegas land and associated net foreign currency gain, as well as net gains from the sales of CrownBet and Ellerston.

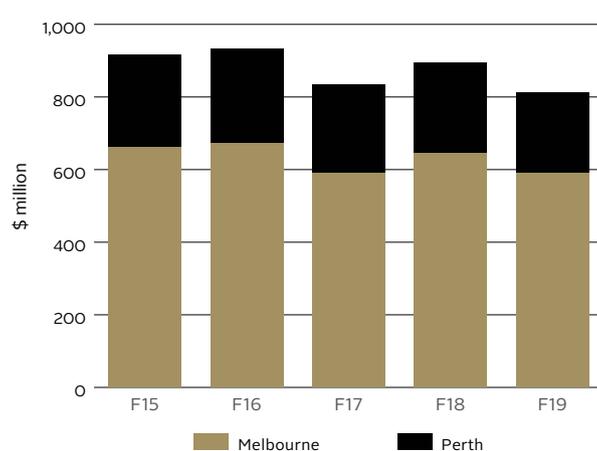
Crown's Major Focus Areas

- Improve the underlying performance of Crown Melbourne, Crown Perth and Crown Aspinalls
- Deliver the Crown Sydney project on time and on budget
- Grow, and create value from, Crown Digital
- Support the operations of Crown's equity accounted investments to enhance their performance
- Deliver returns to shareholders
- Proactively engage with relevant stakeholders, including regulators and the community
- Maintain an appropriate and efficient capital structure

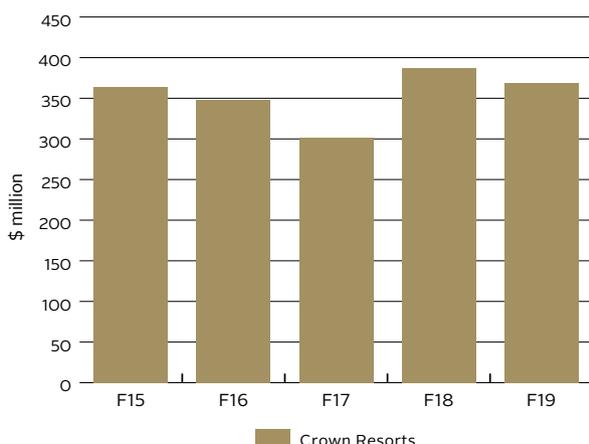
Australian Resorts Normalised Revenue



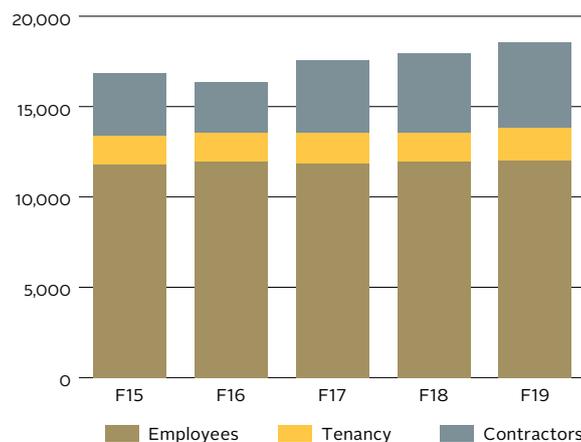
Australian Resorts Normalised EBITDA



Crown Resorts Limited Normalised NPAT¹



Australian Resorts Head Count²



1. F15 to F17 excludes Crown's share of Melco Resorts & Entertainment Limited (MRE) normalised NPAT. Crown completed the sale of its interest in MRE in F17 and, as a result, no longer holds an interest in MRE.
2. F15 to F17 head count differs from previous Annual Reports mainly due to a change in the reporting of contractors.

About Crown Resorts

Crown is one of Australia's largest entertainment groups with its core businesses and investments in the integrated resorts sector

AUSTRALIAN RESORTS

Crown owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth, which together attracted over 32 million visits during the period.

Crown Melbourne is Australia's leading integrated resort, featuring luxury accommodation and award-winning dining, world-class gaming, conferencing, shopping and entertainment facilities.

Crown Perth is one of Western Australia's largest tourist destinations, featuring three hotels, world-class convention and gaming facilities, restaurants and bars, a 2,300-seat theatre, and shopping and entertainment facilities.

AUSTRALIAN PROJECTS

Crown's development project pipeline includes the Crown Sydney Hotel Resort at Barangaroo in Sydney and the One Queensbridge development site in Melbourne.

The Crown Sydney Hotel Resort will be Sydney's first six-star hotel featuring 349 hotel rooms and suites, luxury residences, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.

Crown holds a 50% ownership interest in the One Queensbridge development site, strategically located adjacent to the Crown Melbourne entertainment complex, and has reached an agreement to purchase the Schiavello Group's 50% ownership interest.

INTERNATIONAL INTERESTS

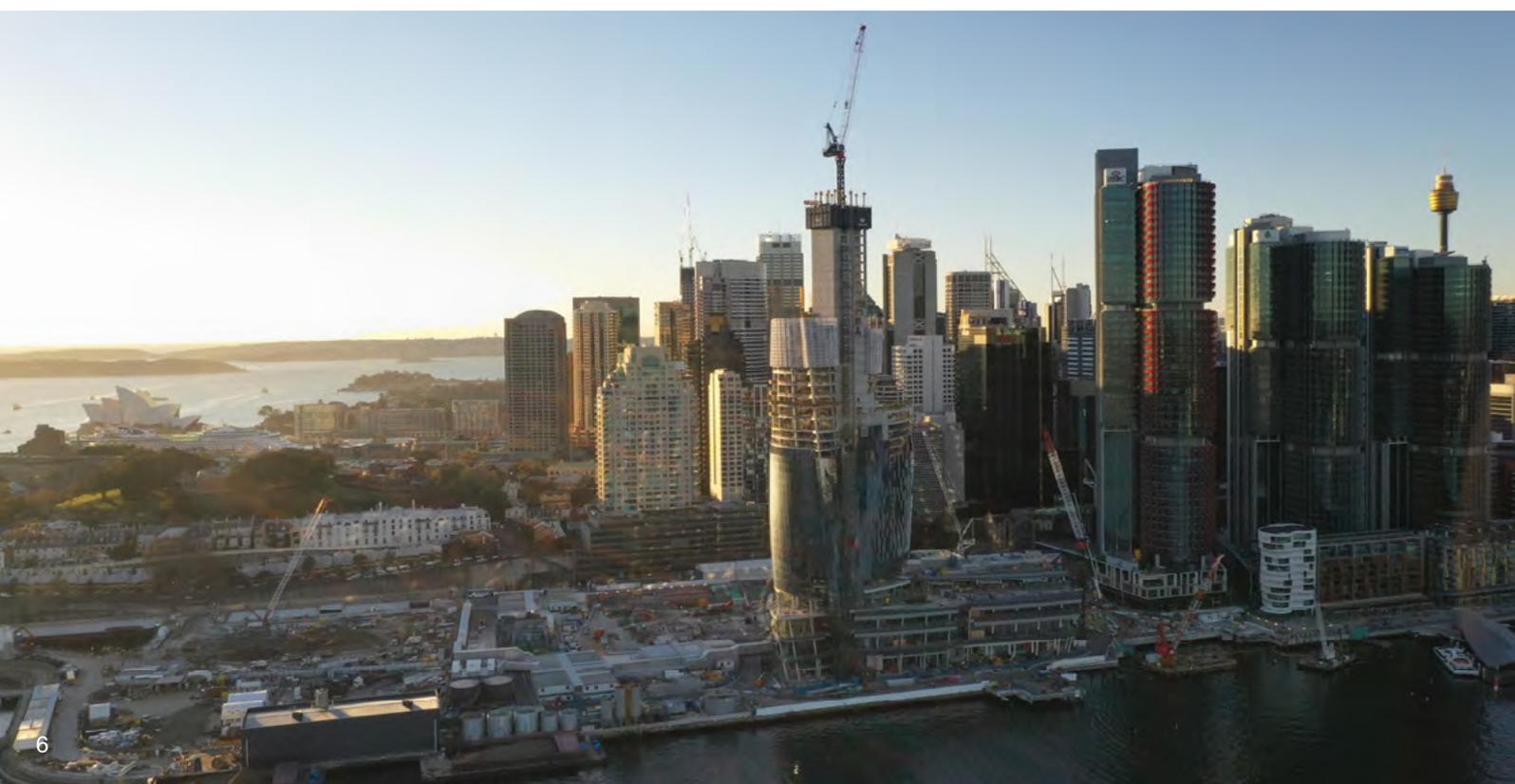
Overseas, Crown owns and operates Crown Aspinalls in London, one of the high-end licensed casinos in the West End entertainment district.

Crown also holds a 50% equity interest in Aspers Group, the UK-based regional casino operator, and a 20% interest in Nobu, the lifestyle hotel and restaurant brand.

CROWN DIGITAL

Crown's wagering and online social gaming operations comprises Betfair Australasia, a 100% owned online betting exchange, and DGN Games, an 85% owned online social gaming business.

In addition, Crown equity accounts its investment in Chill Gaming (50% owned).



INDULGENT SPAS



LUXURY RETAIL



SOPHISTICATED BARS



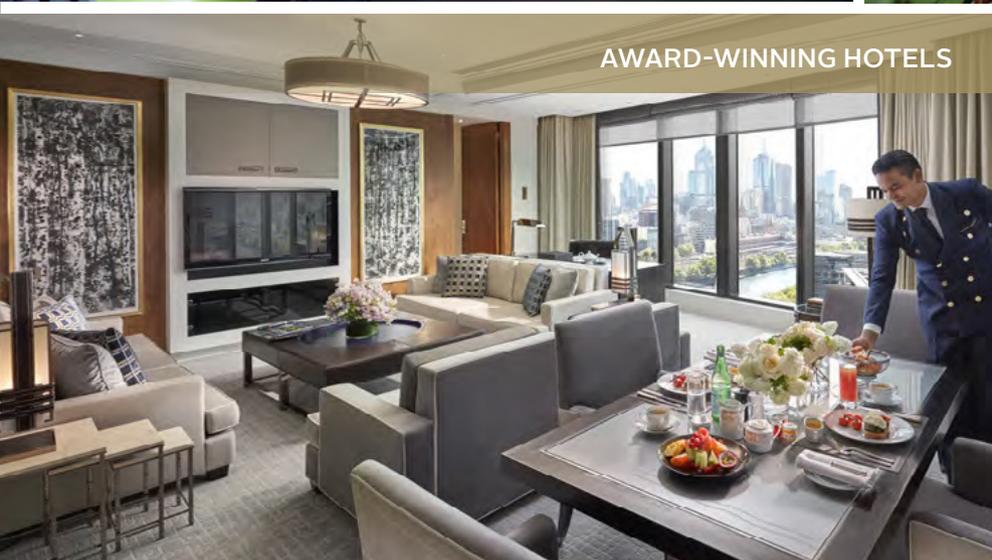
SIGNATURE RESTAURANTS



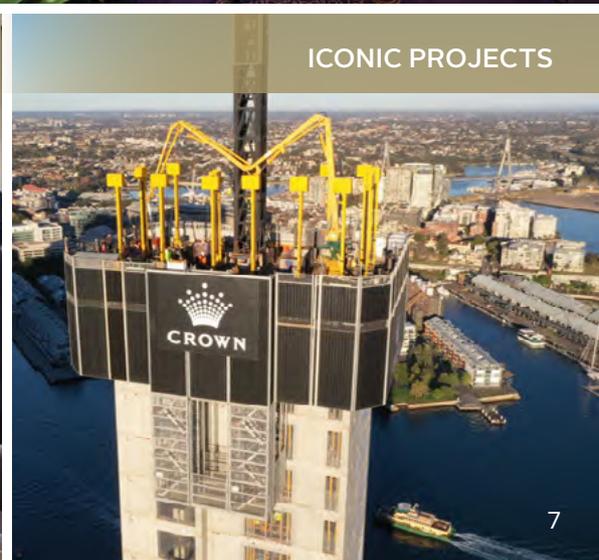
WORLD-CLASS GAMING



AWARD-WINNING HOTELS



ICONIC PROJECTS



Australian Resorts



Crown Melbourne

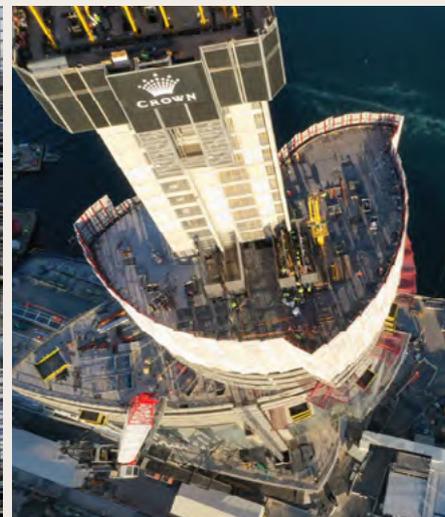
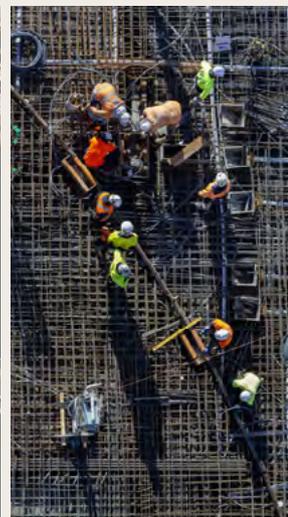
- Crown Melbourne is Australia's leading integrated resort and one of the most visited tourist destinations in Australia with its dynamic and diverse facilities.
- Crown Melbourne is licensed to operate 2,628 gaming machines and 540 gaming tables.
- The resort currently features three hotels:
 - Crown Towers Melbourne (481 guest rooms);
 - Crown Metropol Melbourne (658 guest rooms); and
 - Crown Promenade Melbourne (465 guest rooms).
- The 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 located in the resort, including many of Melbourne's finest.
- Crown Melbourne's retail precinct features prestigious designer brands and luxury retail outlets.
- Crown Melbourne attracted over 22 million visits to the casino during the period and remains Victoria's largest single-site private sector employer, with over 12,500 people working across the resort.



Crown Perth

- Crown Perth is one of Western Australia's largest tourist destinations, with an exceptional range of entertainment and tourism experiences.
- Crown Perth has approval to operate 2,500 gaming machines and 350 gaming tables.
- The resort features three hotels:
 - Crown Towers Perth (500 guest rooms);
 - Crown Metropal Perth (397 guest rooms); and
 - Crown Promenade Perth (291 guest rooms).
- Large-scale entertainment facilities include the 1,500-seat Crown Ballroom and 2,300-seat Crown Theatre Perth, along with world-class convention facilities.
- A premium selection of restaurants and bars are located across the resort in addition to casual dining options.
- Crown Perth attracted over 10 million visits to the casino during the period and remains Western Australia's largest single-site private sector employer, with over 6,000 people working on site.

Australian Projects



Crown Sydney

- Crown Sydney, located at Barangaroo on the foreshore of Sydney Harbour, will be the city's first six-star hotel and a landmark building with views of some of Australia's most celebrated icons, the Sydney Harbour Bridge and Sydney Opera House.
- The Crown Sydney Hotel Resort will include 349 hotel rooms and suites, luxury residences, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.
- Construction of the project is well advanced with the tower past the halfway mark and the fit out of the hotel guestrooms and suites progressing through the lower floors of the structure. The podium structure is complete with exterior glazing and façade work well advanced, enabling interior fit out activities to be progressed in all areas of the podium.
- Sales are well advanced for the residential component of the project, "One Barangaroo", with the first residents expected to be settling and moving into the building in the first half of 2021.



Proposed concept render



Proposed concept render



Proposed concept render

One Queensbridge

- Crown holds a 50% ownership interest in the One Queensbridge development site which is strategically located adjacent to the Crown Melbourne entertainment complex, with the remaining 50% interest held by the Schiavello Group.
- Crown has reached an agreement to purchase the Schiavello Group's 50% ownership interest in the site as well as all pre-development assets, including all intellectual property and designs for the project, for approximately \$80 million. The transaction remains subject to long-form agreements between Crown and the Schiavello Group.
- The purchase represents Crown's continued investment in Victoria and the Southbank arts and entertainment precinct. The One Queensbridge site is conveniently located adjacent to the Forbes Five-Star rated Crown Towers hotel and is capable of supporting a fourth Crown hotel which would deliver significant economic and tourism benefits to Victoria, including additional employment and training opportunities.

- The majority of the construction work is being undertaken by Australian businesses, creating hundreds of construction jobs and benefitting the New South Wales economy.
- Crown Sydney remains on schedule for completion in the first half of calendar year 2021. The total gross project cost is expected to be approximately \$2.2 billion, with approximately \$1.1 billion invested to date, whilst the net project cost is expected to be approximately \$1.4 billion.

International Interests

Crown Aspinalls

- Crown Aspinalls is one of the licensed high-end casinos in London's prime West End entertainment district. Nestled in the heart of Mayfair, Crown Aspinalls 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 Aspinalls was \$6.4 million, down 46.5% on the prior period. This reflects continued difficult trading conditions across the London high-end casino market.
- Reported EBITDA for the period was \$5.7 million, down 54.3% on the pcp. The reported EBITDA result takes into account an unfavourable variance from the theoretical VIP program play result which had a negative EBITDA impact of \$0.7 million. This compares to a positive EBITDA impact of \$0.4 million in the prior period.

Aspers Group

- Crown holds a 50% interest in the Aspers Group, which operates four regional casinos in the United Kingdom, in Newcastle, Stratford (London), Milton Keynes and Northampton (the latter in a joint venture with Kerzner UK Limited).
- Crown equity accounts its investment in Aspers Group.

Nobu

- Crown holds a 20% interest in Nobu, one of the world's most recognised lifestyle hotel and restaurant brands. The other investors in Nobu are Nobu Matsuhisa, Robert De Niro and Meir Teper.
- Nobu operates 15 owned restaurants, 25 international licenced restaurants and manages nine Nobu hotels. The restaurant business has a pipeline of three new owned restaurants and nine new licensed restaurants. The managed hotels business has a pipeline of eight new hotel openings.
- Crown equity accounts its investment in Nobu.



Crown Digital

Crown Digital includes EBITDA from Crown's wagering and online social gaming operations comprising Betfair Australasia and DGN Games and its equity accounted investment in Chill Gaming.

EBITDA from Crown's wagering and online social gaming operations was \$26.1 million, down 2.7% on the prior period. The prior period included the consolidated operating results of CrownBet, which was sold by Crown in February 2018.

Betfair Australasia

- Betfair Australasia is 100% owned by Crown and provides access for Australian and New Zealand customers to the world's leading betting exchange.
- During the 2019 financial year, Betfair Australasia showed solid revenue and EBITDA growth, despite the introduction of the Point of Consumption Tax across a number of States during the period.

DGN Games

- DGN Games is 85% owned by Crown and is a developer of online social games. DGN's online social game titles include "Old Vegas Slots", a classic 3-reel game, and "Lucky Time Slots", a 5-reel game.
- Despite growing revenue and EBITDA year-on-year, DGN is facing a more challenging operating environment with greater competition and growing user acquisition costs.
- Following a re-forecast of future earnings of the DGN Group, Crown has reduced the contingent consideration payable to the former owners of the Winners Club by \$48.9 million and has also reduced goodwill relating to the acquisition of DGN by a corresponding \$48.9 million, resulting in a \$nil profit and loss impact.

Chill Gaming

- Chill Gaming is a 50/50 joint venture between Crown and New Gaming Pty Ltd, which is owned by the founders of Wymac Gaming Solutions. Chill Gaming will focus on innovation and developing new entertaining products.
- Crown equity accounts its investment in Chill Gaming.



Australian Resorts Business Update



Barry Felstead
CEO, Australian Resorts

Crown's Australian resorts' full-year result reflected subdued market conditions, with total normalised revenue declining by 5.4% on the prior comparable period.

This decline was primarily due to the reduction in VIP program play revenue. VIP program play turnover at Crown's Australian resorts of \$38.0 billion was down 26.1%, reflecting the challenging trading conditions in the international VIP market.

Crown's Australian resorts are some of the finest resorts in the world and visitation numbers to both Crown Melbourne and Crown Perth increased on the prior year. However, a lower average spend per patron contributed to a decline in revenue, reflecting the subdued economic conditions in both markets.

Main floor gaming revenue increased 0.5% with modest growth in Melbourne offset by continued softness in Perth, particularly for the table games business.

Normalised EBITDA declined 9.2% for Crown's Australian resorts, primarily due to the soft result in VIP program play and lower margins in the local business. The decline in margin was largely due to the subdued revenue results, increased labour costs in both properties and fixed cost increases.

Our People

Crown Melbourne and Crown Perth are significant employers and are the largest single-site private sector employers in both Victoria and Western Australia respectively, with approximately 18,500 people working across the resorts.

Crown's employees are instrumental in ensuring that Crown consistently delivers world-class customer experiences. Crown is committed to providing its employees with meaningful learning and development opportunities, allowing staff to develop tangible career pathways.

With an impressive 23-year award-winning history in the training sector, specialising in hospitality, patisserie, commercial cookery and management, Crown's dedicated training facility, Crown College, delivers on this commitment. Crown College is a Registered Training Organisation operating under the Australian Qualifications Framework across four levels. In the 2019 financial year, over 870 employees were enrolled in Certificates III and IV, and Diploma level qualifications, with over 8,500 apprentices and trainees graduating since the inception of Crown College.

Crown's commitment to inclusive employment practices has continued to strengthen throughout the 2019 financial year. Crown has in place a range of programs, plans and employee networks which support Crown's people.

Crown's first Gender Action Plan (GAP) will be published in 2019, which strengthens a longstanding commitment to gender equity. The GAP complements the work being done through the Male Champions of Change program nationally and CEOs for Gender Equity in Western Australia.

Crown has also become a key sponsor of Women in Gaming and Hospitality (WGH), which is the gaming industry's not-for-profit organisation for the advancement of women in gaming and hospitality. Crown is represented on the WGH Board.



Crown is currently progressing the implementation of a Crown Pride Action Plan, which will detail formal commitments to LGBTIQ+ inclusion.

These plans are in addition to the well-established Reconciliation Action Plan (RAP) and the CROWNability Action Plan (CAP).

Crown's award-winning Indigenous Employment Program (IEP) continues to impact positively on the lives of hundreds of Aboriginal and Torres Strait Islander people in Australia. Currently, Crown is on track to deliver on its parity agreement with the Department of Prime Minister and Cabinet of a 3.1% Indigenous workforce. Crown's IEP has provided more than 850 Indigenous employment opportunities with a consistent focus on hiring, developing and retaining employees.

Health, Safety & Employee Wellbeing

Crown has continued to improve its health and safety practices, with a number of key achievements and developments throughout the year.

Having acknowledged Crown's consistent health and safety practices, WorkSafe Victoria granted Crown Resorts a further six-year approval to act as a self-insurer in Victoria. The strength of Crown's Health & Safety Management System, CrownSAFE, also resulted in Crown Perth achieving a significant reduction in its premium rates for workers compensation.

The Mental Health Awareness Program for managers and supervisors continues to be implemented in Melbourne and Perth. To further support the program, Mental Health Risk Management guidelines have been developed and implemented. In addition, Mental Health First Aid training has been provided to key internal personnel to increase the capability and confidence of Crown managers when dealing with general mental health situations.

Industrial Relations

Crown is committed to managing industrial relations through open and effective relationships with employee associations and acts in good faith in all dealings with these associations.

Crown has five collective bargaining enterprise agreements which cover the majority of frontline staff and some management level employees.

Commitment to Responsible Gaming

The responsible service of gaming and engagement with harm minimisation practice is at the core of Crown's delivery of its gaming product. A comprehensive responsible gaming framework has been developed around three core principles:

- Awareness – supporting harm minimisation by building awareness of responsible gaming programs and services for staff and customers;
- Assistance – contributing to harm minimisation by providing assistance to customers in managing their gaming behaviours; and
- Support – delivering a supportive environment where the potential for harm is minimised and a culture of responsible gaming support is embedded in the organisation.

Crown's responsible gaming framework balances responsible practices, harm minimisation, regulatory and policy requirements along with an internal perspective based on regular review and incorporation of relevant global benchmarks. Crown seeks to employ a variety of methods including training and technology to assist customers and deliver products in a way that balances customer enjoyment and harm minimisation.

The responsible gaming effort is led by the Crown Responsible Gaming Committee, chaired by Independent Director Professor John Horvath AO. The Committee monitors Crown's responsible gaming initiatives and recommends policies and procedures to enhance the effectiveness of those programs and services, as well as promoting continuous improvement and responsible gaming awareness across the business.

Crown ensures it remains at the forefront of national and international progress via participation in working groups, committees and conferences. Locally, both Crown Melbourne's and Crown Perth's responsible gaming departments liaise closely with Gambler's Help, Gambling Help services and a variety of community groups.

In Victoria, Crown Melbourne is a member of the Responsible Gambling Ministerial Advisory Council and participates in the Victorian Responsible Gambling Foundation Industry Forum and the Gambling Harm Awareness Week Reference Group. In Western Australia, Crown Perth is a member of the Problem Gambling



Australian Resorts Business Update *continued*

Support Services Committee and the Gaming Community Trust Committee, as well as the Responsible Gambling Awareness Week Planning Committee.

Responsible Gaming Centres are a Crown initiative and have been a feature for many years at each of Crown's Australian resorts. Each Centre operates 24 hours a day, seven days a week, and are the focal points for the provision of responsible gaming services and programs, which are provided on a free and confidential basis.

Employee training and ongoing education in relation to responsible gaming at each Australian resort provides appropriate skill sets and guidelines for interaction with employees and customers. The training is delivered using a blended model of facilitator led and online programs. Employee and customer communication is regularly reviewed and delivered using a variety of communication channels.

Each year, Crown's Australian resorts participate in, and generate activities for, each of the respective States' responsible gambling awareness weeks. At Crown Melbourne, Gambling Harm Awareness Week, and at Crown Perth, Responsible Gambling Awareness Week, are promoted for customers and employees with information and activities provided throughout the week, culminating in special events recognising Crown's commitment to responsible gaming.

Over the past 12 months, Crown has worked extensively to invest in technology and resources to advance new, and refine existing, harm minimisation measures. Crown will continue to develop and maintain engagement with relevant stakeholders to ensure Crown has the appropriate systems in place to assist with harm minimisation.

Crown Melbourne

Overview

Crown Melbourne is one of the region's leading integrated resorts and a key driver of international and interstate visitation to Victoria.

Its reputation for award-winning luxury experiences and exceptional hotel, gaming and entertainment facilities has attracted over 22 million visits to the casino during the 2019 financial year period.

Crown Melbourne remains Victoria's largest single-site private sector employer with over 12,500 people working across the resort.

Property Update

Crown Melbourne saw a number of new capital initiatives implemented during the 2019 financial year.

Crown Towers' ongoing room upgrade program continued with a number of its premium suites and villas refurbished during the year. The Teak Room received an expansion to accommodate patrons in a new environment. In Events and Conferencing, Crown launched Crown Aviary, an all-weather event space located on the rooftop of Crown Towers, which proved to be very popular for events and weddings. In retail, Crown welcomed the Fun Lab Group to the Crown Metropolis Precinct, with the launch of three new entertainment brands: Holey Moley, Red Herring and Juke's.

Local Gaming

Crown Melbourne's increased investment in new gaming machine products and ancillary equipment continued this year, with the property being first to the Victorian market with a number of new titles, whilst continuing to expand Crown's installation of proven successful games, such as Aristocrat's Dragon Link. The business also upgraded its Teak private gaming room and introduced new features through its gaming systems, including machine reserve functionality in the premium gaming rooms, to enhance customer experience.



Crown Melbourne has also continued to invest in the latest electronic table game products and supporting amenities. The business is utilising technology to better match the availability of live table games with customer demand, which fluctuates depending on the time of day and the day of the week. An enhanced presence in key domestic markets also saw a greater number of premium interstate guests visit Crown Melbourne in this financial year.

A highlight of the casino calendar is the Aussie Millions Poker Championship. This year's event was no exception with attendees from 45 countries participating in 27 events and a total prize pool in excess of \$30 million. Entries to the Main Event exceeded last year's, setting a new record and creating a prize pool of \$8.2 million and a first prize of \$1.8 million. The event is firmly established as a mainstay of the international poker circuit, evidenced not only through the number of physical attendees, but also via the more than 140,000 poker enthusiasts from around the globe who viewed the live stream of the event.

VIP Program Play

Normalised VIP program play revenue at Crown Melbourne was \$441.4 million, down 25.4% with turnover of \$32.7 billion.

Hotels

Crown Melbourne features more than 1,600 guest rooms across three luxury hotel brands – Crown Towers, Crown Metropol and Crown Promenade. Together, the three hotels hosted over 866,000 guests during the year and again achieved an impressive combined occupancy of approximately 94%.

The hotel digital strategy saw further personalisation of Crown Direct, an online portal that allows hotel customers to receive exclusive benefits when they book directly with Crown. Social media content was focussed on conveying the breadth of experience only Crown can deliver to drive increased leisure visitation to the hotels and build brand engagement.

Crown Towers retained the prestigious Forbes Travel Guide: Global Five-Star Award in 2019 and is still the only hotel in Melbourne to achieve this status.

Additional accolades include:

- Crown Spa Melbourne being awarded the Four-Star Award at the Forbes Travel Guide Star Awards;
- Crown Towers winning the Deluxe Accommodation Hotel of the Year category at the 2019 Tourism Accommodation Australia (Victoria) Awards for Excellence. A Crown Towers staff member also won the Hotel Industry Rising Star Award at the same event; and
- all three hotel brands being acknowledged with a Certificate of Excellence and Hall of Fame awards at the 2019 TripAdvisor Travellers' Choice Awards.

Food and Beverage

Crown Melbourne continues to dazzle Melbourne's culinary scene with an unrivalled mix of award-winning restaurants and bars including leading global culinary brands such as Nobu.

The reputation of Crown's signature restaurants has been further enhanced by media coverage from food, travel and lifestyle media globally. As well as restaurant reviews, bespoke events included Nobu's collaboration with renowned Tokyo-based Chef Umi, Chef Guillaume Brahimi hosting the Moët Imperial 150th Anniversary celebrations and the new format 2019 Wine Dinner Series of Events including the RunRig signature dinner at Silks; and bespoke menus featuring Leeuwin Estate and Coonawarra Estate at Bistro Guillaume.

Crown also proudly partnered with the Australian Open and Caulfield Cup Carnival to take Crown dining brands directly to event consumers who enjoyed pop-up Nobu, Bistro Guillaume and San Antone dining experiences at these major sporting events.

Crown's 2019 Melbourne Food & Wine Festival activation delivered eight innovative food experiences across the dining portfolio, including a lauded joint event with Ruinart and Bistro Guillaume and a modern Nobu Sake event. These events were executed both within Crown venues and along the riverside, delivering strong crowds.

The casual dining portfolio saw new menus and the seasonally released meal campaign drive strong foot traffic, offering customers new experiences and dishes delivered by Crown chefs using fresh seasonal ingredients.



Crown's bar offering continued the journey of elevating the in-venue experience for patrons, with the launch of The Pub and by delivering market-first and collaborative customer activations with Crown's beverage partners. This included the Heineken Melbourne Grand Prix and Carlton Draught AFL Season campaigns, activation of the Johnny Walker Game of Thrones Limited Edition product launch, as well as Budweiser, Moët and Piper-Heidsieck promotions during major events including the Super Bowl, Australian Open, State of Origin, Spring Racing Carnival and the Christmas period.

Additionally, Crown saw the Rockpool Group expand its offering, launching R Bar in the lobby of Crown Towers. A Gatsby-inspired cocktail bar with Golden Age Art Deco influences, R Bar showcases a curated list of classic and contemporary drinks inspired by the world's best hotel lobby bars.

Events, Conferencing and Entertainment

This year's major live performances at The Palms offered both diversity and a shift towards longer running shows. Sell-out performers included Kitty Flanagan, Giannis Ploutarhos and James Reyne (who took up a permanent residency for the first Saturday of every month for 2019). The highlight of the calendar was the return of the much anticipated Legends in Concert, the longest running tribute show in Las Vegas. The cast performed an impressive 20-day season with over 12,000 tickets sold. Crown's nightclubs continued to secure top global artists and DJs including Bow Wow, Tigerlily, Havana Brown, Jay Sean, Will Sparks and many more.

Events and Conferencing had a strong year due to the launch of Crown Aviary, a new contemporary event space nestled on the rooftop of Crown Towers with spectacular city skyline views. Crown Melbourne again continued to be at the forefront of events in Australia with over 1,500 events and conferences booked for the year. The largest events included the Visy 70th Anniversary Celebration, the Mortgage Choice National Conference, the CPA Congress Melbourne, the Countrywide National Meeting and the AIOH Conference. Key charitable events hosted at Crown Melbourne included the Million Dollar Lunch and the Sony Foundation charity event River4ward.

Our retail portfolio continues to see the outputs of a concerted strategy to deliver diversification and new entertainment experiences for Crown consumers. Fun Lab Group, a global innovator in out-of-home entertainment, launched three new brands in the Crown Metropolis Precinct with Holey Moley, mini golf with a twist of pop culture; Red Herring, four unique escape rooms; and Juke's, ten 1970's themed karaoke rooms.

Crown Perth

Overview

Crown Perth is the only fully integrated entertainment resort in Western Australia and has established a new standard for integrated entertainment experiences with a range of high quality assets. As a premium tourist destination, Crown Perth attracted over 10 million visits to the casino in the 2019 financial year.

Crown Perth remains Western Australia's largest single-site private sector employer with over 6,000 people delivering its awarded five-star service experience across the resort.

Property Update

Having achieved the status of one of Australia's leading tourist destinations, Crown has focussed over the last 12 months on enhancing the customer experience through the introduction of a series of innovative training and leadership initiatives. In 2019, more visitors than ever before have come to experience Crown Perth's range of hotels, bars, restaurants and theatre shows. During the year Crown Perth also hosted a range of visiting global names such as Manchester United FC, Roger Federer, Chelsea FC and the *Aladdin* cast.

Local Gaming

The 2019 financial year saw a continuation of subdued trading conditions, with key economic indicators receding further. Consistent with this environment, main floor gaming revenue declined 2% against the prior year, driven by the table games business which declined 6%. Encouragingly, Crown Perth experienced growth in visitors, which reinforced the success and resonance of the cross-property Value Campaign in a challenged market. Crown also invested in new games across both gaming machines and electronic table games.



VIP Program Play

Normalised VIP program play revenue at Crown Perth was \$72.0 million, down 30.1% with turnover of \$5.3 billion.

Hotels

Crown Perth features approximately 1,200 guest rooms across three luxury hotel brands – Crown Towers, Crown Metropol and Crown Promenade. Crown maintained its position as the market leader within the Perth market, accommodating 572,000 guests throughout the year at a combined occupancy of approximately 81%.

Overall market conditions for hotel accommodation remained subdued in Perth during the 2019 financial year. Increased room inventory from new hotel openings placed downward pressure on average rates and occupancies. Contrary to this, Crown Perth's average rates grew and continue to significantly exceed the wider market.

Crown Towers was a host property for the 2019 Australian Tourism Exchange which welcomed international industry buyers and sellers to Perth. It also hosted the opening event for over 2,000 people around the Crown Towers poolside.

Crown Perth Hotels were recognised across a number of award categories throughout the year including:

- Crown Towers being awarded the Australian Hotels Association's Best Deluxe Hotel for Western Australia and the Best Luxury Accommodation by the Tourism Council WA. Crown Perth was also awarded the Best Business Event Venue award by the Tourism Council WA; and
- Crown Spa being recognised as the Resort Spa of the Year, Asia and Australasia at the World Spa & Wellness Awards in London.

Food and Beverage

Despite subdued trading conditions, premium restaurants and bars including Epicurean, Nobu, The Waiting Room and the Crown Towers Poolside Bar proved resilient. Main gaming floor restaurants Carvers, 88 Noodle Bar, Junction Grill and Cotta also experienced increased patronage, primarily as a result of the Value Campaign and a number of popular sporting events being held throughout the year such as the FIFA World

Cup, 2018 AFL finals series, EPL, 2019 AFL season and the State of Origin Game II, which was held at Optus Stadium. From mid-July to October 2018, there was also increased traffic pre and post shows during the season of Disney's *Aladdin*, which played in Crown Theatre.

Crown continues to be recognised for the quality of its restaurants and bars. The premium restaurants received two Gold Plate Awards at the Catering Institute of Australia's 2018 Gala Ball: Epicurean received the Best New Restaurant Award; whilst Silks Restaurant was officially inducted into the Hall of Fame. At the 2018 AHA Aon Hospitality Awards of Excellence, Crown Perth won three categories including the Sporting Entertainment Venue Award for Crown Sports Bar, Merrywell won WA's Best Steak Sandwich, whilst The Waiting Room won the Bar Team Award. Nobu picked up the Best Restaurant – Metropolitan Award at the 2018 AHA National Awards for Excellence, and during the year a number of Crown employees won individual accolades for their professionalism and skills.

Events, Conferencing and Entertainment

Despite a highly competitive market, Crown attracted over 1,100 events and 182,000 delegates to Crown Perth's convention facilities this year.

The sales team held two Styling Showcases which focussed on showcasing the glorious Crown Ballroom and the Crown Towers Great Lawn. Another first for the team was holding the Australian Tourism Exchange (ATE) Welcome Event by the Crown Towers Poolside for over 2,000 guests. Crown Perth's premier event venues also secured a number of large events during the year including the APPA National Conference, WIN CONNECT, TEMC 2018 Conference, HIA 2019 National Conference, FoodWorks Conference and hosting Chelsea FC.

Crown Theatre held 117 performances of Disney's *Aladdin* which attracted in excess of 206,000 patrons. The Theatre also held many short season and one-night performances, such as *Madiba The Musical* and *Tim Minchin: Back 2019*.



Corporate Responsibility

Our People

Crown's Purpose and Values

Over the course of the 2019 financial year, teams from Crown Melbourne and Crown Perth embarked on a journey to focus even more on ensuring employees and customers are at the heart of everything Crown does. This included developing Crown's 'Purpose' and 'Values'.

Crown's purpose statement – *'Together we create memorable experiences'* – captures the belief that, as a team, Crown has the ability to create experiences that are worth remembering and that Crown is able to develop an emotional connection with customers and colleagues.

In delivering those experiences, Crown adheres to its four key values:

- We act respectfully;
- We are passionate;
- We work together; and
- We do the right thing.



Together we create memorable experiences



Moving forward, these values will be embedded into all employment practices including Crown's Reward & Recognition programs, leadership courses and associated professional behaviours across Crown Melbourne, Crown Perth and, soon, Crown Sydney.

Crown College

Crown is committed to creating genuine opportunities through employment. Crown's dedicated training facility, Crown College, is a Registered Training Organisation which specialises in hospitality, tourism, commercial cookery and management. Crown College enables employees to receive on-site access to world-class training and development

programs. The training that employees undertake at Crown College is relevant to their roles and is nationally recognised through its alignment with the Australian Qualification Framework.

Crown is a leader in the tourism industry with Crown College Perth being named by the Tourism Council of WA as the Gold winner for Tourism Education and Training for the third year in a row. This is the sixth consecutive year that Crown has won this category across the combined state tourism awards, with Crown College Melbourne winning in 2013, 2014 and 2015 and receiving Hall of Fame status in 2015. Crown Perth also won the Training Initiative Award at the 2017 AHA Awards for Excellence. Crown's aim is to create career pathways for its employees and, in the 2019 financial year, over 870 employees were enrolled in Certificates III and IV, and Diploma level qualifications. Since its inception, over 8,500 apprentices and trainees have graduated from Crown College.

In 2015, Crown established a program to provide 500 training places in Certificates II and III through Crown College for retrenched Victorian workers affected by industry restructuring, in partnership with the Victorian Department of Education. The program has since been expanded to Indigenous Australians, people who have been affected by family violence and those who are disadvantaged in the workforce. The initiative continues to progress and has received over 1,000 enquiries since its inception. To date, there are 263 active enrolments in the program and 101 program graduates have gained employment within the hospitality and security industries.

Crown College International

In July 2017, Crown significantly expanded the training programs offered with the opening of Crown College International.

Crown College International provides vocational education and training for international students, specialising in qualifications in hospitality, tourism and management. The high quality and innovative programs at the college are expected to create pathways for students from all over the world who graduate job-ready to meet industry needs.

As of 30 June 2019, Crown College International has had over 400 applications, a student mix of 21 countries and is showing signs of continued growth.



Crown Community

Overview of Crown Community

Crown's approach to diversity and inclusion ensures that Crown's workplace remains a dynamic, positive environment where all employees feel valued in their role and comfortable and confident in bringing their whole self to work every day.

Our diversity and inclusion strategy focusses on Crown's people and encompasses several programs including the Indigenous Employment Program, CROWNability, Gender Equity, Crown Pride, as well as the Family Support Network and the Cultural and Linguistic Diversity Employee Network. Crown also has an active environmental sustainability program.

Crown also recognises its responsibility to the communities in which it operates, and is proud to support a number of charities, employee-led community programs such as the Community Champions, as well as the work undertaken through the Crown Resorts Foundation.

These are just some of the official programs to support Crown's diversity and inclusion strategy but they do not exist in isolation. Crown recognises that diversity and inclusion is about acknowledging intersectionality. The individual groups employees identify with cannot be compartmentalised and Crown recognises that people can simultaneously belong to multiple groups.

Indigenous Employment Program

Crown's award-winning Indigenous Employment Program (IEP) is designed to make a positive impact on the lives of Aboriginal and Torres Strait Islander people in Australia. Currently, Crown is on track to deliver on its parity agreement with the Department of the Prime Minister and Cabinet of a 3.1% Indigenous workforce. Crown's IEP has provided over 850 Indigenous employment opportunities with a consistent focus on hiring, developing and retaining employees.

Crown's sponsorship of the iTradies program is central to Crown Sydney's Indigenous employment efforts. Fourteen Indigenous men and women have graduated from the program with a Certificate I in construction, which allows them to pursue further opportunities in the building industry. Crown remains a member of the select

'Elevate' group with Reconciliation Australia. 'Elevate' status is the highest level of endorsement granted by Reconciliation Australia and affirms that Crown is a leader in advancing national reconciliation. The dedicated Reconciliation Action Plan (RAP) steering committees across Melbourne and Perth have determined that the third RAP will focus on identifying the strengths of Indigenous employment and championing these within the wider industry.

The 2019 financial year has seen more employee engagement and awareness initiatives as well as success stories from Crown's Indigenous employees in relation to career development and personal achievements. Crown will continue to work collaboratively with other businesses and external stakeholders to ensure that Crown achieves targets beyond direct employment, including procurement, community and cultural awareness outcomes.

CROWNability

Crown is one of Australia's most significant private sector employers and is dedicated to creating an accessible and inclusive environment for all employees and patrons. Launched in 2014, CROWNability is an employment program that provides people with disability an opportunity to build an employment pathway within Crown. The vision for CROWNability is to create an experience of access and inclusion for all. The goals of the program are to:

- increase the participation of people with disability in Crown through employment opportunities;
- build meaningful careers; and
- build a disability confident organisation.

Working proactively with industry partners and stakeholders, CROWNability has provided job opportunities for more than 420 people with disability, whilst maintaining a 68% retention rate.

CROWNability recognises that there is more that the program can do to transform perceptions of disability and provide meaningful employment both within Crown and beyond. The 2018-2021 CROWNability Action Plan is strategically focussed to go beyond employment to impact Crown's broader organisation and the wider community. Crown's access and inclusion strategy also addresses associated premises, suppliers and partners, information communication technology, learning and development,



communication and marketing, and recruitment and selection functions.

Crown recognises and celebrates the International Day of People with Disability through employee activations and, on occasion, external activations.

Crown is proud that Kurt Fearnley AO, an Australian Paralympic gold medallist, continues to represent Crown as the CROWNability ambassador. A finalist in Australian of the Year 2018, Kurt is tireless in his promotion of positive attitudes towards disability and opportunities for people with disability and Crown is honoured that he is associated with this important program.

Gender Equity

Crown has worked diligently to progress Gender Equity, including through its membership of both the national Male Champions of Change program and Western Australia's CEOs for Gender Equity.

Crown's first Gender Action Plan (GAP) will be published in 2019, which strengthens its longstanding commitment to gender equity. Crown's GAP focusses on five key themes of Attraction & Retention, Promotion, Development, Flexibility and Cultural Change & Communication. These focus areas were developed through consultation with the business and by assessing what changes will make a positive impact on employees. The actions outlined in Crown's GAP for the next three years will continue Crown's push towards gender equity.

The Gender Fitness digital initiative was launched in December 2017 to deliver an improved gender balance across Crown. It is an in-house IT solution that contributes to Crown's diversity and inclusion strategy by capturing real-time data from meeting interactions. It is designed to increase awareness of diversity and inclusion, asking meeting attendees to anonymously and securely answer two questions after each meeting to monitor how inclusive, balanced and relevant the meeting was.

In November 2018, Crown extended its domestic violence support to employees through uncapped paid leave for full-time and part-time employees experiencing domestic violence and uncapped unpaid leave for casual employees.

In the 2019 financial year, Crown became a corporate sponsor of Women in Gaming and Hospitality Australasia (WGH), an industry driven not-for-profit organisation for advancing women in gaming and hospitality. Through this sponsorship, Crown has hosted several networking and professional development sessions, participated in the Women Ahead mentoring program and actively participates in monthly communications designed to bring awareness to matters of Gender Equity. To enhance Crown's commitment and support, a member of Crown's Executive Team holds a position on the WGH Board.

Crown's work in Gender Equity also presented an opportunity to expand its program to support employees in their personal lives. As such, in February 2018, the Family Support Network launched at Crown Melbourne and further network events were held during the 2019 financial year to increase awareness of the support services offered throughout the business. Crown Melbourne's Cultural and Linguistic Diversity Employee Network is also currently developing a strong framework to further support Crown employees from varying backgrounds. The network will also expand into Crown Perth in the future.

Crown Pride

Crown's commitment to an inclusive community continues to progress through the development of the Crown Pride Action Plan. Supported by an established LGBTIQ+ Steering Committee framework and built on a foundation of positive Australian Workplace Equality Index results and a symbiotic relationship with Pride in Diversity, the development of the Crown Pride Network represents the next significant step in delivering a workplace where Crown employees can confidently and comfortably bring their whole selves to work.

Crown Staff Club

The Crown Staff Club in Melbourne is a membership-based independent not-for-profit organisation established in 1995. Crown employees manage and operate the Crown Staff Club on behalf of the members.

The Crown Staff Club has experienced substantial growth over the past few years with the 2019 financial year the biggest year to date with a membership base of almost 4,000 members.



All funds generated throughout the year by the Crown Staff Club are given back to members in the form of member benefits and discounts such as retail and cinema vouchers, functions, theatre and concert tickets, leisure activities, sporting events, free WiFi, phone charging facilities and private coach day tours.

Environmental

Crown takes a group-wide approach to environmental sustainability, aligning strategies and programs that further reduce the environmental impact and contribute to developing more sustainable practices, focussing on three key areas: energy, waste and water management.

Crown's environmental sustainability program, CROWNEARTH, was introduced with a clear aim to deliver strategy, plans, actions and outcomes in environmental sustainability. The CROWNEARTH brand is instantly recognisable by managers and employees alike and signifies Crown's commitment to the three pillars of sustainability: people, planet and prosperity.

Crown's well-established, employee-led CROWNEARTH Committees remain very active, focussing on numerous energy, water and waste management initiatives, as well as community focussed projects to improve the overall sustainability performance of the business.

During the 2019 financial year, Crown achieved a reduction in overall energy consumption (GJ) by 4% across Perth and Melbourne and a reduction of 4% energy consumption per area (GJ/m²).

Crown's Recycle90 Program continues to be integral to Crown's overall waste management strategy with approximately 70% of Crown's waste diverted from landfill.

Crown Hotels recycle approximately 40 tonnes of soft linen per year; linen that is typically still in very good condition but no longer up to Crown hotel standards. CROWNEARTH volunteers, in partnership with housekeeping staff, coordinate the distribution of blankets, pillows and dressing gowns to various charitable organisations for reuse. Some of these organisations include The Lost Dogs Home, The Lort Smith Animal Shelter, Safe Steps and The Salvation Army.

Crown was pleased to recently commence a unique and innovative program to upcycle laundered hotel bed linen into reusable tote bags for employee giveaways – the bags are made by employees, for employees. Crown's upholstery team cuts out the patterns; volunteers attend sewing bees to stitch the bags, with assistance and guidance provided by Crown's Seamstress team – a true collaborative effort with the tote bags being very popular items amongst employees.

Crown Hotels' efforts in environmental sustainability were recognised by the Victorian Tourism Accommodation Association, being awarded the 2018 Excellence in Environmental and Energy Efficiency award.

Crown understands that there is an expectation from the community and Crown's guests that the use of environmentally harmful single use plastics be minimised. Crown's single use plastic phase out program began in 2018 and over the past 12 months Crown is pleased with the progress made. Crown Melbourne's owned and operated outlets have removed plastic straws altogether, offering paper straws on request only. Crown Perth's staff dining room replaced plastic items with reusable stainless steel cutlery and reusable crockery, saving millions of single use plastic items from landfill each year. This approach is in line with Crown's Sustainable Supply Chain Policy, whereby preference is given toward environmentally friendly, socially preferred products, services and materials.

Crown's efforts in waste management for its Recycle90 program were recognised as Highly Commended by the Western Australian Government's 2018 Infinity Waste Awards Program.

Crown recognises that employees need to understand and be aligned to the environmental sustainability objectives, otherwise change is difficult to achieve and short-lived. The 2019 financial year saw a continued focus on staff engagement with regular events, training and communications to ensure staff and contractors are kept informed of Crown's environmental performance and progress, and to continue to embed sustainability as part of Crown's culture.

Crown also continues to participate in a number of externally organised programs, including Sustainability Victoria's TAKE2 program, Clean-up Australia Day, Earth Hour, Soap Aid, National Recycling Week and Plastic Free July.



Supporting the Community

Crown believes in supporting the communities in which it operates. Crown takes its responsibility to its community seriously with an ongoing, proactive effort to make a genuine difference in the lives of people Crown works with through charity partnerships and community-focussed collaborations.

Crown's charitable and community-driven work is supported by a cast of important people, including Crown employees. By working together, Crown supports many community causes and organisations through employee volunteering opportunities, a variety of resort-specific community partnerships and, of course, the Crown Resorts Foundation.

The diverse range of ways Crown offers practical community support includes the support of charities, through promoting, hosting and subsidising key fundraising events, as well as providing goods and services for use as raffle prizes for community fundraisers. Crown is very proud of its employees who donate their own precious time as volunteers with enthusiasm and generosity to support a variety of worthwhile causes.

The ongoing success of the Children's Cancer Foundation's Million Dollar Lunch is always a highlight in the community support calendar and, in the 2019 financial year, Crown was thrilled to play a significant part in raising more than \$2 million. Crown's support of Maddie Riewoldt's Vision also helped with the incredible success of the inaugural National Symposium on Bone Marrow Failure Syndromes.

The community partnership fundraising events that are organised by employees throughout Crown are another success story. Past fundraising events have helped many different organisations, including SIDS and Kids, the Cancer Council, Oxfam and Jeans for Genes, to name just a few. More formal fundraising activities are organised by the Crown Resorts Foundation – Community Champions, in partnership with the Crown Resorts Foundation.

Crown's Australian Resorts CEO, Barry Felstead, is a regular participant in the St Vincent de Paul CEO Sleepout in Perth, and this year he enjoyed his tenth year of helping this important charity – an impressive effort that has seen him be the first person to raise over \$1 million for St Vincent de Paul Society's homeless and emergency housing services in Perth.

For 25 years, Christmas Day has been a day where Crown volunteers truly show their support for the community. On Christmas Day 2018, Crown volunteers packaged up 500 hampers for families in need across Melbourne and delivered them to guests of the Les Twentyman Foundation, who were celebrating Christmas at the Westend Market Hotel in Sunshine. After a hot breakfast, entertainment and presents for all the children from Santa's helpers, guests went home with Crown Christmas lunch hampers to ensure a special day for families in need.



Crown Resorts Foundation

\$200 million National Philanthropic Fund

The conclusion of the 2019 financial year marks the halfway point of the Crown Resorts Foundation and the Packer Family Foundation (the Foundations) National Philanthropic Fund.

When the National Philanthropic Fund was established five years ago, the Foundations established a 10-year commitment to allocate \$200 million to not-for-profit organisations focussing on Indigenous education, arts, culture, community welfare and medical research programs.

In the first five years, the Foundations have allocated over \$83 million to 300 grant recipients, ranging from 10-year multi-million-dollar commitments to one-off employee nominated grants.

In Western Australia, the Foundations again committed \$2.5 million in support of the Channel 7 Telethon Trust whose major beneficiaries are the Perth Children's Hospital and the Telethon Kids Institute, taking the total amount donated over the last five years to \$12.5 million.

The National Philanthropic Fund is on track to meet the Foundations' 10-year funding commitment and goals.

Opportunities for Young Australians Through Education

If children are given the skills of literacy and numeracy and are taught the whole learning process they are well on the way to becoming self-reliant and motivated adults capable of achieving happy and satisfying lives.

The Crown Resorts Foundation Board's approach to educating Australian youth focusses on supporting programs which start early in a child's life, provide hundreds of contact hours each year, and offer sustained support over multiple years, especially through periods of transitions.

All of the educational programs supported by the Foundations, whether they're delivered by arts, sporting or Indigenous education organisations, are presented with respect, understanding and appreciation of the cultures and communities which Crown has the privilege of working with.

Indigenous Education Opportunities

The Foundations are striving to ensure Indigenous students have the same access to quality education as non-Indigenous students. This year, the programs supported will deliver almost 3.3 million program hours to over 8,200 Indigenous students across Australia. In addition, 330 teachers and community members will receive over 11,700 hours of specialised training to support these children.

There is enormous diversity across Indigenous communities, but all research emphasises the importance of staying engaged with one's education to achieve satisfying employment opportunities, improved health and reduced interaction with the justice system.

Arts Education and Culture

All children need and deserve arts education to be woven into their daily lives. Not only does it demonstrably improve academic achievement, but it is essential to the development of their emotional lives. It is standard procedure now for the arts to be used in treating trauma and almost all the children the Foundations work with have experienced and perhaps are still experiencing trauma of some kind.

For some students, classrooms can be hostile environments and arts programs are effective at breaking down these barriers by promoting empathy, and encouraging creativity and openness. At the same time, quality arts programs can also offer new pathways to learning and teaching.

In the 2019 financial year, \$9.2 million was allocated through 81 grants to arts organisations across Australia. Through the Arts Education Initiative open grants program, the Foundations' Boards were pleased to announce a further allocation of \$19.2 million worth of grants over three years (2020-2022 financial years) to over 60 recipient programs – this is in addition to the support already being provided for arts and cultural institutions across Australia.



Crown's Community Champions

The Foundations provide funds to a number of community welfare organisations which support the inner city communities of Melbourne and Perth. These partnerships are strongly supported by the Crown Community Champions (formally the Employee Advisory Committee) in both Melbourne and Perth.

Founded in Melbourne in 2014 and recently launched in Perth, the Crown Community Champions was established to deliver a creative employee-focused program aimed at recognising the work employees undertake in the community, whilst providing opportunities to engage with the Foundations' partners and other charities with which employees are involved.

Managed entirely by employees across both properties who volunteer their time, the Community Champions considers employee engagement with their communities to be exceptionally important, as it provides an opportunity to better understand some of the challenges affecting the community.

The Community Champions programs include CROWNversations – a monthly series of presentations where employees have the rare opportunity to meet some extraordinary Australians who are making a difference in the community, CROWNverteering – a service open to all Crown employees interested in volunteering enabling employees to be linked to charities in their area of interest, and a Community Grants Program – focussing on providing monetary support to charities and not-for-profit organisations nominated by employees.

This group has led a number of exceptionally popular Crown employee activations including a book drive in support of the Australian Literacy and Numeracy Foundation where over 3,000 books were donated for distribution to Indigenous and newly-arrived migrant communities across Australia.

To date over \$250,000 has been donated to organisations across Melbourne and Perth under the Community Grants Program.

The Next Five Years

The Crown Resorts Foundation Board remains dedicated to identifying worthy organisations to support through the 10-year funding commitment and, in particular, to those aligned to its core mission to provide opportunities for young Australians, primarily through education.

As the Crown Resorts Foundation continues to learn from the communities it is working with, a disparity between the type and number of programs available to young boys and young girls has been identified.

Although the Crown Resorts Foundation did not begin with a clear gender lens, some of the most marginalised people the Board has seen are young girls and newly-arrived migrant women – many are isolated and are not aware of available pathways to change. This will continue to inform the Crown Resorts Foundation's decision-making as it seeks partnerships which support these young girls and women – this is not instead of the support provided to young boys and men; it is in addition to that support.



Corporate Governance Statement

The Board of Crown Resorts Limited (Crown or the Company) is committed to the implementation and maintenance of good corporate governance practices. This Statement sets out the extent to which Crown has followed the ASX Corporate Governance Council's Third Edition of the Corporate Governance Principles and Recommendations (the Principles and Recommendations). This Statement is current as at 11 September 2019 and has been approved by the Board.

Principle 1: Lay Solid Foundations for Management and Oversight

Functions Reserved for the Board and Senior Management

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 that are reserved for the Board.

Board appointments are made pursuant to formal terms of appointment.



More information

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

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).

Crown Board Committees

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

Committees	Current Members
Audit and Corporate Governance Committee	Helen Coonan (Chair) Michael Johnston Antonia Korsanos
Corporate Responsibility Committee	Helen Coonan (Chair) John Horvath AO Harold Mitchell AC
Finance Committee	Helen Coonan (Chair) Michael Johnston Antonia Korsanos
Investment Committee	Guy Jalland (Chair) John Alexander Michael Johnston
Nomination and Remuneration Committee	Geoff Dixon (Chair) John Horvath AO Michael Johnston Harold Mitchell AC
Occupational Health and Safety Committee	John Horvath AO (Chair) Jane Halton AO PSM Michael Johnston
Responsible Gaming Committee	John Horvath AO (Chair) John Alexander Antonia Korsanos
Risk Management Committee	Geoff Dixon (Chair) Andrew Demetriou Jane Halton AO PSM

Each Committee has adopted a formal Charter that outlines its duties and responsibilities.



More information

A full copy of each of the Crown Committee Charters is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Director Probity Reviews and Elections

Every appointment of a Crown Director is subject to the receipt of necessary gaming regulatory approvals.

The gaming industry is highly regulated and 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.

Officers, Directors and certain key employees of Crown and its licensed subsidiaries must file applications with relevant gaming authorities and may be required to be licensed in certain jurisdictions. These probity reviews generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interests in gaming operations and generally include requirements to obtain police checks and credit checks.

A Director will only be formally appointed once all necessary gaming regulatory approvals have been obtained. As a separate exercise, Crown undertakes its own internal investigations on the suitability of nominated Directors as a pre-condition to a recommendation to the Board to appoint a Director.

The Company's Constitution requires that an election of Directors must take place each year. In addition, Directors appointed to fill casual vacancies during the year must retire from office at the next annual general meeting following his or her appointment but are eligible for re-election by shareholders at that time. The Notice of Meeting for an annual general meeting sets out the background for the election and re-election of Directors, information on the skills and experience of the relevant Director and provides a recommendation of the Board in relation to the proposed election or re-election.

Accordingly, shareholders are provided with all material information relevant to a decision on whether or not to elect or re-elect a Director.



More information

Copies of Crown's past and present Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors & Media – Annual Reports.

Director and Senior Executive Agreements

Crown Directors are provided with an induction pack upon appointment which, among other things, includes a letter agreement setting out the terms of that Director's appointment. The letter agreement, which each Director must countersign, describes when the appointment commences and when it ends, sets out the Director's powers and duties and the agreed remuneration arrangements and obliges the Director to comply with all Crown Policies, Procedures and the Code of Conduct for Directors. In addition, the letter agreement requires the Director to enter into a separate undertaking to inform Crown of any interests that Director may have in Crown securities (and contracts relevant to Crown securities) so that Crown is able to comply with its disclosure requirements under Listing Rule 3.19A to provide the ASX with completed Appendices 3X, 3Y and 3Z within the time period allowed by the ASX Listing Rules.

Each senior executive of Crown has an employment contract setting out the terms of that senior executive's appointment.

Company Secretary Accountability

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The decision to appoint or remove a Company Secretary must be made or approved by the Board.

The role of the Company Secretary is set out in the Crown Board Charter and includes:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors.



More information

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

Diversity Policy

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 the progress in achieving them.

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

Objective	Crown's Progress
<p>1. To require that at least one female candidate is presented on candidate short lists and at least one female from Senior Management is involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.</p>	<p>Crown has adopted this recruitment objective as part of its commitment to diversity and in line with the Crown Diversity Policy.</p> <p>In order to meet this objective, all positions in the group must be supported through a consistent, unbiased and thorough recruitment process, managed by the relevant recruitment team, including for positions identified through succession planning or otherwise. This process is overseen by the Executive team at each property.</p> <p>During the financial year, female candidates were shortlisted for 80% of Senior Management and Senior Executive positions within the group for which a recruitment process was undertaken during the financial year. For the positions that did not have a female candidate shortlisted, there were no female applicants.</p> <p>Additional efforts around attracting and sourcing female candidates have been undertaken. These include:</p> <ul style="list-style-type: none"> • reviewing the language used in job advertisements; and • undertaking targeted database searches of predominant job boards. <p>A female from Senior Management was involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process was undertaken.</p>
<p>2. To maintain the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants.</p>	<p>During the financial year, Crown's wholly-owned properties achieved a 54% female participation rate in leadership and development programs which represents a 9% increase on financial year 2018.</p>
<p>3. To conduct an internal review on an annual basis of the remuneration for key roles within the group, with an external validation review to be undertaken every second year, to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.</p>	<p>As noted in the 2018 Corporate Governance Statement, for the 2018 financial year, Crown engaged Mercer, a workforce consultancy firm, to undertake an independent external gender pay gap analysis for all salaried roles below the Business Operations Teams at Crown Melbourne and Crown Perth which found that no meaningful gender pay gap existed for any of the salaried roles within the scope of the review.</p> <p>As an external review was undertaken in respect of the 2018 financial year, for the 2019 financial year, Crown conducted an internal review.</p> <p>Crown continued to apply a variety of internal and external equity testing processes in relation to remuneration decisions at various points throughout the financial year, of which gender equity has been a key feature.</p>

Objective	Crown's Progress
<p>3. To conduct an internal review on an annual basis of the remuneration for key roles within the group, with an external validation review to be undertaken every second year, to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps. <i>continued</i></p>	<p>The internal testing and analysis applied has included:</p> <ul style="list-style-type: none"> • validation of salaries at the start of the recruitment process, whereby salaries of non-Enterprise Agreement roles are validated prior to approval to hire in order to remove any unintended bias; • Workplace Gender Equity Agency (WGEA) reporting requirements, where gender demographics as well as the gender pay gap is assessed; and • annual performance and remuneration review processes, whereby a detailed analysis of all salaried roles is undertaken to understand and identify 'like for like' roles and to ensure there is no gender based inequity. <p>The internal pay gap review confirmed that there has not been any change from last year's review in which there was no statistically significant pay gap identified for like for like roles.</p> <p>An external review will be undertaken again following the conclusion of the 2020 financial year.</p>
<p>4. To participate in local and national programs which promote gender equity and to implement relevant actions arising out of those programs.</p>	<p>Crown participated in the following local and national programs during the 2019 financial year:</p> <ul style="list-style-type: none"> • Male Champions of Change (MCC) program – Ken Barton, Crown's Chief Financial Officer and CEO Crown Digital, continued to represent Crown in the MCC program. • CEOs for Gender Equity in Western Australia – Barry Felstead, CEO – Australian Resorts, continued to represent Crown in the CEOs for Gender Equity program. • Women in Gaming and Hospitality Australasia (WGH) – during the financial year, a member of Crown's Executive team was appointed to the WGH Board and Crown became a corporate sponsor of WGH. Through this sponsorship Crown has hosted several networking and professional development sessions, participated in the Women Ahead mentoring program and actively participates in monthly communications designed to bring awareness to matters of Gender Equity. <p>Crown's participation in these programs assists with increasing Crown's knowledge and understanding of best practice diversity and inclusion programs.</p> <p>Throughout the financial year, the following initiatives were achieved at Crown, in alignment with the MCC Action Group meetings:</p> <p>Flexible Work Arrangements</p> <p>A review was undertaken to provide "flex for all roles" across the Melbourne property, which accommodates varied shift start and finish times, remote working and job sharing to name a few. This review is currently underway for the Perth property.</p> <p>This review focussed on salaried roles, however rostered employees are still utilising flex, mostly through our custom built shift swap app, with over 10,000 swaps occurring each month, which represents a success rate of swap requests that are actioned of 85%.</p> <p>Family and Domestic Violence Support</p> <p>Crown's Family and Domestic Violence Support Policy was updated to provide uncapped paid leave entitlements (an increase from five days) to employees experiencing, or supporting someone experiencing, family violence.</p> <p>Financial Education</p> <p>Financial and superannuation seminars were provided to employees with a specific focus for women.</p>

Objective	Crown's Progress
5. To progress the objectives of the Gender Action Plan for FY18 to FY21 (the Plan) and to annually assess the progress of the Plan's objectives.	<p>The Crown Resorts Gender Action Plan (GAP), which is being prepared by the Gender Equity Advisory Groups, will be published in 2019.</p> <p>The GAP strengthens Crown's longstanding commitment to gender equity and complements the work Crown has been involved with through its participation in local and national programs which promote gender equity.</p> <p>Our GAP focusses on the following five key themes:</p> <ul style="list-style-type: none"> • Attraction & Retention; • Promotion; • Development; • Flexibility; and • Cultural Change & Communication. <p>These focus areas were developed through consultation with the business and assessing what changes will make a positive impact on our employees. Over the last two years, policy and leave changes have occurred that have brought equity further to the forefront at Crown and the actions outlined in our GAP for the next three years will continue our push towards gender equity.</p> <p>Meanwhile, a number of initiatives from the GAP have progressed including those listed in Objective 4 under the sub-headings <i>Family and Domestic Violence Support</i> and <i>Financial Education</i>.</p>

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2019 is as follows:

Measure	Result
Proportion of women employees in the group.	There were 5,213 women in the group. This represents 42.7% of the total workforce of 12,220 employees.
Proportion of women in senior executive positions in the group.	There were 25 women in senior executive positions in the group. This represents 29.8% of senior executive positions in the group. This is a 5.5% increase on FY18.
Proportion of women on the Board.	There were three female Directors out of a total of 11 Directors, or 27.27%.

For the purpose of these statistics, the term "senior executive position" refers to Executive Team and Business Operations Team members of Crown Resorts Limited, Crown Melbourne and Crown Perth as well as the most senior leaders from each operational unit therein. The Executive Team is comprised of persons with titles in the nature of, or similar to, Executive General Manager, General Manager, Chief Information Officer, Chief Marketing Officer and General Counsel together with the Chief Executive Officers, Chief Operating Officers, Chief Financial Officers and Chief Legal Officers within the group.

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

As noted above, Crown's Diversity Policy requires that Crown reviews its Gender Objectives annually to ensure that they remain relevant and appropriate for Crown. The Audit and Corporate Governance Committee formally reviewed the Gender Objectives and resolved to amend Objective 2 and Objective 5. In summary:

Objective 2

Objective 2 has been strengthened to reference the purpose of the objective which is to promote leadership opportunities for female employees. This has resulted in the existing objective being improved to read as follows:

To promote leadership opportunities for female employees by maintaining the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants.

Objective 5

Objective 5 has been updated to reflect that the final Gender Action Plan, which is to be released in 2019, will be for the period FY20 to FY23. This has resulted in the existing objective being amended to read as follows:

To progress the objectives of the Gender Action Plan for FY20 to FY23 (the Plan) and to annually assess the progress of the Plan's objectives.

Accordingly, the Audit and Corporate Governance Committee adopted the following revised Gender Objectives with effect from 1 July 2019:

1. To require that at least one female candidate is presented on candidate short lists and at least one female from Senior Management is involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.
2. To promote leadership opportunities for female employees by maintaining the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants. *(Modified Objective)*
3. To conduct an internal review on an annual basis of the remuneration for key roles within the group, with an external validation review to be undertaken every second year, to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.
4. To participate in local and national programs which promote gender equity and to implement relevant actions arising out of those programs.
5. To progress the objectives of the Gender Action Plan for FY20 to FY23 (the Plan) and to annually assess the progress of the Plan's objectives. *(Modified Objective)*

A report on the progress against the revised objectives will be provided in the 2020 Corporate Governance Statement.

**More information**

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

Crown is a "relevant employer" under the *Workplace Gender Equality Act 2012* (Cth) and, in accordance with the requirements of the Act, Crown lodged its annual Public Report with the Workplace Gender Equality Agency for the 2018-2019 period which reports on the most recent "Gender Equality Indicators".

**More information**

A full copy of Crown's Workplace Gender Equality Report is available at: www.crownresorts.com.au under the heading Corporate Governance – Gender Equality.

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, procedures and practices of the Board and of its Committees. The individual responses to the questionnaire are confidential to each Director, with questionnaire responses provided to the Chair of the Nomination and Remuneration Committee for consideration and provision of a report to the Board.

Crown's Nomination and Remuneration Committee is also responsible 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 2019 financial year in accordance with the processes described above.

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 2019 financial year and in accordance with the processes described in the Remuneration Report.

Principle 2: Structure the Board to Add Value

Nomination and Remuneration Committee

Crown has established a Nomination and Remuneration Committee. The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Nomination and Remuneration Committee are Geoff Dixon (Chair), Professor John Horvath AO, Michael Johnston and Harold Mitchell AC, a majority of whom are independent, Non-executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The role of the Committee is to assist the Board to develop, maintain and implement policies in relation to:

1. the selection and appointment practices for Directors; and
2. the remuneration of Directors and relevant executives.

Selection, Appointment and Development of Directors

The Nomination and Remuneration Committee is required to:

- review Crown's procedure for the selection and appointment of new Directors (Selection Procedure) and make appropriate recommendations to the Board in relation to the Selection Procedure;
- implement the Selection Procedure and make nomination recommendations to the Board;
- develop succession plans in order for the Board to maintain appropriate experience, expertise and diversity;
- review Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors and be primarily responsible for the implementation of the evaluation process; and
- oversee the induction process in place for new Directors.

The Selection Procedure requires that, in the event that a new Director appointment is required, the Nomination and Remuneration Committee (on behalf of the Board) must adhere to procedures including the following:

- the experience and skills appropriate for an appointee, the skills of the existing Board and any likely changes to the Board will be considered;
- upon identifying a potential appointee, specific consideration will be given to that candidate's:
 - competencies and qualifications;
 - independence;
 - other directorships and time availability; and
 - the effect that the appointment would have on the overall balance and composition of the Board, including by reference to the Crown Board Skills Matrix adopted from time to time; and
- finally, all existing Board members must consent to the proposed appointment.

The Nomination and Remuneration Committee also has responsibility for reviewing the Board Skills Matrix on an annual basis to ensure it remains consistent with the objectives of Crown and existing regulatory requirements and recommendations.

Remuneration of Directors and Relevant Executives

The role of the Nomination and Remuneration Committee also includes:

1. the review and recommendation of appropriate fees to be paid to Non-executive Directors; and
2. 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 reviewed and approved:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2020; and
- the short term incentive arrangements applicable to senior executives referable to the financial year ended 30 June 2019.

A summary of the current remuneration arrangements is set out in more detail 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 the performance of senior executives and their remuneration.

Board Skills Matrix

As noted above, the Selection Procedure for a Director nomination requires that the Nomination and Remuneration Committee (on behalf of the Board) considers the effect that any proposed Director candidate

would have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time.

The Crown Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board and on each of its Committees as at 11 September 2019.

Skill / Competency	Board	Audit and Corporate Governance	Corporate Responsibility	Finance	Investment	Nomination and Remuneration	Occupational Health and Safety	Responsible Gaming	Risk Management
Total Number of Directors	11	3	3	3	3	4	3	3	3
Executive Experience Experience in senior positions at executive levels.	11	3	3	3	3	4	3	3	3
Strategic Planning and Execution Ability to develop and implement successful strategy and deliver agreed strategic planning goals.	11	3	3	3	3	4	3	3	3
Risk Management Experience in the oversight and management of material business risk including Board Risk Management Committee membership.	11	3	3	3	3	4	3	3	3
Financial Acumen Senior executive or equivalent experience in financial accounting and reporting, capital management, industry taxation, internal financial controls and corporate financing arrangements.	10	3	2	3	3	3	2	2	3
Governance Experience with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance processes.	11	3	3	3	3	4	3	3	3
Occupational Health and Safety Experience in relation to workplace health and safety.	9	3	2	3	2	3	3	3	3
Environment and Sustainability Experience in relation to environmental and social responsibility and community.	9	2	3	2	2	4	3	2	3
Legal and Regulatory Experience in legal and regulatory matters including regulatory and contractual frameworks governing gaming matters.	11	3	3	3	3	4	3	3	3
Information Technology Senior executive experience in information technology including gaming systems and data security.	6	1	1	1	1	2	1	2	2
Human Resources / Remuneration Experience in relation to remuneration practices, development of incentive plans, succession planning and director appointment processes including Board Remuneration Committee membership.	11	3	3	3	3	4	3	3	3
Capital Projects Senior executive experience in executing large scale projects with long-term investment horizons and substantial capital outlays.	9	2	1	2	3	3	2	2	3
Sales and Marketing Senior executive experience in marketing coupled with a detailed understanding of Crown's strategic direction and competitive environment.	4	0	1	0	1	2	0	1	2
Industry Experience - Gaming and Entertainment Senior executive experience in the gaming and entertainment industry.	4	1	0	1	1	1	0	2	2
Industry Experience - Hospitality and Management Senior executive experience in the hospitality, food and beverage industries.	4	1	0	1	2	2	1	1	2
Industry Experience - Tourism Senior executive experience in the tourism industry.	4	1	0	1	2	2	1	1	2
Industry Experience - Public Policy Experience in public and regulatory policy, including in relation to gaming related policy.	8	2	2	2	2	3	3	2	3

The Board Skills Matrix, albeit important, is only part of the Selection Procedure that the Board is required to follow. As noted above, the Nomination and Remuneration Committee has responsibility for reviewing the appropriateness of the Board Skills Matrix on an annual basis.

Succession planning is an important part of the responsibilities of the Nomination and Remuneration Committee as it ensures that the Board maintains appropriate experience, expertise and diversity.

Relationships Affecting Independence

The table below sets out the Crown Directors as at 11 September 2019, indicates which of those Directors are considered to be independent Directors and notes the length of service of each Director from the date of their appointment to 11 September 2019:

Name of Director	Independence Status	Length of Tenure (By years and complete months)
John H Alexander , BA Executive Chairman	Non-independent	12 Years, 2 Months
The Hon. Helen A Coonan , BA, LLB Non-Executive Director	Independent	7 Years, 9 Months
Andrew Demetriou , BA, BEd Non-Executive Director	Independent	4 Years, 8 Months
Geoffrey J Dixon Non-Executive Director	Independent	12 Years, 2 Months
Jane Halton AO PSM , BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW) Non-Executive Director	Independent	1 Year, 4 Months
Professor John S Horvath AO , MB, BS (Syd), FRACP Non-Executive Director	Independent	9 Years
Guy Jalland , LLB Non-Executive Director	Non-independent	1 Year, 5 Months
Michael R Johnston , BEc, CA Non-Executive Director	Non-independent	12 Years, 2 Months
Antonia Korsanos , BEc, CA Non-Executive Director	Independent	1 Year, 4 Months
Harold C Mitchell AC Non-Executive Director	Independent	8 Years, 7 Months
John H Poynton AO , BCom, Hon DCom, FAICD, SF Fin (Life), FAIM Non-Executive Director	Non-independent	9 Months

Independent Board Directors

The Crown Board is currently comprised of eleven 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.

Board Chair Independence

John Alexander is the Executive Chairman of Crown.

Departure from Recommendation 2.5: The Principles and Recommendations recommend that the chair of the Board should be an independent Director and should not be the same person as the CEO. Crown's Executive Chairman is not an independent Director. Crown's Executive Chairman is a senior executive of Crown who has assumed the responsibilities of the former Chief Executive Officer. The Board believes that Crown's Executive Chairman is well placed to act on behalf of shareholders and in their best interests as a whole.

Director Professional Development

The induction process for new Directors involves both formal and informal elements. As noted above, new Directors are provided with a formal induction pack which includes important information that a Director must know about the Company and their appointment terms and includes copies of relevant constitutions, Board Charters and Policies. In addition, new Directors are provided with tours of Crown's main businesses and the opportunity to spend time with various members of senior management.

The professional development program for Directors has largely consisted of presentations from time to time to the Board regarding issues including developments in accounting standards, updates on legal issues and governance processes.

In an attempt to provide more structure to Director professional development, the Nomination and Remuneration Committee has been formally delegated with responsibility for implementing a plan for enhancing Director competencies and ensuring that an effective induction process is in place for new Directors. This process involves, amongst other things, a review of the Crown Board Skills Matrix and consideration of the extent to which those skills are currently represented on the Board and on each of its Committees. Where skills are not currently adequately represented, appropriate professional development in this area will be considered.

Principle 3: Act Ethically and Responsibly

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.

Code of Conduct for Directors

The purpose of the Code of Conduct for Directors is to ensure that they have a clear understanding of Crown's expectations of their conduct and to reinforce the statutory duties of Directors to, among other things:

- act with proper purpose and honesty, in good faith and in the best interests of Crown as a whole;
- use due care and diligence in fulfilling the functions of office; and
- avoid improper use of information acquired as a Director, improper advantage of the position of Director and conflicts of interest.

Crown Directors have an obligation to be independent in judgement and action and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board. Directors are required to maintain the confidentiality of confidential information received in the course of the exercise of their duties and are prohibited from engaging in conduct likely to bring discredit upon Crown.

Finally, Directors are obliged to, at all times, comply with the spirit as well as the letter of the law and with the principles of the Code of Conduct and must encourage the reporting and investigating of unlawful and unethical behaviour.

Code of Conduct for Employees

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.



More information

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

Principle 4: Safeguard Integrity in Corporate Reporting

Audit and Corporate Governance Committee

Crown has established a formal Audit and 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 and Corporate Governance Committee are Helen Coonan (Chair), Michael Johnston and Antonia Korsanos. All members of the Committee are Non-executive Directors and a majority of those Committee members are independent Directors.

The Chair of the Audit and Corporate Governance Committee, Ms Coonan is an independent Director who has extensive financial experience. Ms Coonan has served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulation Authority.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Audit and Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities. The Charter includes information on the procedures for the selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners.



More information

A full copy of the Audit and Corporate Governance Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

CEO & CFO Declarations

Before approving the financial statements for each financial period, the Board receives from the Executive Chairman and the Chief Financial Officer a declaration that, in their opinion:

- the financial records of Crown have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Crown; and
- the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Auditor's Attendance at AGMs

Crown shareholders are provided with an opportunity at the AGM to ask questions and make comments on Crown's Annual Report and on the business and operations of the Company. Crown's Auditor is required to attend the AGM and shareholders are therefore also provided a reasonable opportunity to ask the Auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report. Shareholders are informed of their opportunity to address the Auditor in the Notice of Meeting for the AGM.

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 that any information that could be market sensitive or could involve reputational or material regulatory issues or risks are communicated to the Disclosure Officer;
- the assessment of information by the Disclosure Committee and, where appropriate, the Board, and for the disclosure of material information to the market; and
- the broader publication of material information to the media, analysts and investors.



More information

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

Principle 6: Respect the Rights of Shareholders

Providing Online Information to Investors

Crown has a dedicated corporate website which provides information about itself and its governance to investors. The website has a dedicated Corporate Governance tab which sets out Crown's Charters, Constitution, Policies and Codes, describes Crown's Board Committees and includes copies of current and historical Corporate Governance Statements and Remuneration Reports.



More information

For more information, visit: www.crownresorts.com.au under the heading Corporate Governance.

Promotion of Effective Communication with Shareholders

The Board aims to ensure that shareholders and prospective investors are kept informed of all major developments affecting Crown.

Crown's investor relations program is designed to facilitate effective communication between shareholders, prospective investors and Crown.

Crown actively engages with shareholders and prospective investors through a program of scheduled interactions with institutional investors, sell-side and buy-side analysts and the financial media. In addition, meetings are held with shareholders and prospective investors on request and responses are provided to enquiries made from time to time.

Crown's investor relations program works in tandem with its obligations under its Continuous Disclosure Policy, a copy of which is available on Crown's website.

Crown's Chief Financial Officer regularly reports to the Board on investor relations matters.

In addition, 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.

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



More information

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

Shareholder Participation at Meetings

Shareholders are encouraged to both attend and participate in all meetings of shareholders. The date of Crown's AGM is advertised well in advance on its website and is separately communicated to investors via its investor relations channels.

Shareholders are informed in the formal Notice of Meeting for the AGM of their opportunity to participate in the meeting by asking questions of either Crown Directors or its Auditor. The AGM is also audio webcast live on Crown's website and an archive of the AGM audio webcast is subsequently available on the website.

At the AGM itself, as an introduction to the formal business of the meeting, the Chairman encourages shareholders to ask questions on each item of business and offers a further opportunity to ask general questions at the conclusion of the formal business of the meeting.



More information

Copies of Crown's Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors and Media – Annual Reports.

The webcast is available at: www.crownresorts.com.au under the heading Investors and Media – Annual General Meetings.

Shareholder Communications

Crown shareholders have the option to receive communications from Crown and to send communications to Crown electronically. Crown's share registry (on behalf of Crown) actively encourages shareholders to receive their shareholder communications electronically and provides online access to shareholder information.

Separately, the Crown website includes a "Contact Us" feature which can be used by both shareholders and others to ask questions of the Company.

Principle 7: Recognise and Manage Risk

Policy for Oversight and Management of Material Business Risks

Crown has established a formal Risk Management Committee to provide strategic risk management leadership, oversight and analysis to the Crown Board.

The current members of the Risk Management Committee are Geoff Dixon (Chair), Andrew Demetriou and Jane Halton AO PSM. The current Committee members are each independent, Non-executive Directors.

The Chairman of the Risk Management Committee, Mr Geoff Dixon, is an independent Director who has extensive experience in risk management having previously held a number of senior executive positions in large corporations.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Risk Management Committee has adopted a formal Charter that outlines its duties and responsibilities.



More information

A full copy of the Risk Management Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Design and Implementation of Risk Management and Internal Control Systems

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

Management is charged with monitoring the effectiveness of Crown's risk management systems and is required to report to the Board via the Risk Management Committee.

The Board convened Risk Management Committee administers Crown's Risk Management Policy and monitors management's performance against the risk management framework, including whether it is operating within the Risk Appetite set by the Board.

The Risk Management 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 in a Risk Profile to the Crown Board. The framework has been developed using the model outlined in AS/NZS ISO 31000:2018 Risk Management – Guidelines.

Crown's Risk Profile 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 on an ongoing basis.

Management is required to conduct an annual review of its Risk Profile to ensure that risk ratings and definitions remain appropriate for Crown, and that adequate controls are in place to manage them.

A review has been conducted during the reporting period and presented to the Risk Management Committee for approval. In the course of that review, the current Risk Profiles of Crown's major operating businesses were taken into account and the risk environment of its investments were also considered.

In addition, 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.

Disclosure of Internal Audit Functions

Crown's major operating businesses (namely Crown Melbourne and Crown Perth) had an internal audit function in place for the full year that meets the definition of "internal audit" under the Institute of Internal Auditor's International Professional Practices Framework.

The function is internally led and resourced, with supplemental resourcing provided by specialist third parties as required.

Internal audit delivers a comprehensive audit program to provide additional comfort around significant risks, processes, systems and regulatory requirements where assurance is determined to be a priority for that period.

Internal audit coverage is determined using a structured approach. The Boards of each major operating business and management receive regular reports from internal audit on the control environment, areas for improvement and progress in addressing those areas for improvement.

To ensure independence of the function, the head of the Internal Audit department reports to the CEO – Australian Resorts. Further, the head of the department periodically meets with members of the relevant operating subsidiary's Board throughout the year.

As a holding company, Crown does not have a separate internal audit function, however its accounts are subject to third party independent audit.

Disclosure of Sustainability Risks

The Crown group is exposed to a number of economic, environmental and social sustainability risks.

Crown's goal is to be a leader in the entertainment and tourism industry by creating long-term value for its stakeholders across economic and environmental dimensions. Crown aspires to be a model corporate citizen and recognises that a company is assessed not only on its financial performance, but also by its commitment to corporate responsibility, which includes consideration of, among others, the following factors:

- the quality of its workplace;
- its environmental footprint;
- its level of community engagement;
- the creation of a safe environment for its customers, employees and contractors; and
- the provision of employment opportunities.

Crown has established a Corporate Responsibility Committee to assist the Board in setting Crown's corporate responsibility policies and programs and assessing Crown's corporate responsibility performance. The Corporate Responsibility Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Corporate Responsibility Committee are Helen Coonan (Chair), Professor John Horvath AO and Harold Mitchell AC. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The responsibilities of the Committee extend to:

- establishing appropriate corporate responsibility policies and programs for Crown;
- monitoring and reviewing the operation and effectiveness of Crown's corporate responsibility policies and programs;
- promoting and supporting continuous improvement in Crown's corporate responsibility performance;
- encouraging and monitoring the establishment and maintenance of relationships with key stakeholders including non-government organisations, sporting and cultural organisations and other community groups; and
- encouraging and promoting awareness of corporate responsibility related issues at Crown among Crown's staff and other stakeholders.

The Committee oversees the development and publication of Crown's Corporate Responsibility Report. The Corporate Responsibility Report brings together the elements of Crown's corporate responsibility activities and programs and identifies and addresses all material economic, environmental and social sustainability risks and Crown's processes for managing them.



More information

A full copy of the Corporate Responsibility Report is available at: www.crownresorts.com.au under the heading Our Contribution – Corporate Responsibility Reports.

Principle 8: Remunerate Fairly and Responsibly

Nomination and Remuneration Committee

As noted in response to Recommendation 2.1, Crown has established a formal Nomination and Remuneration Committee. The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Nomination and Remuneration Committee are Non-executive Directors, a majority of whom are independent. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

Policy for Director Remuneration

A summary of current remuneration arrangements is set out in more detail in the Remuneration Report. Crown separately discloses the policies and practices regarding the remuneration of Key Management Personnel in the Remuneration Report.

Restrictions on Dealing in Equity Based Remuneration

The rules of the Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan specifically provide that a participant must not assign, transfer, encumber, dispose of or have a Security Interest issued over Plan Shares, or any beneficial interest in Plan Shares, unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met or waived by the Board or the Board has provided prior written consent. A Security Interest is defined to include any mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature. The rules of the Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan also require participants to comply with Crown's Securities Trading Policy at all times.

Directors' Statutory Report

Operating and Financial Review

The commentary included in this report omits some information which might be considered relevant to Crown's business strategies, prospects for future financial years and material risks on the basis that the Directors have reasonable grounds to believe that disclosure would likely result in unreasonable prejudice to Crown.

Principal Activities

Crown is one of Australia's largest entertainment groups with its core businesses and investments in the integrated resorts sector.

In Australia, Crown owns and operates two of Australia's leading integrated resorts – Crown Melbourne and Crown Perth. Overseas, Crown owns and operates Crown Aspinalls in London, one of the high-end licensed casinos in the West End entertainment district.

Crown's development project pipeline includes the Crown Sydney Hotel Resort at Barangaroo in Sydney and the One Queensbridge development site in Melbourne.

Crown has interests in various digital businesses, including Betfair Australasia (100%), DGN Games (85%) and Chill Gaming (50%), and holds equity interests in Aspers Group (50%) and Nobu (20%).

Review of Operations

Crown reported a consolidated net profit after tax (NPAT) attributable to the parent of \$401.8 million and a normalised¹ NPAT of \$368.6 million for the 12 months ended 30 June 2019. Crown Melbourne and Crown Perth normalised EBITDA decreased by 9.2%, and normalised revenue decreased by 5.4%.

Performance for the year ended 30 June 2019		\$m
Normalised revenue	3,139.2	
Normalised expenditure	(2,337.1)	
Normalised EBITDA ²	802.1	
Normalised EBIT ³	528.5	
Normalised NPAT attributable to Crown	368.6	
Reported NPAT attributable to Crown	401.8	

1. Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and significant items. Normalised results are a non-IFRS measure, which have not been subject to audit or review.

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

3. Normalised earnings before interest and tax.

Crown's Australian operations' full year result reflected subdued market conditions. Total normalised revenue across Crown's Australian resorts decreased by 5.4% on the prior comparable period (pcp). This decline was primarily due to the reduction in VIP program play revenue in Australia, which was down 26.1%. Main floor gaming revenue increased by 0.5%, with modest revenue growth in Melbourne offset by continued softness in Perth, particularly for the table games business.

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

Crown Melbourne

Normalised EBITDA from Crown Melbourne was \$589.5 million, down 8.6% on the pcp. Reported EBITDA for the period was \$615.0 million, up 4.9% on the pcp. The reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result which had a positive EBITDA impact of \$25.5 million. This compares to a negative EBITDA impact of \$59.0 million in the pcp.

Normalised revenue of \$2,155.4 million was down 5.4% on the pcp.

Main floor gaming revenue was \$1,235.1 million, up 1.5% on the pcp, which comprises table games (non-program play) revenue of \$772.4 million (up 0.7% on the pcp) and gaming machine revenue of \$462.7 million (up 2.8% on the pcp).

Normalised VIP program play revenue was \$441.4 million, down 25.4% on the pcp, with turnover of \$32.7 billion.

Non-gaming revenue was \$478.9 million, up 1.9% on the pcp.

Overall hotel occupancy across Crown Melbourne's three hotels was approximately 94%, with Crown Towers hotel occupancy 95.4%, Crown Metropolis hotel occupancy 93.4% and Crown Promenade hotel occupancy 93.6%.

The overall normalised operating margin decreased from 28.3% to 27.3%. The decline in margin is largely due to an increase in labour and other costs in an environment of subdued revenue growth.

Crown Perth

Normalised EBITDA from Crown Perth was \$221.8 million, down 10.8% on the pcp. Reported EBITDA for the period was \$244.6 million, up 10.4% on the pcp. The reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result which had a positive EBITDA impact of \$22.8 million. This compares to a negative EBITDA impact of \$27.3 million in the pcp.

Normalised revenue of \$799.4 million was down 5.3% on the pcp.

Main floor gaming revenue was \$454.2 million, down 2.1% on the pcp, which comprises table games (non-program play) revenue of \$186.8 million (down 6.0% on the pcp) and gaming machine revenue of \$267.4 million (up 0.8% on the pcp).

Normalised VIP program play revenue was \$72.0 million, down 30.1% on the pcp, with turnover of \$5.3 billion.

Non-gaming revenue was \$273.2 million, down 1.5% on the pcp.

Overall hotel occupancy across Crown Perth's three hotels was approximately 81%, with Crown Towers hotel occupancy 76.3%, Crown Metropolis hotel occupancy 83.6% and Crown Promenade hotel occupancy 86.9%.

The overall normalised operating margin decreased from 29.5% to 27.7%. This decline in margin is largely due to the decline in revenues combined with modest growth in labour and fixed costs.

Crown Aspinalls

Normalised EBITDA from Crown Aspinalls was \$6.4 million, down 46.5% on the pcp. This reflects continued difficult trading conditions across the London high-end casino market. Reported EBITDA for the period was \$5.7 million, down 54.3% on the pcp. The reported EBITDA result takes into account an unfavourable variance from the theoretical VIP program play result which had a negative EBITDA impact of \$0.7 million. This compares to a positive EBITDA impact of \$0.4 million in the pcp.

Crown Digital

Crown's wagering and online social gaming operations comprise Betfair Australasia (a 100% owned, online betting exchange) and DGN Games (an 85% owned, online social gaming business).

EBITDA from Crown's wagering and online social gaming operations was \$26.1 million, down 2.7% on the pcp. The pcp included the consolidated operating results of CrownBet, which was sold by Crown in February 2018.

At 30 June 2019, indicators of impairment were identified for DGN. These indicators were considered in the re-forecast of cash flows of the DGN Group, which were developed as part of the Annual Business Plan presented to and approved by the Board. Based on the impairment testing using the re-forecast earnings of the DGN Group, the recoverable amount of the DGN cash generating unit was \$81.8 million as at 30 June 2019. As a result of the carrying amounts exceeding the recoverable amount, Crown has reduced goodwill relating to the acquisition of DGN by \$48.9 million. This goodwill was initially recorded as part of the acquisition of Winners Club Limited, with a significant part of the initial goodwill relating to contingent consideration. Crown has also reassessed the amount of contingent consideration on the acquisition of Winners Club Limited and reduced the amount due by \$48.9 million.

Cash Flow, Debt and Capital Management

Net operating cash flow for the period of \$778.1 million compared to net operating cash flow of \$731.7 million in the pcp. Other material cash flow items incurred during the period included net capital expenditure of \$538.5 million, dividend payments of \$409.0 million and share buy-back payments of \$131.4 million.

At 30 June 2019, Crown's net debt position was \$86.5 million (excluding working capital cash of \$133.9 million). This consisted of total debt of \$1,078.6 million and cash (excluding working capital cash) of \$992.1 million.

At 30 June 2019, total liquidity, excluding working capital cash, was \$1,192.5 million, represented by \$992.1 million in available cash and \$200.4 million in committed undrawn facilities.

During the year, Crown redeemed all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" on the first call date of 14 September 2018. This reduced Crown's gross debt by approximately \$400 million.

During the year, Crown bought back approximately \$131.4 million of shares (or approximately 10.3 million shares) under the on-market share buy-back announced on 9 August 2018. The on-market share buy-back expired on 29 August 2019.

Net interest expense for the year was \$10.1 million, \$35.9 million below the pcp, which reflects the repayment of the Subordinated Notes in September 2018, lower market interest rates and increased capitalised interest associated with the construction of the Crown Sydney project.

Business Strategies

Crown's strategic plan is to focus on the following key objectives:

- improving the underlying performance of Crown Melbourne, Crown Perth and Crown Aspinalls, including through investments to stimulate visitation and spend as well as through the management of costs;
- delivering the Crown Sydney project on time and on budget and escalating pre-opening activities in preparation for the opening in 2021;
- continuing to grow, and create value from, Crown Digital;
- supporting the operations of Crown's other equity accounted investments to enhance their performance;
- continuing to deliver returns to shareholders;
- continuing to proactively engage with relevant stakeholders, including regulators and the community; and
- maintaining an appropriate and efficient capital structure.

Business Risks

Crown has established a risk management framework, using the model outlined in AS/NZS ISO 31000:2018 Risk Management – Guidelines, for the oversight and management of material business risks. It has adopted a formal Risk Management Policy and articulated its Risk Appetite. Risk management is an integral part of the industry in which Crown operates.

Management is charged with monitoring the effectiveness of Crown's risk management systems and is required to report to the Board via the Risk Management Committee.

The Risk Management Committee administers the Risk Management Policy and monitors management's performance against the risk management framework, including whether it is operating within the Risk Appetite set by the Board.

Various risks, some of which are beyond Crown's reasonable control, could have a material impact on the achievement of Crown's business strategies and future prospects. These risks, together with the mitigating strategies, are summarised below. The risks presented below are not intended as an exhaustive list of all the risks and uncertainties associated with Crown's businesses.

Additional risks and uncertainties not presently known to management and the Board, or that management and the Board currently believe to be immaterial or manageable, may adversely impact Crown.

Material Business Risks	Mitigation Strategies
<p><i>Legal and Regulatory Compliance</i></p> <p>Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming operations.</p> <p>Systematic and/or serious breaches of legal or regulatory requirements may result in enforcement action in jurisdictions in which Crown has activities. This may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown has in place legal, governance and compliance frameworks at each of its operations and continuously monitors its legislative and regulatory requirements in the jurisdictions in which it operates.</p> <p>In addition, Crown's internal control framework is designed to ensure effectiveness of, and compliance with, relevant legislative and regulatory requirements.</p> <p>Crown provides relevant employees and contractors with training on Crown's compliance obligations, policies and procedures (where applicable).</p> <p>Crown obtains legal advice in appropriate circumstances and jurisdictions as required.</p> <p>Internal audit periodically reviews the effectiveness of the controls and processes in place to manage Crown's compliance frameworks and the overall internal control framework.</p>
<p><i>Legal and Regulatory Changes</i></p> <p>Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming operations. Crown's operations, financial performance and future prospects are dependent on the legal and regulatory frameworks in which it operates.</p> <p>Legislative and regulatory changes may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown proactively engages with relevant stakeholders and has in place legal, governance and compliance frameworks at each of its operations.</p> <p>Crown monitors for legislative and regulatory changes on an ongoing basis.</p> <p>From time to time, Crown makes submissions relating to proposed legislative and regulatory changes which may impact the Crown group.</p> <p>Crown provides relevant employees and contractors with training on legislative and regulatory changes (where applicable).</p>

Material Business Risks	Mitigation Strategies
<p>Reputation</p> <p>Negative publicity of Crown may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown has in place legal, governance and compliance frameworks at each of its operations and provides relevant employees and contractors with training on Crown's compliance obligations, policies and procedures (where applicable).</p> <p>Crown's Australian resorts have in place the following set of values which apply across the properties:</p> <ul style="list-style-type: none"> • we act respectfully; • we are passionate; • we work together; and • we do the right thing. <p>In addition, Crown proactively engages with key stakeholders, including relevant regulators and governments.</p>
<p>Relationships with Key Stakeholders</p> <p>A breakdown in Crown's relationships with key stakeholders, including regulators and governments, may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown professionally and proactively engages with relevant stakeholders and has in place legal, governance and compliance frameworks at each of its operations.</p>
<p>Terrorism</p> <p>As Crown's properties are places where large crowds may congregate, they may be the target of a terrorist attack or the calculated use or threat of violence.</p> <p>Any such event may have an adverse impact on Crown's customers, employees and operational and financial performance.</p>	<p>Crown has in place security and surveillance technology and procedures at each of its properties which monitor for suspicious behaviours.</p> <p>In addition, Crown has a framework in place for responding to major incidents and works with key law enforcement agencies for coordinated and rapid responses.</p>
<p>Litigation</p> <p>Any potential material litigation brought against Crown by third parties may have an impact on Crown's financial performance.</p>	<p>Crown proactively monitors and responds to legal issues and engages legal advisors as required.</p> <p>In addition, Crown has in place legal, governance and compliance frameworks at each of its operations which are supported by insurance programs as appropriate.</p>
<p>Data Security</p> <p>Crown maintains confidential customer and commercially sensitive data.</p> <p>The leak or unauthorised use of confidential customer and commercially sensitive data may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown has in place IT policies, procedures and training programs which are further supported by a cyber security program.</p> <p>Crown also has in place legal and compliance frameworks at each of its operations and confidentiality arrangements in place with its employees and contractors.</p> <p>In addition, Crown has adopted a management framework for responding to data breach incidents, should they occur.</p>

Material Business Risks	Mitigation Strategies
<p>Volatility of Gaming Revenue</p> <p>Crown's gaming operations may experience variations from theoretical win rates due to the element of chance in gaming activities.</p> <p>Sustained unfavourable variations in the actual win rate compared to the theoretical win rate would be likely to have an adverse impact on Crown's financial performance.</p>	<p>Crown monitors and reviews its gaming businesses and reports on the basis of its actual and long-term theoretical win rates in its results.</p>
<p>Third Party Default</p> <p>The potential material default by those with whom Crown has a business relationship may have an adverse impact on Crown's financial performance.</p>	<p>Crown has in place credit approval and recovery processes and procedures.</p> <p>Crown maintains a provision for doubtful debts which is monitored on an ongoing basis and is audited by its external auditors.</p>

Significant Changes in State of Affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2018 include:

Significant Transactions/Matters

- On 31 May 2019, Crown announced that it had been informed that CPH Crown Holdings Pty Limited, a wholly-owned subsidiary of Consolidated Press Holdings Pty Limited, had entered into an agreement (Share Sale Agreement) in relation to the sale of 19.99% of the issued capital of Crown to Melco Resorts & Entertainment Limited. On 29 August 2019, Crown subsequently announced that it had been informed that CPH Crown Holdings Pty Limited and Melco Resorts & Entertainment Limited had agreed to amend the Share Sale Agreement.
- On 9 April 2019, Crown announced that it was in confidential discussions with Wynn Resorts, Limited (Wynn) regarding a potential change of control transaction following approaches by Wynn to Crown. On 10 April 2019, Crown subsequently announced that Wynn had announced that it had terminated all discussions with Crown concerning any transaction.
- On 3 August 2018, the Victorian Commission for Gambling and Liquor Regulation released its final report concerning the Sixth Review of the Casino Operator and Licence held by Crown Melbourne Limited (Crown Melbourne), a subsidiary of Crown which concluded that:
 - Crown Melbourne remains a suitable person to continue to hold its licence to operate the Melbourne Casino;
 - Crown Melbourne is complying with relevant legislation and agreements; and
 - it is in the public interest that the licence should continue in force.

The report made 20 recommendations in relation to the operations of Crown Melbourne which Crown Melbourne has accepted, subject to the matters set out in Crown Melbourne's response to the report. Management has proactively engaged with the regulator in progressing these recommendations.

Board Changes

On 20 November 2018, Crown announced that the appointment of John Poynton AO as a Director of Crown had become effective following the receipt of all necessary regulatory approvals.

Significant Events After Balance Date

- On 9 August 2018, Crown announced that it had commenced proceedings against the Barangaroo Delivery Authority (BDA) in the Commercial List of the Supreme Court of New South Wales in connection with the Crown Sydney Hotel Resort (Proceedings). The Proceedings sought injunctive relief and declarations against the BDA that, in substance, require the BDA to comply with a number of its contractual obligations under the Crown Development Agreement. On 14 December 2018, Crown announced that judgment in relation to the Proceedings against the BDA was delivered in favour of Crown, with costs. On 15 February 2019, the BDA filed its summons seeking leave to appeal the judgment. On 19 August 2019, Crown announced that it had settled its dispute with Infrastructure New South Wales (INSW) (formerly the BDA). The terms of the settlement are confidential. Crown is satisfied with the outcome of the settlement.

and the retention of the sight lines across Central Barangaroo from the Harbour Bridge to the Sydney Opera House.

- On 8 August 2019, Crown was informed by the New South Wales Independent Liquor and Gaming Authority that it would be conducting an inquiry under s143 of the *Casino Control Act 1992* (NSW) (Inquiry). The Terms of Reference in relation to the Inquiry were subsequently released on 29 August 2019. The Victorian Commission for Gambling and Liquor Regulation also announced it will re-examine issues relating to Crown Melbourne that have been reported in the media recently. Crown will fully co-operate in relation to these investigations.
- Subsequent to year end, the Directors of Crown declared a final dividend on ordinary shares of 30 cents per share in respect of the year ended 30 June 2019. The final dividend will be 25% franked with the unfranked component of the dividend declared to be conduit foreign income. The final dividend has not been provided for in the 30 June 2019 financial statements.

Environmental Regulation

The *National Greenhouse and Energy Reporting Act 2007* (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 include:

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

Under the Western Australian Water By-laws legislation, Crown Perth is required to complete annual water management assessments and submit water efficiency management plans. Relevant reports have been submitted during the year.

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 Corporate Responsibility section of this Annual Report.

Likely Developments

Crown's balance sheet shows a net debt position of \$86.5 million at 30 June 2019. With available liquidity of \$1,192.5 million, Crown is well placed to fund its Australian development project pipeline.

Crown Sydney Project

Construction of the Crown Sydney Hotel Resort is progressing on schedule for completion in the first half of calendar year 2021. The project cost remains unchanged, with the gross project cost expected to be approximately \$2.2 billion and net project cost expected to be approximately \$1.4 billion.

One Queensbridge Development Site

Crown holds a 50% ownership interest in the One Queensbridge development site which is strategically located adjacent to the Crown Melbourne entertainment complex, with the remaining 50% interest held by the Schiavello Group.

Subsequent to year end, Crown reached an agreement to purchase the Schiavello Group's 50% ownership interest in the site as well as all pre-development assets, including all intellectual property and designs for the project, for approximately \$80 million. The transaction remains subject to long-form agreements between Crown and the Schiavello Group.

The purchase represents Crown's continued investment in Victoria and the Southbank arts and entertainment precinct. The One Queensbridge site could accommodate a fourth Crown hotel which would deliver significant economic and tourism benefits to Victoria, including additional employment and training opportunities.

Other than the developments described in this Report, 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 30 cents per ordinary share on 4 April 2019. The dividend was 60% franked with the unfranked portion of the dividend declared to be conduit foreign income.

Final Dividend: The Directors of Crown have declared a final dividend of 30 cents per ordinary share to shareholders registered as at 20 September 2019.

The final dividend will be 25% franked with the unfranked portion of the dividend declared to be conduit foreign income.

In summary:	Dividend per share	\$
Interim Dividend paid	30.0 cents per share	203,147,481.30
Final Dividend declared	30.0 cents per share	203,147,481.30
Total	60.0 cents per share	406,294,962.60

Crown paid shareholders a final dividend in respect of the 2018 financial year of \$205.9 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 currently eleven Directors.

Name	Date Appointed	Date Ceased
John Henry Alexander	6 July 2007	
The Honourable Helen Anne Coonan	2 December 2011	
Andrew Demetriou	29 January 2015	
Geoffrey James Dixon	6 July 2007	
Jane Halton AO PSM	23 May 2018	
Professor John Stephen Horvath AO	9 September 2010	
Guy Jalland	16 April 2018	
Michael Roy Johnston	6 July 2007	
Antonia Korsanos	23 May 2018	
Harold Charles Mitchell AC	10 February 2011	
John Hartley Poynton AO	20 November 2018	

At Crown's 2018 Annual General Meeting, Jane Halton AO PSM, John Horvath AO, Guy Jalland, Michael Johnston and Antonia Korsanos stood for election/re-election as Directors. Each Director was elected/re-elected at that meeting.

On 20 November 2018, the appointment of John Poynton AO as a Director of Crown became effective following the receipt of all necessary regulatory approvals.

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.



John H Alexander, BA
Executive Chairman

John Alexander is the Executive Chairman of Crown and is also a Director of a number of companies, including Seven West Media Limited. Mr Alexander is also Chairman of the Crown Melbourne Limited and Burswood Limited Boards.

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 and Editor of The Sydney Morning Herald and Editor-in-Chief of The Australian Financial Review.

Board Committee memberships:

- Member of the Investment Committee
- Member of the Responsible Gaming Committee

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

- Seven West Media Limited from May 2013 to current



The Honourable Helen A Coonan, BA, LLB
Non-executive Director

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

Ms Coonan holds Bachelor of Arts and Bachelor of Laws degrees 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, Ms Coonan served as the Deputy Leader of the Government in the Senate. She was appointed to Cabinet as the 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 Regulation Authority. She is the recipient of a Centenary Medal for service to the Australian Parliament.

Ms Coonan is the inaugural Chair of the Australian Financial Complaints Authority (AFCA), Chair of the Minerals Council of Australia (MCA), HGL Limited, Place Management NSW (formerly the Sydney Harbour Foreshore Authority) and Supervised Investments Australia Limited. She is also Non-executive Director of Snowy Hydro Limited, a member of the J.P Morgan Advisory Council and Co-Chair of GRACosway (a subsidiary of the Clemenger Group).

Ms Coonan is a Non-executive Director of Obesity Australia Limited and of the Australian Children's Television Foundation and Chairs the Advisory Board of Allegis Partners.

Ms Coonan serves on the Corporate Council of the European Australian Business Council and the Australia-Israel Chamber of Commerce Advisory Council. She is also a member of Chief Executive Women.

Ms Coonan is an Ambassador for the Menzies School of Health Research and of the GUT Foundation. She serves on the Advisory Council of the National Breast Cancer Foundation and is also a mentor at start up fintech hub Stone and Chalk.

Ms Coonan is Chair of the Crown Resorts Foundation.

Board Committee memberships:

- Chair of the Audit and Corporate Governance Committee
- Chair of the Corporate Responsibility Committee
- Chair of the Finance Committee

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

- HGL Limited from July 2019 to current



Andrew Demetriou, BA, BEd
Non-executive Director

Andrew Demetriou was Chief Executive Officer of the Australian Football League (AFL) from 2003 until June 2014.

Prior to becoming Chief Executive Officer, Mr Demetriou served as AFL General Manager – Football Operations for three years, overseeing all aspects of the AFL competition. This followed a stint as head of the AFL Players Association when he was instrumental in establishing programs to look after players both during and after their playing careers.

Following an AFL playing career of 106 games, Mr Demetriou was the Managing Director of the Ruthinium Group, a business importing acrylic teeth, growing the business significantly by expanding manufacturing and exports to 70 countries worldwide and he currently remains a Board member.

Mr Demetriou is a Director of the Melbourne Sports Marketing firm, Bastion Group, Co-Chair of the National Basketball League (NBL) Advisory Board, Chairman and Non-executive Director of Capitol Health Limited and Chairman of Board of Management, Cox Architecture.

Mr Demetriou also served as Non-executive Chairman of the Baxter Group, a waste management group listed on ASX in 2003 with a market capitalisation of \$40 million – the company was later sold to Transpacific for \$260 million – and is a former Chairman of the Australian Multicultural Advisory Council. He recently completed a two year term on the Australian Referendum Council for Indigenous recognition in the Constitution.

Board Committee memberships:

- Member of the Risk Management Committee

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

- Capitol Health Limited from November 2014 to current



Geoffrey J Dixon
Non-executive Director

Geoff Dixon is an experienced and successful corporate executive with a background in the media, mining, aviation and tourism industries.

Mr Dixon was Managing Director and Chief Executive Officer of Qantas Airways for eight years until 2008 - joining Qantas in 1994, he also served as Chief Commercial Officer and, for two years, as Deputy Managing Director.

Mr Dixon was Chairman of the Australian Government's principal tourism authority, Tourism Australia, for six years until 2014 and Chairman of the Garvan Medical Research Foundation for 10 years until 2018.

He has served on a number of public companies and Not-for-Profit boards including Leighton Holdings, Adslot Limited, the Business Council of Australia, the Museum of Contemporary Art Australia and is a long time Ambassador for the Australian Indigenous Education Foundation.

Board Committee memberships:

- Chair of the Nomination and Remuneration Committee
- Chair of the Risk Management Committee

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

- Adslot Limited from December 2013 to December 2016



Jane Halton AO PSM, BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW)
Non-executive Director

Jane Halton's 33 year career in the public service includes the positions of Secretary of the Australian Department of Finance, Secretary of the Australian Department of Health, Secretary for the Department of Health and Ageing and Executive Co-ordinator (Deputy Secretary) of the Department of the Prime Minister and Cabinet.

Ms Halton is a current Director of Australia and New Zealand Banking Group Limited and Clayton Utz, is the current Chair of Vault Systems and Council on the Ageing Australia and is the Chair and a Director of Coalition of Epidemic Preparedness Innovations (Norway).

Ms Halton's other roles include Member of the Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington, Adjunct Professor of the University of Sydney and the University of Canberra and Council Member of Australian Strategic Policy Institute.

Ms Halton brings to the Board extensive experience in finance, risk management, information technology, human resources and public policy.

Board Committee memberships:

- Member of the Occupational Health and Safety Committee
- Member of the Risk Management Committee

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

- Australia and New Zealand Banking Group Limited from October 2016 to current



Professor John S Horvath AO, MB, BS (Syd), FRACP, FAAHMS, FRCPA (Hons)
Non-executive Director

Professor John Horvath was the Australian Government Chief Medical Officer from 2003 to 2009 and principal Medical Consultant to the Commonwealth Department until January 2016. He continued to advise the Department of Health and the School of Medicine, University of Sydney until 2014 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 previously sat on the Board of the Garvan Research Foundation and was a Governor of the Centenary Institute of Medical Research until January 2016. He was a member of the Advisory Council to the Australian Organ and Tissue Donation Agency. He was a member of the Finance and Administration Committee of the School of Medicine at the University of Sydney. Professor Horvath was a member of the Ministerial Advisory Council to the Minister of Health.

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

Professor Horvath is currently the Global Strategic Medical Advisor to the Chief Executive Officer of Ramsay Health Care, Group Chief Medical Officer of Ramsay Health Care and a Director of the Ramsay Hospital Medical Research Institute and the Gallipoli Medical Research Foundation.

Professor Horvath is a member of the International Advisory Board of the Australian Genetic Consortium.

Professor Horvath sits on the Crown Melbourne Limited and the Crown Resorts Foundation Boards.

Board Committee memberships:

- Chair of the Occupational Health and Safety Committee
- Chair of the Responsible Gaming Committee
- Member of the Corporate Responsibility Committee
- Member of the Nomination and Remuneration Committee



Guy Jalland, LLB
Non-executive Director

Guy Jalland is the Chief Executive Officer of Consolidated Press Holdings Pty Limited (CPH), having worked in the Consolidated Press Holdings and Publishing & Broadcasting Limited (PBL) groups since 1998.

In the past, Mr Jalland has held the role of Group General Counsel and Joint Company Secretary of CPH and PBL.

He has represented CPH as a Director on the boards of Consolidated Media Holdings Limited, Foxtel and Fox Sports.

Board Committee memberships:

- Chair of the Investment Committee



Michael R Johnston, BEc, CA
Non-executive Director

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

Prior to his appointment with the CPH Group, Mr Johnston was a senior partner in the Australian member firm of Ernst & Young. He 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.

Board Committee memberships:

- Member of the Audit and Corporate Governance Committee
- Member of the Finance Committee
- Member of the Investment Committee
- Member of the Nomination and Remuneration Committee
- Member of the Occupational Health and Safety Committee



Antonia Korsanos, BEc, CA, GAICD
Non-executive Director

Antonia Korsanos was the Chief Financial Officer (2009 to 2018) and Company Secretary (2011 to 2018) of Aristocrat Leisure Limited. She has over 20 years' experience in financial and general management at companies including Kellogg's Australia and New Zealand, Goodman Fielder Limited and Coopers & Lybrand in Sydney.

Mrs Korsanos brings to the Board extensive experience in the gaming industry and experience in the areas of technology, finance, strategy, mergers and acquisitions, risk management and financial and regulatory compliance.

Mrs Korsanos has a Bachelor of Economics (Accounting & Finance) from Macquarie University, is a Member of the Institute of Chartered Accountants and is a Graduate of the Australian Institute of Company Directors (GAICD).

Mrs Korsanos is also a Member of Chief Executive Women and a Non-executive Director of Webjet Limited and Ardent Leisure Group Limited.

Mrs Korsanos is a Director of Crown Melbourne Limited.

Board Committee memberships:

- Member of the Audit and Corporate Governance Committee
- Member of the Finance Committee
- Member of the Responsible Gaming Committee

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

- Webjet Limited from June 2018 to current
- Ardent Leisure Group Limited from July 2018 to current



Harold C Mitchell AC
Non-executive Director

Harold Mitchell is the founder of Mitchell & Partners, and until August 2013, was Executive Chairman of Aegis Media, Australia and New Zealand. Since he started Mitchell & Partners in 1976, the company has evolved to become the largest media and communications group in Australia today.

In December 2000, Mr Mitchell launched the Harold Mitchell Foundation which distributes funds between health and the arts.

Mr Mitchell holds a large number of community roles including, Chairman of The Florey Institute of Neuroscience and Mental Health, Board member of New York Philharmonic and Chairman of Australia-Indonesia Centre.

Previously Mr Mitchell was a Board Member and Vice President of Tennis Australia, Chairman of FreeTV Australia, the Melbourne Symphony Orchestra, TVS and University of Western Sydney's television service for Greater Sydney. Mr Mitchell was also the Chairman of the Victorian Premier's Job and Investment Panel.

In 2003, Mr Mitchell 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.

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.

Mr Mitchell was awarded the Victorian Australian of the Year for 2013.

In August 2013, Mr Mitchell was appointed Adjunct Professor, School of Humanities and Communications Arts, University of Western Sydney.

In December 2014, Melbourne University conferred on him an honorary degree of Doctor of Laws.

Mr Mitchell sits on the Crown Resorts Foundation Board.

Board Committee memberships:

- Member of the Corporate Responsibility Committee
- Member of the Nomination and Remuneration Committee



**John Poynton AO, BCom, Hon DCom, FAICD,
SF FIN (LIFE), FAIM**
Non-executive Director

John Poynton is a Director of the Future Fund Board of Guardians (Australia's sovereign wealth fund). He is also the Chair of Strike Energy Limited, Sapien Cyber Limited and Jindalee Partners.

Mr Poynton has previously served as Chairman, Deputy Chairman or Non-executive Director of a number of ASX Listed companies, Federal Government boards and education institutions. These include the Export Finance and Insurance Corporation, the Payments System Board of the Reserve Bank of Australia and the Business School at the University of Western Australia.

Mr Poynton was the Chair of the Council of Christ Church Grammar School between 2014 and 2018 and a member of the Advisory Board of the Security Research Institute at Edith Cowan University.

Mr Poynton is a past recipient of a Western Australian Citizen of the Year award in the Industry and Commerce category.

Mr Poynton also sits on the Burswood Limited Board.

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

- Strike Energy Limited from April 2017 to current

Company secretary details



Mary Manos, LLB (Hons), BCom, GAICD
General Counsel and Company Secretary

Mary Manos is Crown's General Counsel and Company Secretary. Ms Manos is also Secretary of Crown Melbourne Limited, Burswood Limited and Crown Resorts Foundation.

Ms Manos was formerly Senior Legal Counsel for Crown and joint Company Secretary. Ms Manos was appointed joint Company Secretary in April 2008.

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 holds Bachelor of Laws (Hons) and Bachelor of Commerce degrees from the University of Melbourne.

She is also a Graduate of the Australian Institute of Company Directors.

Other officer details



Kenneth M Barton, BEc, CA, F FIN
Chief Financial Officer and CEO Crown Digital

Ken Barton has been Chief Financial Officer of Crown Resorts Limited since March 2010 and CEO Crown Digital since February 2017. Mr Barton also sits on the Crown Melbourne Limited, Burswood Limited and Crown Resorts Foundation Boards.

He was previously Chief Financial Officer of Boral Limited for seven years having also held roles at Pioneer International and Arthur Andersen.

Mr Barton holds a Bachelor of Economics degree from the University of Sydney, is an Associate of the Institute of Chartered Accountants in Australia and a Fellow of the Financial Services Institute of Australia. He also joined the Male Champions of Change program in 2017.



Barry Felstead
Chief Executive Officer – Australian Resorts

Barry Felstead has been Chief Executive Officer – Australian Resorts since August 2013. Mr Felstead sits on the Crown Melbourne Limited and Burswood Limited Boards.

Prior to August 2013, Mr Felstead was Chief Executive Officer of Crown Perth (formerly Burswood) since March 2007, after holding the position of Chief Operating Officer – Gaming of Crown Perth from 2005. Mr Felstead has held multiple management positions at Crown Melbourne.

Mr Felstead is Chairman of FutureNow, a Board member of Burswood Park Board, Alumni of Celebrate WA and a Board Member of Australasian Gaming Council (AGC). Mr Felstead is a founding member of CEO's for Gender Equity.



W Todd Nisbet, BSc
Executive Vice President – Strategy and Development

Todd Nisbet joined the Crown Resorts team in October 2007. In his role as Executive Vice President – Strategy and Development, Mr Nisbet is responsible for all project development and construction operations of Crown.

From August 2000 through to July 2007, Mr Nisbet held the position of Executive Vice President – Project Director for Wynn Design and Development, a development subsidiary of Wynn Resorts Limited. Serving this role with Wynn Resorts, he was responsible for all project development and construction operations undertaken by Wynn Resorts. Prior to joining Wynn Resorts, Mr Nisbet was the Vice President of Operations for Marnell Corrao Associates. During his 14 years at Marnell Corrao (1986 to 2000), he was responsible for managing various aspects of the construction of some of Las Vegas' most elaborate and industry-defining properties.

Mr Nisbet holds a Bachelor of Science degree in Finance from the University of Nevada, Las Vegas.

Relevant Interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2019¹ were as follows:

Director	Total number of ordinary shares	Total number of options
John Alexander	399,557	5,000,000
The Hon. Helen Coonan	-	-
Andrew Demetriou	-	-
Geoff Dixon	-	-
Jane Halton AO PSM	948	-
Professor John Horvath AO	-	-
Guy Jalland	-	-
Michael Johnston	-	-
Antonia Korsanos	10,000	-
Harold Mitchell AC	114,887	-
John Poynton AO	1,000	-

1. For more information on relevant interests of current Directors, please see the Remuneration Report.

Other than in connection with Crown's 2017 Senior Executive Incentive Plan which is described in the Remuneration Report, no Crown Director 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 2019 financial year together with each Director's attendance details.

	Board Meetings		Audit and Corporate Governance Committee Meetings		Corporate Responsibility Committee Meetings		Nomination and Remuneration Committee Meetings		Occupational Health and Safety Committee Meetings		Responsible Gaming Committee Meetings		Risk Management Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J H Alexander	11	11									7	7		
H A Coonan	11	11	3	3	2	2								
A Demetriou	11	10											6	5
G J Dixon	11	11					7	7					6	6
S J Halton AO PSM	11	11							4	4			6	6
J S Horvath AO	11	10			2	2	7	7	4	4	7	7		
G Jalland	11	11												
M R Johnston ¹	11	11	3	3			1	1	4	4				
A Korsanos	11	11	3	3							7	7		
H C Mitchell AC	11	11			2	2	7	7						
J Poynton AO ²	8	8												

1. Mr Johnston was appointed as a member of the Nomination and Remuneration Committee on 17 April 2019.

2. Mr Poynton was appointed as a director of Crown on 20 November 2018.

Under Crown's Constitution and 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). The Board assented to five written resolutions and the Nomination and Remuneration Committee assented to one written resolution in the 2019 financial year. The Finance and Investment Committees did not formally meet in the 2019 financial year.

Shares and Options

As at the date of this Report, Crown has 21.175 million unquoted options on issue (as set out below). Each option is granted over one fully paid ordinary share in Crown. In addition, Crown Digital Holdings Pty Ltd (Crown Digital Holdings) (a wholly owned subsidiary of Crown) has 8,513,980 unquoted options on issue, each of which has been granted over one fully paid ordinary share in Crown Digital Holdings (as set out below).

In April 2017, Crown issued 14 million options under the 2017 Senior Executive Incentive Plan to John Alexander and a small number of senior executives. The options, with an expiry date of 22 February 2021, were granted with an initial exercise price of \$11.43. The exercise price of \$11.43 per option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

In August 2018, Crown issued an additional 7.175 million options under the 2017 Senior Executive Incentive Plan to a small number of senior executives, none of whom were members of Crown's key management personnel. 540,000 of the options were issued to Mr Karl Bitar – the Executive Vice President – Group Marketing & Brand Strategy. The options, with an expiry date of 8 August 2022, were granted with an initial exercise price of \$13.35. The exercise price of \$13.35 per option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

In respect of the 2017 Senior Executive Incentive Plan, if Crown undertakes a bonus issue of Crown shares during the term of the options, holders are entitled, upon exercise of an option, and without payment of any further consideration, to the number of Crown shares the holder would have received under that bonus issue. If Crown undertakes a pro rata issue of Crown shares during the term of the options, then the exercise price of each option will be reduced in accordance with the 2017 Senior Executive Incentive Plan Rules.

For all holders of options under the 2017 Senior Executive Incentive Plan, other than a Director of Crown, at Crown's election, the options can be settled by the issue of new Crown fully paid ordinary shares, the transfer of shares acquired by Crown from the market or by paying cash, equivalent to the difference between the exercise price of the options and the market price of the shares at the time of exercise. For John Alexander, a Director of Crown, any shares to be acquired on the vesting and exercise of the options must be purchased on-market and cannot be settled by the issue of new Crown shares.

In December 2018, Crown Digital Holdings issued 8,513,980 options to Mr Ken Barton under the Crown Digital Senior Executive Option Plan. Each option has been granted over one fully paid ordinary share in Crown Digital Holdings. The options, with an expiry date of 19 December 2022, were granted with an exercise price of \$1.45.

In respect of the Crown Digital Senior Executive Incentive Plan, if Crown Digital Holdings undertakes a bonus issue of shares during the term of the options, holders are entitled, upon exercise of an option, and without payment of any further consideration, to the number of Crown Digital Holdings shares the holder would have received under that bonus issue. If Crown Digital undertakes a pro rata issue of shares during the term of the options, then the exercise price of each option will be reduced in accordance with the Crown Digital Senior Executive Incentive Plan Rules.

No shares or interests have been issued during the year 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 premiums payable.

Indemnification of Auditors

To the extent permitted by law, Crown has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Auditor Information

Auditor Details

Ernst & Young has been appointed Crown's auditor. Mr Michael Collins was the Ernst & Young partner responsible for the audit of Crown's accounts for the year ended 30 June 2019.

Non-audit Services

Details of the amounts paid or payable to Ernst & Young for non-audit services provided during the year by the auditor are outlined in note 23 of the Financial Report. Crown acquired non-audit services from Ernst & Young, largely in respect of taxation matters relating to the Cannery tax litigation matter as well as employment and compliance related taxation matters.

The ratio of non-audit to audit services provided by Ernst & Young to Crown at the conclusion of the 2019 financial year is set out below:

Ratio including the Cannery tax litigation matter	Ratio excluding the Cannery tax litigation matter
2.5:1	1.6:1

Based on advice received from the Audit and Corporate Governance Committee, the Directors are satisfied that the provision of non-audit services during the 2019 financial year by Ernst & Young is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth) for the following reasons:

- all non-audit services have been reviewed by the Audit and Corporate Governance Committee to ensure that they did not impact the impartiality and objectivity of the auditor; and
- none of the services involved reviewing or auditing the auditor's own work or acting in a management decision-making capacity for the Company.

Rounding

The amounts contained in this Report and in the Financial Report have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Crown is an entity to which this Instrument applies.

Remuneration Report

This Remuneration Report for the year ended 30 June 2019 outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act) and the *Corporations Regulations 2001* (Cth). 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 Crown Resorts Limited.

The disclosures in this Report have been audited. This Report is presented under the following sections:

1. Introduction
2. Overview of Remuneration Policy
3. Summary of Senior Executive Remuneration Structure
 - Fixed Remuneration
 - Performance Based Remuneration
4. Details of Performance Based Remuneration Elements
 - Short Term Incentives
 - Long Term Incentives: 2017 Senior Executive Incentive Plan and Crown Digital Senior Executive Incentive Plan
5. Relationship between Remuneration Policy and Company Performance
 - Remuneration linked to performance
 - Policy on entering into transactions in associated products which limit economic risk
6. Remuneration details for Non-executive Directors
7. Remuneration details for Senior Executives
8. Key Management Personnel Disclosures

Introduction

Persons to whom report applies

The remuneration disclosures in this Report cover the following persons:

Non-executive Directors

- The Hon. Helen A Coonan
- Andrew Demetriou
- Geoffrey J Dixon
- Jane Halton AO PSM
- Professor John S Horvath AO
- Guy Jalland
- Michael R Johnston
- Antonia Korsanos
- Harold C Mitchell AC
- John H Poynton AO (from 20 November 2018)

Executive Directors

- John H Alexander (Executive Chairman)

Other Company Executives and Key Management Personnel

- Kenneth M Barton (Chief Financial Officer and CEO Crown Digital)
- Barry Felstead (Chief Executive Officer – Australian Resorts)
- W Todd Nisbet (Executive Vice President – Strategy and Development)

In this Report, the group of persons comprised in the categories of Executive Directors and Other Company Executives (listed above) are collectively referred to as “Senior Executives”.

This Report contains a similar level of disclosure to the 2018 Remuneration Report.

There has been no material change to the Company’s Remuneration Policy during the period and much of the description of the Company’s Remuneration Policy in this Report is therefore unchanged from last year other than in relation to the following:

- the introduction of a new Crown Digital Senior Executive Incentive Plan (described below); and
- as the 2014 Crown Long Term Incentive Plan expired on 30 June 2018 and no Plan Year Bonus was paid in respect of the financial year ended 30 June 2018, a description of the 2014 Crown Long Term Incentive Plan has not been included in this Report.

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 land-based properties and digital assets. 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 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 2019 Corporate Governance Statement. The Nomination and Remuneration Committee is comprised of a majority of independent Non-executive Directors.

No performance based fees are paid to Non-executive Directors. Non-executive Directors are not entitled to participate in Crown's incentive plans (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 (Administration) Act 1992* (Cth) (Superannuation Legislation).

Senior Executives

The remuneration structure for Senior Executives 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 business strategies which are taken into consideration as part of performance based remuneration, are set out in the Operating and Financial Review section of the 2019 Directors' Statutory Report.

Summary 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 conditions 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 help establish the competitive remuneration for its Senior Executives.

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation 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 contributions 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 Executive Chairman) is reviewed annually by the Executive Chairman 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 Executive Chairman is reviewed by the Nomination and Remuneration Committee following their consideration of his performance against his annual KPOs.

The KPOs for Senior Executives, including the Executive Chairman, are closely aligned with the objectives set out in Crown's Annual Business Plan and Budget.

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 pages 69 to 72 of this Report.

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; and
- Long Term Incentives (the 2017 Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan).

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 senior executives, the Short Term Incentives link back to key elements of the Annual Business Plan and Budget. The 2017 Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan are based on an alignment of the relevant Senior Executive's reward to the appreciation of Crown's share price (in respect of the 2017

Senior Executive Incentive Plan) and the appreciation of Crown's Digital business (in respect of the Crown Digital Senior Executive Incentive Plan) and are contingent on continued employment with the Crown group.

Details of Performance Based Remuneration Elements

Short Term Incentives (STI)

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

Financial performance objectives are derived from Crown's Annual Business Plan and Budget as the Crown Board considers that this is the best way to ensure that Crown meets the 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 STI

bonuses where financial performance objectives have not been met, but other objectives have been achieved.

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 Executive Chairman, having regard to the operational performance of the business or function in which the Senior Executive is involved and the Executive Chairman's assessment of the attainment of the individual's KPOs.

The Executive Chairman reviews performance based remuneration entitlements and recommends the STI bonuses, subject to final approval by the Nomination and Remuneration Committee and the Board.

The Executive Chairman's eligibility for an STI bonus is determined by the Nomination and Remuneration Committee on behalf of the Board.

The following table sets out the STI performance scorecard measures and weightings that applied to the Senior Executives for the 2019 financial year.

Where rating ranges have been provided, this indicates that different targets applied to individual Senior Executives based on their level of influence or responsibility with regard to the relevant KPO.

Category	Performance Objective	Performance Outcome	Weighting
Financial	Achieve relevant financial targets, as determined by the Board for the performance period taking into consideration any events/occurrences not contemplated or flagged at the time of the setting of the relevant financial targets.	The EBITDA and NPAT targets determined by the Board for the 2019 financial year were not met, with the full year result reflecting subdued market conditions.	40-50%
Capital Structure and Investments	Maintain an appropriate capital structure to support Crown's strategy including capital management initiatives and major project investments. Ongoing capital investment to support growth in shareholder value. Ensure each of Crown's properties are maintained in keeping with brand positioning and standards.	At 30 June 2019, Crown's net debt position was \$86.5 million, with available liquidity of \$1,192.5 million. Crown's balance sheet is well placed to support its business strategies, including its capital structure initiatives and major project investments. Construction of the Crown Sydney Hotel Resort is proceeding on time and on budget. Maintenance capital expenditure for Crown Melbourne and Crown Perth was delivered within budget while at the same time, ensuring brand standards were maintained with a focus on key customer facing elements of the properties.	5-25%
Customer Service / Experience	Achieve relevant property customer service benchmarks. Building on existing relationships with local communities.	Customer experience metrics at Crown Melbourne and Crown Perth improved on the prior year. Crown Melbourne and Crown Perth received a number of prestigious awards reflecting the quality of their service offering and standards. Refer to pages 17 and 19 for a further description of these awards.	0-15%

Category	Performance Objective	Performance Outcome	Weighting
Governance, Risk & Compliance	<p>Implement appropriate corporate governance processes and procedures.</p> <p>Pursue and maintain effective relationships with stakeholders including Government, Regulators and the Community through regular formal and informal contact.</p> <p>Manage the organisation’s corporate responsibility initiatives.</p> <p>Manage risk management decisions in accordance with Crown’s Board approved Risk & Compliance framework.</p>	<p>Crown proactively engaged with relevant stakeholders, including regulators. During the period, Crown made good progress on the implementation of the 20 recommendations made by the VCGLR in its final report on the Sixth Review of the Casino Operator and Licence held by Crown Melbourne Limited.</p> <p>Crown continued to enhance its governance, risk and compliance frameworks during the period.</p>	15%
Occupational Health and Safety	Achieve compliance with all relevant Health and Safety Policies and Procedures to support a safe environment for staff and patrons alike.	<p>The Total Recordable Injury Frequency Rate was better than the targets at Crown Melbourne and Crown Perth with other occupational health and safety key performance indicators showing improvement on the prior year.</p> <p>WorkSafe Victoria granted Crown a further six-year approval to act as a self-insurer in Victoria.</p> <p>Crown Perth achieved a significant reduction in its premium for workers compensation.</p>	5-10%
Our People and Culture	<p>Drive improved workforce and leadership through:</p> <ul style="list-style-type: none"> Enhanced engagement Promotion of talent Career progression Promotion of diversity Promote a culture of compliance Develop the company’s indigenous workforce & relationships 	<p>During the 2019 financial year, a number of key objectives were achieved, including:</p> <ul style="list-style-type: none"> the adoption of a purpose statement and values with a focus on employees and customers; the achievement of its Gender Objectives as detailed on pages 29 to 31 of the Annual Report; and the CROWNability employment target was exceeded. <p>Refer to pages 20 to 23 of the Annual Report for additional information.</p>	10%
Role Specific¹	Role specific metrics which are aligned to the achievement of Crown Resorts group objectives.	The Executive Chairman assessed the performance of each Senior Executive against their role specific objectives.	15%

1. Role specific performance objectives applied for each Senior Executive other than the Executive Chairman.

Following year end, the Executive Chairman conducted formal reviews with each of the Senior Executives, and the Nomination and Remuneration Committee conducted a review of the Executive Chairman, to assess their performance for the financial year and the achievement of their KPOs.

While a number of the non-financial KPOs were met, on account of the fact that Crown did not achieve its financial objectives, the Executive Chairman recommended to the Nomination and Remuneration Committee that no STI bonuses be awarded in respect of the 2019 financial year.

The Board, upon receipt of a recommendation from the Nomination and Remuneration Committee, determined that no STI bonus would be paid to Senior Executives as the financial performance measure was not met for the year ended 30 June 2019. Disclosures in line with the above have been included in the Senior Executive Remuneration Table set out later in this Report.

Long Term Incentives

During the year, Crown had the following two long term incentive plans in place:

- the 2017 Senior Executive Incentive Plan; and
- the Crown Digital Senior Executive Incentive Plan.

This section of the Report describes these two Plans.

2017 Senior Executive Incentive Plan (2017 Incentive Plan) and Crown Digital Senior Executive Incentive Plan (Crown Digital Incentive Plan)

As the features of the 2017 Incentive Plan and the Crown Digital Incentive Plan (together, the Plans) are similar, the plans are described together below with the differences between the Plans and the offers made under the Plans distinguished where required.

Plan Participants

Options have been granted under the Plans to the following Senior Executives:

Senior Executive	Number of 2017 Incentive Plan Options	Number of Crown Digital Incentive Plan Options*
John Alexander	5,000,000	-
Ken Barton	3,000,000	8,513,980
Barry Felstead	3,000,000	-
Todd Nisbet	3,000,000	-

* Options under the Crown Digital Incentive Plan have only been granted to Mr Barton as CEO – Crown Digital.

Key Features of the Plans

The Plans seek to assist in the reward, retention and motivation of relevant Senior Executives, to link the reward to shareholder value creation and to align the interests of relevant Senior Executives with shareholders.

The key features of the Plans are set out below.

Feature	2017 Incentive Plan	Crown Digital Incentive Plan
Options Description	<p>The 2017 Incentive Plan accommodates the offer and issue of 'Awards' which may be in the form of Options, Performance Rights or Share Appreciation Rights. All Awards may be settled with Crown shares or cash.</p> <p>Options were issued to participants with a four year term from their agreed date of issue and are styled as 'European Options', meaning that they are only exercisable on a single day starting at midnight and ending at 11.59pm Melbourne time on the expiry date.</p> <p>The Options expire on 22 February 2021.</p> <p>The Options are not quoted on the ASX or on any other financial market.</p> <p>For all participants, other than a Director of Crown, at Crown's election, the Options can be settled by the issue of new Crown shares, the transfer of shares acquired by Crown from the market or by paying cash, equivalent to the difference between the Exercise Price of the Options and the market price of the shares at the time of exercise. For John Alexander, a Director of Crown, any Crown shares to be acquired on the vesting and exercise of the Options must be purchased on-market and cannot be settled by the issue of new Crown shares.</p>	<p>The Crown Digital Incentive Plan accommodates the offer and issue of Options. All Options may be settled with Crown Digital Holdings Pty Ltd (Crown Digital Holdings) shares.</p> <p>Options were issued under this Plan with a four year term from their agreed date of issue and are styled as 'European Options', meaning that they are only exercisable on a single day starting at midnight and ending at 11.59pm Melbourne time on the expiry date.</p> <p>The Options expire on 19 December 2022.</p> <p>The Options are not quoted on the ASX or on any other financial market.</p>
Exercise Price	<p>The Options have an initial Exercise Price of \$11.43 per Option.</p> <p>The initial Exercise Price of \$11.43 per Option was determined by reference to the volume weighted average price (VWAP) of Crown shares at the time that the Crown Board approved the offer of Options at its February 2017 meeting.</p> <p>The Exercise Price of each Option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.</p>	<p>The Options have an Exercise Price of \$1.45 per Option.</p> <p>The Exercise Price of \$1.45 per Option was determined by reference to the market value of one Crown Digital Holdings share at the grant date.</p>

Feature	2017 Incentive Plan	Crown Digital Incentive Plan
Adjustments to the Exercise Price	Any special dividends (but not ordinary dividends) or capital returns are reflected as adjustments to the Exercise Price of the Options. Certain adjustments may be made in accordance with the Plan rules and the ASX Listing Rules (where applicable) in relation to bonus and pro rata issues and reorganisations.	Certain adjustments may be made in accordance with the Plan rules and the ASX Listing Rules (where applicable) in relation to bonus and pro rata issues and reorganisations.

In addition, the following features are common to both of the Plans.

Feature	
Options Issued for Value	Participants were required to pay value for their Options. The Options issued were not free.
Consideration for the Payment of Options	Each participant was required to pay a Fee equal to the market value of the Options through an Acquisition Loan advanced by the Crown group.
Vesting Condition	The Options are subject to a single Vesting Condition, being the continued employment of the relevant participant for four years after the grant date, or the classification of the Senior Executive as a good leaver at the expiry date.
Malus and Board Discretion	The Board may deem all unvested Options to have lapsed where a participant acts fraudulently or dishonestly, or wilfully breaches their duties. All unvested Options will automatically be forfeited where a participant is considered a 'bad leaver'. Circumstances in which a participant would be considered a 'bad leaver' include where a participant's employment is terminated or a participant is dismissed due to serious and wilful misconduct, material breach of the terms of the employment contract, gross negligence or other conduct justifying termination without notice. A participant will also be considered a 'bad leaver' if the participant resigns from his or her employment or office.
Board discretion to buy back at any time	The Board may cause the relevant company to buy back Options held by a participant at any time, for the Market Value of the Options without the agreement of a participant.
Dividend and Voting Rights	No ordinary dividend or voting rights attach to the Options unless and until shares are delivered on exercise.
Bonus Issues and Reconstructions	Certain adjustments may be made in accordance with the Plan rules and the ASX Listing Rules (where applicable) in relation to bonus and pro rata issues and reorganisations.
Shareholder Approval	Shareholder approval was not required for the issue of Options.

Value Creation and Alignment

As noted earlier, the Plans seek to link the reward to shareholder value creation and to align the interests of relevant Senior Executives with shareholders.

Further discussed below are how a selection of these features seek to achieve the Plans' objectives and accordingly why Crown considers these features to be appropriate.

Options are Issued for Value – Senior Executives Pay for Options

The Plans differ from many similar option-based incentive plans in that they require participants to pay value for their Options. The Options are not free.

Senior Executives participating in the plans were invited to acquire Options for a Fee equal to the market value of those Options.

The market value was based on the option valuation methodology under the *Income Tax Assessment Regulations 1997* (Cth) (Regulations).

Under the Regulations, having regard to the market price of a share at the grant date and the Exercise Price of the Option, a four year Option is valued at 6.2% of the market value of the underlying share.

The Fee determined with reference to the above for each plan is set out below.

2017 Incentive Plan	Crown Digital Incentive Plan
Options were issued to participants for a fee equal to the market value at the date they were agreed to be issued, being 22 February 2017, of \$0.71 per Option (Fee) (i.e. 6.2% of the initial exercise price of \$11.43).	Options were issued to participants for a fee equal to the market value at the date they were agreed to be issued, being 19 December 2018, of \$0.09 per Option (Fee) (i.e. 6.2% of the initial exercise price of \$1.45).

On the day the Options were issued, the value to the participants was therefore nil. The value of the incentives to the participants will arise only where the relevant share price exceeds the Exercise Price of the Options plus the Fee (i.e. \$12.14 for the 2017 Incentive Plan and \$1.54 for the Crown Digital Incentive Plan), the vesting condition is met and the Options are exercisable.

Consideration for the Payment of Options – Acquisition Loan

Each participant paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the Acquisition Loan and:

- the market value of the shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Options; or
- in the case of lapse, cancellation or forfeiture, nil.

Single Vesting Condition of Continued Employment

The Options are subject to a single Vesting Condition being the continued employment of the relevant Senior Executive for four years after the grant date, or the classification of the Senior Executive as a good leaver at the Expiry Date.

The 2017 Incentive Plan seeks to reward and retain those Senior Executives who have primary responsibility for delivering Crown's key strategic priorities over the Plan period.

In relation to the Crown Digital Incentive Plan, the Board considered that the CEO of Crown Digital should be given the opportunity to benefit from the increase in the value of the Crown Digital portfolio over the Plan period. Further, the Crown Digital Incentive Plan seeks to reward and retain the CEO of Crown Digital who has primary responsibility for creating value in the Crown Digital portfolio.

The Options have an implicit performance hurdle in that the Options have no value upon vesting unless the relevant share price exceeds the Exercise Price of the Options plus the Fee (i.e. the Crown share price exceeding \$12.14 for the 2017 Incentive Plan and the Crown Digital share price exceeding \$1.54 for the Crown Digital Incentive Plan). This creates alignment with shareholders through value and share price appreciation and motivates the performance and retention of Senior Executives.

Shareholder Approval Not Required – Plans not Dilutive to Existing Shareholders

The terms of the 2017 Incentive Plan specifically provide that, upon vesting and exercise of the Options, Directors of Crown may only receive Crown shares that have been purchased on-market. The issue of such Options to Directors of Crown will therefore not be dilutive of existing shareholders and the shares delivered to Option holders will reflect the market value of the shares at the time. As a result, shareholder approval was not required under the ASX Listing Rules for the 2017 Incentive Plan or any Options issued under the 2017 Incentive Plan. Neither the letter nor the spirit of the ASX Listing Rules requires such approval, which would therefore not serve any purpose. As a condition of the fact that the 2017 Incentive Plan was not approved by shareholders, new Crown shares must not be issued to a Director of Crown under the terms of the 2017 Incentive Plan.

In relation to the Crown Digital Incentive Plan, as the Options are issued over shares in Crown Digital Holdings, shareholder approval considerations do not apply.

Accounting Valuation of Options and Reporting

The Options constitute remuneration for the purposes of this Report.

For the purposes of reporting, a determination of the “fair value” (for accounting purposes) of each Option was undertaken. As there is a limited recourse Acquisition Loan associated with the Options with an obligation to repay Crown (in the event the Options are exercised) the Fee per Option, from an accounting perspective, the Acquisition Loan has been treated as an addition to the Exercise Price of the Option and the Option has been re-valued accordingly, without having further regard to the amount outstanding under the Acquisition Loan.

Based on this approach, from an accounting perspective, the Options have been valued using an assumed “exercise price” of the Exercise Price plus the Fee and assumes that there is no Acquisition Loan.

The fair value of the Options was determined at the commencement of each Plan as set out below.

The outcome of this valuation approach (using the Black Scholes valuation model) and the accounting implications are shown below:

	2017 Incentive Plan	Crown Digital Incentive Plan
Number of Options	14,000,000	8,513,980
Exercise Price \$	11.43 ¹	1.45 ²
Total Face value \$	160,020,000	12,345,271
Valuation %	4.6% ¹	7.15% ²
Valuation \$	7,360,920	882,687
Value per Option \$	0.53	0.10
Annual impact on Crown reported results (over four years) \$	1,840,230	220,672

1 While the contracted Exercise Price of each Option is as set out, from an accounting perspective, the valuation of each Option is determined assuming the Exercise Price plus the Fee. For the purposes of the Black Scholes Valuation model, a volatility measure of 18% has been used representing the historical volatility of Crown shares.

2 While the contracted Exercise Price of each Option is as set out, from an accounting perspective, the valuation of each Option is determined assuming the Exercise Price plus the Fee. For the purposes of the Black Scholes Valuation model, a volatility measure of 25% has been used representing the historical volatility of shares in listed companies comparable to the Crown Digital business portfolio.

Based on the above, the annual value of the Plans which has been attributed to each Senior Executive participant is as follows:

	Number of 2017 Incentive Plan Options	Accounting Value per 2017 Incentive Plan Option	Number of Crown Digital Incentive Plan Options	Accounting Value per Crown Digital Incentive Plan Option	Annual Impact \$
John Alexander	5,000,000	53 cents	-	-	657,225
Ken Barton	3,000,000	53 cents	8,513,980	10 cents	615,007 ¹
Barry Felstead	3,000,000	53 cents	-	-	394,335
Todd Nisbet	3,000,000	53 cents	-	-	394,335
Total	14,000,000		8,513,980		2,060,902

1 The annual impact for Mr Barton includes the annual impact of the 2017 Incentive Plan, being \$394,335, and the annual impact of the Crown Digital Incentive Plan, being \$220,672. The F19 impact of the Crown Digital Incentive Plan was \$117,289 as the Options were issued part way through the year (i.e. in December 2018).

Disclosures in line with the above have been included in the Senior Executive Remuneration Table set out later in this Report.

Relationship between Remuneration Policy and Company Performance

Remuneration linked to performance

As detailed above in the sections on Fixed Remuneration and Performance Based Remuneration, 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), an increase in the value of Crown shares (in the case of the 2017 Incentive Plan) and an increase in the value of the Crown Digital portfolio (in the case of the Crown Digital Incentive Plan).

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), an increase in the value of Crown shares over the following four years (in the case of the 2017 Incentive Plan) or an increase in the value of Crown Digital portfolio over the following four years (in the case of the Crown Digital Incentive Plan).

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

- an STI bonus 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;
- an increase in the value of Crown shares over the four years of the 2017 Incentive Plan may result in a benefit to participants; and
- an increase in the value of the Crown Digital portfolio over the four years of the Crown Digital Incentive Plan may result in a benefit to participants.

This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, was down by 9.2%. The compound annual normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period to 30 June 2019 was 0.2% per annum. Normalised Crown group NPAT was down by 4.7% in financial year 2019. The compound annual normalised NPAT growth (including NPAT from Melco Resorts and Entertainment Limited (MRE) until the 2017 financial year) for the Crown group for the five year period to 30 June 2019 was negative 10.4% per annum. Excluding NPAT from MRE (in which Crown ceased to hold an interest in the 2017 financial year), the compound annual normalised NPAT growth for the five year period to 30 June 2019 was positive 1.1% per annum.

The average dividend (including special dividends) declared over the five year period to 30 June 2019 was 74.5 cents per annum. This implies a dividend yield of 6.2% based on the volume weighted average share price over the five year period to 30 June 2019.

The table and graph below set out information about movements in shareholder wealth for the financial years ended 30 June 2015 to 30 June 2019.

	Year Ended 30 June 2015	Year Ended 30 June 2016	Year Ended 30 June 2017	Year Ended 30 June 2018	Year Ended 30 June 2019
Share price at start of period	\$15.12	\$12.20	\$12.61	\$12.28	\$13.50
Share price at end of period	\$12.20	\$12.61	\$12.28	\$13.50	\$12.45
Full year dividend	37.0 cents ¹	72.5 cents ²	143.0 cents ³	60.0 cents ⁴	60.0 cents ⁵
Basic earnings per share ⁶	61.28 cps	54.04 cps	42.55 cps	47.44 cps	59.07cps

1 Franked to 50% with none of the unfranked component comprising conduit foreign income.

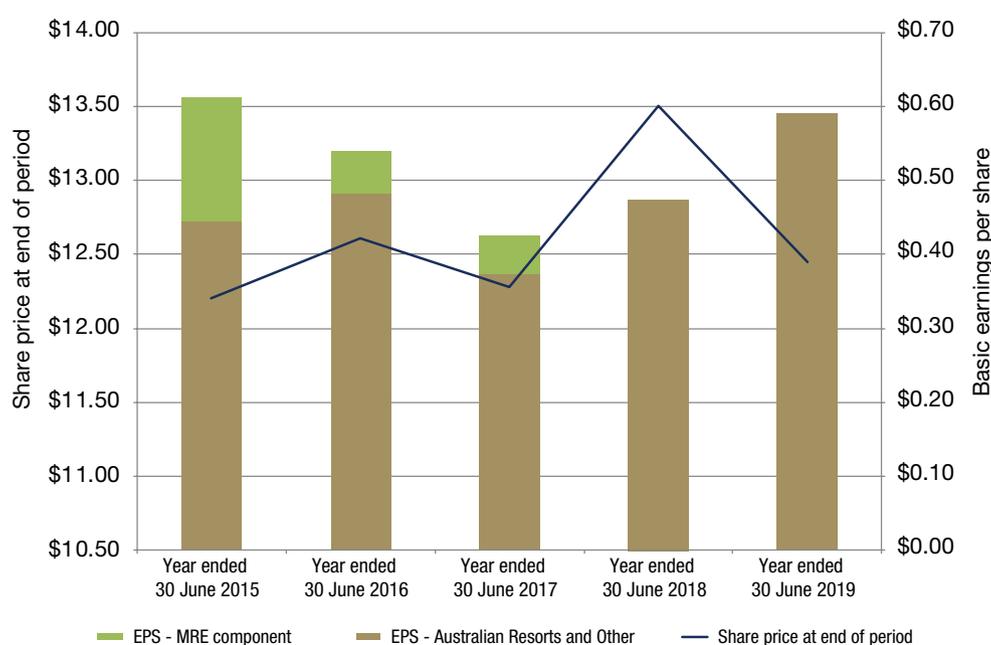
2 Interim dividend franked to 50% and final dividend franked to 70% with all of the unfranked components comprising conduit foreign income.

3 Franked to 60% with none of the unfranked component comprising conduit foreign income. This amount includes a special dividend paid to shareholders in March 2017 of 83 cents per share.

4 Franked to 60% with none of the unfranked component of the interim dividend comprising conduit foreign income and all of the unfranked component of the final dividend comprising conduit foreign income.

5 Interim dividend franked to 60% and final dividend franked to 25% with all of the unfranked components comprising conduit foreign income.

6 Excluding the effect of significant items.



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

The rules of the 2017 Incentive Plan and the Crown Digital Incentive Plan specifically provide that a participant must not transfer, encumber, dispose of or have a Security Interest issued over Plan Shares, or any beneficial interest in Plan Shares, unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met or waived by the Board or the Board has provided prior written consent. A Security Interest is defined to include a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

In addition, Crown’s Securities Trading Policy provides that restricted persons who hold Crown shares (defined as Crown shares or other securities which may be issued from time to time by Crown) under an incentive plan offered by Crown from time to time, must not, without the prior consent in writing of Crown, sell, create a security interest in, or otherwise dispose or deal with their Crown shares or any of their interests in any of those Crown shares.

The rules of the 2017 Incentive Plan and the Crown Digital Incentive Plan also require participants to comply with Crown’s Securities Trading Policy at all times.

Remuneration Details for Non-executive Directors

Non-executive Directors

Non-executive Directors are entitled to a base fee per annum for acting as a Director of Crown.

Non-executive Directors acting on the Board of Crown Melbourne Limited and Burswood Limited (i.e. Crown Perth) are entitled to receive a further fee in respect of that service.

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 and Corporate Governance Committee, the Corporate Responsibility Committee, the Occupational Health and Safety Committee, the Nomination and Remuneration Committee, the Responsible Gaming Committee or the Risk Management Committee).

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

Non-executive Directors’ fees which applied during the financial year ended 30 June 2019 were as follows:

Base Board Fees:	\$150,000
Active Board Committees:	
- Chair	\$25,000
- Member	\$15,000
Crown Melbourne Board:	\$60,000
Crown Perth Board:	\$80,000

In accordance with Crown's constitution, Non-executive Directors' fees were within the aggregate Non-executive Directors' Fee cap of \$2,500,000 per annum.

Set out below is a table showing Non-executive Director remuneration for financial years 2019 and 2018.

Remuneration Table - Non-executive Directors

	Financial Year	Short Term Benefits			Post-employment Benefit - Superannuation	Long Term Incentives			Total
		Salary & Fees	Non Monetary	Other		Cash Based	Equity Based	Termination Benefits	
Helen Coonan	2019	200,000	-	-	19,000	-	-	-	219,000
Non-executive Director	2018	200,000	-	-	19,000	-	-	-	219,000
Andrew Demetriou	2019	165,000	-	-	15,675	-	-	-	180,675
Non-executive Director	2018	218,620	-	-	20,769	-	-	-	239,389
Geoffrey Dixon	2019	200,000	-	-	19,000	-	-	-	219,000
Non-executive Director	2018	200,000	-	-	19,000	-	-	-	219,000
Jane Halton AO PSM	2019	180,000	-	-	17,100	-	-	-	197,100
Non-executive Director	2018	16,304	-	-	1,549	-	-	-	17,853
John Horvath AO¹	2019	290,000	-	-	20,531	-	-	-	310,531
Non-executive Director	2018	285,516	-	-	20,049	-	-	-	305,565
Guy Jalland²	2019	-	-	-	-	-	-	-	-
Non-executive Director	2018	-	-	-	-	-	-	-	-
Michael Johnston²	2019	-	-	-	-	-	-	-	-
Non-executive Director	2018	-	-	-	-	-	-	-	-
Antonia Korsanos¹	2019	230,000	-	-	20,531	-	-	-	250,531
Non-executive Director	2018	16,304	-	-	1,549	-	-	-	17,853
Harold Mitchell AC	2019	180,000	-	-	17,100	-	-	-	197,100
Non-executive Director	2018	180,000	-	-	17,100	-	-	-	197,100
John Poynton AO³	2019	172,391	-	-	8,777	-	-	-	181,168
Non-executive Director	2018	-	-	-	-	-	-	-	-
2019 TOTALS		1,617,391	-	-	137,714	-	-	-	1,755,105
2018 TOTALS⁴		1,116,744	-	-	99,016	-	-	-	1,215,760

1 Professor Horvath and Mrs Korsanos received Directors' fees at a rate of \$60,000 per annum for their participation on the Crown Melbourne Limited Board. Mrs Korsanos was appointed as a Director of Crown Melbourne Limited on 5 September 2018.

2 Messrs Jalland and Johnston did not receive remuneration from Crown from their services to Crown.

3 Mr Poynton was appointed as a Director of Crown on 20 November 2018. Mr Poynton also received Directors' fees at a rate of \$80,000 per annum for his participation on the Burswood Limited Board for which no superannuation was applicable.

4 Total Non-executive Director remuneration for the 2018 financial year excludes remuneration of \$130,833 and related superannuation of \$10,079 for the Non-executive Director who ceased in the 2018 financial year.

The apparent increase in total Non-executive Director Remuneration in the 2019 financial year as compared to the 2018 financial year is largely due to the full year remuneration impact of those Non-executive Directors who were appointed in May 2018 (i.e. Jane Halton AO PSM and Antonia Korsanos) and the appointment of John Poynton AO in November 2018.

Remuneration details for 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 Senior Executive's fixed remuneration, with any increases requiring approval of the Executive Chairman (except in relation to the Executive Chairman) 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 Senior 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 a period following termination and a requirement that the Senior Executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling and Liquor Regulation, Western Australian Gaming and Wagering Commission and the New South Wales Independent Liquor and Gaming Authority);
- 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 at the end of the 2019 financial year are summarised in the tables on the following pages.

Summary of Contracts of Employment Applicable at 30 June 2019

John H Alexander				
Current Position	Executive Chairman (commenced 1 February 2017) (previously Executive Deputy Chairman); Mr Alexander's current employment agreement with Crown Resorts Limited has no fixed term.			
Fixed Remuneration				
Base salary:	\$3,589,391 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,531 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephones and salary sacrifice arrangements for motor vehicle and superannuation.			
Performance Based Remuneration				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Alexander may receive an STI payment of up to \$500,000.			
LTI:	Mr Alexander participated in the 2017 Incentive Plan. Refer to pages 60 to 64.			
2019 Percentage Breakdown of Remuneration	Fixed Remuneration (includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan
	82%	0%	18%	N/A
Post-Employment Benefits	Nil			
Post-Employment Restraint	Crown may impose a restraint for various periods up to 12 months.			
Termination				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; without notice for breach or misconduct.			
Termination Benefits	Nil			
Payments Made Prior to Commencement	Nil			
Directors' Fees	Nil			

Kenneth M Barton				
Current Position	Chief Financial Officer (commenced 9 March 2010) and CEO Crown Digital (from 1 February 2017): Mr Barton's previous employment agreement expired on 30 September 2018. Mr Barton entered into a new employment agreement with Crown Resorts Limited with effect from 1 November 2018 which has no fixed term.			
Fixed Remuneration				
Base salary:	\$2,329,026 per annum with effect from 1 November 2018.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,531 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. Mr Barton is entitled to weekly travel costs for commuting between Sydney and Melbourne and hotel accommodation while in Melbourne.			
Performance Based Remuneration				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Barton's annual target STI is 40% of his TEC.			
LTI:	Mr Barton participated in the 2017 Incentive Plan and the Crown Digital Incentive Plan. Refer to pages 60 to 64.			
2019 Percentage Breakdown of Remuneration	Fixed Remuneration (includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan
	79%	0%	17%	4%
Post-Employment Benefits	Nil			
Post-Employment Restraint	Crown may impose a restraint for various periods up to 12 months.			
Termination				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; without notice for breach or misconduct.			
Termination Benefits	Nil			
Payments Made Prior to Commencement	No sign-on payments were made in connection with Mr Barton's new employment agreement.			
Directors' Fees	Nil			

Barry Felstead				
Current Position	Chief Executive Officer – Australian Resorts (from 1 August 2013): Mr Felstead's current employment agreement with Crown Resorts Limited has no fixed term.			
Fixed Remuneration				
Base salary:	\$2,329,026 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,531 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. Mr Felstead is entitled to a travel allowance of \$50,000 per annum.			
Performance Based Remuneration				
STI:	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 Felstead participated in the 2017 Incentive Plan. Refer to pages 60 to 64.			
2019 Percentage Breakdown of Remuneration	Fixed Remuneration (includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan
	84%	0%	16%	N/A
Post-Employment Benefits	Nil			
Post-Employment Restraint	Crown may impose a restraint for various periods up to 12 months.			
Termination				
By Senior Executive:	12 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			

W Todd Nisbet				
Current Position	Executive Vice President – Strategy and Development (from 9 August 2010): Mr Nisbet’s fixed term employment agreement with Crown Resorts Limited expired on 31 December 2015 and is continuing on the same terms and conditions except as to term, which is now no longer fixed.			
Fixed Remuneration				
Base salary:	\$2,329,026 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,531 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. During Mr Nisbet’s employment with Crown, he is also entitled to additional customary expatriate benefits for himself and his family. Upon cessation of employment, Mr Nisbet will be entitled to relocation benefits for him and his family to Las Vegas.			
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 participated in the 2017 Incentive Plan. Refer to pages 60 to 64.			
2019 Percentage Breakdown of Remuneration	Fixed Remuneration (includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan
	86%	0%	14%	N/A
Post-Employment Benefits	Nil			
Post-Employment Restraint	Crown may impose a restraint for various periods up to 12 months.			
Termination				
By Senior Executive:	12 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			

Remuneration Table for Senior Executives

Commentary

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 ended 30 June 2019 and 30 June 2018 is set out on the following pages.

The 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 tables set out on the following pages.

In addition, a separate table has been provided which details the remuneration that was received, or vested by each Senior Executive during the year.

Fixed Remuneration

Messrs Alexander, Barton, Felstead and Nisbet received an increase to their fixed remuneration for the 2019 financial year of 2.5%. In addition, Mr Barton entered into a new contract of employment during the 2019 financial year which resulted in an adjustment to his fixed remuneration with effect from 1 November 2018.

Short Term Incentives (STI)

Senior Executives have a potential or target STI bonus, which is subject to Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. In the 2019 financial year, the Group's financial performance objectives were not met.

The performance of each Senior Executive against the non-financial KPOs (described earlier) was reviewed by the Executive Chairman, having regard to the operational performance of the business and the function in which the Senior Executive is involved.

The Executive Chairman's non-financial KPOs were reviewed by the Nomination and Remuneration Committee.

As the financial targets were not achieved in the 2019 financial year, STI bonuses at Crown Melbourne, Crown Perth and Crown Resorts were generally not paid. Messrs Alexander, Barton, Felstead and Nisbet did not receive an STI bonus entitlement for the 2019 financial year.

Long Term Incentives (LTI)

As summarised earlier, the Senior Executives also participated in the 2017 Incentive Plan and Mr Barton also participated in the Crown Digital Incentive Plan.

In accordance with relevant Accounting Standards, the 2017 Incentive Plan and the Crown Digital Incentive Plan are included in the remuneration for each Senior Executive to the extent that it is considered more likely than not at the date of this Report that the performance condition and service condition will eventuate over the life of the Plans.

An amount has been attributed to each participant in the 2017 Incentive Plan and the Crown Digital Incentive Plan based on the methodology noted earlier in this Report.

Remuneration Table - Statutory

Financial Year	Short Term Benefits				Long Term Incentives						Total	
	Salary & Fees	Non-Monetary ²	Other ²	STI	% of target	Post-employment Benefits - Super-annuation ³	Cash Based	Senior Executive Plan - 2017 ⁴	Senior Executive Incentive Plan - Crown Digital ⁵	Fringe Tax Benefits Applicable to the Senior Executive Incentive Plans ⁶		Termination Benefits
John Alexander												
2019	3,589,391	12,939	24,335	-	0%	20,531	-	657,225	-	163,394	-	4,467,815
2018	3,501,826	14,240	2,728	500,000	100%	20,049	-	657,225	-	164,965	-	4,861,033
Ken Barton¹												
2019	2,167,920	82,945	-	-	0%	25,000	-	394,335	117,289	108,012	-	2,895,501
2018	1,808,801	62,081	-	750,000	150%	25,000	-	394,335	-	98,979	-	3,139,196
Barry Felstead												
2019	2,329,026	145,334	-	-	0%	20,531	-	394,335	-	98,036	-	2,987,262
2018	2,272,202	132,727	-	916,900	100%	20,049	-	394,335	-	98,979	-	3,835,192
Todd Nisbet												
2019	2,329,026	350,507	351,406	-	0%	20,531	-	394,335	-	98,036	-	3,543,841
2018	2,272,202	348,597	366,212	1,146,126	100%	20,049	-	394,335	-	98,979	-	4,646,500
2019 TOTALS	10,415,363	591,725	375,741	-		86,593	-	1,840,230	117,289	467,478	-	13,894,419
2018 TOTALS⁶	9,855,031	557,645	368,940	3,313,026		85,147	-	1,840,230	-	461,902	-	16,481,921

1 Ken Barton's employment contract was updated with effect from 1 November 2018. Refer to page 70 of this report for further information.

2 Refer to the summaries of contracts of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive. The Non-Monetary short term benefits include fringe benefits tax (other than in relation to the Senior Executive Incentive Plans) paid in relation to benefits received by the Senior Executives.

3 Long service leave accrued balances have increased during the financial year ended 30 June 2019 for the following Senior Executives: Mr Alexander \$59,973, Mr Barton \$36,432, Mr Felstead \$39,034 and Mr Nisbet \$39,034.

4 The 2017 Senior Executive Incentive Plan has been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.

5 The Crown Digital Senior Executive Incentive Plan has been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.

6 Contrary to an initial position taken in respect of the 2017 Senior Executive Incentive Plan, the 2018 disclosure has been updated to include the fringe benefits tax paid in relation to the 2017 Senior Executive Incentive Plan.

Remuneration Table – Remuneration Received / Vested

The statutory table above is prepared in accordance with the requirements of the Corporations Act and the Australian Accounting Standards and does not reflect amounts actually received by the Senior Executives during the financial year. The following table sets out the remuneration which was received by, or vested during, the relevant financial year for each Senior Executive. This is comprised of salary and fees and the STI referable to the previous financial year, but which was received after the end of the financial year. The value of the 2017 Incentive Plan and the Crown Digital Incentive Plan has not been included in the following table. This information is provided as it is considered to be of interest to the users of this Report.

Financial Year	Salary & Fees	Non Monetary ¹	Other ¹	STI	Superannuation	Termination Benefits	Total
John Alexander Executive Chairman	2019 3,589,391	12,939	24,335	500,000	20,531	-	4,147,196
	2018 3,501,826	14,240	2,728	125,000	20,049	-	3,663,843
Ken Barton Chief Financial Officer & CEO Digital	2019 2,167,920	82,945	-	750,000	25,000	-	3,025,865
	2018 1,808,801	62,081	-	335,000	25,000	-	2,230,882
Barry Felstead Chief Executive Officer - Australian Resorts	2019 2,329,026	145,334	-	916,900	20,531	-	3,411,791
	2018 2,272,202	132,727	-	270,000	20,049	-	2,694,978
Todd Nisbet Executive Vice President - Strategy & Development	2019 2,329,026	350,507	351,406	1,146,126	20,531	-	4,197,596
	2018 2,272,202	348,597	366,212	335,000	20,049	-	3,342,060
2019 TOTALS	10,415,363	591,725	375,741	3,313,026	86,593	-	14,782,448
2018 TOTALS	9,855,031	557,645	368,940	1,065,000	85,147	-	11,931,763

¹ Refer to the summaries of contracts of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive.

Key Management Personnel Disclosures

Shareholdings of Key Management Personnel

Set out below is a summary of equity instruments held directly, indirectly or beneficially by KMPs, close family or controlled entities.

30 June 2019

Crown Directors

Directors (including Directors who left the Board during the year)	Balance 1 July 2018	Other net change	Balance 30 June 2019
John Alexander	399,557	-	399,557
Jane Halton AO PSM	948	-	948
Antonia Korsanos	-	10,000 ¹	10,000
Harold Mitchell AC	114,887	-	114,887
John Poynton AO	-	1,000 ²	1,000

1 As required by the ASX Listing Rules, Mrs Korsanos provided Crown with an Appendix 3Y detailing her change in interests in Crown shares on 8 November 2018.

2 Mr Poynton was appointed as a director on 20 November 2018. As required by the ASX Listing Rules, Mr Poynton provided Crown with an Appendix 3X detailing his interests in Crown shares on the date of his appointment. The interests in respect of Mr Poynton are therefore as at 20 November 2018.

Crown Executives

Executives	Balance 1 July 2018	Other net change	Balance 30 June 2019
Ken Barton	143,128	-	143,128
Barry Felstead	178,374	-	178,374
Todd Nisbet	229,531	-	229,531

30 June 2018

Crown Directors

Directors (including Directors who left the Board during the year)	Balance 1 July 2017	Other net change	Balance 30 June 2018
John Alexander	399,557	-	399,557
Rowena Danziger	30,896	-	30,896 ¹
Jane Halton AO PSM	948 ²	-	948
Harold Mitchell AC	114,887	-	114,887
James Packer	342,527,795 ³	(25,599,493)	316,928,302 ⁴

1 Mrs Danziger ceased as a director on 26 October 2017. As required by the ASX Listing Rules, Mrs Danziger provided Crown with an Appendix 3Z detailing her interests in Crown shares on the date of her resignation. The interests in respect of Mrs Danziger are therefore as at 26 October 2017.

2 Ms Halton was appointed as a director on 23 May 2018. As required by the ASX Listing Rules, Ms Halton provided Crown with an Appendix 3X detailing her interests in Crown shares on the date of her appointment. The interests in respect of Ms Halton are therefore as at 23 May 2018.

3 Mr Packer was appointed as a director on 3 August 2017. As required by the ASX Listing Rules, Mr Packer provided Crown with an Appendix 3X detailing his interests in Crown shares on the date of his appointment. The interests in respect of Mr Packer are therefore as at 3 August 2017.

4 Mr Packer ceased as a director on 21 March 2018. As required by the ASX Listing Rules, Mr Packer provided Crown with an Appendix 3Z detailing his interests in Crown shares on the date of his resignation. The interests in respect of Mr Packer are therefore as at 21 March 2018.

Crown Executives

Executives	Balance 1 July 2017	Other net change	Balance 30 June 2018
Ken Barton	143,128	-	143,128
Barry Felstead	178,374	-	178,374
Todd Nisbet	229,531	-	229,531

Senior Executive Option Holdings

Set out below is a summary of Options held directly, indirectly or beneficially by KMPs, close family or controlled entities.

Senior Executives	Balance 1 July 2018	Options granted	Options exercised	Other net change	Balance 30 June 2019	Options vested during year
John Alexander	5,000,000	-	-	-	5,000,000	-
Ken Barton	3,000,000	8,513,980 ¹	-	-	11,513,980	-
Barry Felstead	3,000,000	-	-	-	3,000,000	-
Todd Nisbet	3,000,000	-	-	-	3,000,000	-

¹ Options over Crown Digital shares issued to Mr Barton on 19 December 2018 under the Crown Digital Incentive Plan.

Loans to Key Management Personnel

As noted above, Options under the 2017 Incentive Plan and the Crown Digital Incentive Plan were issued to the Senior Executives for a Fee equal to the market value at the date they were originally agreed to be issued (i.e. 22 February 2017 (\$0.71 per Option (Fee)) in relation to the 2017 Incentive Plan and 19 December 2018 (\$0.09 per Option (Fee)) in relation to the Crown Digital Incentive Plan). Each relevant Senior Executive paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the loan and:

- the market value of the Crown shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Options; or
- in the case of lapse, cancellation or forfeiture, nil.

The Senior Executives who have been granted an Acquisition Loan and the value of that Acquisition Loan are as follows:

Senior Executives	2017 Incentive Plan Acquisition Loan Value	Crown Digital Incentive Plan Acquisition Loan Value
John Alexander	\$3,543,300	-
Barry Felstead	\$2,125,980	-
Todd Nisbet	\$2,125,980	-
Ken Barton	\$2,125,980	\$765,407

There have been no other loans made, guaranteed or secured, directly or indirectly by the Company or any of its subsidiaries in the reporting period in relation to KMPs, close family or controlled entities.

Transactions entered into with Key Management Personnel

Other than as has been disclosed in Note 26 of the Financial Report, there have been no transactions entered into during the reporting period between the Company or any of its subsidiaries and KMPs, close family and controlled entities.

Signed in accordance with a resolution of the Directors.



J H Alexander
Executive Chairman
Melbourne, 11 September 2019

Auditor's Independence Declaration



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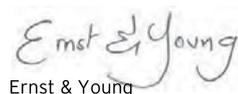
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Auditor's Independence Declaration to the Directors of Crown Resorts Limited

As lead auditor for the audit of the financial report of Crown Resorts Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Crown Resorts Limited and the entities it controlled during the financial year.



Ernst & Young



Michael Collins
Partner
11 September 2019

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Independent Auditor's Report



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Independent Auditor's Report to the Members of Crown Resorts Limited Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Crown Resorts Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of trade receivables

Why significant	How our audit addressed the key audit matter
<p>The Group is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts aged greater than the credit terms extended to customers.</p> <p>The Group applies Australian Accounting Standard - AASB 9 <i>Financial Instruments</i> in calculating the provision for doubtful debts, applying a forward-looking expected loss impairment model. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.</p> <p>The Group's disclosures are included in Note 1.5 and Note 6 of the financial report, which outlines the accounting policy for determining the allowance for doubtful debts and details of the period on period movement in gross and net trade receivables.</p>	<p>In assessing the carrying value of trade receivables, we:</p> <ul style="list-style-type: none"> ▶ tested the ageing of trade receivables for a sample of customer transactions; ▶ assessed receipts after year-end to determine any remaining exposure at the date of the financial report; ▶ considered the Group's assessment of individual customers debtor circumstances along with other information available relating to customers; ▶ assessed whether the expected credit loss impairment model was calculated in accordance with AASB 9 and tested the mathematical accuracy of the calculations; ▶ compared the Group's provisioning rates against historical collection data; ▶ assessed whether the time value of money was considered in the impairment model; ▶ assessed the effectiveness of relevant controls in relation to the granting of credit facilities, including credit checks; and ▶ assessed the adequacy of the Group's disclosures in relation to trade receivables included in the financial report, including the accounting policy in respect of trade receivable balances written off during the year.

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2. Impairment testing of indefinite lived intangibles assets

Why significant	How our audit addressed the key audit matter
<p>The Group has goodwill of \$295.4 million and licence intangible assets of \$1,064.0 million held on the consolidated statement of financial position at 30 June 2019. The Group performs an impairment assessment on an annual basis to support the carrying value of goodwill and other indefinite life intangible assets. In addition, an impairment assessment is performed when there is an impairment indicator present.</p> <p>The impairment assessment is complex and judgemental, as it includes modelling a range of assumptions and estimates that are affected by expected future performance and market conditions. This includes cash flow forecasts, growth rates, discount rates, terminal value assumptions as well as market multiples. Accordingly, the Group's impairment assessment was considered to be a key audit matter. The DGN cash generating unit was impaired during the year.</p> <p>Key assumptions, judgements and estimates used in the Group's assessment of impairment of intangibles assets are set out in Note 1.5 of the financial report. In addition, licenses are disclosed in Note 10, goodwill in Note 11 and impairment testing of intangible assets in Note 12 of the financial report.</p>	<p>We assessed the cash flow forecasts, which supported the value-in-use impairment models and fair value less costs of disposal calculations for goodwill and other indefinite lived intangible assets. We compared the forecasts to the Board approved budgets and long term financial plan. We also considered the historical reliability of the Group's cash flow forecasting process.</p> <p>We involved our valuation specialists to assess whether the methodology applied was in accordance with Australian Accounting Standards and to assess the key assumptions applied in the impairment models. These included the discount rates, terminal value assumptions and market multiples.</p> <p>We tested whether the models used were mathematically accurate.</p> <p>We performed sensitivity analysis around the key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an impairment charge. In addition, we assessed the sensitivity analysis performed by the Group.</p> <p>We assessed the adequacy of the disclosures included in the financial report.</p>

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 57 to 78 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Crown Resorts Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.



Responsibilities

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.

Ernst & Young

Michael Collins
Partner
Melbourne
11 September 2019

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Statement of Profit or Loss

For the year ended 30 June 2019

	Note	2019 \$m	2018 \$m
Revenues	3	2,929.2	3,083.1
Other income	3	0.2	172.5
Expenses	3	(2,326.8)	(2,441.9)
Share of profits of associates and joint venture entities	2,8	13.3	6.6
Profit before income tax and finance costs		615.9	820.3
Finance costs	3	(36.6)	(76.1)
Profit before income tax		579.3	744.2
Income tax expense	2,5	(176.4)	(171.0)
Net profit after tax		402.9	573.2
Attributable to:			
Equity holders of the Parent		401.8	558.9
Non-controlling interests		1.1	14.3
		402.9	573.2

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

	Note	2019 Cents per share	2018 Cents per share
Earnings per share (EPS)			
Basic EPS	24	59.07	81.16
Diluted EPS	24	59.00	81.16
EPS calculation is based on the weighted average number of shares on issue throughout the period			
Dividends per share			
Current year final dividend declared	4	30.00	30.00
Current year interim dividend paid	4	30.00	30.00

Statement of Comprehensive Income

For the year ended 30 June 2019

	2019 \$m	2018 \$m
Net profit after tax	402.9	573.2
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	14.0	7.6
Movement in cash flow hedge reserve	4.1	1.4
<i>Items reclassified to profit or loss:</i>		
Foreign currency translation	-	(76.9)
Other comprehensive income / (loss) for the period, net of income tax	18.1	(67.9)
Total comprehensive income / (loss) for the period	421.0	505.3
Attributable to:		
Equity holders of the Parent	419.6	491.7
Non-controlling interests	1.4	13.6
	421.0	505.3

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

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$m	2018 \$m
Current assets			
Cash and cash equivalents	20	1,126.0	1,844.6
Trade and other receivables	6	98.7	172.3
Inventories		16.7	17.3
Prepayments		38.1	32.8
Other financial assets	7	5.5	9.2
Total current assets		1,285.0	2,076.2
Non-current assets			
Receivables	6	157.8	143.0
Other financial assets	7	37.5	23.3
Investments in associates	8	206.9	187.8
Property, plant and equipment	9	4,259.0	3,880.7
Intangible assets - licences	10	1,064.0	1,080.6
Other intangible assets	11	415.3	462.8
Deferred tax assets	5	159.5	266.9
Other assets	13	48.8	50.4
Total non-current assets		6,348.8	6,095.5
Total assets		7,633.8	8,171.7
Current liabilities			
Trade and other payables	14	433.1	427.5
Interest-bearing loans and borrowings	15	287.6	25.7
Income tax payable		153.9	165.3
Provisions	16	186.0	225.1
Total current liabilities		1,060.6	843.6
Non-current liabilities			
Other payables	14	255.1	287.6
Interest-bearing loans and borrowings	15	791.0	1,467.0
Deferred tax liabilities	5	401.5	380.9
Provisions	16	24.2	32.6
Other financial liabilities		4.5	2.1
Total non-current liabilities		1,476.3	2,170.2
Total liabilities		2,536.9	3,013.8
Net assets		5,096.9	5,157.9
Equity			
Contributed equity	17	(203.3)	(71.9)
Treasury shares	17	-	(15.7)
Reserves	18	1.4	(60.5)
Retained earnings	18	5,298.8	5,306.0
Total equity		5,096.9	5,157.9

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

Cash Flow Statement

For the year ended 30 June 2019

	Note	2019 \$m	2018 \$m
Cash flows from operating activities			
Receipts from customers		3,070.1	3,266.9
Payments to suppliers and employees		(2,177.4)	(2,405.1)
Dividends received		8.9	9.1
Interest received		28.6	28.8
Borrowing costs paid		(76.6)	(108.7)
Income tax paid		(75.5)	(59.3)
Net cash flows from/(used in) operating activities	20b	778.1	731.7
Cash flows from investing activities			
Purchase of property, plant and equipment		(538.7)	(393.7)
Proceeds from sale of property, plant and equipment		0.2	338.6
Investment in equity accounted associates		(5.5)	(6.9)
Proceeds from disposal of investments		7.6	70.7
Net proceeds from sale of equity investments		-	62.5
Net payment for the acquisition of subsidiaries		-	(10.6)
Net proceeds from the disposal of subsidiaries		-	141.8
Loans to associated entities		-	(1.5)
Other (net)		4.4	-
Net cash flows from/(used in) investing activities		(532.0)	200.9
Cash flows from financing activities			
Proceeds from borrowings		56.1	79.7
Repayment of borrowings		(481.1)	(508.2)
Dividends paid		(409.0)	(413.4)
Payments for share buy-back		(131.4)	(18.8)
Net cash flows from/(used in) financing activities		(965.4)	(860.7)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		1,844.6	1,771.2
Effect of exchange rate changes on cash		0.7	1.5
Cash and cash equivalents at the end of the financial year	20a	1,126.0	1,844.6

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 2019

	Ordinary Shares \$m	Shares Held in Trust \$m	Retained Earnings \$m	Reserves \$m	Total \$m	Non- Controlling Interest \$m	Total Equity \$m
Year ended 30 June 2019							
Balance at 1 July 2018	(71.9)	(15.7)	5,306.0	(60.5)	5,157.9	-	5,157.9
Profit for the period	-	-	401.8	-	401.8	1.1	402.9
Other comprehensive income	-	-	-	17.8	17.8	0.3	18.1
Total comprehensive income for the period	-	-	401.8	17.8	419.6	1.4	421.0
Dividends paid	-	-	(409.0)	-	(409.0)	-	(409.0)
Transactions with non-controlling interests	-	-	-	-	-	(0.6)	(0.6)
Share buy-back	(131.4)	-	-	-	(131.4)	-	(131.4)
Movement in non-controlling interest put option	-	-	-	40.8	40.8	(0.8)	40.0
Share based payments	-	15.7	-	3.3	19.0	-	19.0
Balance at 30 June 2019	(203.3)	-	5,298.8	1.4	5,096.9	-	5,096.9
Year ended 30 June 2018							
Balance at 1 July 2017	(53.2)	(19.4)	5,153.1	14.4	5,094.9	24.8	5,119.7
Profit for the period	-	-	558.9	-	558.9	14.3	573.2
Other comprehensive income/(loss)	-	-	-	(67.2)	(67.2)	(0.7)	(67.9)
Total comprehensive income for the period	-	-	558.9	(67.2)	491.7	13.6	505.3
Dividends paid	-	-	(413.4)	-	(413.4)	-	(413.4)
Transactions with non-controlling interests	-	-	-	-	-	(37.0)	(37.0)
Share buy-back	(18.7)	-	-	-	(18.7)	-	(18.7)
Transfers	-	-	7.4	(7.4)	-	-	-
Movement in non-controlling interest put option	-	-	-	(2.1)	(2.1)	(1.4)	(3.5)
Share based payments	-	3.7	-	1.8	5.5	-	5.5
Balance at 30 June 2018	(71.9)	(15.7)	5,306.0	(60.5)	5,157.9	-	5,157.9

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 2019

1. Significant Accounting Policies

1.1 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, contingent consideration and investments that have been measured at fair value and investments in associates accounted for using the equity method.

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Crown is an entity to which this Instrument applies.

The financial report of Crown Resorts Limited and its controlled entities (the Group) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 11 September 2019 subject to final approval by a subcommittee. Crown is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

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.

1.2 Changes in accounting policies

The Group has adopted *AASB 15 Revenue from Contracts with Customers*, which became applicable from 1 July 2018.

Several other amendments and interpretations apply for the first time from July 2018, but do not have a material impact on the financial position or performance of the Group during the period.

AASB 15 Revenue from Contracts with Customers

This standard specifies the accounting treatment for revenue arising from contracts with customers providing a framework for determining whether, when and how much revenue should be recognised. The standard requires an entity to recognise revenue when it transfers promised goods or services to customers at the transaction price, at an amount that reflects what it expects to be entitled to receive in exchange for the goods or services.

The Group adopted AASB 15 using the full retrospective method of adoption. Certain prior period amounts have been adjusted to reflect the full retrospective adoption of

the standard. For the year ended 30 June 2018, the Statement of Profit or Loss was restated, resulting in a decrease in 'revenue' and 'expenses' of \$409.9 million. Also the Cash Flow Statement was restated resulting in a decrease in 'receipts from customers' and 'payments to suppliers and employees' of \$409.9 million. There was no impact on the net profit or net cash flows of the Group in the current or comparative reporting period.

1.3 Standards issued but not yet effective

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 ended 30 June 2019 which may impact the entity in the period of initial application are outlined below:

AASB 16 Leases (applicable to the Group from 1 July 2019)

This standard has a number of key features included requiring the recognition of assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease liabilities arising from a lease are initially measured on a present value basis. For Lessor accounting, AASB 16 substantially carries forward the accounting requirements in AASB 117, other than in respect of subleases.

The Group has chosen to apply the modified retrospective approach on adoption of the new standard. Therefore, there is no restatement of comparative information.

On adoption of this standard, the Group is expecting to recognise a right-of-use asset of approximately \$32 million, a related lease liability of approximately \$55 million, with an adjustment to the opening balance of retained earnings at 1 July 2019.

Based on the current lease portfolio, the Group is not expecting a material impact to financial performance, however there will be a change of classification between expenses.

On adoption of the new standard, there will be an increase in depreciation and interest expense, partially offset by an increase in EBITDA.

Standards and Interpretations not expected to be material

Certain other new Accounting Standards and Interpretations have been published that are not mandatory for the 30 June 2019 reporting period. The Group has assessed the impact of these new Accounting Standards and Interpretations that are relevant to the Group, and does not expect any material impact on net assets, net profit, presentation or disclosures when these standards become effective and are adopted.

1.4 Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Crown Resorts Limited (the parent entity) and all entities that Crown Resorts Limited

1. Significant Accounting Policies *continued*

1.4 Basis of consolidation *continued*

controlled from time to time during the year and at reporting date (the Group). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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. Change of ownership interest of a subsidiary without the loss of control is accounted for as an equity transaction.

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.

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

1.5 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 non-financial assets

The Group determines whether goodwill and intangibles 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 intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 12.

Fair value of financial instruments

In accordance with accounting standards the Group uses the Level Three method in estimating the fair value of certain financial assets. Accordingly, the fair value is estimated

using inputs for the asset that are not based on observable market data.

Contingent consideration resulting from business combinations is valued at fair value at the acquisition date as part of the business combination. When contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. Refer note 14 for further details.

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Doubtful debts

An allowance for doubtful debts is recognised based on the expected credit loss from the time the financial instrument is initially recognised.

The allowance for doubtful debts is based on a provision matrix that reflects the Group's historical credit loss experience, adjusted for management's knowledge of specific customers' circumstances, as well as current collection trends and business conditions.

Trade receivables are written off when there is no reasonable expectation of recovery.

Put option liability

Crown entered into an agreement with the DGN minority shareholders, which contained put options and call options over the remaining non-controlling interest. Crown has recognised a financial liability to reflect the carrying amount of the put option. In arriving at the carrying value of the put option liability, management estimated the future expected cash outflow upon exercise of the put option by the counterparty, discounted to present value using an appropriate discount rate.

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.

1.6 Summary of significant accounting policies

(a) 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

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(a) Income tax *continued*

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

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

- where the deferred 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 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 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 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 tax asset to be utilised.

Deferred 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.

(b) 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; 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.

(c) Foreign currency translation

Both the functional and presentation currency of Crown Resorts 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 for Group reporting purposes.

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.

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Resorts 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 recognised through Other Comprehensive Income (OCI) and accumulated in the foreign currency translation reserve in equity.

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

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(d) 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.

(e) Trade and other receivables

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

An allowance for doubtful debts is recognised based on the expected credit loss from the time the financial instrument is initially recognised. Trade receivables are written off when there is no reasonable expectation of recovery.

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.

(f) 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.

(g) 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 in the associates' OCI or 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.

(h) Investments and other financial assets

Financial assets are classified based on:

- The objective of the entity's business model for managing the financial assets; and
- 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 OCI or in 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 in the Statement of Profit or Loss.

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.

(i) 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:

- Buildings - 40 to 75 years;
- Fixtures and Fitting in buildings - 4 to 20 years; and
- Plant and equipment - 2 to 20 years.

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(i) Property, plant and equipment *continued*

Cost for construction work in progress includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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 of disposal 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.

(j) 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 licences 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 to 2050. The Crown Perth licence is assessed as having an indefinite useful life and, as such, no amortisation is charged. The Crown Perth licence is subject to an annual impairment assessment. Amortisation will commence on the Crown Sydney licence once the property is operational.

Goodwill

Goodwill on acquisition is initially measured at cost, being

the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed. 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.

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 asset is derecognised.

(k) Recoverable amount of non-financial 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

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(k) Recoverable amount of non-financial assets

continued

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 of disposal 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 inflows 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.

(l) Trade and other payables

Trade and other payables are recognised 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.

(m) 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 5.8% (2018: 6.0%).

All other borrowing costs are expensed in the period they are incurred.

(n) 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.

(o) 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 bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(p) Leases

Group as lessee

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(p) Leases *continued*

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(q) Derecognition of financial instruments

The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial asset, 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.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(r) 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 OCI are accumulated in the cash flow hedge reserve in equity and 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 the hedging relationship is discontinued, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(s) Put options over non-controlling interests

Put options granted to holders of non-controlling interests ('NCI puts') at the date of acquiring control of a subsidiary (or after gaining control) gives rise to a financial liability.

When the Group does not have a present ownership interest in the shares subject to the NCI put, the Group applies the partial recognition of NCI approach. Under this approach, the following accounting method is applied at the end of each reporting period:

- The Group determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in other comprehensive income and dividends declared for the reporting period;
- The Group derecognises the NCI as if it was acquired at that date;
- The Group recognises a financial liability and continues to re-assess the liability at the present value of the amount payable on exercise of the NCI put; and
- The Group accounts for the difference between the NCI derecognised and the financial liability recognised as an equity transaction.

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price.

If the NCI put expires unexercised, the position is unwound so that the NCI is recognised at the amount it would have been, as if the NCI put had never been granted. The financial liability is derecognised as an equity transaction.

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(t) Contributed equity

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of the consideration received, less transaction costs and share buy-backs.

(u) Revenue from contracts with customers

The Group's accounting policy for Revenue from Contracts with Customers and impact on adoption of AASB 15 is as follows:

Crown Melbourne, Crown Perth and Crown Aspinalls

Gaming Revenue

Gaming revenue is the net difference between gaming wins and losses, and is recognised upon the outcome of the game. Commissions rebated to customers or promoters are recorded as a reduction of revenue. Prior to adoption of AASB 15, commissions rebated to customers or promoters were recorded within operating expenses.

The Statement of Profit or Loss for the year ended 30 June 2018 was restated, resulting in a decrease in 'revenue' of \$409.9 million and a decrease in 'expenses' of \$409.9 million.

Food and beverage revenue

Food and beverage revenue is recognised as the goods are provided.

Other than described in the Complimentary goods or services section below, no changes to revenue recognition were identified upon adoption of AASB 15.

Hotel, entertainment and other operating revenues

Hotel, entertainment and other operating revenues are recognised as services are performed, which for hotels is over the term of the customer's stay and for entertainment is when the event is held. Advance deposits for hotels and advance ticket sales for entertainment are recorded as customer deposits (i.e. contract liability) until services are provided to the customer.

Other than described in the Complimentary goods or services section below, no changes to revenue recognition were identified upon adoption of AASB 15.

Complimentary goods or services

For gaming transactions that include complimentary goods or services being provided to customers, the Group allocates revenue from the gaming transaction to the good or service provided based on the standalone selling price which is the arm's length price for that good or service available to the public.

Prior to the adoption of AASB 15, revenue from gaming transactions that included complimentary goods or services being provided to customers was not allocated from gaming revenue to the good or service provided.

As the gaming revenue and revenue from complimentary goods or services are contained within revenue for Crown Melbourne, Crown Perth and Crown Aspinalls as disclosed in note 3, no restatement of the statement of profit or loss for the year ended 30 June 2018 was required.

Contract and contract-related liabilities

In providing goods and services to its customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Group primarily has liabilities related to contracts with customers as follows:

- Unredeemed casino chips, which represent the amounts owed to customers for chips in their possession.
- Loyalty program liabilities, which represent the deferral of revenue until loyalty points are redeemed.
- Advance customer deposits, which represent casino front money deposits that are funds deposited by customers before gaming play occurs, gift vouchers and advance payments on goods and services yet to be provided such as deposits on hotel rooms and convention space.

These liabilities are generally expected to be recognised as revenues within one year of being purchased, earned, or deposited and are recorded within current trade and other payables on the Statement of Financial Position. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips held by customers, increases in customer loyalty program balances and additional deposits made by customers.

Wagering and Online

Revenue from exchange betting

Revenue from exchange betting represents commission and other charges earned on betting activity. Revenue is recognised as the performance obligations are satisfied, which is considered to be upon the outcome of the bet being determined.

No changes to revenue recognition were identified upon adoption of AASB 15.

Social gaming revenue

Social gaming revenue is derived from the purchase of credits. Revenue is recognised in the accounting periods in which the transactions occur on a gross basis and commission costs are expensed as incurred.

No changes to revenue recognition were identified upon adoption of AASB 15.

(v) Other revenue

Leases

Lease revenue is recognised on a time proportion basis over the lease term. Contingent lease revenue is recognised in the period in which it is earned.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(v) Other revenue *continued*

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.

(w) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (reserves), over the period in which the service is fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired.

If the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(x) 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.

(y) Segment Information

The Group's operating segments have been determined based on geographic location, management reporting structure and the nature of the products and services offered by the Group. Crown has identified the Board of Directors as its chief operating decision maker that allocates resources and assesses the performance of the operating segments. The segment information presented below is consistent with internal management reporting.

The Group has four operating segments being Crown Melbourne, Crown Perth, Crown Aspinalls and Wagering & Online.

(z) 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.

For each business combination the group elects whether to measure the non-controlling interest in the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets.

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 9 in the Statement of Profit or Loss. 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 2019

	Normalised Result ⁽¹⁾					Crown Group \$m	Adjustment ⁽¹⁾⁽²⁾ \$m	Actual Crown Group \$m
	Crown Melbourne \$m	Crown Perth \$m	Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m			
Operating revenue								
Main floor tables	772.4	186.8	-	-	-	959.2		
Main floor machines	462.7	267.4	-	-	-	730.1		
VIP program play	441.4	72.0	54.9	-	-	568.3		
Wagering & Non gaming Intersegment	478.9	273.2	1.1	130.1	1.5	884.8		
						(3.2)		
Operating revenue	2,155.4	799.4	56.0	130.1	1.5	3,139.2	(236.3)	2,902.9
Interest revenue						26.5	-	26.5
Total revenue	2,155.4	799.4	56.0	130.1	1.5	3,165.7	(236.3)	2,929.4 ⁽³⁾
Operating expenses	(1,565.9)	(577.6)	(49.6)	(104.0)	(43.2)	(2,340.3)	283.9	(2,056.4)
Intersegment						3.2	-	3.2
Earnings before interest, tax, depreciation and amortisation "EBITDA"	589.5	221.8	6.4	26.1	(41.7)	802.1	47.6	849.7
Depreciation and amortisation	(175.2)	(85.3)	(2.7)	(6.8)	(3.6)	(273.6)	-	(273.6)
Earnings before interest and tax "EBIT"	414.3	136.5	3.7	19.3	(45.3)	528.5	47.6	576.1
Equity accounted share of associates' net profit/(loss)						13.3	-	13.3
Net interest income/(expense)						(10.1)	-	(10.1)
Income tax benefit/(expense)						(162.0)	(14.4)	(176.4)
Profit/(loss) after tax						369.7	33.2	402.9
Non-controlling interest						(1.1)	-	(1.1)
Profit/(loss) attributable to equity holders of the Parent						368.6	33.2	401.8

(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 and Crown Aspinalls) and significant items. 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, operating expenses and income tax expense. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided. The Group believes that normalised results are the relevant measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue. Normalised results are a non-IFRS measure.

(2) During the year Crown incurred \$261.3 million of actual VIP program play commission expenses. Commission expenses are included in the total normalised Operating Expenses for the period of \$2,340.3 million. In the actual results, the commission expenses have been allocated out of Operating Expenses and recognised as a reduction to revenue. This difference between the normalised and actual result is included in the Adjustment column above.

(3) Total revenue of \$2,929.4 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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

2. Segment Information *continued*

30 June 2018

	Normalised Result ⁽¹⁾						Crown Group \$m	Adjustment ⁽¹⁾⁽²⁾ \$m	Significant Items ⁽⁴⁾ \$m	Actual Crown Group \$m
	Crown Melbourne \$m	Crown Perth \$m	Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m	Crown Group \$m				
Operating revenue										
Main floor tables	767.1	198.8	-	-	-	965.9				
Main floor machines	449.9	265.1	-	-	-	715.0				
VIP program play	591.8	103.0	63.4	-	-	758.2				
Wagering & Non gaming	470.2	277.6	1.0	293.0	4.5	1,046.3				
Intersegment						(2.0)				
Operating revenue	2,279.0	844.5	64.4	293.0	4.5	3,483.4	(428.2)	-	3,055.2	
Interest revenue						30.1			30.1	
Total revenue	2,279.0	844.5	64.4	293.0	4.5	3,513.5	(428.2)	-	3,085.3⁽³⁾	
Operating expenses	(1,634.0)	(595.7)	(52.4)	(266.1)	(58.9)	(2,607.1)	342.3		(2,264.8)	
Intersegment						2.0			2.0	
Earnings before interest, tax, depreciation and amortisation "EBITDA"	645.0	248.8	12.0	26.9	(54.4)	878.3	(85.9)	-	792.4	
Depreciation and amortisation	(177.5)	(87.0)	(1.9)	(14.8)	(4.7)	(285.9)			(285.9)	
Earnings before interest and tax "EBIT"	467.5	161.8	10.1	12.1	(59.1)	592.4	(85.9)	-	506.5	
Net asset (impairment)/reversal								122.3	122.3	
Net foreign currency gain on disposal of foreign operations								76.9	76.9	
Net gain on CrownBet disposal								87.5	87.5	
Net gain on Ellerston disposal								5.9	5.9	
Restructuring & other significant expenses								(15.5)	(15.5)	
Equity accounted share of associates' net profit/(loss)						9.3		(2.7)	6.6	
Net interest income/(expense)						(46.0)			(46.0)	
Income tax benefit/(expense)						(170.1)	25.8	(26.7)	(171.0)	
Profit/(loss) after tax						385.6	(60.1)	247.7	573.2	
Non-controlling interest						1.2		(15.5)	(14.3)	
Profit/(loss) attributable to equity holders of the Parent						386.8	(60.1)	232.2	558.9	

(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 and Crown Aspinalls) and significant items. 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, operating expenses and income tax expense. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided. The Group believes that normalised results are the relevant measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue. Normalised results are a non-IFRS measure.

(2) During the year Crown incurred \$409.9 million of actual VIP program play commission expenses. Commission expenses are included in the total normalised Operating Expenses for the period of \$2,607.1 million. In the actual results, the commission expenses have been allocated out of Operating Expenses and recognised as a reduction to revenue. This difference between the normalised and actual result is included in the Adjustment column above.

(3) Total revenue of \$3,085.3 million includes \$2.2 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(4) Significant items of \$232.2 million consist of a net asset impairment reversal predominately relating to Alon, a net gain on CrownBet disposal, a net gain on Ellerston disposal and a net foreign currency gain on disposal of foreign operations (previously recorded in reserves), partially offset by restructuring & other significant expenses and significant items relating to Crown's equity accounted interests.

3. Revenue and Expenses

	2019 \$m	2018 \$m
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Crown Melbourne	2,133.7	2,217.5
Crown Perth	808.8	839.0
Crown Aspinalls	56.3	75.6
Wagering & Online	129.1	292.9
Other	-	1.3
Less Commissions	(261.3)	(409.9)
Total Revenue from Contracts with Customers	2,866.6	3,016.4
Tenancy revenue	34.6	34.9
Interest	26.5	30.1
Dividends	1.5	1.7
Total Revenue	2,929.2	3,083.1
(b) Other income		
Profit on disposal of non-current assets	0.2	2.2
Net gain on CrownBet disposal	-	87.5
Net gain on Ellerston disposal	-	5.9
Net foreign currency gain on disposal of foreign operations	-	76.9
	0.2	172.5
(c) Expenses		
Cost of sales	157.6	159.1
Operating activities	2,122.4	2,326.1
Goodwill impairment - DGN ⁽¹⁾	48.9	-
Reassessment of contingent consideration - DGN ⁽²⁾	(48.9)	-
Asset impairment reversal	-	(122.3)
Restructuring & other expenses	-	15.5
Other expenses	46.8	63.5
	2,326.8	2,441.9
Depreciation of non-current assets		
<i>(included in expenses above)</i>		
Buildings	94.9	95.4
Plant and equipment	154.0	162.6
	248.9	258.0
Amortisation of non-current assets		
<i>(included in expenses above)</i>		
Casino licence fee and management agreement	20.4	20.3
Other assets	4.3	7.6
	24.7	27.9
Total depreciation and amortisation expense	273.6	285.9

(1) Refer note 12 for further information.

(2) Refer note 14 for further information.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

3. Revenue and Expenses *continued*

	2019 \$m	2018 \$m
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	81.5	106.4
Capitalised interest	(44.9)	(30.3)
	36.6	76.1
Operating leases	5.6	7.6
Superannuation expense	65.8	67.8
Other employee benefits expense	925.1	923.5
Net foreign currency (gains)/losses	(1.3)	(8.1)
(e) Significant items - income / (expense)		
Goodwill impairment - DGN ⁽¹⁾	(48.9)	-
Reassessment of contingent consideration - DGN ⁽²⁾	48.9	-
Asset impairment reversal	-	122.3
Net foreign currency gain on disposal of foreign operations	-	76.9
Net gain on CrownBet disposal	-	87.5
Net gain on Ellerston disposal	-	5.9
Restructuring & other significant expenses	-	(15.5)
Associates significant items	-	(2.7)
Tax amounts in significant items	-	(26.7)
	-	247.7

(1) Refer note 12 for further information.

(2) Refer note 14 for further information.

4. Dividends Paid and Declared

	2019 \$m	2018 \$m
(a) Dividends declared and paid during the financial year		
Prior year final dividend (paid 5 October 2018)		
Paid at 30.0 cents (2017: 30.0 cents) per share franked at 60% (2017: 60% franked) at the Australian tax rate of 30% (2017: 30%)	205.9	206.7
Current year interim dividend (paid 4 April 2019)		
Paid at 30.0 cents (2018: 30.0 cents) per share franked at 60% (2018: 60% franked) at the Australian tax rate of 30% (2018: 30%)	203.1	206.7
Total dividends appropriated	409.0	413.4
(b) Dividends declared and not recognised as a liability		
Current year final dividend (expected to be paid 4 October 2019)		
Declared at 30.0 cents (2018: 30.0 cents) per share franked at 25% (2018: 60% franked) at the Australian tax rate of 30% (2018: 30%)	203.1	206.2 ⁽¹⁾
(c) Franking credits		
The tax rate at which the final dividend will be franked is 30% (2018: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2019. The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2018: 30%)	2.9	34.7
Franking credits/(debits) that will arise from the payment/(receipt) of income taxes payable/(refundable) as at the end of the financial year	(4.4)	13.2
Total franking credits	(1.5)	47.9
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	(21.8)	(53.0)
Total franking credits available for future reporting periods	(23.3)	(5.1)

(1) Dollar value based on the total number of shares on issue as at the date of declaration of the 2018 final dividend.

5. Income Tax

	2019 \$m	2018 \$m
(a) Income tax expense		
The prima facie tax expense, using the Australian tax rate multiplied by profit differs from income tax provided in the financial statements as follows:		
Profit before income tax	579.3	744.2
Prima facie income tax expense on profit at the Australian rate of 30% (2018: 30%)	173.8	223.2
Tax effect of:		
Non deductible depreciation and amortisation	1.7	1.7
Share of associates' net losses/(profits)	(4.0)	(2.0)
Differences in foreign tax rates	(0.9)	(1.6)
Deferred tax balances not previously brought to account	1.5	(3.8)
Income tax (over)/under provided in prior years	(0.6)	2.4
Non-deductible/(non-assessable) significant items	-	(56.4)
Revenue losses not brought to account	(2.1)	0.4
Other items - net	7.0	7.1
Income tax expense	176.4	171.0
Income tax expense comprises:		
Current expense	50.9	84.3
Deferred expense	126.1	57.6
Adjustments for current income tax of prior periods	(0.6)	2.4
Tax on significant items	-	26.7
	176.4	171.0
(b) Deferred income taxes		
Deferred income tax assets	159.5	266.9
Deferred income tax liabilities	(401.5)	(380.9)
Net deferred income tax assets/(liabilities)	(242.0)	(114.0)

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

5. Income Tax *continued*

	Statement of Financial Position		Statement of Profit or Loss	
	2019 \$m	2018 \$m	2019 \$m	2018 \$m
(c) Deferred income tax assets and liabilities at the end of the financial year				
The balance comprises temporary differences attributable to:				
Doubtful debt provision	18.2	113.3	95.1	(14.8)
Employee benefits provision	41.0	38.6	(2.3)	(2.9)
Losses available for offsetting against future taxable income	25.6	25.9	0.4	11.0
Other receivables	0.5	1.8	1.2	1.2
Other provisions	40.9	54.6	13.6	(1.1)
Prepaid casino tax	(14.0)	(14.5)	(0.4)	(0.4)
Licences and intangibles	(225.6)	(226.6)	(1.0)	(2.5)
Land and buildings	(166.1)	(139.7)	26.3	19.3
Property, plant & equipment	25.6	18.9	(6.7)	(10.7)
Revaluation of investment to fair value	-	18.4	18.4	70.2
Other	11.9	(4.7)	(18.5)	(4.7)
Deferred income tax expense/(income)			126.1	64.6
Net deferred income tax assets/(liabilities)	(242.0)	(114.0)		
			2019 \$m	2018 \$m
(d) Movements in deferred income tax assets and liabilities during the financial year				
Carrying amount at the beginning of the year			(114.0)	(22.7)
Tax income / (expense) during the period recognised in profit or loss			(126.1)	(57.6)
Tax income / (expense) during the period recognised in profit or loss - significant items			-	(6.9)
Exchange differences			(0.1)	(0.1)
Tax income / (expense) - derivatives			(1.8)	(0.6)
Disposal of subsidiaries			-	(26.1)
Carrying amount at the end of the year			(242.0)	(114.0)
(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable				
Tax losses arising in Australia for offset against future capital gains			86.8	489.8
Foreign income tax losses for offset against future foreign profits			753.0	637.7
Total tax losses not brought to account			839.8	1,127.5
Potential tax benefit at respective tax rates			184.2	280.9

5. Income Tax *continued*

(f) Unrecognised temporary differences

At 30 June 2019, there is no recognised or unrecognised deferred income tax liability (2018: \$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 Resorts Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Resorts Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Resorts Limited in order to allocate income tax expense between Crown Resorts 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 Resorts Limited.

6. Trade and Other Receivables

	2019 \$m	2018 \$m
Current		
Trade receivables	189.7	580.8
Provision for doubtful debts (a)	(108.0)	(425.7)
	81.7	155.1
Other receivables	17.0	17.2
	98.7	172.3
Non-current		
Other receivables	157.8	143.0
	157.8	143.0

(a) Allowance for Doubtful Debts

Trade receivables are non-interest bearing and are generally 30 day terms. An allowance for doubtful debts is recognised based on the expected credit loss model from the time the financial instrument is initially recognised.

Movements in the allowance for doubtful debts

	2019 \$m	2018 \$m
Allowance for doubtful debts at the beginning of the year	(425.7)	(367.6)
Net doubtful debt expense ⁽¹⁾	(12.7)	(67.2)
Disposal of subsidiaries	-	1.7
Net Amounts written off	339.1	12.8
Exchange differences	(8.7)	(5.4)
	(108.0)	(425.7)

(1) Amounts are included in other expenses.

During the year, a number of longstanding debts that were previously fully provided in doubtful debt provisions, being deemed to have no reasonable expectation of recovery were written off. As those amounts were fully provided for, this has had no impact on net debtors.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

6. Trade and Other Receivables *continued*

(a) Allowance for Doubtful Debts *continued*

Ageing analysis of trade receivables

	0-30 days \$m	>30 days \$m	Total \$m
2019 - consolidated			
Current	45.5	-	45.5
Past due not impaired	-	36.2	36.2
Considered impaired	1.8	106.2	108.0
	47.3	142.4	189.7
2018 - consolidated			
Current	94.0	-	94.0
Past due not impaired	-	61.1	61.1
Considered impaired	-	425.7	425.7
	94.0	486.8	580.8

7. Other Financial Assets

	2019 \$m	2018 \$m
Current		
Receivable on foreign exchange contracts	5.5	9.2
	5.5	9.2
Non-current		
Receivable on cross currency swaps	35.2	23.3
Other	2.3	-
	37.5	23.3

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 30.

8. Investments in Associates

	2019 \$m	2018 \$m
Investment details:		
Associated entities - unlisted shares	206.9	187.8
Total investments in associates	206.9	187.8
	2019 \$m	2018 \$m
Share of profits of associates		
Nobu Group	7.3	7.2
Aggregate share of profit from non material associates	6.0	(0.6)
	13.3	6.6

8. Investments in Associates *continued*

Investments in Associates	Reporting Date	Principal Activity	Principal Place of Business	% Interest	
				30 June 2019	30 June 2018
Nobu Group	31 Dec ⁽¹⁾	Restaurants/Hotels	USA	20.0	20.0
Aspers Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	UK	50.0	50.0
Chill Gaming Pty Ltd	30 June	Gaming software developer	Australia	50.0	50.0
Zengaming Inc	31 Dec ⁽¹⁾	eSports	USA	28.9	36.9

(1) The Group uses 30 June results to equity account the investments.

The associates outlined above are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below.

	2019 \$m	2018 \$m
Carrying amount of investment - Nobu Group:		
Balance at the beginning of the financial year	135.2	130.4
Share of associates' net profit/(loss) for the year	7.3	7.2
Foreign exchange movements	7.4	5.0
Dividends received	(7.4)	(7.4)
Carrying amount of investment in the Nobu Group at the end of the financial year	142.5	135.2

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

9. Property, Plant and Equipment

	Freehold land & buildings \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Total property, plant & equipment \$m
Year ended 30 June 2019					
At 1 July 2018, net of accumulated depreciation and impairment	1,741.7	829.7	664.3	645.0	3,880.7
Additions	1.3	16.0	92.2	517.0	626.5
Disposals	-	-	(0.9)	-	(0.9)
Depreciation expense	(45.5)	(49.4)	(154.0)	-	(248.9)
Exchange differences	-	0.3	1.3	-	1.6
Reclassification/ transfer	8.4	(0.8)	8.4	(16.0)	-
At 30 June 2019, net of accumulated depreciation and impairment	1,705.9	795.8	611.3	1,146.0	4,259.0
At 30 June 2019					
Cost (gross carrying amount)	2,189.0	1,602.5	2,517.3	1,146.0	7,454.8
Accumulated depreciation and impairment	(483.1)	(806.7)	(1,906.0)	-	(3,195.8)
Net carrying amount	1,705.9	795.8	611.3	1,146.0	4,259.0

	Freehold land & buildings \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Leased plant & equipment \$m	Total property, plant & equipment \$m
Year ended 30 June 2018						
At 1 July 2017, net of accumulated depreciation and impairment	1,964.8	872.2	646.5	345.7	130.0	3,959.2
Additions	0.9	13.9	95.9	321.2	-	431.9
Disposals	(265.0)	(6.7)	(31.5)	(4.6)	(30.0)	(337.8)
Depreciation expense	(44.6)	(50.8)	(158.4)	-	(4.2)	(258.0)
Impairment reversal	89.1	-	-	-	-	89.1
Exchange differences	(6.3)	0.7	1.9	-	-	(3.7)
Reclassification/ transfer	2.8	0.4	109.9	(17.3)	(95.8)	-
At 30 June 2018, net of accumulated depreciation and impairment	1,741.7	829.7	664.3	645.0	-	3,880.7
At 30 June 2018						
Cost (gross carrying amount)	2,182.7	1,598.1	2,437.8	645.0	-	6,863.6
Accumulated depreciation and impairment	(441.0)	(768.4)	(1,773.5)	-	-	(2,982.9)
Net carrying amount	1,741.7	829.7	664.3	645.0	-	3,880.7

10. Intangible Assets - Licences

	2019 \$m	2018 \$m
Balance at the beginning of the financial year	1,080.6	1,097.3
Amortisation expense	(16.6)	(16.7)
Balance at the end of the financial year	1,064.0	1,080.6
Cost (gross carrying amount)	1,297.0	1,297.0
Accumulated amortisation and impairment	(233.0)	(216.4)
Net carrying amount	1,064.0	1,080.6

The casino licences are carried at cost and amortised on a straight line basis over their useful lives.

The Crown Melbourne licence is being amortised until 2050. The Crown Perth licence (\$440.4 million) is assessed as having an indefinite useful life, as it does not expire, and therefore no amortisation is charged. Amortisation will commence on the Crown Sydney licence once the property is operational.

11. Other Intangible Assets

	Goodwill ⁽¹⁾ \$m	Casino Management Agreement ⁽¹⁾ \$m	Other \$m	Total \$m
Year ended 30 June 2019				
At 1 July 2018, net of accumulated amortisation and impairment	338.4	119.0	5.4	462.8
Additions	-	-	2.0	2.0
Impairment ⁽²⁾	(48.9)	-	-	(48.9)
Exchange differences	5.9	-	-	5.9
Amortisation expense	-	(3.7)	(2.8)	(6.5)
At 30 June 2019, net of accumulated amortisation and impairment	295.4	115.3	4.6	415.3
At 30 June 2019				
Cost (gross carrying amount)	344.3	245.3	22.5	612.1
Accumulated amortisation and impairment	(48.9)	(130.0)	(17.9)	(196.8)
Net carrying amount	295.4	115.3	4.6	415.3

(1) Purchased as part of business combinations.

(2) Impairment relates to the goodwill in DGN. Refer note 12 for further details.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

11. Other Intangible Assets *continued*

	Goodwill ⁽¹⁾	Casino Management Agreement ⁽¹⁾	Other	Total
	\$m	\$m	\$m	\$m
Year ended 30 June 2018				
At 1 July 2017, net of accumulated amortisation and impairment	346.5	122.7	93.5	562.7
Additions	-	-	2.0	2.0
Impairment reversal	-	-	36.5	36.5
Exchange differences	6.1	-	(2.6)	3.5
Amortisation expense	-	(3.7)	(6.0)	(9.7)
Disposals	(14.2)	-	(118.0)	(132.2)
At 30 June 2018, net of accumulated amortisation and impairment	338.4	119.0	5.4	462.8
At 30 June 2018				
Cost (gross carrying amount)	338.4	245.3	20.5	604.2
Accumulated amortisation and impairment	-	(126.3)	(15.1)	(141.4)
Net carrying amount	338.4	119.0	5.4	462.8

(1) Purchased as part of business combinations.

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 12). The goodwill balance at 30 June 2019 is allocated to Crown Melbourne \$26.9 million (2018: \$26.9 million), Crown Perth \$144.0m (2018: \$144.0 million), Crown Aspinalls \$53.1 million (2018: \$52.5 million), DGN \$51.5 million (2018: \$95.1 million) and Betfair \$19.9 million (2018: \$19.9 million).

The useful life of the Crown Melbourne casino management agreement is amortised on a straight line basis to 2050.

12. Impairment Testing of Intangible Assets

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGUs) identified according to 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.

The allocation of goodwill and other intangible assets with indefinite useful lives to the Group's CGUs are outlined in Note 10 and Note 11.

The recoverable amount of a CGU is defined as the higher of the value in use and the fair value less cost of disposal. This implied value is then compared with the carrying value of the CGU to determine any impairment required. The recoverable amount of the Crown Melbourne, Crown Perth and Betfair CGUs has been determined based on a value in use calculation using a discounted cash flow methodology covering a four year period, with an appropriate residual value at the end of that period. The methodology utilises cash flow forecasts that are based primarily on business plans presented to and approved by the Board.

The recoverable amount of the DGN and Crown Aspinalls CGUs has been determined based on fair value less costs of disposal, calculated using a discounted cash flow methodology and using historical and forecast earnings for the CGU as well as market acquisition prices and current trading multiples of entities of a similar nature to each CGU.

Value in use assessment

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of intangible assets for CGUs under the value in use method.

- Cash flow forecasts are based on past performance and expectations for the future using a four year cash flow period, risk adjusted where applicable.

12. Impairment Testing of Intangible Assets *continued*

- Residual value is calculated using a perpetuity growth formula based on cash flow forecasts using a weighted average cost of capital (after tax) and forecast growth rate.
- Forecast growth rates are based on past performance and management's expectations of future performance in each CGU as at 30 June 2019, based on the nature of the products and industries in which each CGU operates. The terminal growth rates beyond the four year period do not exceed the forecasted long term Australian inflation rate of 2.50% (2018: 2.25%).
- A weighted average cost of capital (after tax) of between 8% and 12% (2018: 8% and 10%) was used by the Group in impairment testing, risk adjusted where applicable.

Fair value less costs of disposal assessment

The following describes each key assumption on which management has based its recoverable amount calculations of intangible assets for CGUs under the fair value less costs of disposal method. The adopted recoverable amount has been determined based on a range of values calculated using the methods described below.

For calculations using a discounted cash flow methodology the key assumptions are:

- Earnings forecasts are based on the business plan as presented to and approved by the Board, which are based on past performance and expectations for the future using a four year cash flow period, risk adjusted where applicable.
- Residual value is calculated using a perpetuity growth formula based on cash flow forecasts using a discount rate and earnings multiples.
- A discount rate (after tax) of between 8% and 12% was used, risk adjusted where applicable.
- Costs of disposal of 2.0% have been utilised to discount the implied fair value.

For calculations using market acquisition prices and current trading multiples of entities of a similar nature to each CGU the key assumptions are:

- Acquisition multiples between 8.5x and 11.0x prior year EBITDA have been utilised, reflecting market acquisition prices for entities of a similar nature to each CGU.
- Trading multiples of publicly listed companies and entities of a similar nature to the CGU of between 7.5x and 8.0x last twelve month EBITDA and between 8.0x and 9.0x next twelve month EBITDA have been utilised.
- Costs of disposal of 2.0% have been utilised to discount the implied fair value.

The fair value measurement for the Crown Aspinalls and DGN CGUs is considered to be level 3 in the fair value hierarchy, as it is based on using inputs that are not based on observable market data. Where available, applicable level 2 information has been taken into account (refer to note 30 for explanation of the valuation hierarchy).

Outcome of impairment tests for intangible assets

Based on the valuation techniques performed, an impairment loss of \$48.9 million has been recorded against the Group's intangible assets during the year (2018: nil). As at 30 June 2018, goodwill relating to the acquisition of DGN was \$95.1 million. At 30 June 2019, indicators of impairment were identified for the DGN CGU. These indicators were considered in the re-forecast of cash flows of the DGN Group, which were developed as part of the annual four-year business plan presented to and approved by the Board. Based on the impairment testing using the re-forecast earnings of the DGN Group, the recoverable amount of the DGN CGU is \$81.8 million as at 30 June 2019. As a result of carrying amounts exceeding recoverable amount, Crown has reduced goodwill relating to the acquisition of DGN by \$48.9 million. This goodwill was initially recorded as part of the acquisition of Winners Club Limited, with a significant part of the initial goodwill relating to contingent consideration. Crown has also reassessed the amount of contingent consideration on the acquisition of Winners Club Limited and reduced the amount due (Refer to note 14 for details of the contingent consideration). DGN forms part of the Wagering & Online segment and the impairment loss of \$48.9 million has been included in the results for the Wagering & Online segment. This impairment loss has been included in the Statement of Profit or Loss.

Sensitivity analysis

For CGUs where the recoverable amount was determined based on the value in use calculation, the key estimates and assumptions used to determine the value in use of the CGU are based on management's current expectations based on past experience, future plans and external market information. They are considered to be reasonably achievable, however significant changes in any of the key estimates and assumptions may result in a CGUs carrying value exceeding its recoverable value, resulting in an impairment charge.

It is not considered that any reasonable possible change in any of the above assumptions would cause the carrying value of any CGU to materially exceed its recoverable amount.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

12. Impairment Testing of Intangible Assets *continued*

For Crown Aspinalls and DGN where the recoverable amount was determined based on fair value less costs of disposal, an adverse change in either the acquisition or trading multiples of entities of a similar nature to the CGU, or an adverse change in the earnings of the CGU may, or in the case of DGN would, result in the carrying amount of the CGU to exceed its recoverable amount, resulting in an impairment charge against goodwill of the CGU. In relation to Crown Perth, it is noted that a terminal growth rate of less than 0.25% could give rise to an impairment.

The Group will continue to monitor the performance of all CGUs going forward, and consider the impact on the respective CGUs' impairment testing assumptions and carrying value.

13. Other Assets

	2019 \$m	2018 \$m
Non-current		
Prepaid casino tax at cost	100.8	100.8
Accumulated amortisation	(53.9)	(52.5)
	46.9	48.3
Other prepayments	1.9	2.1
	48.8	50.4

14. Trade and Other Payables

	2019 \$m	2018 \$m
Current - unsecured		
Trade and other payables	280.6	250.5
Contract and contract-related liabilities ⁽¹⁾	152.5	177.0
	433.1	427.5
Non-current - unsecured		
Casino licence payable ⁽²⁾	167.6	163.0
Contingent consideration	0.7	47.0
Other	86.8	77.6
	255.1	287.6

(1) Contract and contract related liabilities include unredeemed casino chips, loyalty program liabilities and advance customer deposits which decreased by \$24.5 million during the year (2018: increased by \$12.9 million).

(2) Net present value of the \$250.0 million payment due in 2033 relating to the Crown Melbourne Casino licence.

Contingent Consideration

As part of the purchase agreement with the previous owners of Winners Club, there may be an additional contingent consideration payment due based on the 2020 earnings of the DGN Group. During the current period, following a re-forecast of earnings of the DGN Group, Crown has reduced the contingent consideration by \$48.9 million, which has been included in the Statement of Profit or Loss. The net change in value of \$46.3 million constitutes the re-measurement of \$48.9 million and unfavourable FX movement of \$2.6 million. The fair value measurement for contingent consideration is considered to be level 3 in the fair value hierarchy, based on using inputs that are not based on observable market data (refer to note 30 for explanation of the valuation hierarchy). A significant increase (decrease) in the future earnings of the DGN Group would result in a higher (lower) fair value of the contingent consideration liability. As part of the reassessment of future earnings, Crown also impaired the goodwill relating to DGN, as outlined in note 12.

15. Interest-Bearing Loans and Borrowings

	2019 \$m	2018 \$m
Current		
Bank Loans - unsecured	28.5	25.7
Capital Markets Debt - unsecured	259.1	-
	287.6	25.7
Non-current		
Bank Loans - unsecured	-	28.9
Capital Markets Debt - unsecured ⁽¹⁾	790.0	1,437.1
Other loans - unsecured	1.0	1.0
	791.0	1,467.0

(1) On 14 September 2018, Crown redeemed all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" (the "Notes") in accordance with the terms of the Notes. This reduced Crown's gross debt by approximately \$400 million.

Fair Value Disclosures

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 30.

Financial Risk Management

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 30.

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 \$m	Drawn Amount \$m	Letters of Credit Issued \$m	Available \$m	Expiry Dates
Bank Facilities					
Bilateral Multi Option Facilities	170.0	28.5	31.5	110.0	Nov 19 / Mar 20
GBP Syndicated Facility	90.4	-	-	90.4	Aug 2020
Letter of Credit Facilities	250.5	-	250.5	-	Jun 21 - Jan 22
	510.9	28.5	282.0	200.4	
Debt Capital Markets					
Euro Medium Term Notes	174.6	174.6	-	-	Jul 2036
Australian Medium Term Notes	259.1	259.1	-	-	Nov 2019
AUD Subordinated Notes	615.4	615.4	-	-	Apr 2075
	1,049.1	1,049.1	-	-	
Other					
Other Loans	1.0	1.0	-	-	Jun 2021
Total at 30 June 2019	1,561.0	1,078.6	282.0	200.4	
Total at 30 June 2018	2,009.8	1,492.7	341.0	176.1	

The bank facilities are provided on an unsecured basis by domestic and international banks. Refer note 30(a)(i) for further details regarding interest rates.

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

15. Interest-Bearing Loans and Borrowings *continued*

Each of the above mentioned facilities is issued by or supported by a Group guarantee from Crown and certain 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 20(c) for a summary of Crown's overdraft facilities.

16. Provisions

	Employee Entitlements \$m	Other \$m	Total \$m
At 1 July 2018	201.7	56.0	257.7
Arising during the year	93.4	2.6	96.0
Utilised during the year	(122.2)	(21.3)	(143.5)
At 30 June 2019	172.9	37.3	210.2
Current 2019	158.4	27.6	186.0
Non-current 2019	14.5	9.7	24.2
At 30 June 2019	172.9	37.3	210.2
Current 2018	186.3	38.8	225.1
Non-current 2018	15.4	17.2	32.6
At 30 June 2018	201.7	56.0	257.7

17. Contributed Equity

	2019 \$m	2018 \$m
Issued share capital		
Ordinary shares fully paid	(203.3)	(71.9)
Movements in issued share capital		
Carrying amount at the beginning of the financial year	(71.9)	(53.2)
Share buy-back, inclusive of costs	(131.4)	(18.7)
Carrying amount at the end of the financial year	(203.3)	(71.9)
Shares held in Trust		
Balance at beginning of the financial year	(15.7)	(19.4)
Shares transferred under the Crown Long Term Incentive Plan	15.7	3.7
Balance at the end of the financial year	-	(15.7)
	2019 No.	2018 No.
Issued share capital		
Ordinary shares fully paid	677,158,271	687,421,194
Movements in issued share capital		
Balance at the beginning of the financial year	687,421,194	688,847,822
Share buy-back	(10,262,923)	(1,426,628)
Balance at the end of the financial year	677,158,271	687,421,194

17. Contributed Equity *continued*

During the year, the Group carried out an on-market share buy-back as an element of its capital management program. For the year ended 30 June 2019, shares to a value of \$131.4 million (2018: \$18.7 million) have been purchased.

Due to share buy-backs being undertaken at higher prices than the original subscription prices, the balance of contributed equity is reflected as a negative balance, which shows the excess value of shares bought over the original amount of subscribed capital. Refer note 29 for details of the Parent Entity's share capital, which has significant paid up capital.

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 2019, the Group paid dividends of \$409.0 million (2018: \$413.4 million). The Group's dividend policy is to pay 60 cents per share on a full year basis, subject to Crown's financial position.

18. Reserves and Retained Earnings

	2019 \$m	2018 \$m
Foreign currency translation reserve	(28.8)	(42.5)
Employee equity benefits reserve	18.9	15.6
Net unrealised gains reserve	(14.1)	(54.9)
Cash flow hedge reserve	25.4	21.3
	1.4	(60.5)
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	(42.5)	26.1
Net foreign exchange translation	14.0	7.6
Net foreign exchange gain reclassified to profit or loss	-	(76.9)
Non-controlling interest	(0.3)	0.7
Balance at the end of the financial year	(28.8)	(42.5)
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	15.6	13.8
Movement for the period	3.3	1.8
Balance at the end of the financial year	18.9	15.6

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

18. Reserves and Retained Earnings *continued*

	2019 \$m	2018 \$m
Net Unrealised Gains Reserve		
The net unrealised gains reserve records the movement from changes in ownership interests in a subsidiary, investments and associates equity, which do not impact control.		
Balance at the beginning of the financial year	(54.9)	(45.4)
Transfer to retained earnings	-	(7.4)
Movement in non-controlling interest put option	40.8	(2.1)
Balance at the end of the financial year	(14.1)	(54.9)
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	21.3	19.9
Movement in interest rate swaps	(1.6)	0.5
Movement in cross currency swaps	8.3	1.0
Movement in forward exchange contracts	(2.6)	(0.1)
Balance at the end of the financial year	25.4	21.3
Retained Earnings		
Balance at the beginning of the financial year	5,306.0	5,153.1
Transfer from unrealised gains reserve	-	7.4
Net profit after tax attributable to equity holders of the parent	401.8	558.9
Total available for appropriation	5,707.8	5,719.4
Dividends provided for or paid	(409.0)	(413.4)
Balance at the end of the financial year	5,298.8	5,306.0

19. Lease and Expenditure Commitments

(a) Capital expenditure commitments

	2019 \$m	2018 \$m
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	623.9	425.9
Payable after one year but not more than five years	82.8	420.8
	706.7	846.7

(b) Non-cancellable operating lease commitments – Group as lessee

	2019 \$m	2018 \$m
Payable within one year	7.0	7.3
Payable after one year but not more than five years	14.1	16.3
Payable more than five years	11.4	9.8
	32.5	33.4

19. Lease and Expenditure Commitments *continued*

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 4 years (2018: 6 years) excluding the land lease detailed below. Operating leases include 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. The operating lease commitments exclude optional renewal periods.

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.

(c) Non-cancellable operating lease receivables – Group as lessor

The Group has entered into operating leases for retail tenancies within its Crown Melbourne and Crown Perth properties. Future minimum rental revenue receivables for the non-cancellable period of the operating leases are shown in the table below. The leases have terms between 3 and 25 years.

	2019 \$m	2018 \$m
Payable within one year	24.5	22.4
Payable after one year but not more than five years	57.7	52.6
Payable more than five years	15.2	14.6
	97.4	89.6

The total contingent rent recognised as income during the year is \$5.7 million (2018: \$5.7 million). Contingent rentals which may become receivable in the future and separately invoiced amounts for recovery of property outgoings are excluded from the table above.

20. Cash Flow Statement Reconciliation

	2019 \$m	2018 \$m
(a) Cash balance represents:		
Cash on hand and at bank	412.5	355.8
Deposits at call	713.5	1,488.8
	1,126.0	1,844.6

The above closing cash balances includes \$133.9 million (2018: \$130.9 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 (including deposits on call) of \$992.1 million (2018: \$1,713.7 million) for other purposes. All deposits at call are with approved counterparties with investment grade ratings. Refer note 30(c) for further details.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

20. Cash Flow Statement Reconciliation *continued*

	2019 \$m	2018 \$m
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit after tax	402.9	573.2
Non cash items and items dealt with separately:		
- Depreciation and amortisation	273.6	285.9
- Asset impairment/(reversal)	-	(122.3)
- Share of associates' net (profit)/loss	(13.3)	(6.6)
- Net foreign exchange (gain)/loss	(1.3)	(8.1)
- Net foreign exchange gain on disposal of foreign operations	-	(76.9)
- Net mark-to-market (gain)/loss on investments	-	(4.7)
- Fair value movement of derivatives not in hedging relationships	(2.3)	-
Cash items not included in profit after tax:		
- Dividends received from associates	7.4	7.4
Items classified as investing/financing activities:		
- (Profit)/loss on sale of property, plant and equipment	(0.2)	(2.2)
- Net gain on disposal of subsidiaries and associates	(12.0)	(93.4)
Working Capital changes:		
- (Increase) / decrease in trade receivables and other assets	53.6	60.4
- (Increase) / decrease in inventories	0.6	0.2
- (Decrease) / increase in tax provisions	116.6	138.4
- (Decrease) / increase in trade and other payables, accruals and provisions	(47.5)	(19.6)
Net cash flows from operating activities	778.1	731.7

(c) Bank Overdraft Facilities

The Group has bank overdraft facilities available as follows:

Bank	2019	2018
ANZ Banking Group Limited	A\$20 million	A\$20 million
Citibank NA	US\$10 million	US\$10 million
Royal Bank of Scotland PLC	£18 million	£20 million

As at 30 June 2019 there were no drawn down amounts on the overdraft facilities (2018: nil).

21. Events After the Reporting Period

Crown holds a 50% ownership interest in the One Queensbridge development site which is strategically located adjacent to the Crown Melbourne entertainment complex, with the remaining 50% interest held by the Schiavello Group. Subsequent to 30 June 2019, Crown reached an agreement to purchase the Schiavello Group's 50% ownership interest in the site as well as all pre-development assets, including all intellectual property and designs for the project, for approximately \$80 million. The transaction remains subject to long-form agreements between Crown and the Schiavello Group.

Subsequent to 30 June 2019, the directors of Crown declared a final dividend on ordinary shares in respect of the year ending 30 June 2019. The total amount of the dividend is expected to be \$203.1 million, which represents a dividend of 30.0 cents per share franked at 25%. The unfranked portion of the dividend has been declared to be conduit foreign income.

22. Contingent Liabilities and Related Matters

On 15 February 2016 Crown was issued with amended assessments and notices of penalty by the Australian Taxation Office (“ATO”) for a total of approximately \$362 million which comprise primary tax, interest and penalties. The amended assessments are in respect of income tax paid for the financial years ended 30 June 2009 to 30 June 2014 (inclusive) and relate to the tax treatment of some of the financing for Crown’s investment in Cannery Casino Resorts (“Cannery”) in North America. Crown formally objected to the amended assessments and notices of penalty, but those objections were disallowed in full by the ATO. On 10 July 2018 Crown lodged applications for an appeal against the objection decisions relating to the amended assessments in the Federal Court. On 7 September 2018 Crown applied to the Administrative Appeals Tribunal (“AAT”) for a review of the objection decisions relating to the notices of penalty.

Crown was issued with further amended assessments and notices of penalty dated 31 August 2018 in respect of the financial years ended 30 June 2014 to 30 June 2016 (inclusive). The further amended assessments and notices of penalty have been issued for a total of approximately \$34 million which comprise primary tax, interest and penalties, and similarly relate to some of the financing for Crown’s investment in Cannery. Crown formally objected to the amended assessments and notices of penalty, but those objections were disallowed in full by the ATO. On 21 December 2018 Crown lodged applications for an appeal against the objection decisions relating to the further amended assessments in the Federal Court, and applied to the AAT for a review of the objection decisions relating to the notices of penalty. Pursuant to orders made by the Federal Court and the AAT, the appeals and applications for review relating to the further amended assessments and notices of penalty were joined to the existing Federal Court and AAT proceedings commenced in respect of the original amended assessments and notices of penalty issued to Crown on 15 February 2016.

The Federal Court and the AAT (simultaneously) heard all of the proceedings between 11 and 21 June 2019. Judgement is yet to be handed down.

Crown considers that it has paid the correct amount of tax in respect of these matters.

As announced by Crown on 4 December 2017, Maurice Blackburn Lawyers have commenced a class action proceeding against Crown in the Federal Court of Australia. The proceeding has been filed on behalf of persons who acquired an interest in Crown shares between 6 February 2015 and 16 October 2016. Crown has announced that it intends to vigorously defend the proceeding.

In addition to the above matters, 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.

The group has no other material contingent liabilities at 30 June 2019.

23. Auditors’ Remuneration

	2019 \$	2018 \$
Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
Auditing the accounts	1,575,277	1,100,926
Taxation services	3,567,326	3,411,650
Consulting and assurance related services	138,103	256,097
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:		
Auditing the accounts	127,509	161,080
Taxation services	545,204	507,335
	5,953,419	5,437,088

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

24. Earnings Per Share (EPS)

	2019	2018
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 (\$m)	401.8	558.9
Weighted average number of ordinary shares used in calculating basic EPS ('m)	680.2	688.7
Weighted average number of ordinary shares used in calculating diluted EPS ('m)	681.0	688.7

During the year, Crown undertook an on-market share buy-back to a value of \$131.4 million (2018: \$18.7 million). Following the completion of the buy-back, Crown's shares on issue reduced by approximately 10.3 million to approximately 677.2 million.

25. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

John H Alexander	Executive Chairman
The Hon. Helen A Coonan	Non-Executive Director
Andrew Demetriou	Non-Executive Director
Geoffrey J Dixon	Non-Executive Director
Jane Halton AO PSM	Non-Executive Director
Professor John S Horvath AO	Non-Executive Director
Guy Jalland	Non-Executive Director
Michael R Johnston	Non-Executive Director
Antonia Korsanos	Non-Executive Director
Harold C Mitchell AC	Non-Executive Director
John Poynton AO	Non-Executive Director (appointed 20 November 2018)

(ii) Executives

Kenneth M Barton	Chief Financial Officer & Chief Executive Officer – Crown Digital
Barry Felstead	Chief Executive Officer – Australian Resorts
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:

	2019 \$m	2018 \$m
Remuneration by category		
Short term benefits	13.0	15.4
Post employment benefits	0.2	0.2
Long term incentives	2.4	2.3
	15.6	17.9

Further details regarding key management personnel and detailed disclosures of share based payment arrangements are contained in the Remuneration Report.

26. Related Party Disclosures

(a) Parent entity

Crown Resorts 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 27.

Investments in associates and joint ventures are set out in note 8.

(c) Entity with significant influence over the Group

Based on a substantial shareholder notice dated 11 June 2019 lodged by the Consolidated Press Holdings Group ("CPH"), comprising Consolidated Press Holdings Pty Limited and its related corporations, a group related to Mr James Packer, CPH had a relevant interest in 249,253,302 of the Company's fully paid ordinary shares at balance date. This equates to 36.81% of the Company's fully paid ordinary shares (2018: 46.10%) based on the total number of shares on issue at the relevant balance date.

(d) Key management personnel

Disclosures relating to key management personnel are set out in note 25, and in the Remuneration Report.

(e) 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.

(f) Transactions with related parties

The Group had the following transactions with related parties:

(i) Director related entities and entities with significant influence over the Group

CPH provided management services in accordance with a Services Agreement, in addition to corporate secretarial and administrative services of \$3.5 million during the year (2018: \$4.0 million). CPH paid costs on behalf of Crown to third parties totalling \$1.0 million during the year (2018: \$1.0 million). At 30 June 2019 there was \$0.4 million owing to CPH (2018: \$2.2 million).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$12,000 during the year (2018: \$22,000). At 30 June 2019 there were no amounts owing from CPH (2018: \$nil).

In line with its commitment to the NSW Government, Crown has ongoing access rights to the golf course and other facilities at Ellerston (a property in the Hunter Valley owned by CPH and an entity associated with Ms Gretel Packer). During the period Crown paid \$1.0 million for the access rights (2018: \$1.0 million).

(ii) Associates

During the period, Crown paid the Nobu Group \$2.7 million (2018: \$2.6 million) in license and management fees relating to restaurants at Crown Melbourne and Crown Perth.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

27. Investment in Controlled Entities

The consolidated financial statements include the financial statements of Crown Resorts Limited and its controlled entities. Significant controlled entities and those that are party to a Deed of Cross Guarantee with the parent entity are set out below:

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
				2019	2018
	2019	2018		2019	2018
				%	%
Crown Resorts Limited			Australia	Parent Entity	
ALON Las Vegas Financeco, LLC ⁽²⁾			USA	-	88
ALON Las Vegas Holdings, LLC ⁽²⁾			USA	-	88
ALON Las Vegas Resort, LLC ⁽²⁾			USA	-	88
Artra Pty Ltd			Australia	100	100
Aspinall's Club Limited			United Kingdom	100	100
Betfair Pty Ltd	A	A	Australia	100	100
Betfair Australasia Pty Ltd	A	A	Australia	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
Capital Club Pty Ltd			Australia	100	100
Club Gaming Pty Ltd			Australia	100	100
Crown Asia Investments Pty Ltd	A	A	Australia	100	100
Crown Australia Pty Ltd	A	A	Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Pty Ltd			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 Digital Holdings Pty Ltd	A		Australia	100	100
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown (Gaming Technology) Holdings Pty Ltd			Australia	100	100
Crown Gateway Luxembourg Pty Ltd			Australia	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Resorts International Holdings Ltd			Bahamas	100	100
Crown Investment Holdings LLC			USA	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 Queensbridge Development Pty Ltd			Australia	100	100
Crown Queensbridge Holdings Pty Ltd			Australia	100	100
Crown Queensbridge Property (Hotel) Pty Ltd			Australia	100	100
Crown Queensbridge Property (Residential) Pty Ltd			Australia	100	100
Crown Sydney Pty Ltd			Australia	100	100
Crown Sydney Gaming Pty Ltd			Australia	100	100

27. Investment in Controlled Entities *continued*

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2019	2018		2019 %	2018 %
Crown Sydney Holdings Pty Ltd	A	A	Australia	100	100
Crown Sydney Property Pty Ltd	A	A	Australia	100	100
Crown Training Pty Ltd			Australia	100	100
Crown US Investments LLC			USA	100	100
Crown UK Investments Ltd			United Kingdom	100	100
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Holdings Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Pty Ltd	A	A	Australia	100	100
DGN Games LLC			USA	85	85
Flienn Pty Ltd			Australia	100	100
Gender Fitness Pty Ltd			Australia	100	100
Jade West Entertainment Pty Ltd			Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Melbourne Golf Academy Pty Ltd			Australia	100	100
PBL Overseas (CI) Pty Ltd	A	A	Australia	100	100
PBL (CI) Finance Pty Ltd			Australia	100	100
Pennwin Pty Ltd			Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Renga Pty Ltd			Australia	100	100
Royal Gaming Pty Ltd			Australia	100	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

(2) Entities were deregistered during the period.

A These controlled entities have entered into a deed of cross guarantee dated 21 June 2017 with the parent entity under ASIC Instrument 2016/785 - the "Closed Group" (refer note 28). Crown Digital Holdings Pty Ltd was added to the deed of cross guarantee during the 2019 financial year.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

28. Deed of Cross Guarantee

Crown Resorts Limited and certain controlled entities, as detailed in note 27, are parties to a Deed of Cross Guarantee dated 21 June 2017 under which each company in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

By entering into the Deed, pursuant to ASIC Instrument 2016/785, certain controlled entities of Crown have been granted relief from the Corporations Act 2001 requirements for preparation, audit and reporting of financial reports and directors' reports.

The consolidated Statement of Profit or Loss and Statement of Financial Position of the entities which are members of the Closed Group are detailed below.

	Closed Group	
	2019 \$m	2018 \$m
Consolidated Statement of Profit or Loss		
Profit / (loss) before income tax	544.0	485.5
Income tax (expense) / benefit	(174.0)	(166.3)
Net profit / (loss) after income tax	370.0	319.2
Retained earnings / (accumulated losses) at the beginning of the financial year	5,079.0	5,186.1
Retained earnings / (accumulated losses) of entities entering Closed Group	-	(12.9)
Dividends provided for or paid	(409.0)	(413.4)
Retained earnings / (accumulated losses) at the end of the financial year	5,040.0	5,079.0

28. Deed of Cross Guarantee *continued*

Consolidated Statement of Financial Position	Closed Group	
	2019 \$m	2018 \$m
Current assets		
Cash and cash equivalents	1,073.2	1,822.0
Trade and other receivables	53.0	86.9
Inventories	15.8	16.3
Prepayments	34.8	29.9
Other financial assets	5.5	9.2
Total current assets	1,182.3	1,964.3
Non-current assets		
Receivables	896.3	885.0
Other financial assets	1,835.0	1,839.9
Investment in associates	54.5	46.3
Property, plant and equipment	4,154.8	3,782.0
Intangible assets - licences	964.0	980.6
Other intangible assets	310.9	315.3
Deferred tax assets	155.4	243.8
Other assets	48.8	50.4
Total non-current assets	8,419.7	8,143.3
Total assets	9,602.0	10,107.6
Current liabilities		
Trade and other payables	402.6	391.7
Interest-bearing loans and borrowings	287.6	25.7
Income tax payable	153.6	164.8
Provisions	172.3	204.3
Total current liabilities	1,016.1	786.5
Non-current liabilities		
Other payables	245.6	191.8
Interest-bearing loans and borrowings	1,348.7	1,989.1
Deferred tax liability	399.8	380.1
Provisions	24.3	48.3
Other financial liabilities	4.5	2.1
Total non-current liabilities	2,022.9	2,611.4
Total liabilities	3,039.0	3,397.9
Net assets	6,563.0	6,709.7
Equity		
Contributed equity	1,480.0	1,611.4
Treasury shares	-	(15.7)
Reserves	43.0	35.0
Retained earnings	5,040.0	5,079.0
Total equity	6,563.0	6,709.7

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

29. Parent Entity Disclosures

	Crown Resorts Limited	
	2019 \$m	2018 \$m
Results of the parent entity		
Profit after tax for the period	410.7	428.8
Other comprehensive income/(loss)	-	-
Total comprehensive income for the period	410.7	428.8
Financial position of the parent entity		
Current assets	35.7	44.9
Non-current assets	14,253.6	14,700.3
Total assets	14,289.3	14,745.2
Current liabilities	236.8	241.9
Non-current liabilities	4,891.7	5,212.7
Total liabilities	5,128.5	5,454.6
Total equity of the parent entity comprising of:		
Issued capital	9,277.1	9,408.6
Employee equity benefits reserve	13.0	13.0
Accumulated losses	(129.3)	(131.0)
Total equity	9,160.8	9,290.6

Contingent liabilities

There are no other contingent liabilities for the parent entity at 30 June 2019 (2018: \$nil), other than those disclosed in note 22.

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 2019 (2018: \$nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee as well as bank and capital market debt facilities 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 27 and 28 and further details on bank and capital market debt facilities are set out in note 15.

30. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans, capital market debt, cash and short term deposits and derivatives.

The Group's business activities expose it to the following risks; market risks (interest rate, share price 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 is 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 is informed on a regular basis of risk management activities.

30. 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 15.

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.

	2019 \$m	2018 \$m
Financial assets		
AUD cash on hand and at bank	206.6	128.6
AUD deposits at call	711.6	1,487.1
GBP cash on hand and at bank	33.5	8.8
USD cash on hand and at bank	38.5	87.5
USD deposits at call	1.9	1.7
Total financial assets	992.1	1,713.7
Financial liabilities		
AUD bank loans	20.0	20.0
GBP bank loans	-	8.9
AUD capital market debt	415.4	803.4
HKD bank loans	8.5	25.7
Total financial liabilities	443.9	858.0
Net exposure	548.2	855.7

As at balance date, the Group maintained floating rate liabilities of \$443.9 million (2018: \$858.0 million) that were not hedged by interest rate swaps. The associated interest rate risk is mitigated by total financial assets of \$992.1 million (2018: \$1,713.7 million). Under the financial liabilities outstanding, for AUD facilities, the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 140 and 400 basis points, and for HKD facilities, the Group pays HIBOR plus a margin of 65 basis points.

Of the AUD cash on hand and at bank \$206.6 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$711.6 million are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$133.9 million for operational purposes and is non interest bearing (2018: \$130.9 million).

As at balance date, the Group had GBP cash on hand and at bank of \$33.5 million which is interest bearing and accrues at the UK daily cash rate (2018: \$8.8 million). The Group had no floating rate borrowings in GBP (2018: \$8.9 million).

As at balance date, the Group had floating rate borrowings in HKD of \$8.5 million (2018: \$25.7 million) and had minimal interest earning cash and cash equivalents (2018: minimal).

As at balance date, the Group had USD cash on hand and at bank of \$38.5 million which is interest bearing and is invested at approximately US LIBOR (2018: \$87.5 million). In addition, the Group had USD deposits at call of \$1.9 million, which is invested at approximately US LIBOR (2018: \$1.7 million). The Group maintained no floating rate borrowings in USD (2018: \$nil).

Group Sensitivity

As a result of an increase in interest rates of 50 basis points the Group's post-tax-profit for the year would have increased by \$1.9 million (2018: \$3.0 million). As a result of a decrease in interest rates of 50 basis points the Group's post-tax-profit for the year would have decreased by \$1.9 million (2018: \$3.0 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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

30. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(i) Interest rate risk – cash flow *continued*

Group Sensitivity *continued*

As at balance date the notional principal amounts and period of expiry of the interest rate swap contracts were as follows:

	2019 \$m	2018 \$m
Cash flow hedge		
Maturity under 1 year	-	-
Maturity 1 - 5 years	200.0	200.0
Maturity over 5 years	174.6	174.6
Closing Balance	374.6	374.6

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 \$m
Year Ended 30 June 2019				
Interest Rate Swap Contract	December 2020	BBSW	2.55%	(4.5)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	35.3
Year Ended 30 June 2018				
Interest Rate Swap Contract	December 2020	BBSW	2.55%	(2.1)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	23.3

The terms of each of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective.

(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 \$634.8 million (2018: \$634.7 million). The Group pays between 4.5% and 8.5% (2018: 4.5% and 8.5%) on fixed rate debt. As at balance date, the carrying amounts of the Group's fixed rate debt were not materially different from the fair values (2018: not material).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances (2018: nil).

(iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the functional currency of the relevant entity.

The Group uses forward exchange contracts and cash flow hedges 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.

30. Financial Risk Management Objectives and Policies *continued*(a) Market Risk *continued*(iii) Foreign exchange risk *continued*

As at balance date, the Group had the following material foreign exchange exposures that were not designated as cash flow hedges:

	2019 \$m	2018 \$m
USD Exposure		
Financial assets		
Cash and cash equivalents	13.4	6.0
Total financial assets	13.4	6.0
Net exposure	13.4	6.0
GBP Exposure		
Financial assets		
Cash and cash equivalents	9.4	7.9
Total financial assets	9.4	7.9
Net exposure	9.4	7.9
HKD Exposure		
Financial assets		
Cash and cash equivalents	14.3	4.0
Trade and other receivables	27.6	27.1
Total financial assets	41.9	31.1
Financial liabilities		
Trade and other payables	23.0	9.6
HKD Debt Facilities	8.5	25.7
Total financial liabilities	31.5	35.3
Net exposure	10.4	(4.2)

Group sensitivity

Based on the financial instruments held at balance date, the sensitivity to fair value movements through profit and loss and other comprehensive income as a result of reasonably possible changes in exchange rates are as follows:

	Net Profit after tax higher/(lower)		Other comprehensive income higher/(lower)	
	2019 \$m	2018 \$m	2019 \$m	2018 \$m
AUD/USD +10 cents (2018: +10 cents)	(1.7)	(0.7)	-	-
AUD/USD -10 cents (2018: -10 cents)	2.2	0.9	-	-
AUD/GBP +5 cents (2018: +5 cents)	(0.8)	(0.7)	-	-
AUD/GBP -5 cents (2018: -5 cents)	0.9	0.8	-	-
AUD/HKD +50 cents (2018: +50 cents)	(0.9)	0.3	-	-
AUD/HKD -50 cents (2018: -50 cents)	1.0	(0.4)	-	-

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

30. 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 cash flow hedges denominated in AUD were:

	Notional Amounts		Average Rate	
	2019 \$m	2018 \$m	2019	2018
Buy USD/Sell AUD				
Maturity under 1 year	30.4	76.2	0.8290	0.8294
Closing Balance	30.4	76.2		

The cash flow hedges 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 recognised through OCI and accumulated in the cash flow hedge reserve in equity.

(b) Price Risk

(i) Equity Securities Price Risk

In December 2018, Crown entered into a derivative instrument to hedge its exposure under the 2017 Senior Executive Incentive Plan. This hedge does not qualify for hedge accounting and therefore has not been designated in a hedge accounting relationship. At inception the derivative asset was valued at \$4.0 million, with the value of the instrument reduced to \$2.3 million at 30 June 2019. This unrealised loss in relation to the derivative instrument was included in the Statement of Profit or Loss.

The fair value of the instrument is sensitive to movements in the current and forecast share price for Crown Resorts with any further movements in fair value to be included in the Statement of Profit or Loss in future periods.

(ii) Commodity Price Risk

Neither the Group nor the parent entity is exposed to commodity price risk.

(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.

30. Financial Risk Management Objectives and Policies *continued*

(c) Credit Risk *continued*

In assessing the doubtful debts provisioning for trade receivables, the Group has measured credit risk using the 'Simplified Approach'. The Simplified Approach requires the recognition of lifetime expected credit losses at all times. The Group has elected to use a provision matrix utilising historical default rates, as well as taking into account current conditions and forecasts of future economic conditions. If the Group becomes aware of circumstances relevant to an individual or group of debtors that results in the matrix not being an appropriate basis for provisioning, then management discretion will be applied.

(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 26.7% or \$287.6 million of the Group's interest bearing liabilities will mature in less than 12 months (2018: 1.7% or \$25.7 million).

As at balance date the Group had \$200.4 million in undrawn committed bank lines and \$1,126.0 million in cash and cash equivalents to mitigate the maturing liabilities (2018: \$176.1 million and \$1,844.6 million respectively).

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	
	2019 \$m	2018 \$m	2019 \$m	2018 \$m	2019 \$m	2018 \$m	2019 \$m	2018 \$m
Financial assets								
Cash and cash equivalents	1,126.0	1,844.6	-	-	-	-	1,126.0	1,844.6
Receivables - trade	98.7	172.3	18.4	17.6	-	-	117.1	189.9
Receivables - other	-	-	139.4	125.4	-	-	139.4	125.4
Cross currency interest rate swaps receivable	8.8	8.4	35.3	33.5	106.0	117.3	150.1	159.2
Total financial assets	1,233.5	2,025.3	193.1	176.5	106.0	117.3	1,532.6	2,319.1
Financial liabilities								
Trade and other payables	433.1	427.5	87.5	124.6	167.6	163.0	688.2	715.1
Finance lease and other loan liabilities	-	-	1.0	1.0	-	-	1.0	1.0
Capital markets	259.1	-	-	259.1	790.0	1,178.0	1,049.1	1,437.1
Bank loans	28.5	25.7	-	28.9	-	-	28.5	54.6
Interest rate swaps payable	2.7	0.8	1.2	1.1	-	-	3.9	1.9
Cross currency interest rate swaps payable	12.3	12.3	49.2	49.2	147.7	160.1	209.2	221.6
Total financial liabilities	735.7	466.3	138.9	463.9	1,105.3	1,501.1	1,979.9	2,431.3
Net maturity	497.8	1,559.0	54.2	(287.4)	(999.3)	(1,383.8)	(447.3)	(112.2)

Notes to the Financial Statements *continued*

For the year ended 30 June 2019

30. Financial Risk Management Objectives and Policies *continued*

(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, including cash flow forecasts, implied growth rates and implied discount rates.

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 \$m
	Quoted market price Level One \$m	Observable inputs Level Two \$m	Non market observable Level Three \$m	
Year ended 30 June 2019				
Financial Assets				
Foreign exchange contracts	-	5.5	-	5.5
2017 Senior Executive Incentive Plan Hedge	-	2.3	-	2.3
Cross currency swap contracts	-	35.2	-	35.2
	-	43.0	-	43.0
Financial Liabilities				
Contingent consideration	-	-	0.7	0.7
Interest rate swap contracts	-	4.5	-	4.5
	-	4.5	0.7	5.2
Year ended 30 June 2018				
Financial Assets				
Foreign exchange contracts	-	9.2	-	9.2
Cross currency swap contracts	-	23.3	-	23.3
	-	32.5	-	32.5
Financial Liabilities				
Contingent consideration	-	-	47.0	47.0
Interest rate swap contracts	-	2.1	-	2.1
	-	2.1	47.0	49.1

There have been no transfers between fair value measurement levels during the financial year ended 30 June 2019.

Reconciliation of Level Three fair value movements

	2019 \$m	2018 \$m
Financial Liabilities		
Opening balance	47.0	45.3
Profit and Loss	(48.9)	-
Other Comprehensive Income	2.6	1.7
Closing Balance - Financial Liabilities	0.7	47.0

30. Financial Risk Management Objectives and Policies *continued*

(f) Changes in liabilities arising from financing activities

	Bank Loans - Unsecured	Capital Markets Debt - Unsecured	Finance Leases - Secured	Other Loans - Unsecured	Derivatives	Total Liabilities from Financing Activities
	\$m	\$m	\$m	\$m	\$m	\$m
Year ended 30 June 2019						
At 1 July 2018	54.6	1,437.1	-	1.0	2.1	1,494.8
Cash flows	(27.3)	(397.7)	-	-	-	(425.0)
Foreign exchange variations	1.2	-	-	-	-	1.2
Movement in fair value	-	-	-	-	2.4	2.4
Other	-	9.7	-	-	-	9.7
At 30 June 2019	28.5	1,049.1	-	1.0	4.5	1,083.1
Year ended 30 June 2018						
At 1 July 2017	58.4	1,744.0	142.6	-	2.7	1,947.7
Cash flows	(3.8)	(307.6)	(118.1)	1.0	-	(428.5)
Foreign exchange variations	-	-	0.5	-	-	0.5
Movement in fair value	-	-	-	-	(0.6)	(0.6)
Other	-	0.7	(25.0)	-	-	(24.3)
At 30 June 2018	54.6	1,437.1	-	1.0	2.1	1,494.8

Directors' Declaration

1. In the opinion of the Directors:
 - a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* (Cth);
 - b. the financial statements and notes also comply with the International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1 of the Financial Report; and
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. 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* (Cth) for the financial year ended 30 June 2019.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 27 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.

Signed in accordance with a resolution of the Directors.



John Alexander

Executive Chairman

Melbourne, 11 September 2019

Shareholder Information

Substantial shareholders as at 31 August 2019

The following information is extracted from substantial shareholder notices received by Crown.

Shareholder	Date Received	Number of Ordinary Shares	% of Issued Capital
Consolidated Press Holdings Pty Limited	11 June 2019	249,253,302	36.81%
MCO (KittyHawk) Investments Limited	3 June 2019	135,350,000	19.99%
Schroder Investment Management Australia Limited	5 August 2019	41,545,792	6.14%
Perpetual Limited	26 August 2019	34,289,008	5.06%

Holder of each class of securities as at 31 August 2019

Crown has 677,158,271 ordinary shares on issue held by 49,354 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:

- (a) on a show of hands, every member present has one vote; and
- (b) on a poll, every member present has:
 - (i) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
 - (ii) 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 amounts paid and payable on the share.

Distribution of shareholders as at 31 August 2019

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	33,779	1.90
1,001 – 5,000	13,711	4.36
5,001 – 10,000	1,284	1.34
10,001 – 100,000	531	1.64
100,001 and over	49	90.76
Total	49,354	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,821 (based on a closing market price of ordinary shares on 30 August 2019).

The 20 largest shareholders as at 31 August 2019

Name	No. of Shares	% of Issued Capital
1. CPH CROWN HOLDINGS PTY LTD	237,025,000	35.00
2. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	130,258,619	19.24
3. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	88,531,266	13.07
4. MCO (KITTYHAWK) INVESTMENTS LIMITED	67,675,000	9.99
5. CITICORP NOMINEES PTY LIMITED	32,599,544	4.81
6. NATIONAL NOMINEES LIMITED	10,138,924	1.50
7. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	8,856,291	1.31
8. BNP PARIBAS NOMS PTY LTD <DRP>	6,392,238	0.94
9. CONSOLIDATED PRESS HOLDINGS PTY LIMITED	6,000,000	0.89
10. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,674,320	0.39
11. ARGO INVESTMENTS LIMITED	2,609,184	0.39
12. UBS NOMINEES PTY LTD	2,496,597	0.37
13. AUSTRALIAN EXECUTOR TRUSTEES LIMITED <IPS SUPER A/C>	2,007,817	0.30
14. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,810,513	0.27
15. UBS NOMINEES PTY LTD	1,587,426	0.23
16. NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,403,677	0.21
17. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,244,536	0.18
18. AMP LIFE LIMITED	1,008,043	0.15
19. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	927,842	0.14
20. BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	747,645	0.11
Total	605,994,482	89.49

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the website of Crown's Share Registry, Computershare, at www.investorcentre.com. For security reasons, shareholders will be required to enter their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online at any time. Alternatively, shareholders can update their details by phone or by writing to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry either online at www.investorcentre.com, by phone on 1300 659 795 (within Australia) or on +61 3 9415 4000 (outside Australia) or alternatively by writing to: Computershare Investor Services, GPO Box 2975, Melbourne, Victoria 3001.

Electronic shareholder communications

Crown encourages shareholders to elect to receive shareholder communications electronically instead of by post as it enables shareholders to:

- receive important shareholder and company information faster;
- reduce the impact on the environment;
- securely store important shareholder documents online; and
- access all documents conveniently 24/7.

Shareholders who wish to receive email alerts with copies of Crown's Annual Reports, Notices of Meeting, Issuer Holding Statements, Payment Advices and other company related information may update their communication preference online at www.investorcentre.com or by contacting the Share Registry.

Change of address

Issuer sponsored shareholders should immediately update their details online at www.investorcentre.com or by contacting the Share Registry. 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 either mailed or sent electronically to shareholders. Shareholders who wish to have their dividends paid directly to their account should update their payment instructions online at www.investorcentre.com or by contacting the Share Registry prior to the dividend record date.

Tax File Numbers

Crown is obliged to deduct tax at the top marginal tax rate plus the 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 update your details online at www.investorcentre.com or by contacting the Share Registry.

Consolidation of multiple holdings

If you have multiple holdings that you wish to consolidate, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Crown's website

Crown has a dedicated corporate website at www.crownresorts.com.au which includes Crown's Annual Reports, Notices of Meeting and other Explanatory Memoranda and disclosures made to the ASX.

Investment warning

All information provided in the Annual Report is provided as at the date stated or otherwise as at the date of this Report.

This 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 to seek independent professional advice.

Corporate Information

Directors

- **John H Alexander**, BA
- **The Honourable Helen A Coonan**, BA, LLB
- **Andrew Demetriou**, BA, BEd
- **Geoffrey J Dixon**
- **Jane Halton AO PSM**, BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW)
- **Professor John S Horvath AO**, MB, BS (Syd), FRACP, FAAHMS, FRCPA (Hons)
- **Guy Jalland**, LLB
- **Michael R Johnston**, BEc, CA
- **Antonia Korsanos**, BEc, CA
- **Harold C Mitchell AC**
- **John H Poynton AO**, BCom, Hon DCom, FAICF, SF FIN (Life), FAIM

Company Secretary

Mary Manos, LLB (Hons), BCom, 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

Securities Exchange Listing

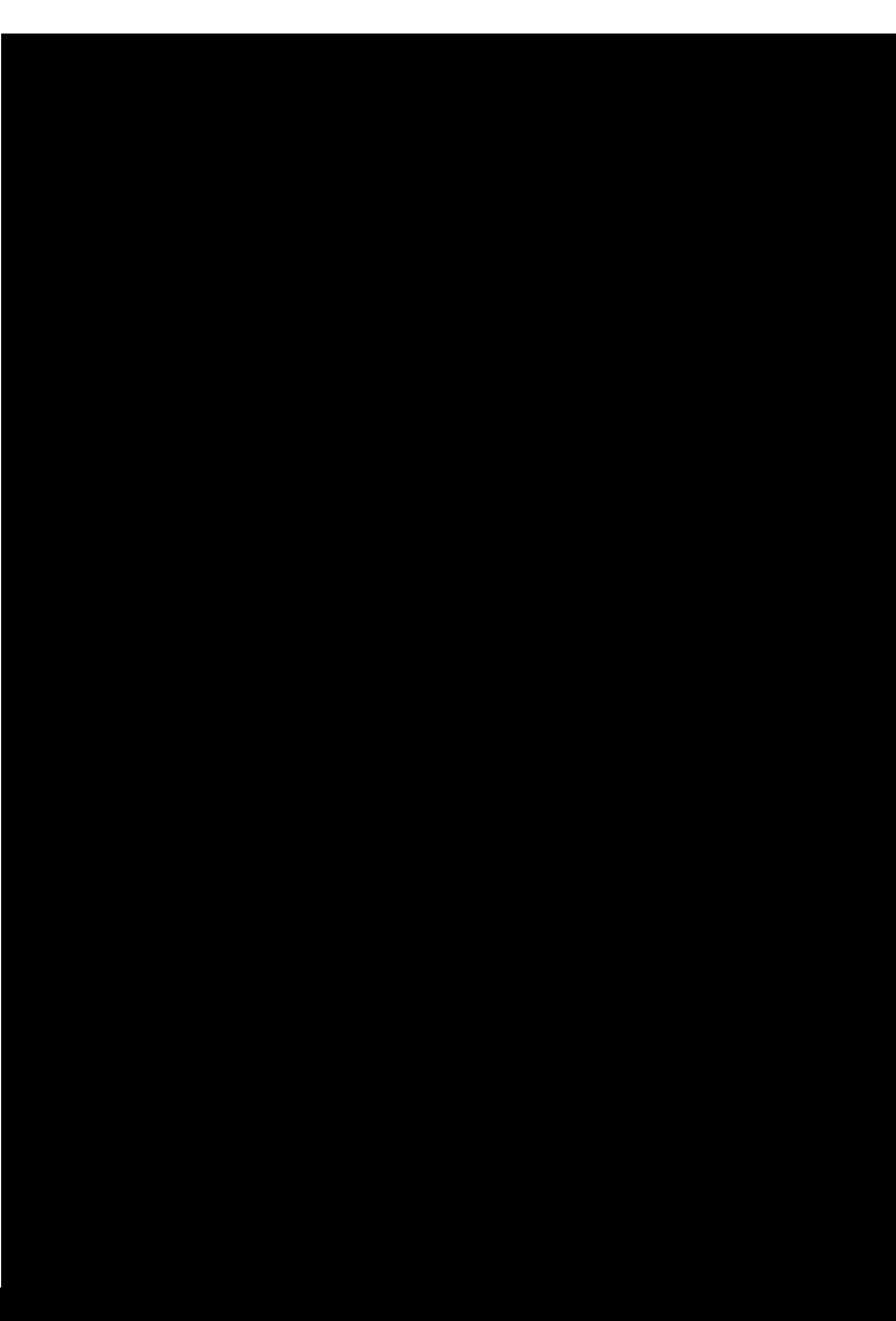
Crown's ordinary shares are listed on the Australian Securities Exchange under the code "CWN".
Crown's Subordinated Notes II are listed on the Australian Securities Exchange under the code "CWNHB".
The home exchange is Melbourne.

Website

www.crownresorts.com.au

Auditor

Ernst & Young





**CROWN
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