



**ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
20 May 2022**

SCHEME MEETING – CHAIRMAN’S ADDRESS AND PRESENTATION SLIDES

MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown) refers to the proposed acquisition of Crown by SS Silver II Pty Ltd, an entity owned by funds managed or advised by Blackstone Inc. and its affiliates (Blackstone), by way of scheme of arrangement (Scheme).

In accordance with ASX Listing Rule 3.13, attached to this announcement are the following documents to be presented at Crown’s Scheme Meeting being held at 10.00am (Melbourne time) today:

- Chairman’s address; and
- Scheme Meeting presentation slides.

The Chairman’s address includes an update on the status of various conditions precedent to the Scheme on page 3 and an update to the Implementation Timetable on page 4.

Crown Shareholders may attend, participate in and vote at the Scheme Meeting online at <https://meetnow.global/MQFCGRC>.

The voting results of the Scheme Meeting will be communicated to the ASX shortly after the conclusion of the Scheme Meeting.

Please note that SS Silver III Pty Ltd (a related body corporate of Blackstone which holds a current shareholding in Crown) and any other related body corporate of Blackstone that acquires any Crown shares are excluded from, and are not permitted to vote on, the Scheme.

ENDS

This announcement was authorised for release by the Crown Board.

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COPIES OF RELEASES

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



**Crown Resorts Limited
Chairman's address
Scheme Meeting
Friday, 20 May 2022**

Welcome

Good morning everyone. My name is Ziggy Switkowski. I am the Chairman of Crown Resorts Limited and I will be chairing today's meeting.

As a quorum of shareholders is present, I declare the scheme meeting open.

On behalf of the Board and management of Crown, I welcome you to this scheme meeting, which has been convened in accordance with the orders of the Federal Court of Australia made on 29 March 2022.

Today is a significant day in the history of Crown. This scheme meeting was convened to consider the scheme of arrangement for the proposed acquisition of Crown by SS Silver II Pty Ltd, an entity owned by funds managed or advised by Blackstone Inc. and its affiliates, who I will refer to during this scheme meeting as Blackstone. Throughout this meeting, where I refer to shareholders of Crown, I am excluding SS Silver III Pty Ltd, a related body corporate of Blackstone which holds a current shareholder in Crown and is not participating in the scheme.

Joining me online today are my fellow non-executive Directors, Jane Halton, Nigel Morrison, Bruce Carter and Anne Ward.

Also joining me online today are our Chief Executive Officer and Managing Director, Steve McCann, and Chief Financial Officer and Company Secretary, Alan McGregor. All other attendees are participating in this scheme meeting via the online platform.

Scheme of Arrangement

Before moving to the formal business, I would like to say a few words about the proposed scheme of arrangement. Details of the scheme are outlined in the Scheme Booklet dated 30 March 2022, which was made available to shareholders in accordance with the orders of the Federal Court of Australia.

Scheme Overview

If the scheme is approved and implemented, Blackstone will acquire all shares in Crown that its related bodies corporate do not already own from Crown shareholders for \$13.10

cash per share. Accordingly, if the scheme is implemented, Blackstone and its related bodies corporate will own 100% of Crown.

Blackstone Inc. (together with its affiliates) is one of the world's leading investment firms investing capital on behalf of pension funds, large institutions and individuals.

Blackstone Inc. is headquartered in the United States and has offices across Europe, Australia and Asia. Blackstone Inc. is listed on the New York Stock Exchange.

The \$13.10 cash per share offered by Blackstone represents a significant premium and uplift in value from the offer made by Blackstone in March 2021 and follows three earlier proposals from Blackstone.

Reasons To Vote For or Against The Scheme

In making their recommendation, your Directors have considered an extensive range of issues and have had regard to their overarching responsibility to act in the best interests of Crown shareholders.

In particular, the Crown Board has identified a number of reasons why you should vote in favour of the scheme and a number of reasons why you may wish to vote against the scheme. These are set out in detail in the Scheme Booklet and are summarised on the current slide.

Having regard to these matters, your Directors believe the reasons to vote in favour of the scheme outweigh the reasons to vote against the scheme.

Independent Expert's Conclusion

The Crown Directors appointed Grant Samuel as the independent expert to assess the merits of the scheme.

The independent expert concluded that the scheme is fair and reasonable, and therefore, is in the best interests of Crown shareholders, in the absence of a superior proposal.

The independent expert's conclusions are set out on the current slide.

The independent expert estimates the underlying value of Crown shares to be between \$12.52 and \$14.18, without adjusting for any contingent liabilities to which Crown may be exposed.

The independent expert has concluded that the scheme consideration is fair, even if none of the contingent liabilities arise.

If any contingent liabilities are realised by Crown, then this is likely to have a negative impact on the value of Crown Shares.

The independent expert's report is set out in full in Annexure 1 of the Scheme Booklet.

Recommendation of Crown Directors

The Crown Directors continue to unanimously recommend that shareholders vote in favour of the scheme, in the absence of a superior proposal and subject to the independent expert continuing to conclude that the scheme is in the best interests of shareholders.

Shareholders should have regard to the interests of Crown Directors, including the Managing Director, Steve McCann, when considering the Board's recommendation. These details are disclosed in Section 9 of the scheme booklet.

At the time of this scheme meeting, no superior proposal has emerged and Crown Directors are not aware of any superior proposal that is likely to emerge.

Prior to the scheme meeting, each Crown Director who holds Crown shares instructed that these shares be voted in favour of the scheme.

I would like to comment on the conditions precedent to the scheme by noting that the Crown Directors are not aware of any circumstances which would cause any of the outstanding conditions precedent not to be satisfied, except as set out in the scheme booklet.

Crown and Blackstone continue to make progress in relation to the satisfaction of the conditions precedent required under the Scheme Implementation Deed. As previously announced, the FIRB condition precedent has been satisfied. In addition, I am pleased to confirm that:

- the condition precedent that required a number of counter-parties to certain material contracts to consent to a change of control has now been satisfied; and
- the Northern Territory Racing Commission has determined to approve the acquisition of Crown by Blackstone pursuant to certain licence conditions applicable to Crown's subsidiary business Betfair, subject to the gaming regulators in Victoria, Western Australia and New South Wales also granting their approval to the acquisition of Crown by Blackstone.

In relation to the outstanding gaming regulatory approvals, Crown has been informed by Blackstone that Blackstone is continuing to consult with the relevant regulators in Victoria, Western Australia and New South Wales in relation to the terms and conditions of the approvals. That process is on-going and in its final stages, which will extend into June. The scheme is conditional on the outstanding regulatory approvals being obtained on terms acceptable to Blackstone.

The scheme also remains subject to a number of other customary conditions precedent, including shareholders approving the scheme resolution at this meeting, and the Federal Court of Australia approving the scheme.

Although shareholder approval is a condition precedent, it does not need to be the final condition to be satisfied. Accordingly, the Board considered it was in the interests of shareholders to proceed with the vote today to reduce any potential delays between receipt of the outstanding gaming regulatory approvals and the completion of the transaction, including transfer of funds to shareholders.

Process following shareholder approval

If the scheme resolution is passed today by the requisite majorities, and when the conditions precedent to the scheme are satisfied, Crown will apply to the Federal Court of Australia for approval of the scheme.

Crown has a scheduled Court hearing for the scheme on 24 May 2022. Given all gaming regulatory approvals are not expected to have been obtained by that time, at the hearing Crown intends to request a short adjournment for the hearing to be held during the week commencing 6 June 2022, subject to the Court's availability.

Crown will continue to assist Blackstone as it works towards obtaining the required gaming regulatory approvals. Crown will announce to the ASX material developments in respect of Blackstone's gaming regulatory approvals and the date for the final Court hearing to approve the scheme.

When the Court approves the scheme, a copy of the Court orders will be lodged with ASIC, following which the scheme will become legally effective, and Crown shares will be suspended from trading on the ASX.

Subject to all conditions being satisfied, shareholders can expect that the takeover by Blackstone will be implemented on approximately the 7th business day following the date on which the scheme becomes effective, at which time shareholders will be paid their scheme consideration.

If the outstanding conditions are not satisfied or the scheme is not approved by shareholders and the Court, the scheme will not proceed and Crown will continue as a standalone entity listed on the ASX.

I will now move to the formal business of the scheme meeting.

Close and Thank You

I'd like to take this opportunity to thank all of our shareholders for your continued support, particularly throughout the past 24 months, which have been marked by some of the most significant developments in the company's history.

I'd also like to thank my fellow Directors for their commitment and leadership through this period. This has helped guide Crown through the extensive reform program that is underway.

The Board also acknowledges and sincerely thanks our Chief Executive Officer, Steve McCann, for his outstanding leadership in very challenging circumstances.

To the Crown executive, management team and our dedicated employees, thank you for your hard work, resilience and commitment as we continue on our journey to restore the trust of key stakeholders as a responsible operator of outstanding integrated resorts.

To all of our employees, thank you for your efforts in continuing to provide exceptional and world class service to all of our customers.

This now concludes the official business of the scheme meeting.

As a reminder, the results of the vote will be announced to the ASX as soon as available and will also be available on Crown's website.

As mentioned earlier, there will be a two minute period at the conclusion of the scheme meeting to allow shareholders to finalise their voting using the online platform.

Thank you for your participation this morning. I now declare this scheme meeting closed for all purposes, subject to the conduct and conclusion of the poll.

Crown Resorts Limited Scheme Meeting

20 May 2022



Chairman's Address

Ziggy Switkowski

Scheme of Arrangement

Scheme Overview

- ◆ Proposed that SS Silver II Pty Ltd, an entity owned by funds managed or advised by Blackstone Inc. and its affiliates (Blackstone), will acquire all of the shares in Crown that its related bodies corporate do not already own from Crown shareholders for \$13.10 cash per share.
 - Blackstone Inc. (together with its affiliates) is one of the world's leading investment firms investing capital on behalf of pension funds, large institutions and individuals.
 - Blackstone Inc. is headquartered in the United States and has offices across Europe, Australia and Asia. Blackstone is listed on the New York Stock Exchange.
 - Blackstone Inc. invests across the alternative asset classes in private equity, real estate, credit and hedge funds as well as in infrastructure, life sciences, insurance, and growth equity.

- ◆ The \$13.10 cash per share offered by Blackstone represents a significant premium and uplift in value from the offer made by Blackstone in March 2021 and follows three earlier proposals from Blackstone.

Reasons to Vote For or Against the Scheme

Reasons why you should vote in favour of the scheme

- ✓ Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Crown Shareholders.
- ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, in your best interests, in the absence of a superior proposal.
- ✓ The Scheme Consideration of \$13.10 cash per Crown Share represents a significant premium to the closing price of Crown Shares on 18 November 2021 (being the last day on which Crown Shares traded prior to Crown announcing an acquisition proposal from Blackstone at a price of \$12.50 per Crown Share).
- ✓ The Scheme Consideration represents a reasonable acquisition multiple that appears to be in-line with offshore comparable casino transactions, and compares favourably to domestic comparable casino transactions and global listed trading multiples, as referenced in the Independent Expert's Report.
- ✓ The all-cash Scheme Consideration of \$13.10 per Crown Share provides Crown Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the uncertainties and risks associated with an ongoing investment in the Crown business or assets.
- ✓ If the Scheme is implemented, you will no longer be exposed to risks associated with the Crown business or assets.
- ✓ Since the announcement of the Scheme, no Superior Proposal has emerged.
- ✓ The Crown Share price will continue to be subject to market volatility and is expected to fall in the short term if the Scheme does not proceed, in the absence of a Superior Proposal.
- ✓ No brokerage charges will be payable by you for the transfer of your Crown Shares under the Scheme.

Reasons why you may wish to vote against the Scheme

- x You may disagree with the Crown Directors' unanimous recommendation and the Independent Expert's conclusion.
- x You may believe that the Scheme Consideration of \$13.10 cash per Crown Share does not reflect the fair value of Crown Shares.
- x You may prefer to participate in the future financial performance of the Crown business or assets.
- x You may believe it is in your best interests to maintain your current investment and risk profile.
- x You may believe that there is potential for a superior proposal to emerge.
- x The tax consequences of transferring your Crown Shares pursuant to the Scheme may not be attractive to you.

Independent Expert's Conclusion

- ◆ The Independent Expert concluded that the scheme is fair and reasonable, and therefore, is in the best interests of Crown shareholders, in absence of a superior proposal.

CROWN – EQUITY VALUE PER SHARE

	FULL REPORT SECTION REFERENCE	VALUE RANGE	
		LOW	HIGH
Enterprise value (\$ millions)	6.1	9,437	10,564
Adjusted net borrowings (\$ millions)	6.8	(946)	(946)
Value of equity (\$ millions)		8,491	9,618
Fully diluted shares on issue (millions)	4.9.1	678.1	678.1
<i>Value per share (\$)</i>			
<i>No additional liabilities</i>		<i>12.52</i>	<i>14.18</i>
<i>\$340 million in contingent liabilities (or \$0.50 per share)</i>		<i>12.02</i>	<i>13.68</i>
<i>\$680 million in contingent liabilities (or \$1.00 per share)</i>		<i>11.52</i>	<i>13.18</i>

Recommendation of Crown Directors

- ◆ The Crown Directors continue to unanimously recommend that shareholders vote in favour of the scheme, in absence of a superior proposal and subject to the Independent Expert continuing to conclude that the scheme is in the best interests of shareholders.
- ◆ No superior proposal has emerged and Crown Directors are not aware of any superior proposal that is likely to emerge.
- ◆ Each Crown Director who holds Crown shares instructed that these shares be voted in favour of the scheme.
- ◆ The Crown Directors are not aware of any circumstances which would cause any of the outstanding conditions precedent not to be satisfied, except as set out in the scheme booklet.

Process following shareholder approval

- ◆ If the scheme resolution is passed, at the Court hearing scheduled for 11:15am on 24 May 2022, Crown intends to request a short adjournment of that hearing to a date in the week commencing 6 June 2022.
- ◆ Crown will announce to the ASX material developments in respect of Blackstone's required gaming regulatory approvals and the date of the final Court hearing.
- ◆ Crown intends to lodge with ASIC the Court orders approving the scheme soon after they are made, at which time the scheme will become effective.
- ◆ Subject to all conditions precedent being satisfied, shareholders can expect the scheme to be implemented on approximately the 7th business day following the scheme becoming effective, at which time shareholders will be paid their scheme consideration.

Note: All times and dates are references to the time and date in Melbourne, Australia. Crown may vary any or all of the dates and times relating to the scheme. Any changes will be announced by Crown to the ASX and notified on Crown's website at www.crownresorts.com.au/investors-and-media. The Court hearing to approve the scheme and the events that follow will only occur if the scheme is approved by Crown shareholders at the scheme meeting and the outstanding conditions precedent are satisfied or waived. If the outstanding conditions are not satisfied the scheme will not proceed.



**CROWN
RESORTS**