



ANNUAL REPORT 2016



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Financial Calendar

Record date for dividend	23 September 2016
Payment of final dividend	7 October 2016
Annual General Meeting	20 October 2016
2017 Interim results	February 2017

Annual General Meeting

10.00am, Thursday 20 October 2016
The Astral Ballroom
Ground Floor, Crown Perth
Burswood, Perth

Chairman's Message

Crown Resorts has pursued important initiatives to increase transparency, unlock value for shareholders and position the company for the next decade of growth.



As a leading Australian tourism and entertainment company, Crown Resorts is building a worldwide reputation for the best in luxury experiences, gaming, hotel accommodation, signature dining and retail. It is this reputation that has helped make our Australian resorts so appealing to local and international visitors, attracting more than 31 million visits during the year.

Crown continues to invest in our tourism assets to ensure they are equal to or better than the finest resorts in the world. We are excited by the imminent opening of Crown Towers in Perth, which will be one of Australia's most luxurious hotels. We are also excited to have begun construction work on the highly anticipated Crown Sydney project and we continue to progress our planning application for a proposed fourth hotel development at Crown Melbourne.

Results

For the financial year ended 30 June 2016, Crown Resorts achieved a net profit of \$393.6 million before significant items, which was down 11.8% from the previous year. This was a solid result considering the subdued markets in Western Australia and in Macau.

Reported net profit after significant items was \$948.8 million, up 146.4%. In May 2016, Crown entered into an agreement with Melco Crown Entertainment (Melco Crown) for the repurchase of 155 million ordinary shares, resulting in a net gain to Crown of \$602.0 million. This was by far the largest of the significant items reported.

The net proceeds from the partial sale of Melco Crown shares this year forms a key part of Crown's capital management strategy to reduce net debt.

Crown is in a sound financial position, our balance sheet is strong and we are well positioned to fund our current and proposed development projects.

Major initiatives to enhance shareholder value

One of Crown's major objectives is to increase shareholder returns and the Board has recently endorsed a number of initiatives designed to achieve this. Most important is a change in corporate structure through the demerger of certain international investments into a separately listed holding company.

Following the proposed demerger, Crown Resorts would continue to own and operate its wholly owned casino businesses Crown Melbourne, Crown Perth, Crown Sydney and Crown Aspinalls. A separate company would own a number of Crown's international investments, providing exposure to the major gaming markets of Macau, Las Vegas and the UK. It is proposed that our shareholders would receive new shares in the separate international company proportionate to their existing Crown Resorts shareholding.

The proposed new structure for the company will address what we believe is an undervaluation of the Australian resorts business. It is a structure that allows Crown's wholly owned operations to be valued independently of its broader international equity investments.

Importantly, transparency on the underlying quality of the assets and operations of the two entities will increase. The demerger will also provide shareholders with greater investment choice and the ability to tailor their investment towards their preferred company.

The proposed demerger is subject to further approval from the Crown Resorts Board as well as approval by Crown Resorts shareholders under a Scheme of Arrangement. The proposed demerger is also subject to a number of approvals, consents and waivers from third parties, including gaming regulators and State Governments.

Crown is also evaluating a potential initial public offer (IPO) of a real estate investment trust that would own a 49% interest in some of our Australian hotels. Crown Resorts would retain a 51% ownership interest. Implementation of

this proposed IPO is subject to approval from the Crown Resorts Board and approvals, consents and waivers from third parties, however it could realise significant value for shareholders.

Finally, in a move to increase cash returns to our shareholders, Crown Resorts has adopted a new dividend policy to pay 100% of normalised net profit after tax (before minorities and excluding profits from associates but including dividends received from associates). Effective for the full financial year ended 30 June 2016, a final dividend of 39.5 cents per share, franked to 70%, was declared. This brings the total dividend for the year to 72.5 cents per share, up 96% compared to the 2015 total dividend per share.

Our commitment to community

It has been a year of significant progress for Crown. Importantly, we continue our major contribution to the communities in which we operate through our corporate social responsibility programs and the important work of the Crown Resorts Foundation. This year Crown employed our 550th Indigenous employee and I am proud to advise that we now have 111 people employed under CROWNability, our disability employment program. We are also providing significant economic, social and cultural opportunities to thousands of worthy Australians through the Crown Resorts Foundation, which is now supporting over 85 community and education organisations across the country.

I sincerely thank you, as a valued shareholder of Crown Resorts, for your support as we work to position the company for the next decade of growth.



Robert Rankin
Chairman, Crown Resorts Limited

Financial Performance

The 2016 full year result reflects a solid performance from the Australian operations and continued subdued trading in Macau. The result also includes the profit generated from the partial sale of Crown's Melco Crown shareholding, which was reported as a significant item.

- Crown reported a normalised net profit after tax (NPAT) of \$406.2 million for the full year ended 30 June 2016, down 22.7%.
- A net gain from the partial sale of shares in Melco Crown was the major component of \$555.2 million in significant items.
- Crown's Australian resorts achieved normalised EBITDA growth of 1.8% and normalised revenue growth of 0.8%.
- Weak market conditions in Macau adversely impacted Melco Crown's performance.
- Crown's share of Melco Crown's normalised NPAT of \$58.1 million was down \$103.2 million or 64.0%.
- A final dividend of 39.5 cps, franked to 70%, was declared bringing the total full year dividend to 72.5 cps.

Performance for the year ended 30 June 2016

	FY16 \$m	FY15 \$m	% change
Normalised ¹ revenue	3,584.9	3,404.5	5.3%
Normalised expenditure	(2,729.1)	(2,579.6)	(5.8%)
Normalised EBITDA ²	855.8	824.9	3.8%
Normalised EBIT ³	573.1	562.0	2.0%
Normalised NPAT ⁴ attributable to Crown	406.2	525.5	(22.7%)
Reported NPAT before significant items ⁵ attributable to Crown	393.6	446.3	(11.8%)
Significant items	555.2	(61.3)	N/A
Reported NPAT after significant items attributable to Crown	948.8	385.0	146.4%

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

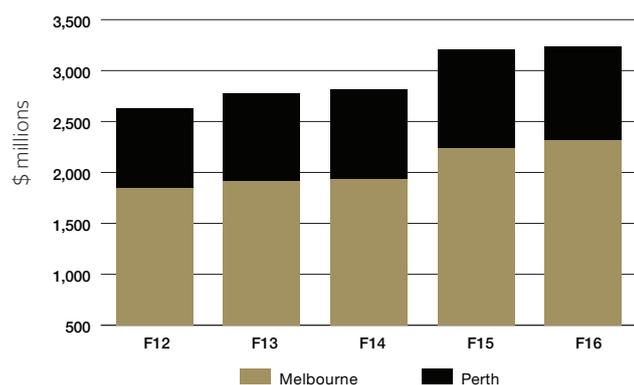
2. Normalised earnings before interest, tax, depreciation and amortisation.

3. Normalised earnings before interest and tax.

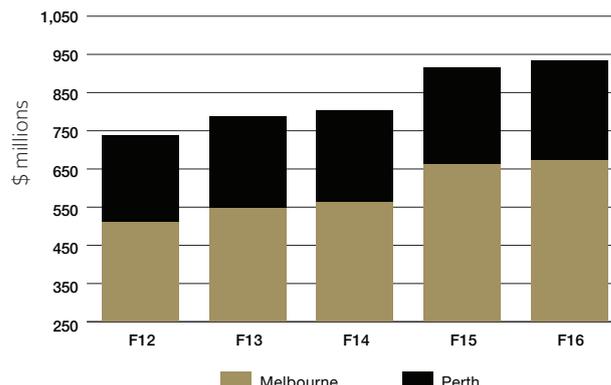
4. Net profit after tax.

5. Significant items of \$555.2 million in 2016, the major component of which is the net gain from the sale of shares in Melco Crown.

Australian Resorts Normalised Revenue



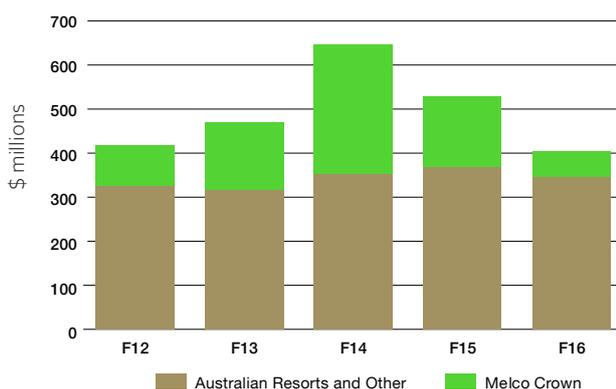
Australian Resorts Normalised EBITDA



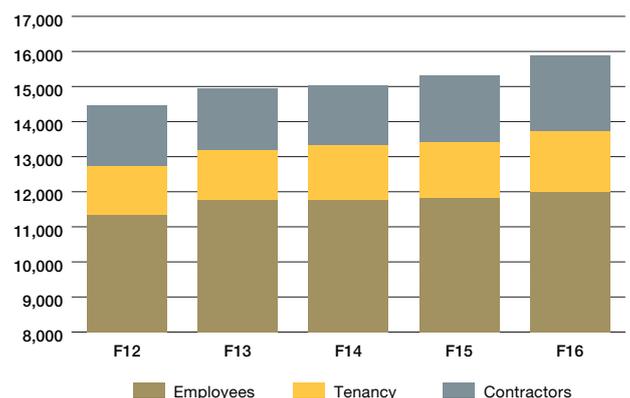
Crown Resorts' Business Strategy

Group	<ul style="list-style-type: none"> • Progress the Crown Resorts Limited demerger, as announced on 15 June 2016. • Explore a potential IPO of a 49% interest in a property trust which would own some of Crown Resorts' Australian hotels, with Crown Resorts retaining a 51% interest. • Continue to improve and grow Crown's portfolio of well-recognised, premium branded assets. • Leverage Crown's international operations, network, contacts and joint ventures to promote Crown's integrated resorts and operations.
Australia	<ul style="list-style-type: none"> • Continue to maximise the performance of Crown Melbourne and Crown Perth. • Manage the Australian properties to achieve earnings growth targets by stimulating visitation and tightly managing costs to improve margins. • Successfully open Crown Towers Perth and begin the ramp-up of the property. • Progress Crown Sydney and the proposed One Queensbridge project adjacent to Crown Melbourne to deliver value for shareholders. • Explore further growth options in the Australian market.
Digital	<ul style="list-style-type: none"> • Optimise Crown's wagering and online social gaming operations and explore further growth options.
International	<ul style="list-style-type: none"> • Work with Melco Crown to execute Melco Crown's business strategy of: <ul style="list-style-type: none"> – continuing the ramp-up of Studio City; – further develop junket and non-junket relationships; – maintaining the leadership position at the premium end of the market in Macau; and – building and operating VIP and mass market facilities. • Continue to maximise the performance of Crown Aspinalls. • Continue to work on settling the capital structure for the Alon Las Vegas project. • Continue to work with Crown's joint venture partner in Aspers Group's casinos to optimise performance and drive growth.

Crown Resorts Limited Normalised NPAT



Head Count Australian Resorts



About Crown Resorts

Crown Resorts is one of Australia's largest entertainment and gaming groups with operations and investments in Australia, Asia, the United Kingdom and the United States.

Global snapshot

CROWN'S RESORTS	AUSTRALIAN PROJECTS	DIGITAL VENTURES	INTERNATIONAL INTERESTS
<p>Crown owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth, which together attract more than 31 million visits each year.</p> <p>To strengthen their positions at the forefront of luxury tourism, Crown is investing approximately \$2.3 billion in expanding and upgrading these Australian resorts between FY12 and FY19.</p> <p>In the UK, Crown owns and operates Crown Aspinalls in London, one of only five high-end licensed casinos in the West End entertainment district.</p>	<p>Crown has received conditional planning approval and preliminary construction work has commenced to build Sydney's first six-star hotel resort at Barangaroo on Sydney Harbour. The planning approval has been contested with legal proceedings, which are being defended vigorously. Crown is planning to invest \$2.0 billion in the development of Crown Sydney.</p> <p>Crown Melbourne's proposed fourth hotel, One Queensbridge, is a joint venture with the Schiavello Group. The project is a landmark luxury hotel and apartment development and is currently subject to an application for planning approval.</p> <p>The development of the One Queensbridge project also remains conditional upon negotiation of final legal agreements with the Schiavello Group and financing arrangements.</p>	<p>Crown is investing in complementary assets, with online wagering operation CrownBet (62% interest), online betting exchange Betfair Australia (100% owned) and US-based online social gaming business DGN Games (70% interest). Through this majority-owned subsidiary, Crown has acquired Winners Club Limited, which provides development and analytical services to online social gaming sites.</p>	<p>Crown holds a 27.4% equity interest in Melco Crown Entertainment (Melco Crown), a developer, owner and operator of integrated resorts in Macau and the Philippines. Melco Crown is one of only six licenced casino operators in Macau, the world's largest gaming market.</p> <p>Crown, through a majority-owned subsidiary, has acquired a 34.6 acre vacant site on the Las Vegas strip. Crown and its partners are continuing design work on the project. The capital structure of the ownership entity is yet to be settled.</p> <p>Crown also holds equity interests in Aspers Group (50%) in the United Kingdom and Caesars (2%), Nobu (20%) and Cannery (24%) in the United States.</p>



AWARD-WINNING HOTELS



HIGH-END RETAIL



LUXURY RESORT FACILITIES



EVENTS & ENTERTAINMENT



WORLD-CLASS GAMING



VIP SALONS



SIGNATURE RESTAURANTS



Internationally renowned chef Heston Blumenthal has opened a restaurant at Crown Melbourne

EXCLUSIVE CLUBS



CAPITAL GOLF COURSE



ELLERSTON VIP GETAWAY



Crown's Resort Portfolio



Crown Melbourne

- Crown Melbourne is Australia's leading integrated resort and one of the most visited tourist destinations with its dynamic and diverse facilities.
- It operates 2,628 gaming machines and 540 gaming tables.
- The resort currently features the Crown Towers Melbourne hotel, with 481 guest rooms, the Crown Metropol Melbourne hotel with 658 guest rooms and the Crown Promenade Melbourne hotel with 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 has announced plans to develop a new 388-room luxury six-star hotel on the site adjacent to Crown Melbourne, subject to planning and other approvals.



Crown Perth

- Crown Perth is one of Western Australia's largest tourist destinations, with an exceptional range of entertainment and tourism experiences.
- It has approval to operate 2,400 gaming machines and 320 gaming tables.
- The resort currently features the Crown Metropol Perth hotel with 395 guest rooms and the Crown Promenade Perth hotel with 291 guest rooms.
- The \$645 million Crown Towers Perth hotel, with 500 luxury guest rooms and associated amenities, is opening in December 2016.
- Large-scale entertainment facilities include the new 2000-seat Crown Ballroom and 2,300-seat Crown Theatre Perth, along with a world-class convention centre.
- A premium selection of restaurants and bars are located across the resort in addition to casual dining options.

Australian Projects

Crown Sydney

100% owned

- Crown Sydney, located on Sydney Harbour at Barangaroo, will be the city's first six-star luxury resort.
- Construction is underway on a new iconic addition to the Sydney skyline which includes 350 guest rooms and suites, luxury apartments, signature restaurants, bars, retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.



Proposed concept render

One Queensbridge

50% equity interest

- One Queensbridge, a joint venture with the Schiavello Group, is a proposed fourth hotel development to meet tourism demand at Crown Melbourne.
- One Queensbridge is a landmark luxury development that would comprise a 388 room six-star hotel with associated amenities and approximately 700 luxury apartments.
- Located on a site adjacent to Crown Melbourne, the project is currently subject to an application for planning approval.
- The development of the One Queensbridge project also remains conditional upon negotiation of final legal agreements with the Schiavello Group and financing arrangements.



Proposed concept render

Melco Crown Entertainment

City of Dreams, Macau

- City of Dreams is a premier leisure and entertainment destination designed to appeal to the rapidly evolving demands of high-end Asian consumers.
- City of Dreams Macau operates approximately 500 gaming tables and 1,050 gaming machines.
- Resort accommodation features the Crown Towers hotel and the Hard Rock hotel, each with approximately 300 guest rooms, and the Grand Hyatt hotel across two towers with approximately 800 guest rooms.
- City of Dreams Macau offers a vast selection of food, beverage and entertainment options including around 30 restaurants and bars and the first street-front retail precinct in Cotai, which partially opened in June 2016.
- A state-of-the-art fifth hotel tower designed by legendary architect the late Dame Zaha Hadid is set to add a truly iconic landmark to Macau.



Studio City, Macau

- Melco Crown holds a 60% interest in Macau Studio City (Studio City), a Hollywood-inspired resort located in Cotai that will transport visitors into a stunning cinematic world.
- Studio City opened on time and within budget in October 2015.
- Innovative attractions include an art deco façade with an iconic Golden Reel, the world's highest figure-8 ferris wheel, a Warner Bros. themed family entertainment centre, the world's first Batman 4D digital ride and 'The House of Magic' theatre.
- Studio City operates approximately 250 gaming tables and 1,100 gaming machines.
- The resort features approximately 1,600 hotel guest rooms, a 5,000-seat performance arena, 35,000 square metre retail mecca and a vast array of food and beverage outlets.



City of Dreams, Manila

- Melco Crown Entertainment holds a 72.9% interest in Melco Crown (Philippines) Resorts Corporation, the operator of City of Dreams Manila.
- City of Dreams Manila operates approximately 270 gaming tables and 1,600 gaming machines.
- The resort offers 950 guest rooms across three international hotel brands; a six-star Crown Towers hotel, Asia's first luxury Nobu hotel and Hyatt City of Dreams Manila.
- City of Dreams Manila features three separate entertainment venues and a retail boulevard.



Chief Executive Officer's Report

Crown has demonstrated resilience in the face of subdued conditions in Macau and Western Australia, reducing net debt and strengthening its balance sheet to fund existing Australian projects.



Rowen Craigie

Chief Executive Officer, Crown Resorts Limited

Overview

Crown reported a normalised net profit after tax (NPAT) of \$406.2 million for the full year ended 30 June 2016, down 22.7%. The result reflects a solid performance from Crown's Australian operations, which reported normalised EBITDA growth of 1.8% and normalised revenue growth of 0.8%, as well as continued subdued trading in Macau.

At Crown's Australian resorts, main floor gaming revenue increased by 5.8%, which was a solid performance. VIP program play turnover in Australia of \$65.1 billion (down 8.0%) was a reasonable outcome given the strong growth in the prior comparable period of 41.8% and the depressed nature of VIP gaming activity across Asia.

Melco Crown's result declined due to challenging market conditions in Macau. Crown's share of Melco Crown's normalised NPAT of \$58.1 million was down \$103.2 million or 64.0%. Overall gross gaming revenue across the Macau market in the year to 30 June 2016 declined by more than 20%.

This year's result includes the profit generated from the partial sale in May of Crown's shareholding in Melco Crown, which is reported as a significant item. The sale of 155 million ordinary shares in Melco Crown generated proceeds of \$1,067.1 million, resulting in a net gain on sale of \$602.0 million. This, combined with \$180.7 million in Melco Crown dividends received during the year, and the group's net operating cashflows, has enabled Crown to reduce its net debt and to maintain a strong balance sheet and credit profile to fund existing Australian development projects.

Since the formation of Melco Crown in 2005, Crown has received cash returns equivalent to double the total amount it has invested. Crown continues to hold a 27.4% interest in Melco Crown, valued at approximately \$2.3 billion at 30 June 2016.

Crown's net operating cash flow for the period was \$482.7 million and the Group's net debt position (excluding working capital cash) was \$1,962.7 million, a reduction of 20.4% from 30 June 2015.

Australian Resorts

Crown Melbourne maintained its performance, with normalised revenue up 3.5% to \$2,312.5. Crown Perth was affected by subdued conditions with normalised revenue down 5.5% to \$922.0 million. However a change in business mix together with productivity and efficiency improvements resulted in normalised EBITDA increasing by 2.2%. During the year, main floor gaming revenue increased by 8.5% at Crown Melbourne, but was down by 0.1% at Crown Perth.

Crown's newest hotel, the luxury Crown Towers Perth, will open on schedule in December 2016. It will bolster Crown Perth's offering significantly and increase the total number of guest suites and rooms across the resort to 1,188. Approximately \$326 million of the total \$645 million budget for Crown Towers Perth was spent in FY16. Crown Perth is the state's largest single-site employer and is recruiting a further 500 people in Western Australia to join Crown Towers ahead of its launch date.

Normalised EBITDA from Crown Melbourne was \$673.3 million, up 1.7%. Reported EBITDA for the period was \$663.4 million, up 2.9% on the prior comparable period. This reported EBITDA result takes into account an unfavourable variance from the theoretical VIP program play result, which had a negative EBITDA impact of \$9.9 million. This compares to a negative EBITDA impact of \$17.5 million in the prior comparable period.

Normalised EBITDA from Crown Perth was \$259.9 million, up 2.2%. Reported EBITDA for the period was \$285.8 million, down 5.4% on the prior comparable period. The reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result, which had a positive EBITDA impact of \$25.9 million. This compares to a positive impact of \$47.7 million in the prior comparable period.

Australian Projects

Crown Sydney received conditional planning approval by the NSW Planning Assessment Commission in June 2016 and preliminary construction work is underway. Subsequently, legal proceedings have commenced challenging the validity of this decision. Crown will defend these proceedings vigorously and is looking forward to continuing construction of Sydney's first six-star hotel resort. It is envisaged that this \$2 billion project will be completed and open in the first half of 2021.

In Melbourne, Crown and its joint venture partner, the Schiavello Group, have submitted a planning application for approval of the development of One Queensbridge, adjacent to Crown Melbourne. The proposed project would comprise a 388-room six-star hotel with associated amenities and approximately 700 luxury apartments. If approved, One Queensbridge will cement Crown Melbourne's position as the largest single-site accommodation provider in Australia and create over 3,900 new jobs in Victoria.

Melco Crown Entertainment

In May 2016, Crown reduced its shareholding in Melco Crown from 34.3% to 27.4% through Melco Crown's repurchase of 155 million ordinary shares from Crown. The resulting net gain on sale of \$602.0 million is reported as a significant item.

Crown's share of Melco Crown's normalised NPAT for the full year to 30 June 2016 was an equity accounted profit of \$58.1 million, down \$103.2 million or 64.0% on the previous year. After adjusting for pre-opening costs and the variance from theoretical, Crown's share of Melco Crown's reported NPAT result for the year was an equity accounted profit of \$42.7 million, down \$79.3 million or 65.0%.

Macau continues to face challenges arising from a second year of softer gaming demand, which has adversely affected all casino operators. Overall, gross gaming revenue across the Macau market in the full year to 30 June 2016 declined by 22.5%.

Despite the downturn, the Chinese territory remains the world's largest gambling market, with gaming revenue approximately five times that of Las Vegas. Melco Crown believes that revenue trends, particularly in the mass market segments, will improve as Macau further evolves into a multi-faceted, mass market-focused destination.

Studio City (in which Melco Crown holds a 60% interest), Melco Crown's second integrated resort in Cotai, Macau, is in its ramp-up phase following a successful opening in October 2015. Meanwhile in the Philippines, City of Dreams Manila (in which Melco Crown has an interest through a 72.9% owned subsidiary) delivered an improvement in all gaming and non-gaming segments in the second quarter of 2016 on a year-on-year basis.

Crown Wagering and online social gaming

Crown's wagering operations, CrownBet and Betfair Australia, together with online social gaming operation DGN Games, reported an EBITDA loss of \$5.4 million. Overall however, these businesses were profitable in the second half and revenue growth was strong.

Enhancing shareholder value

In June 2016, Crown announced three major initiatives designed to enhance shareholder value. Firstly, with effect from the year ending 30 June 2016 was the adoption of a revised dividend policy, which has increased the cash returns payable to shareholders this year.

The most significant structural initiative is the proposed demerger of certain Crown Resorts' international investments into a separately listed holding company. This aims to address the different nature of Crown's wholly owned, and in particular Australian operating assets, from its

international investments through a more efficient ownership structure. Crown Resorts would continue to own and operate its wholly owned casino businesses Crown Melbourne, Crown Perth, Crown Sydney and Crown Aspinalls.

As well as its potential to unlock shareholder value, expected benefits of the demerger will be to provide shareholders with greater investment choice and the ability to tailor their investment towards their preferred company. Transparency will be increased, as will the ability to implement optimal capital structures and dividend policies that reflect the differences in the underlying assets of each company. Work on the proposed demerger is ongoing. The demerger is subject to shareholder and court approvals, as well as numerous government, regulatory and third party approvals.

The final initiative is to explore a potential Initial Public Offer (IPO) of a 49% interest in some of Crown Resorts' Australian hotels via a property trust or REIT, with Crown Resorts retaining a 51% interest. If implemented, the IPO could realise significant value for Crown Resorts shareholders, while providing the ability to maintain a majority interest in key assets within the Australian business. The evaluation of any IPO is being progressed independently of the proposed demerger and is subject to approval by the Board, as well as numerous government, regulatory and third party approvals.

Looking ahead

Crown will progress these structural and capital management initiatives so as to continue to deliver growing returns to shareholders. Concurrently, Crown will continue its strategy of maximising the performance of Crown Melbourne and Crown Perth. We will progress plans to develop Crown Sydney and One Queensbridge in Melbourne and will work to optimise the value of Crown's international investments.



Rowen Craigie

Chief Executive Officer, Crown Resorts Limited

Australian Resorts

Crown's Australian resorts, Crown Melbourne and Crown Perth, are leading entertainment and tourist destinations, with strong earnings and cash flow capacity.



Barry Felstead
CEO, Australian Resorts

Crown's Australian resorts achieved a solid performance in 2016. Main floor gaming revenue increased by 5.8% and non-gaming revenue increased by 1.5%. VIP program play turnover in Australia of \$65.1 billion, down 8.0%, was a pleasing result given the strong growth in the prior comparable period of 41.8% and the depressed nature of the VIP program play market across Asia.

Business conditions for Crown Melbourne were favourable during the period, however Crown Perth's domestic business performance was impacted by the slowdown in the Western Australian economy throughout the year. An ongoing focus on cost management was maintained, which resulted in normalised EBITDA increasing by 1.8% for Crown's Australian resorts.

A highlight for the year was an increase in visitation at both properties to in excess of 31 million visits. The drivers of this growth included capital improvements, new attractions, product releases and successful digital promotions.

There was also a marked rise in international visitors, particularly from China. Crown Resorts' sustained focus on growing visitor numbers from China has paid off with our resorts in Melbourne and Perth now among the most visited tourist destinations in their respective states.

In 2015, Tourism Research Australia estimated that approximately one in four Chinese tourists visited Crown during their stay in Melbourne. In FY16 more than a third of revenue generated by our Australian Resorts was generated by international visitors, predominantly from mainland China.

Crown's most important priority is to ensure our Australian resorts are strongly positioned in the global premium leisure market to continue to attract a growing share of visitors. That is why Crown is investing \$4.0 billion in its Melbourne, Perth and Sydney resorts from FY2012 to FY2019. This capital expenditure includes expansion, upgrades and maintenance to keep Crown's Australian resorts at the forefront of luxury tourism.

Importantly, Crown continues to invest in its people. We recognise it is our people who are the critical element in driving first class service outcomes. Crown seeks to be an employer of choice and the ongoing investment in training and developing our employees is recognised as a best-practice model by government bodies and external parties. Crown's \$10 million dedicated training facility, Crown College, is one of Australia's most awarded and respected registered training organisations. Approximately 7,600 people have graduated from the college to date.

Crown is providing 500 places at Crown College to provide an opportunity to retrain in the hospitality industry. In addition, Crown Perth is undergoing a major recruitment drive to employ an additional 500 outstanding people to join Crown Towers Perth before the end of 2016. At the recent Australian Training Awards, Crown Perth was proud to be honoured as Australian Employer of the Year.

Crown Melbourne

Overview

In an increasingly competitive global tourism market, Crown Melbourne is itself an integral driver of international and interstate visitors to Victoria. Its reputation for luxury experiences and exceptional hotel, gaming and entertainment facilities has seen visits to Crown Melbourne grow to 21 million for the year.

Crown Melbourne strengthened its offer during the period with property enhancements and initiatives to stimulate visitation, in line with Crown's strategic priorities. The resort remains Victoria's largest single-site private sector employer, with approximately 10,000 people working across the complex.

Crown continues to develop its digital presence with the Crown Resorts app and Crown websites providing valuable tools to engage and transact with customers. Crown increased its profile on social media over the last 12 months, growing its fans on Facebook and followers on Twitter and Instagram. In 2015, Facebook identified Crown Melbourne as the number one checked in location in Australia.

Property Update

Occupancy at Crown Melbourne's three hotels was again over 90%, reaffirming the need for greater hotel capacity to meet future tourist demand. The proposed new luxury hotel and residential project, One Queensbridge, on the site adjacent to Crown Melbourne is expected to achieve this.

Crown and the Schiavello Group, in a joint venture announced in December 2014, are planning to develop a landmark new building comprising a 388-room six-star hotel with associated amenities and approximately 700 luxury apartments. The property in Melbourne's Southbank is proposed to be connected to Crown Melbourne via an enclosed elevated pedestrian link over Queensbridge

Street, subject to planning approval and agreement with the relevant state government entities. Crown and the Schiavello Group have made an application for planning approval, which is currently under consideration.

Crown Melbourne's signature main atrium improvements were completed in addition to the successful opening of luxury retailers, Graff and Rolex. These works aimed to enhance the experience for our guests by creating a more vibrant and captivating space.

During the financial year, Crown also completed enhancements to the main gaming floor, creating an additional 1,000m² of gaming space in three main locations, allowing for the full operation of gaming product following the Melbourne Casino Licence reforms, which came into effect in November 2014. This provided a more open gaming environment in the central and western areas, and new semi-private gaming areas across the floor.

Local Gaming and Crown Signature Club

Crown Melbourne continued to invest in new technology, including the introduction of the latest gaming innovations, LED signage and system upgrades to enhance the customer experience. A new dedicated Learn To Play area was launched, allowing exploration of the different gaming options available via interactive touch screens. In addition, enhancements to digital platforms and cross promotion with CrownBet customers have been key drivers of patronage from new customers.

The Crown Signature Club also continues to reward members across the resort's facilities with offers such as access to VIP rooms, invitations to special events and golf at Crown's Capital Golf Course. Its membership base continues to grow on the previous year, assisted by a new mobile application and improvements to the program, including integration with CrownBet.

In November 2015, Crown Melbourne was one of the first venues to introduce Your Play, the Victorian Government's voluntary pre-commitment program, replacing Crown's existing Play Safe program.

Crown Melbourne hosted its fifteenth Aussie Millions Poker Tournament in January 2016, which is a major event on the international poker circuit. The enhanced digital marketing campaign through the use of live streaming and social media expanded the tournament's global reach. Poker also benefitted from a world first house-funded jackpot system, with strong customer growth.

VIP Program Play

The global marketplace for international VIP business continues to soften. Against that backdrop, Crown Melbourne produced a pleasing result, retaining virtually all of the 40% growth delivered during the prior year. Turnover for the year of \$50.1 billion is the second highest turnover achieved by Crown Melbourne in its 19 years of operation at Southbank.

Normalised revenue declined by 4.3% on the previous year, which is a significant outperformance when compared to many of the global market benchmarks, such as in Macau and Singapore. It was also delivered in the face of increasing competition from other Asia Pacific casino operators seeking to capture a share of Crown Melbourne's Australasian market dominance.

In a competitive regional market and to protect profitability, Crown is aiming to retain a strong focus on customer service and quality of experience to differentiate our product offering.

Hotels and Conferences

As one of the world's leading integrated resorts, Crown Melbourne accommodation features more than 1,600 guest rooms across three luxury hotels, Crown Towers, Crown Metropol and Crown Promenade. Together, they provided more than 860,000 guest nights during the year, with occupancy levels again exceeding 90%.

Crown Melbourne hotels were the recipients of nine awards throughout the year across hotel operations. These accolades included Crown Towers winning Large Hotel of the Year, and Crown Metropol winning Best Hotel Pool in the Australian Gourmet Traveller Hotel Guide 2016, as well as Crown Towers being awarded Deluxe Accommodation Hotel of the Year in the 2016 Tourism Accommodation Awards.

The events and conferencing division achieved a strong revenue result in 2016 by driving occupancy in key venues during high season to over 90% and maximising shoulder date opportunities.



Restaurants and Bars

Crown Melbourne's award-winning restaurants and bars offer patrons a wealth of choice that is unrivalled in Australia. Following the six-month relocation of three-Michelin-star UK restaurant, The Fat Duck, Dinner by Heston Blumenthal opened permanently at Crown Melbourne. The Fat Duck generated significant global media publicity for Crown Melbourne and Dinner by Heston Blumenthal has also received tremendous publicity and strong customer demand.

Crown's signature restaurants continue to feature strongly in The Age Good Food Guide 2017, with Dinner by Heston Blumenthal, Rockpool Bar & Grill, Rosetta, Spice Temple, Bistro Guillaume, Koko, Silks and Nobu all included.

Overall, restaurant and bar operations continued to strengthen, with The Merrywell, Lumia, Groove and Sports Bar exceeding expectations. Dining options were enhanced with the opening of San Antone by Bludso's BBQ in November 2015. Koko underwent major kitchen renovations in the early part of the year and, along with Conservatory and Nobu, were Crown Melbourne's most successful premium restaurants, driving a strong performance for the year.

Entertainment and Events

Crown Melbourne continued to provide the venues of choice for some of Australia's most memorable events. More than 1,900 events were booked during the year.

At the Palladium ballroom, the largest events included the TV Week Logie Awards and the AFL Brownlow Medal. Key charitable events hosted at Crown Melbourne included The Million Dollar Lunch, Challenge – Supporting Kids with Cancer, Diamonds are a Girl's Best Friend Gala Dinner, Starry Starry Night and the Epworth Medical Foundation Dinner. The Palladium again hosted a number of Victoria Racing Club's official events during the annual Spring Racing Carnival, including the Crown Oaks Club Ladies Luncheon, the Call of the Card and VRC Young Members' End of Season Ball.

This year's major live performances at The Palms included sold out seasons with Cosentino, Burn The Floor, James Reyne, The Black Sorrows, Richard Marx and Todd McKenney. Crown's two nightclubs, Co and Therapy, continued to feature top artists every week including Havana Brown, Will Sparks, Nervo, Marlo, Joel Fletcher, Tigerlily, Will Singe, Chingy and many more.

In 2016, Crown partnered again with the Sony Foundation's River4Ward event, the Melbourne Food and Wine Festival and, in addition, Crown held the inaugural AVPN Pizza Fest, which celebrated some of the best Pizza makers from Australia and Italy.

Crown Perth

Overview

Crown Perth is Western Australia's only fully integrated entertainment resort. Following Crown's intensive development and renovation plan since acquisition in 2004, it has been transformed into a premium tourist destination, this year attracting more than 10 million visits. The highly anticipated Crown Towers Perth hotel will open in December 2016, bringing to Perth a new level of prestige.

Crown Perth remains the State's largest single-site private sector employer, with more than 5,800 people working on site. This is set to increase as Crown begins a substantial recruitment drive for 500 hospitality professionals to join the new Crown Towers Perth, one of the world's finest hotel brands.

Property Update

Crown Towers Perth remains on schedule for a December 2016 opening, bringing a new era of luxury to Perth. In addition to the 500 guestrooms, suites and villas, the \$645 million development will include a number of new venues, restaurants and bars including The Waiting Room, Epicurean, the Crystal Club, Crown Ballroom and a luxurious Crown Spa.

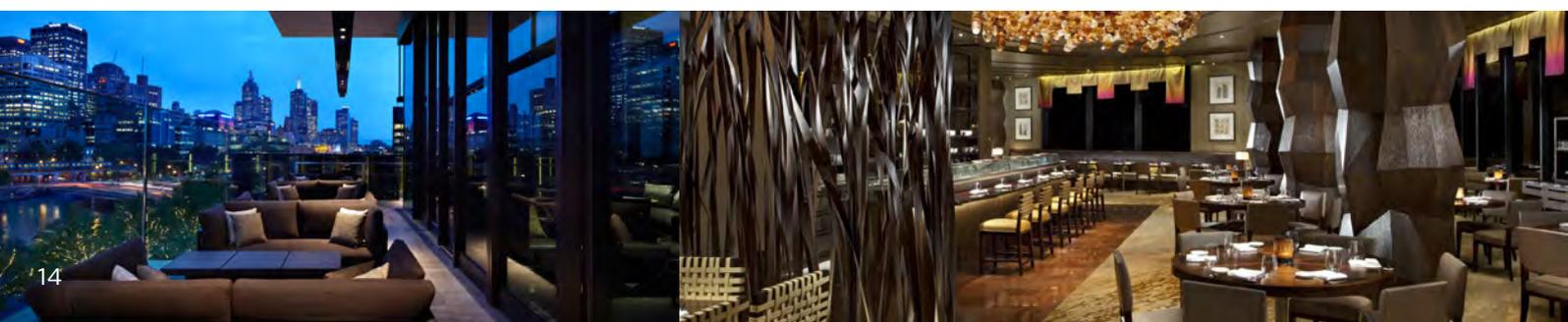
At the new Epicurean restaurant, guests can experience the theatre of the active kitchens or choose to dine on the outdoor terrace with spectacular views overlooking the hotel pool and surrounding resort landscape.

Located on the fifteenth level of Crown Towers Perth, the exclusive Crystal Club will provide stunning views of the Swan River and Perth skyline. The venue's external terrace is complemented with the stylish internal Ultra-lounge, main dining and dedicated private dining areas. Also on the same level are the luxurious private VIP gaming salons with views to the new Perth Stadium, which will open in 2018.

The new 2,000 seat Crown Ballroom and new meeting rooms will significantly add to Crown Perth's existing convention facilities. This, coupled with the refurbishment of the Grand Ballroom and pre-function area and the creation of a new Metropol retail corridor completed during the year, will position Crown Perth as the premier convention facility in Western Australia.

Local Gaming and Crown Club

Crown Perth's main gaming floor revenue declined by 0.1% which reflected weak consumer sentiment in the local economy. Investment in and popularity of automated table games helped drive increased visitation to the gaming floor, despite challenging market conditions overall.



A significant project was the expansion of the main gaming floor and the addition of a premium gaming machine area located in the casino. The expansion has created almost 1,800m² of space to accommodate new gaming product, as well as upgraded amenities and an improved layout for customers. The new space opened in September 2016 and was renamed the Riverside Room.

VIP Program Play

The softening global marketplace was felt more significantly at Crown Perth, with turnover volumes declining by 18.7% to \$15.0 billion. Crown Perth is utilising an event-focused sales strategy, offering customers an exciting and entertaining variety of events and tournaments to stimulate visitation.

With its array of luxury assets and commitment to customer service, Crown Perth represents a compelling option for discerning Asian VIP customers. The upcoming launch of Crown Towers Perth will reinforce Crown Perth's position globally as a first-class luxury resort.

Hotels and Conferences

The hotel business continued to be impacted by the slowdown in the Western Australian economy, with the drop in consumer sentiment impacting on key market segments. In the face of these challenging conditions hotel revenue was in line with last year, which was achieved by a 6.5% increase in guests accommodated during the year offset by a decrease in the average room rate. Combined, Crown Metropol Perth and Crown Promenade Perth accommodated 348,000 guests during the year, with occupancy in excess of 90%. This is a pleasing result given the challenging market conditions in the wider Perth accommodation market.

Interest in the new Crown Towers Perth both locally and nationally has increased significantly, and internationally there have been growing enquiries and translated bookings from a number of key travel partners.

Crown Perth hotels were the recipients of four awards at the 2015 Australian Hotels Association (WA) Accommodation Industry Awards. Also, at the 2015 AHA National Awards for Excellence, Crown Metropol Perth was awarded Best Resort Style Accommodation.

Events and Conferencing was impacted throughout the year with the closure of the Grand Ballroom for an extended period due to its refurbishment and integration into Crown Towers Perth. Crown Perth convention facilities attracted 157,000 delegates, down 10% on the previous year, which was attributed to the Grand Ballroom disruption. A number of key conferences and events are confirmed for 2017 and beyond utilising the new convention facilities at Crown Towers Perth.

Restaurants and Bars

Despite subdued trading conditions, premium restaurants including Silks, Nobu, Atrium and Bistro Guillaume outperformed expectations. Main gaming floor restaurants 88 Noodle Bar, Junction Grill and Carver's also experienced increased patronage, primarily as a result of pre- and post-dining for The Lion King, which played in Crown Theatre.

Crown Perth restaurants were recipients of three Gold Plate Awards at the Catering Institute of Australia's 2015 Gala Awards Dinner with the honours going to Modo Mio for Mediterranean Casual Dining, Atrium for Buffet Dining and Silks for Licensed Chinese Restaurant.

At the 2015 Australian Hotels Association-Aon Hotel and Hospitality Awards for Excellence, Crown Perth won four categories including Crown Sports Bar for Redeveloped Venue Award and the Sporting Entertainment Venue Award and The Merrywell for WA's Best Steak Sandwich Award. More recently, Crown Perth's Bistro Guillaume was awarded Best Accommodation Hotel Wine List at the AHA 2016 Accommodation Awards for Excellence.

The annual Taste of Perth Food Festival featured returning Crown Perth restaurants Nobu, Bistro Guillaume and Silks, which together served over 12,000 dishes across the weekend. Other key events held during the year included various sporting activations promoted in Crown Sports Bar, Nobu Matsuhisa's visit for A Night with Nobu event, and Eve Nightclub held the official Prince After Party whilst also hosting Tex Perkins and Chingy.

Entertainment and Events

Crown Perth provided venues of choice for approximately 1,700 events throughout the year, up from 1,400 in the previous year.

The elegantly refurbished Grand Ballroom was unveiled in April at a luncheon attended by the Prime Minister of Australia, the Hon. Malcolm Turnbull MP. The Grand Ballroom hosted events including Crown Perth's Blanc Noir Melbourne Cup Lunch, the West Coast Eagle's Gala Auction and the Fremantle Football Club Doig Medal Awards.

Key charitable events at Crown Perth included the Royal Flying Doctors Altitude Ball, Youth Focus Night of Nights Ball and Ronald McDonald House Charities Ball.

Crown Theatre had a successful year with The Lion King selling a record 254,000 tickets to sold-out audiences during its 117 performances. Other long-running shows included Dirty Dancing, Cats and Ghost The Musical. Short-run shows included Lord of the Dance, The Australian Ballet – The Sleeping Beauty and Cirque Adrenalin, in addition to live comedic performances.



Melco Crown Entertainment

Melco Crown believes that revenue trends will improve as Macau further evolves into a multi-faceted, mass market-focused destination.

Overview

Melco Crown Entertainment (Melco Crown) is a developer, owner and operator of integrated resorts in Macau and the Philippines. At 30 June 2016, Crown held a 27.4% equity interest in Melco Crown, valued at approximately \$2.3 billion. Melco Crown is listed on the NASDAQ with a market capitalisation of US\$6.4 billion at 30 June 2016.

In May 2016, Crown entered into an agreement with Melco Crown for the repurchase of 155 million ordinary shares in Melco Crown which generated proceeds of \$1,067.1 million and resulted in a net gain on sale of \$602.0 million. This is reported as a significant item.

The challenging market conditions affecting all casino operators in Macau have adversely impacted Melco Crown's operating and financial results. Crown's share of Melco Crown's normalised NPAT was an equity accounted profit of \$58.1 million, down 64.0% on the previous year. Crown held a 34.3% interest for the full reporting period in FY2015, whereas in FY2016 it held a 34.3% interest for approximately 10 months and a 27.4% interest for approximately 2 months.

After adjusting for pre-opening costs and the variance from theoretical, Crown's share of Melco Crown's reported result for the year was an equity accounted profit of \$42.7 million, down 65.0%.

In Macau, Melco Crown owns and operates two premium properties, City of Dreams and Altira Macau, in addition to a network of niche gaming facilities in the Mocha Clubs business. It also operates and holds a 60% equity interest in Studio City, an integrated resort in Cotai that opened in October 2015. In the Philippines, Melco Crown holds a 72.9% equity interest in the operator of City of Dreams Manila, an integrated resort that opened to the public in February 2015.

Macau Market Update

Macau continues to face challenges arising from softer gaming demand, which has adversely affected all casino operators. Overall, gross gaming revenue across the Macau market in the full year to 30 June 2016 declined 22.5%. However, Melco Crown believes that revenue trends, particularly in the mass market segments, will improve as Macau further evolves into a multi-faceted, mass market-focused destination.

Supported by the People's Republic of China Central Government's long-term infrastructure blueprint, Macau is undergoing a transition towards a more mass market tourism-focused business model. Macau continues to benefit from the government's development plans for the region, including improved infrastructure, immigration policies and development of Hengqin Island. This wide-reaching development plan is expected to strengthen the

accessibility and appeal of Macau as a multifaceted leisure and tourist destination, offering an increasingly expanded array of entertainment attractions and amenities to drive long-term growth and a more diversified tourism experience.

City of Dreams, Macau

City of Dreams is an integrated casino resort in Cotai, Macau. It is a premium-focused property targeting high-end customers and rolling chip players from regional markets across Asia. At 30 June 2016, City of Dreams operated approximately 500 gaming tables and 1,050 gaming machines.

Three exceptional hotels, Crown Towers (a Forbes Five-Star Hotel), the Hard Rock hotel and the Grand Hyatt Macau, (which spans two towers) together provide approximately 1,400 guest rooms.

City of Dreams features around 30 restaurants and bars which includes the contemporary French restaurant The Tasting Room and Chinese culinary masterpiece Jade Dragon. They have also been named among Hong Kong and Macau's best 100 dining establishments in addition to the tributes of its five Michelin stars announced this year. City of Dreams also feature the first street-front retail area in Cotai, banquet and meeting facilities and recreation and leisure facilities that include health and fitness clubs, three swimming pools, spas and salons.

SOHO, a new lifestyle entertainment and dining precinct located on the second floor of City of Dreams, is attracting customers with its wide selection of food and beverage options and other non-gaming offerings. The House of Dancing Water Theatre, a wet stage performance theatre with approximately 2,000 seats, features the internationally-acclaimed and award-winning The House of Dancing Water show.

Enhancement works at City of Dreams include a fifth hotel tower, designed by legendary architect the late Dame Zaha Hadid, together with the first street-front retail area in Cotai which was partially opened in June 2016. These developments demonstrate Melco Crown's dedication in producing a multi-dimensional leisure and tourism experience for the region.

Studio City, Macau

Melco Crown operates and holds a 60% interest in Studio City, a large-scale Hollywood-inspired resort project that is designed to deliver an unparalleled leisure entertainment and hospitality experience. Studio City, which opened in October 2015, is still in ramp-up phase. Studio City features 1,600 hotel guest rooms and at 30 June 2016 operated approximately 250 gaming tables and 1,100 gaming machines.

Located in Cotai, close to the Lotus Bridge immigration point connecting Hengqin Island and a future station-point for the Macau Light Rapid Transit, Studio City will strengthen Macau's leisure, business and tourism proposition as a leading visitor destination in Asia.

The Studio City project is funded through a combination of equity contributions from shareholders, proceeds from the Studio City US\$825 million senior notes and a US\$1.4 billion Studio City senior secured project loan. Both of these debt instruments do not involve a corporate guarantee from Melco Crown.

The Studio City Loan Agreement requires compliance with various minimum financial conditions, all of which are based on the consolidated EBITDA or cash flow. Compliance with these conditions will be first tested for the twelve-month period to 31 March 2017. The ramp-up of Studio City operations must be significantly accelerated by this time in order for Studio City to meet the requirements.

Melco Crown believes Studio City's unique and diversified offerings will make it a unique asset built consistent with the Macau Government's objective of delivering world-class entertainment.

Altira, Macau

Altira Macau is designed to cater to Asian rolling chip customers and players sourced primarily through gaming promoters and features approximately 125 gaming tables and 60 gaming machines. Altira Macau offers a luxurious hotel experience with its internationally acclaimed accommodation and guest services. In February 2016, it

was awarded the Forbes Five-Star rating in both Lodging and Spa categories by the Forbes Travel Guide for the seventh year running.

Mocha Clubs

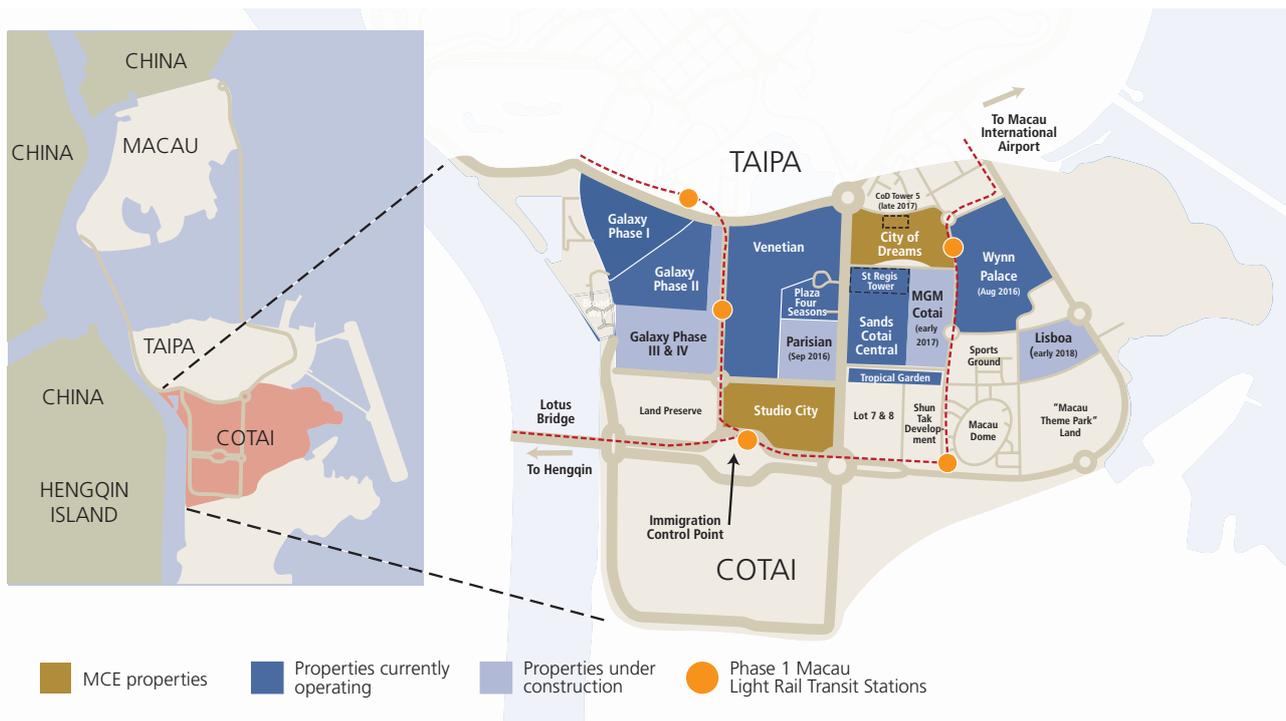
Mocha Clubs comprise the largest non-casino based operations of gaming machines in Macau. The number of gaming machines in operation averaged approximately 1,200 during the year ended 30 June 2016.

City of Dreams, Manila

Melco Crown, through its 72.9% owned subsidiary, Melco Crown (Philippines) Resorts Corporation (MCP), operates City of Dreams Manila, an integrated resort in Manila.

City of Dreams Manila has three hotels comprising Crown Towers, Nobu and Hyatt City of Dreams Manila, with approximately 950 guest rooms in total. It is located on approximately 6.2-hectares at the gateway of Entertainment City, Manila, close to metro Manila's international airport and central business district.

City of Dreams Manila continues to grow revenues across all business segments, providing Melco Crown with a diversified earnings stream to complement its existing operations in Macau. Melco Crown reported that City of Dreams Manila delivered an improvement in all gaming and non-gaming segments in the second quarter results of 2016 on a year-on-year basis. City of Dreams Manila operated more than 240 gaming tables and more than 1,600 gaming machines at 30 June 2016.



Other International Interests

Crown Aspinalls

Crown Aspinalls is an exclusive high-end London casino. It is one of only five 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 \$26.5 million, down 16.4% on the previous period. Reported EBITDA for the period was \$16.0 million, an increase of \$61.3 million on the previous period.

This reported EBITDA result takes into account an unfavourable variance from the theoretical VIP program play result, which had a negative EBITDA impact of \$10.5 million. This compares to a negative EBITDA impact of \$77.0 million in the previous period.

Aspers Group

Crown holds a 50% interest in Aspers Group. In 2009, Crown's investment in Aspers Group was written down to zero. Aspers Group operates four casinos in the United Kingdom, in Newcastle, Stratford (London), Milton Keynes and Northampton (the latter in a joint venture with Kerzner UK Limited).

As a result of recent strong operating results and a debt refinance, Crown has reversed the prior net impairment loss (after taking into account unbooked losses) of £19.8m (\$35.4m), which has been accounted for as a significant item.

Alon Las Vegas

Crown, through a majority-owned subsidiary, has acquired a 34.6 acre vacant site on the Las Vegas strip. Crown and its partners are continuing design work on the project. The capital structure of the ownership entity is yet to be settled.

Caesars

Crown holds an ownership interest in Caesars Entertainment Corporation (approximately 2%), which is the fourth-largest gaming company in the world, owning and operating approximately 50 casinos and hotels and seven golf courses under several brands; and Caesars Acquisition Company (approximately 2%), which is focused on acquiring and developing a portfolio of investments in the gaming and interactive entertainment industries.

Nobu

Crown Resorts holds a 20% interest in Nobu, one of the world's most recognised Japanese restaurant brands. Nobu operates 13 owned restaurants in the US, London and Tokyo, 17 international licensed restaurants and manages three hotels in Las Vegas, Manila and Miami. The other investors in Nobu are Nobu Matsuhisa, Robert De Niro and Meir Teper. The restaurant business has a pipeline of four new owned restaurants and three new licensed restaurants. The managed hotels business has a pipeline of new hotel openings, which include Chicago, London, Malibu, Los Cabos, Bahrain and Riyadh.

Cannery

Crown holds a 24.5% interest in Cannery, which is based in the United States and has operations at the Meadows Racetrack & Casino in Pittsburgh, Pennsylvania, and Cannery Casino and East Side Cannery in Las Vegas, Nevada. Cannery has entered into separate agreements to dispose of both the Meadows Racetrack & Casino as well as the Cannery Casino and East Side Cannery to third parties.

In 2015, the carrying value of Crown's investment in Cannery was written down to nil. During the year, Crown did not receive a distribution of any profits or recognise any earnings from Cannery.



Crown Wagering and Online Social Gaming Operations

The Crown wagering and online social gaming operations contributed revenues of \$229.9 million and an EBITDA loss of \$5.4 million in the year ended 30 June 2016, which was below the \$16.0 million loss recorded in the prior year.

Overall, the wagering and online social gaming businesses were profitable in the second half and revenue growth was strong.

CrownBet

Crown owns a 62% controlling interest in CrownBet, which is led by the founding shareholder and CEO, Matthew Tripp, and an experienced management team with a proven track record of building highly successful businesses in the wagering industry. CrownBet is the fastest growing significant operator in the online wagering sector and is an Australian-owned business in an industry which is largely foreign-owned.

CrownBet is building its business based on:

- leveraging its relationship with Crown's Australian integrated resorts, as well as a number of unique 'partner' relationships including the AFL and racing.com (a joint venture between Seven West Media and Racing Victoria);
- developing proprietary software in order to offer a best-in-class user experience, with features such as live AFL vision (the only wagering provider in Australia to offer this), a unique loyalty program and market leading apps; and
- being recognised as the most responsible wagering operator in Australia.

Betfair

Betfair is 100% owned by Crown and provides access for Australian and New Zealand customers to the world's leading betting exchange. In the current financial year, Betfair has concentrated on growing revenue from the core exchange product whilst delivering that product as efficiently as possible, resulting in strong revenue growth and a sustainable profitability base which will grow over time.

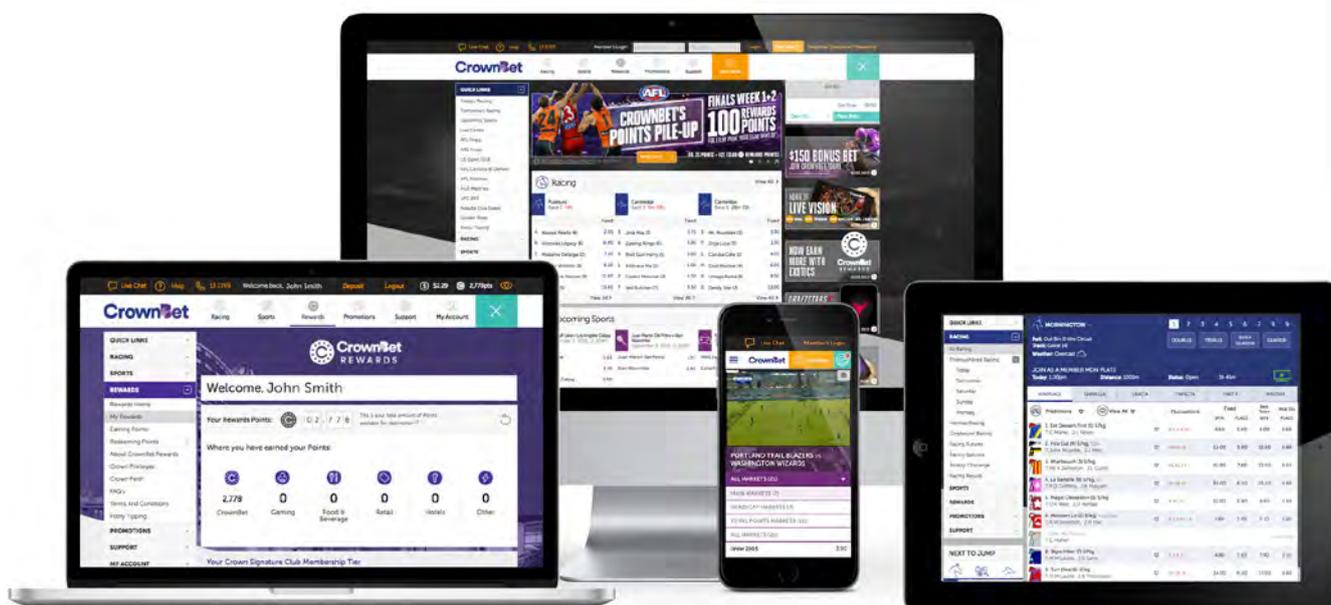
DGN

DGN is a leading developer of online social games based in Austin, Texas. In July 2015, Crown acquired 60% of DGN for US\$32.5 million (A\$42.5 million). Subsequently in December 2015, Crown increased its shareholding in DGN to 70% by investing a further US\$15m (A\$20.8 million) in return for new units in the company.

In December 2015, Crown through its majority-owned subsidiary, DGN, acquired 100% of Winners Club Limited (and subsidiaries) for US\$10 million (A\$13.8 million). Winners Club is a business which provides development and analytical services to online social gaming sites.

Draftstars

In April 2016, a joint venture, Draftstars, was established between CrownBet and Fox Sports. Draftstars is the Official Daily Fantasy Sports Partner of the AFL.



Corporate Social Responsibility

Crown is proud of its commitment to the communities in which it operates. A key focus is to give back by creating and supporting life-changing opportunities, both in the workplace and through the Crown Resorts Foundation.

Crown recognises its responsibility to the communities in which it operates and that's why our approach to corporate social responsibility (CSR) is integrated into everything we do. All of our CSR programs are developed to promote diversity, inclusion, community and environmental sustainability within Crown.

Creating opportunities through employment

Crown is committed to investing in its people and helping employees reach their personal ambitions. Crown understands that to deliver the exceptional service expected by its customers, the workforce must be well trained, motivated and rewarded for their skills and dedication.

Crown is recognised as one of Australia's leading employers. Our learning and development programs at Crown College, our Indigenous employment program and our disability employment program are all considered best practice, leading the way for other Australian workplaces.

Crown's Australian resorts remain the largest single-site private sector employers in their states, with more than 15,800 people working at Crown Melbourne and Crown Perth in over 700 different roles. As at 30 June 2016, Crown Melbourne had approximately 10,000 people working on site and Crown Perth had more than 5,800 people working on site.

Crown College continues to be recognised throughout Australia as one of the largest and most successful enterprise-based registered training organisations. In FY16, Crown employees undertook approximately 400,000 hours of career training.

In addition, Crown has committed to deliver training for 500 Victorians to obtain new skills in the tourism and hospitality industry through Crown College. The four-year program, now in its early stages, is assisting retrenched automotive workers, Indigenous Victorians, new migrants and women in crisis to obtain new qualifications to prepare them for future employment. Crown will continue to promote the training program with a particular focus on workers affected by continued structural change in the Victorian manufacturing industry.

Diversity and inclusion

Diversity and equality are part of day-to-day business at Crown and are essential to the high performance of the organisation. Crown continues to be an industry leader within the Indigenous employment sector, working closely with the Federal Government and community organisations to deliver positive outcomes for Aboriginal and Torres Strait Islander people.

In September 2015, Crown signed an Indigenous Employment Parity Agreement with the Federal Government to grow Crown's Indigenous workforce to 3.1%

of all employees by August 2019. With the additional target of 2,000 jobs created by 2021, Crown's Indigenous Employment Program has grown substantially in the past financial year, including the hire of the 550th Indigenous employee in March 2016.

Crown's Indigenous strategy is centrally focused on reconciliation. In July 2015, Crown launched its second Reconciliation Action Plan, joining only twelve out of 600 companies in qualifying for an Elevate status, recognising our work towards real change.

CROWNability was launched across Crown's Australian properties eighteen months ago to support Crown's strategy to provide an employment pathway for people with disability. By working closely with disability employment service providers, opportunities have been created across a range of occupations, with a total of 111 people now employed under the program.

As part of the company's commitment to equality and gender diversity Crown Resorts CEO Rowen Craigie has joined the Victorian chapter of the Male Champions of Change. The program draws together a high-profile group of CEOs who are committed to advancing gender equality across Australian organisations and in the community.

Crown has already taken action to explore new strategies to reduce gender inequality in Australian workplaces. A new Group Manager for Gender Equity has been appointed and work has commenced on a Gender Action Plan to be launched in FY2017. This plan will ensure that gender equity is engrained in our business policies and practices and will develop a pathway for more women to take on leadership roles in our business.

Industry-leading social safeguards

Crown continues to demonstrate its leadership in the responsible service of gaming with many initiatives and services available at both Australian resorts. These include the establishment of onsite Responsible Gaming Support Centres, a world first in 2002 at Crown Melbourne, and the introduction of the Play Safe Limits program, the Crown-developed voluntary time and loss limit setting program.

In November 2015, the Victorian government statewide pre-commitment scheme for gaming machines, 'YourPlay', was also implemented at Crown Melbourne, as required in Victoria.

The Responsible Gaming Support Centres at Crown's Australian resorts provide the focal point for customers seeking assistance with their gambling behaviours. Both centres provide information about responsible gaming programs and services, which are free, confidential and available 24 hours a day, seven days a week. Both centres offer a self-exclusion program, where customers can voluntarily ban themselves, and information about and assistance with the YourPlay or Play Safe Limits program.

Training is an essential component in the delivery of Crown's responsible gaming services and programs, and commences for all employees as part of the Induction Program. Training is provided using a blended model of facilitator-led and online modules, and for relevant staff refresher training is delivered at a minimum every two years. This year, Crown implemented a more interactive responsible gaming online training program.

Information about responsible gaming is widely available at both Australian resorts. This includes responsible gaming brochures at Loyalty Program information desks and other locations throughout the gaming floor, at Responsible Gaming Support Centres, as well as information on kiosks and plasma screen, and for employees in back of house areas. Each Australian resort also operates a Responsible Gambling Code of Conduct, which is advertised and readily available.

Crown Melbourne and Crown Perth engage with external gambling help service providers and other community welfare organisations in their respective states. The resorts continue to take an active role in Responsible Gambling Awareness Week, a government, community and industry initiative.

The Crown Resorts Responsible Gaming Committee, chaired by independent Director, Professor John Horvath AO, continues to meet regularly to review and monitor responsible gaming programs and promote awareness of responsible gaming issues.

Supporting our communities

Crown believes in supporting the communities in which it operates. Crown's stakeholders expect us to act responsibly and ethically and we engage regularly with them in order to align our business activities with community expectations. Recognising our role within our communities, together with our employees, we support many community causes and organisations through our resort-specific community partnerships, employee volunteering opportunities and the Crown Resorts Foundation.

Crown's community support comes in many different forms. At a resort level we are able to support charities through subsidising, promoting and hosting their fundraising events and providing raffle prizes. As well, many of our employees enthusiastically volunteer their time to support a wide range of causes.

We leverage our corporate networks, funds and people to deliver the best outcomes for our community partners. This year, the Children's Cancer Foundation's Million Dollar Lunch was once again hosted by Crown Melbourne. With the support of its suppliers, Crown committed to delivering the event cost-free, significantly assisting the Foundation to raise over \$1.7 million dollars which will be used to fund childhood cancer research programs, clinical care and family support.

We look across our business to identifying opportunities to provide support and help raise the profile of and funding for organisations that deliver year-round support to those who need it most. During the 2016 NRL Women in League

round, in partnership with the two teams of whom Crown is the major sponsor, the South Sydney Rabbitohs and the Melbourne Storm, Crown gave up its logo position again for Ovarian Cancer Australia's logo, to help raise awareness and support for the organisation. Both clubs contributed by organising their own fundraisers and the Crown Resorts Foundation donated \$20,000 plus a further \$1,000 for each try.

Within our business we look for opportunities to leverage our skillsets to support communities in need. Crown Perth's chefs' longstanding-commitment to Foodbank Western Australia is an excellent example. Every week Crown Perth's chefs cook large quantities of meals which are donated to Foodbank. Significantly, over the course of the year, more than 30,000 meals were donated to help feed Perth's most vulnerable.

Our employees help set the agenda for our community engagement and are critical in its delivery. Within business departments, teams will organise their own fundraising events for charities such as SIDS and Kids, the Cancer Council, Oxfam, Jeans for Genes and the RSPCA. Since the formation of the Crown Resorts Foundation, the Employee Advisory Committee (EAC) to the Foundation has been able to choose a couple of key organisations and develop fundraising events that reach across the business. The EAC successfully coordinated a fundraising event during White Ribbon Week which raised over \$40,000 for The Luke Batty Foundation.

This culture of giving and support is evident throughout the business. Crown's Australian Resorts CEO, Barry Felstead, participated in the St Vincent de Paul CEO Sleepout in Perth, this year raising over \$120,000. Participating in this event for six consecutive years, Barry has raised over \$600,000 which has been allocated to St Vincent de Paul's homeless and emergency housing services.

The Crown Resorts Foundation

Overview

We are very proud of the work that the Crown Resorts Foundation is doing in promoting Indigenous education opportunities, the arts and culture and in entering partnerships with organisations that encourage and foster social cohesion.

The Crown Resorts Foundation, in partnership with the Packer Family Foundation, is two years into its 10 year journey to deliver \$200 million of funding to the Australian community through their National Philanthropic Fund. The National Philanthropic Fund is administered through two separate funds, the \$100 million Community Partnerships and Indigenous Education Fund and the \$100 million National Arts Fund.

Currently providing funding to over 85 community and education organisations, the National Philanthropic Fund aims to deliver more young Australians access to a better education and more opportunities to be creative and to develop the self-esteem and confidence that will support them to build more fulfilled lives.

Supporting Indigenous education

The Community Partnerships and Indigenous Education Fund provides financial support for key community organisations with a focus on empowering young Aboriginal and Torres Strait Islander youth through education.

To date the Foundations have provided significant multi-year support to 14 different Indigenous education focused programs. The programs selected involve parents and communities to establish environments where trust and security enable children to thrive while benefitting from a consistent school-based education.

Supporting our local communities – Crown employees lead the way

Also within the Community Partnerships and Indigenous Education Fund is an allocation for smaller one-off grants and to recognise employee-led fundraising initiatives. The Crown Melbourne and Crown Perth Employee Advisory Committees oversee these programs.

In November 2015, Crown Melbourne's Employee Advisory Committee organised a successful fundraiser during White Ribbon Week in support of the Luke Batty Foundation. The event raised more than \$40,000 and increased awareness about domestic violence, with 2015 Australian of the Year, Rosie Batty, the guest of honour.

Supporting Australian culture

Recognising the ability of the arts to engage and inspire, the National Arts Fund aims to improve the accessibility and availability of the arts to young Australians.

This year, in partnership with the Packer Family Foundation, the Crown Resorts Foundation launched its \$25 million Melbourne and Perth Arts Education Initiative. Based on the success of our \$30 million Western Sydney Arts Initiative, the Melbourne and Perth Art Education Initiative aims to provide more opportunities for young Australians to engage with the arts and to reach their full potential.

Over eight years, the Foundations will provide \$25 million for arts programs in Melbourne and Perth. As well as promoting creativity, most of these programs will be education-focused, using art as the vehicle with which to engage youth with their learning and their community.

Progress towards environmental goals

Environmental action continues across Crown's Australian resorts, as we work towards leading sustainable business practice in the gaming and entertainment industry. Crown has implemented several programs to reduce its environmental impact, focusing on three major areas: energy efficiency, water conservation and waste reduction.

Crown Melbourne and Crown Perth work together to develop and implement strategies for both properties that will reduce environmental impact and contribute to more sustainable practices as part of everyday business decisions.

In 2015, Crown Melbourne launched CrownEarth to formalise initiatives in environmental sustainability which had commenced from 2010. CrownEarth reinforces Crown's commitment to the environment in all aspects of its operations. The launch and associated education campaign for employees and stakeholders marks the half-way point in the implementation of a 10-year strategic plan.

Communication encourages employees to be environmentally aware in all aspects of their lives, not just at work, and includes a weekly e-newsletter, quarterly staff magazine, electronic communication kiosks and a dedicated CrownEarth section on the intranet.

Crown's resource monitoring and reporting systems continue to provide live data to relevant business units highlighting their electricity, gas and water consumption throughout both resorts. The systems provide each business unit with daily, weekly and monthly reports that show time-of-use data, so that resource savings opportunities can be identified and the effectiveness of programs can be monitored.

In addition to our internal programs, Crown participated in a number of externally organised programs, including the global Earth Hour when both resorts turned off all non-essential lighting, Clean-up Australia Day and the Carbon Disclosure Project (for the seventh year running).

Despite an increase in business activity, this year Crown achieved reductions in greenhouse gas emissions intensity of 5.2% per area and 4.8% per \$EBITDA, a decrease in water consumption of 1.5% and an overall increase in recycling rates to 72%.

2016 CSR Report

Crown's 2016 Corporate Social Responsibility Report will be published later this year and contains more detail and specific data on all the above areas. Copies of previous CSR Reports are available on the Crown Resorts website at: www.crownresorts.com.au.

Corporate Governance Statement

The Crown Resorts Limited Board is committed to the implementation and maintenance of good corporate governance practices. This Statement sets out the extent to which Crown Resorts Limited (Crown) has followed the best practice recommendations set by the ASX Corporate Governance Council (the Principles and Recommendations) during the twelve month period ending 30 June 2016. The disclosures in this Statement respond to the ASX Corporate Governance Council's third edition of its Corporate Governance Principles and Recommendations.

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 which 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	Benjamin Brazil (Chair) Rowena Danziger Michael Johnston
Corporate Social Responsibility Committee	Helen Coonan (Chair) Rowen Craigie John Horvath Harold Mitchell
Finance Committee	Geoff Dixon (Chair) Benjamin Brazil Michael Johnston
Investment Committee	Robert Rankin (Chair) John Alexander Rowen Craigie
Nomination and Remuneration Committee	Geoff Dixon (Chair) John Horvath Harold Mitchell
Occupational Health & Safety Committee	Rowena Danziger (Chair) Rowen Craigie John Horvath Michael Johnston
Responsible Gaming Committee	John Horvath (Chair) Rowen Craigie Rowena Danziger
Risk Management Committee	Geoff Dixon (Chair) Rowen Craigie Rowena Danziger

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 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 licensed subsidiaries must file applications with relevant gaming authorities and may be required to be licensed in certain jurisdictions. These investigations generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interest in gaming operations and generally include requirements to obtain police checks and credit checks and undergo fingerprinting.

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, informs shareholders where they can find background 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, security holders are provided with all material information in Crown's possession 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 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 directors must countersign, describes when the appointment commences and when it ends, sets out the director's powers and duties, sets out agreed remuneration arrangements and obliges the director to comply with all Crown Policies, Procedures and Codes of Conduct. 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 securities (and contracts relevant to securities) so that Crown is able to comply with its disclosure requirements under Listing Rule 3.19A to provide ASX with completed Appendices 3X, 3Y and 3Z within the time period allowed by the Listing Rules.

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 progress in achieving them.

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

The objectives were reviewed and revised with effect from 1 July 2015 to recognise that a number of the originally adopted objectives had been achieved. Additional objectives were also added which recognise Crown's participation in the Male Champions of Change program and its succession planning processes.

The Male Champions of Change strategy centres on creating a group of influential men who work together to advance gender equality within their organisations and more broadly across society.

The Victorian Equal Opportunity and Human Rights Commissioner invited 22 Victorian male CEOs and other high profile men from business, politics, government and academia to form the Victorian Male Champions of Change (MCC). Crown's CEO, Rowen Craigie, is one of the CEOs to accept this invitation.

An assessment of Crown's progress in achieving the adopted objectives has also been included in the table below. These objectives have been set in relation to employees of Crown Resorts Limited and its wholly-owned subsidiaries.

Objective	Crown's Progress
1. To require that at least one female candidate is presented on candidate short lists for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.	Overall good progress was made during the year in relation to this objective. In summary, female candidates were presented on candidate short lists for at least 73% of all Senior Management and Senior Executive positions recruited during the year. Of the positions that did not have a female shortlisted, these were generally for roles which traditionally have a lower female pool of candidates such as the role of Head Engineer.
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.	Crown Resorts' wholly owned properties achieved 45% female participation in leadership and development programs out of the 304 total participants.
3. To conduct a review on an annual basis of the remuneration for key roles within the group to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.	<p>In FY15 Crown Resorts established and rolled out a new Australian Resorts Classification Framework to optimise the approach to pay decisions, and to harmonise the distinction between career and salary levels across properties.</p> <p>This framework was used during the period to perform an equity review on the remuneration of key roles within the group to ascertain the existence of any gender pay gaps.</p> <p>The review has identified that there potentially may be a gender pay gap, although further analysis is required to confirm the position and this is currently underway.</p> <p>Separately, Crown is reviewing and exploring a more sophisticated tool to understanding key drivers of pay, with gender being a key variable for this investigation, in addition to other individual attributes, organisational factors and external influences. This new tool will assist in the further analysis of any potential pay gaps currently underway.</p>

Objective	Crown's Progress
4. To participate in the Male Champions of Change program and to implement relevant actions arising out of that program.	<p>As previously reported, Crown Resorts CEO Rowen Craigie joined the Victorian Chapter of the Male Champions of Change (MCC) program, which is a group of influential men who work together to advance gender equality within their organisations and more broadly across society.</p> <p>Mr Craigie was invited to join this group by the Victorian Equal Opportunity and Human Rights Commissioner who also invited 22 Victorian male CEOs and other high profile men from business, politics, government and academia to form the Victorian MCC.</p> <p>Through participating in the Victorian MCC, Crown is progressing action plans in line with the group and is currently developing a Gender Action Plan.</p> <p>Crown has appointed a new Group Manager - Gender Equity role who is responsible for gender equity issues across the Group.</p>
5. To identify and implement development plans for high potential women for career progression as part of the company's succession planning processes and to ensure that these development plans are reviewed annually by the CEO.	<p>A thorough exercise was undertaken during the year to identify high potential women across Crown Melbourne and Crown Perth properties.</p> <p>Once these people were identified, an analysis was undertaken to ascertain what development opportunities had or could be applied to aid in their development and career progression. This exercise was compiled into a report for review and will be extended to all Crown Resorts companies in the first half of FY17.</p>

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2016 is as follows:

Measure	Result
Proportion of women employees in the group:	There were 5,169 women in the group. This represents 42% of the total workforce of 12,453 employees.
Proportion of women in senior executive positions in the group:	There were 30 women in senior executive positions in the group. This represents 19% of senior positions in the group.
Proportion of women on the Board:	Two women out of 11 directors, or 18%.

For the purposes of these statistics, the term "senior executive position" refers to the Executive Team and Board members of Crown Resorts Limited, Crown Melbourne, Crown Perth and Betfair as well as the most senior functional leaders from each operational unit therein. The Executive Team is comprised of persons with the title Executive General Manager, Chief Information Officer, Chief Marketing Officer together with the Chief Operating Officers, Chief Financial Officers, and Chief Executive Officers within the group.

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



More information

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

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

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

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

Process for evaluating performance of Senior Executives

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

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

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 Geoffrey Dixon (Chair), John Horvath and Harold Mitchell who are each independent, Non-Executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. 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 role of the Nomination and Remuneration Committee includes to:

- review Crown Resorts' 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 Resorts' 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
- implement a plan for enhancing director competencies and ensure that an effective induction process is 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, having regard to those of the existing Board and 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 their 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 Resorts 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 Directors' 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 has reviewed and approved:

- the remuneration for non-executive directors and senior executives which will apply during the financial year ending 30 June 2017;
- the short term bonus payments made to senior executives referable to the financial year ending 30 June 2016; and
- a proposed adjustment to the determination of Crown Profit under the 2014 Crown LTI.

A summary of current remuneration arrangements is set out more fully in the Remuneration Report. The objective of Crown's remuneration policy is to ensure that:

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

Board Skills Matrix

As noted above, the Selection Procedure for director nomination requires that the Nomination and Remuneration Committee (on behalf of the Board) consider the effect 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.

Skill / Competency	Board	Audit & Corporate Governance	Corporate Social Responsibility	Finance	Investment	Nomination & Remuneration	Occupational Health & Safety	Responsible Gaming	Risk Management
Total Number of Directors	11	3	4	3	3	3	4	3	3
Executive Experience Experience in senior positions at executive levels.	10	3	3	3	3	2	3	2	3
Strategic Planning and Execution Ability to develop and implement successful strategy and deliver agreed strategic planning goals.	11	3	4	3	3	3	3	3	3
Risk Management Experience in the oversight and management of material business risk including Board Risk Management Committee membership.	7	2	2	2	3	2	3	2	3
Financial Acumen Senior executive or equivalent experience in financial accounting and reporting, capital management, industry taxation, internal financial controls and corporate financing arrangements.	6	2	1	3	2	2	2	1	2
Governance Experience with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance processes.	9	2	4	2	3	3	4	3	3

Skill / Competency	Board	Audit & Corporate Governance	Corporate Social Responsibility	Finance	Investment	Nomination & Remuneration	Occupational Health & Safety	Responsible Gaming	Risk Management
Total Number of Directors	11	3	4	3	3	3	4	3	3
Occupational Health and Safety Experience in relation to workplace health and safety.	6	1	3	1	2	3	3	3	3
Environment and Sustainability Experience in relation to environmental and social responsibility and community.	7	1	3	1	2	2	2	2	3
Legal and Regulatory Experience in legal and regulatory matters including regulatory and contractual frameworks governing gaming matters.	6	1	2	2	3	1	2	1	2
Information Technology Senior executive experience in information technology including gaming systems and data security.	2	0	1	0	1	1	1	1	1
Human Resources / Remuneration Experience in relation to remuneration practices, development of incentive plans, succession planning and director appointment processes including Board Remuneration Committee membership.	8	2	3	2	3	3	4	3	3
Capital Projects Senior executive experience in executing large scale projects with long term investment horizons and substantial capital outlays.	6	2	1	3	2	2	2	1	2
Sales and Marketing Senior executive experience in marketing coupled with a detailed understanding of Crown's strategic direction and competitive environment.	5	0	2	1	2	2	1	1	2
Industry Experience - Gaming and Entertainment Senior executive experience in the gaming and entertainment industry.	2	0	1	0	2	0	1	1	1
Industry Experience - Hospitality and Management Senior executive experience in the hospitality, food and beverage industries.	3	0	1	1	2	1	1	1	2
Industry Experience – Tourism Senior executive experience in the tourism industry.	5	0	2	1	2	2	1	1	2
Industry Experience – Public Policy Experience in public and regulatory policy, including in relation to gaming related policy.	5	0	2	1	2	2	1	1	2

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

Succession planning in order for the Board to maintain appropriate experience, expertise and diversity is an important part of the responsibilities of the Nomination and Remuneration Committee.

Relationships affecting independence

The table below sets out the names of Crown's directors as at the date of this Statement, 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 1 September 2016:

Name of Director	Independence Status	Length of Tenure (By years and complete months)
Robert J Rankin LLB, BEc Chairman	Non-independent	1 year, 1 Month
John H Alexander BA Executive Deputy Chairman	Non-independent	9 Years, 2 Months
Benjamin A Brazil BCom LLB Independent, Non-Executive Director	Independent	7 Years, 3 Months
Helen A Coonan BA, LLB Independent, Non-Executive Director	Independent	4 Years, 9 Months
Rowen B Craigie BEc (Hons) Chief Executive Officer and Managing Director	Non-independent	9 Years, 4 Months
Rowena Danziger AM, BA, TC, MACE Independent, Non-Executive Director	Independent	9 Years, 2 Months
Andrew Demetriou BA, BED Independent, Non-Executive Director	Independent	1 year, 8 Months
Geoffrey J Dixon Independent, Non-Executive Director	Independent	9 Years, 2 Months
John S Horvath AO, MB, BS (Syd), FRACP Independent, Non-Executive Director	Independent	6 Years
Michael R Johnston BEc, CA Non-independent, Non-Executive Director	Non-independent	9 Years, 2 Months
Harold C Mitchell AC Independent, Non-Executive Director	Independent	5 Years, 7 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

The roles of Chair and Chief Executive Officer are exercised by separate persons. Robert Rankin is Chairman and Rowen Craigie is Chief Executive Officer and Managing Director.

Departure from Recommendation 2.5: The Principles and Recommendations recommend that the chair of the Board should be an independent Director. Crown's Chairman is not an independent Director. Crown's Chairman is the Chief Executive Officer of Crown's major shareholder. The Board believes that the interests of shareholders are well served by a Chairman who represents the interests of shareholders and who will act in their best interests as a whole. Crown's Chairman is well placed to act on behalf of shareholders and in their best interests.

Director professional development

The induction process for new directors involves both formal and informal elements. As noted earlier, new directors are provided with a formal induction pack which includes important information 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 in 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 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: A listed entity should 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 they have a clear understanding of Crown's expectations of their conduct and reinforces 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 actions 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, the principles of the Code of Conduct and are encouraged to report suspected unlawful or 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 & Corporate Governance Committee

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

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

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

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. 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 & Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities. The Charter includes information on the procedures for selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners.



More information

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

CEO & CFO declarations

Before it approved Crown's full year financial statements, the Board received assurance from the Chief Executive Officer 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
- that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

An equivalent assurance was also obtained in relation to Crown's half year accounts.

Auditor's attendance at AGMs

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



More information

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

Principle 6: Respect the rights of security holders

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, Policies and Codes, describes Crown's Board Committees and includes copies of current and historical Corporate Governance Statements and reports.



More information

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

Promotion of effective communication with security holders

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 security holders, prospective investors and Crown.

Crown actively engages with security holders 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 security holders and prospective investors on request and responses are provided to enquires 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 head of Investor Relations regularly reports to the Board.

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 Communication Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

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

Security holders 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.

At the AGM itself, as an introduction to the formal business of the meeting, the Chairman encourages security holders 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.

Security holder communications

Crown security holders have the option to receive communications from Crown and 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 security holders 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), Rowen Craigie and Rowena Danziger. A majority of Committee members are independent 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 each 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 policies for the oversight and management of material business risks and has adopted a formal Risk Management Policy. Risk management is an integral part of the industry in which Crown operates.

Management are charged with monitoring the effectiveness of risk management systems and are required to report to the Board via the Risk Management Committee.

The Board convened Risk Management Committee administers Crown's Risk Management Policy.

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

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

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

A review has been conducted during the reporting period and presented to the Risk Management Committee (and the Board). 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 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) each 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 at each business, with supplemental resourcing provided by specialist third parties if 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 Internal Audit Manager reports to the Chief Executive Officer (together with the relevant Head of Legal, as an alternate). Further, each Internal Audit Manager periodically meets with members of the 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 global entertainment and tourism industry by creating long-term value for its stakeholders across economic, social 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 social responsibility (CSR), 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 Social Responsibility Committee to assist the Board in setting Crown's corporate social responsibility policies and programs and assessing Crown's corporate social responsibility performance. The Corporate Social Responsibility Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Corporate Social Responsibility Committee are Helen Coonan (Chair), Rowen Craigie, John Horvath and Harold Mitchell. 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 social responsibility policies and programs for Crown;

- monitoring and reviewing the operation and effectiveness of Crown's corporate social responsibility policies and programs;
- promoting and supporting continuous improvement in Crown's corporate social 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 social responsibility related issues at Crown among Crown's staff and other stakeholders.

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

A copy of the Corporate Social Responsibility Report is publically available and can be found on the Crown website.



More information

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

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 each 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.

Policy for Director remuneration

A summary of current remuneration arrangements is set out more fully in the Remuneration Report. Crown separately discloses the policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Restrictions on dealing in equity based remuneration

The rules of the 2014 Crown Long Term Incentive Plan specifically provide that a participant must not grant or enter into any Security Interest in or over any Crown shares that may be acquired under the Plan (Participant Shares) or otherwise deal with any Participant Shares or interest in them until the relevant Participant Shares are transferred from the Trustee to the participant in accordance with the Plan rules. Security Interests are defined to extend to any mortgage, charge, pledge or lien or other encumbrance of any nature, and includes any derivative relating to or involving a Participant Share. Any Security Interest, disposal or dealing made by a participant in contravention of the Plan rules will not be recognised by Crown.

Nevada Information Statement

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

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

Nevada Government regulation

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

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

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

- providing a source of state and local revenues through taxation and licensing fees.

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

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

Registration as a publicly traded Corporation

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

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

Suitability of Individuals

Power to investigate

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

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

The Nevada Gaming Authorities may deny an application for licensing or a finding of suitability for any cause they deem reasonable. A finding of suitability is comparable to licensing and both require submission of detailed personal and financial information followed by a thorough

investigation. The applicant for licensing or a finding of suitability, or the gaming licensee by which the applicant is employed or for whom the applicant serves, must pay all the costs of the investigation.

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

Consequences of finding of unsuitability

If the Nevada Gaming Authorities were to find an officer, Director or key employee unsuitable for licensing or to continue having a relationship with Crown or the licensed subsidiaries, such company or companies would have to sever all relationships with that person. In addition, the Nevada Commission may require Crown or the licensed subsidiaries to terminate the employment of any person who refuses to file appropriate applications.

Determinations of suitability or of questions pertaining to licensing are not subject to judicial review in Nevada.

Reporting requirements

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

Consequences of violation of the Nevada Act

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

Certain Beneficial Holders of Shares required to be Licensed

Generally

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

incurred by the Nevada Gaming Authorities in conducting any such investigation.

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

Institutional investors

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

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

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

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

Corporations and trusts

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

Consequences of finding of unsuitability

- Any person who fails or refuses to apply for a finding of suitability or a licence within 30 days after being ordered to do so by the Nevada Commission or the Chairman of the Nevada Board may be found unsuitable.
- The same restrictions apply to a nominee if the nominee, after request, fails to identify the beneficial owner. Any shareholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of Crown's shares beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offence in Nevada. Crown will be subject to disciplinary action if, after Crown receives notice that a person is unsuitable to be a shareholder or to have any other relationship with Crown or a licensed subsidiary, Crown or any of the licensed subsidiaries:
 - pays that person any dividend or interest upon any of Crown's voting securities;
 - allows that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
 - pays remuneration in any form to that person for services rendered or otherwise; or
 - fails to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, the immediate purchase of the voting securities for cash at fair market value.

Certain Debt Holders required to be Licensed

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

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

Maintenance of Share register

Crown is required to maintain a current share register in Nevada that may be examined by the Nevada Gaming Authorities at any time. If any securities are held in trust by

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

Actions requiring prior approval of the Nevada Commission**Public offerings to fund Nevada gambling activities**

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

Transactions effecting a change in control

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

Share buy-backs and other arrangements

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

registered corporation's shareholders for the purpose of acquiring control of that corporation.

Investigation and monitoring of "Foreign Gaming operations"

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

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

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

Directors' Statutory Report

Company Information

Review of operations

A review of operations of the Crown Resorts Limited (Crown) group for the financial year ended 30 June 2016 and the results of those operations is detailed on pages 10 to 22.

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

Significant changes in state of affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2015 include:

- On 30 July 2015, Crown announced that the appointment of Robert Rankin as a Director of Crown had become effective following receipt of all necessary regulatory approvals.
- On 13 August 2015, Crown announced that James Packer had stepped down as Chairman of Crown and that Robert Rankin had been appointed the new Chairman. James Packer subsequently resigned as a Director of Crown on 21 December 2015.
- On 29 October 2015 Crown announced that it had acquired a 20% ownership interest in the international restaurant and hotel company, Nobu, for US\$100 million.
- On 4 May 2016 Crown announced an agreement with Melco Crown Entertainment Limited (MCE) had been entered into for the repurchase of 155 million ordinary MCE shares (equivalent to approximately 51.67 million MCE American Depository Shares held by Crown). The repurchase resulted in Crown's shareholding in MCE decreasing from 34.3% to 27.4%.
- On 15 June 2016 Crown announced that it intends to:
 - pursue a demerger of certain international investments to create a separately listed holding company;
 - adopt a new dividend policy to pay 100% of normalised net profit after tax (before minorities and excluding profits from associates but including dividends received from associates), effective from the date of the announcement; and
 - explore a potential IPO of a 49% interest in a property trust which would own some of Crown Resorts' Australian hotels, with Crown Resorts retaining a 51% interest.
- On 28 June 2016 Crown announced that the NSW Planning Assessment Commission ("PAC") approved, subject to a number of substantial modifications and conditions, the applications for the modification of the approved concept plan for Barangaroo and for the construction of the Crown Sydney Hotel Resort at Barangaroo South.

Significant events after Balance Date

On 2 August 2016, Crown announced that it had been served with legal proceedings from the Millers Point Fund Incorporated, as applicant, challenging the validity of the decision of the PAC to approve the applications for the modification of the approved concept plan for Barangaroo (known as "Mod 8") and for the construction of the Crown Sydney Hotel Resort at Barangaroo South and that it intends to defend these proceedings vigorously.

Subsequent to year end, the Directors of Crown declared a final dividend on ordinary shares in respect of the year ending 30 June 2016. The total amount of the dividend is \$287.7 million, which represents 39.5 cents per share. The final dividend will be 70% franked. The unfranked component of the dividend will be conduit foreign income. The dividend has not been provided for in the 30 June 2016 financial statements.

Environmental Regulation

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

Key features of the NGER Act are:

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

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 Social Responsibility section of this Annual Report.

Operating and financial review

In addition to the information provided in the review of operations section of this Report, set out below is some additional information that members of Crown might reasonably require to make an informed assessment of the operations, financial position and business strategies of Crown. The commentary which follows omits some information which might be considered relevant to

Crown's business strategies and prospects for future financial years, on the basis that the Directors have reasonable grounds to believe that disclosure would likely result in unreasonable prejudice to Crown.

Crown reported a consolidated net profit after tax (NPAT) attributable to the parent of \$948.8 million and a normalised NPAT¹ of \$406.2 million for the 12 months ended 30 June 2016. Crown Melbourne and Crown Perth achieved normalised EBITDA growth of 1.8% and normalised revenue growth of 0.8%.

Performance for the year ended June 30 2016	\$m
Normalised revenue ¹	3,584.9
Normalised expenditure ¹	(2,729.1)
Normalised EBITDA ²	855.8
Normalised EBIT ³	573.1
Normalised net profit after tax attributable to Crown	406.2
Reported net profit after tax before significant items attributable to Crown	393.6
Significant items ⁴	555.2
Reported net profit after tax attributable to Crown	948.8

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

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

3. Normalised earnings before interest and tax.

4 Relates to a net gain on sale of Melco Crown shares and an Aspers impairment reversal, partially offset by proposed demerger related costs, early debt retirement costs and a tax provision adjustment relating to amended assessments.

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

Crown Melbourne

Normalised EBITDA from Crown Melbourne was \$673.3 million, up 1.7% on the prior comparable period (pcp). Reported EBITDA for the period was \$663.4 million, up 2.9% 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 \$9.9 million. This compares to a negative EBITDA impact of \$17.5 million in the pcp.

Normalised revenue of \$2,312.5 million was up 3.5% on the pcp. During the year, main floor gaming revenue was \$1,183.3 million, up 8.5% on the pcp.

Normalised VIP program play revenue was \$676.5 million, down 4.3% on the pcp with turnover of \$50.1 billion.

Non-gaming revenue grew 3.7% to \$452.7 million. Crown Towers Melbourne hotel occupancy was 97.1% with an average room rate of \$361. Crown Metropol Melbourne achieved hotel occupancy of 92.4% with an average room rate of \$268. Crown Promenade Melbourne hotel occupancy was 93.6% with an average room rate of \$227. These high occupancy rates reflect the very strong demand for luxury hotel accommodation in Melbourne.

The overall normalised operating margin decreased from 29.6% to 29.1%. The decline in margin was largely due to the change in the mix of VIP program play in favour of junket play versus direct premium play and the additional costs associated with that change in mix.

Crown Perth

Normalised EBITDA from Crown Perth was \$259.9 million, up 2.2% on the pcp. Reported EBITDA for the period was \$285.8 million, down 5.4% 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 \$25.9 million. This compares to a positive EBITDA impact of \$47.7 million in the pcp.

Normalised revenue of \$922.0 million was down 5.5% on the pcp. During the year, main floor gaming revenue was \$497.3 million, down 0.1% on the pcp.

Normalised VIP program play revenue was \$202.8 million, down 18.7% on the pcp with turnover of \$15.0 billion.

Non-gaming revenue was down 2.7% to \$221.9 million. Crown Metropol Perth hotel occupancy was 90.9% with an average room rate of \$300. Hotel occupancy at Crown Promenade Perth was 93.8% with an average room rate of \$205.

The overall normalised operating margin increased from 26.1% to 28.2%. This improvement includes the impact of the change in business mix between main floor play and VIP program play as well as benefits from productivity and efficiency improvements despite lower revenues.

Crown Aspinalls

Normalised EBITDA from Crown Aspinalls was \$26.5 million, down 16.4% on the pcp. Reported EBITDA for the period was \$16.0 million, an increase of \$61.3 million 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 \$10.5 million. This compares to a negative EBITDA impact of \$77.0 million in the pcp.

Crown Wagering and Online Social Gaming Operations

EBITDA from Crown's wagering and online social gaming operations was a loss of \$5.4 million. Overall, the wagering and online social gaming businesses were profitable in the

second half and revenue growth was strong. Crown's wagering and on-line social gaming operations include CrownBet (a 62% owned, on-line wagering business), Betfair Australasia (a 100% owned, on-line betting exchange) and DGN Games (a 70% owned, on-line social gaming business based in Austin, Texas).

Melco Crown Entertainment (MCE)

In May 2016 Crown entered into an agreement with MCE for the repurchase of 155 million ordinary shares in MCE which generated proceeds of \$1,067.1 million resulting in a net gain on sale of \$602.0 million, which is reported as a significant item. Crown continues to hold a 27.4% interest in MCE valued at approximately \$2.3 billion at 30 June 2016.

Crown's share of MCE's normalised NPAT for the full year to 30 June 2016 was an equity accounted profit of \$58.1 million, down \$103.2 million or 64.0% on the pcp. After adjusting for pre-opening costs and the variance from theoretical, Crown's share of MCE's reported NPAT result for the year was an equity accounted profit of \$42.7 million, down \$79.3 million or 65.0% on the pcp.

Macau continues to face challenges arising from softer gaming demand, which has adversely affected all casino operators. Overall, gross gaming revenue across the Macau market in the full year to 30 June 2016 declined 22.5%. However, MCE believes that revenue trends, particularly in the mass market segments, will improve as Macau further evolves into a multi-faceted, mass market-focused destination.

Cash Flow and Debt

Net operating cash flow for the period of \$482.7 million compared to cash flow of \$634.6 million in the pcp. After proceeds received from the repurchase of 155 million ordinary shares in Melco Crown of \$1,067.1 million, net capital expenditure of \$490.3 million, acquisition of investments of \$255.2 million, net repayment of loans from associates of \$131.5 million and dividend payments of \$378.8 million, the Group's net debt position (excluding working capital cash of \$151.1 million) at 30 June 2016 was \$1,962.7 million, consisting of total debt of \$2,261.3 million and cash (excluding working capital cash) of \$298.6 million.

At 30 June 2016, total liquidity, excluding working capital cash of \$151.1 million, was \$1,587.9 million, represented by \$298.6 million in available cash and \$1,289.3 million in committed undrawn facilities.

Conclusion

Crown's key strategies and business focuses are set out on page 3.

Likely developments

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

Dividends and distributions

Interim Dividend: Crown paid an interim dividend of 33 cents per ordinary share on 6 April 2016. The dividend was 50% franked. The unfranked component was conduit foreign income.

Final Dividend: The Directors of Crown have declared a final dividend of 39.5 cents per ordinary share to shareholders registered as at 23 September 2016. The final dividend will be 70% franked. The unfranked component of the dividend will be conduit foreign income.

In summary:	Dividend per share	\$'000
Interim Dividend paid	33.0 cents per share	\$240,370
Final Dividend declared	39.5 cents per share	\$287,716
Total	72.5 cents per share	\$528,086

Crown paid shareholders a final dividend in respect of the 2015 financial year of \$138.4 million.

Directors and officers

Director details

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

Name	Date Appointed	Date Ceased
Robert J Rankin	30 July 2015	
John H Alexander	6 July 2007	
Benjamin A Brazil	26 June 2009	
Helen A Coonan	2 December 2011	
Rowen B Craigie	31 May 2007	
Rowena Danziger	6 July 2007	
Andrew Demetriou	29 January 2015	
Geoffrey J Dixon	6 July 2007	
John S Horvath	9 September 2010	
Michael R Johnston	6 July 2007	
Harold C Mitchell	10 February 2011	
James D Packer	6 July 2007	21 December 2016

At Crown's 2015 Annual General Meeting, Benjamin Brazil, Michael Johnston, and Harold Mitchell stood for re-election as Directors. As required by Crown's Constitution, having been appointed Directors in FY2015, Robert Rankin and Andrew Demetriou also stood for election at Crown's 2015 AGM. Each was re-elected as a Director at that time.

Directors and officers *continued*

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.

Robert J Rankin, BEc/LLB *Chairman*

Mr Rankin is the Chairman of Crown Resorts Limited. Mr Rankin is also Chief Executive Officer of Consolidated Press Holdings Pty Limited, a position he has held since March 2015. Prior to joining, Mr Rankin was Co-Global Head of Corporate Banking and Securities, and Global Head of Corporate Finance at Deutsche Bank AG.

Mr Rankin holds Bachelor of Economics and Bachelor of Law degrees, both obtained at the University of Sydney.

Mr Rankin is also a Director of Melco Crown Entertainment Limited, Chair of the Crown Investment Committee, and a member of the Board of Directors for the Packer Family Foundation.

John H Alexander, BA *Executive Deputy Chairman*

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

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

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

Mr Alexander is a member of the Crown Investment Committee.

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

- Seven West Media Limited: from 2 May 2013 to current

Benjamin A Brazil, BCom, LLB

Non-executive Director

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

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

The Honourable Helen A Coonan, BA, LLB

Non-executive Director

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

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

In Parliament, Ms Coonan served as the Deputy Leader of the Government in the Senate. She was appointed to Cabinet as the former Minister for Communications, Information Technology and the Arts and was shareholder Minister for Telstra Corporation and Australia Post. She also served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulation Authority. She is the recipient of a Centenary Medal for service to the Australian Parliament.

Ms Coonan is a non-executive Director of Snowy Hydro Limited and is Chair of Snowy Hydro Retail Committee. She is Chair of the Sydney Harbour Foreshore Authority, a member of the Advisory Council of J.P. Morgan, a member of the Board of Advice for Aon Risk Services Australia, and is Co-Chair of GRACosway (a subsidiary of the Clemenger Group). She is a Non-executive Director of Obesity Australia Limited and a trustee of the Sydney Opera House. She is also a consultant to Samsung Electronics Australia.

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

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.

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

Rowen B Craigie, BEc (Hons)

Chief Executive Officer and Managing Director

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

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

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

Mr Craigie is a member of Crown's Investment, Occupational Health and Safety, Responsible Gaming, Risk Management and Corporate Social Responsibility Committees. He also sits on the Crown Resorts Foundation Board.

Mr Craigie is a Director of the Australasian Gaming Counsel and a member of the Victorian Male Champions of Change.

Rowena Danziger, AM, BA, TC, MACE

Non-executive Director

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

Mrs Danziger is a Director of Crown Melbourne Limited and is Chair of the Crown Occupational Health and Safety Committee and is a member of the Crown Audit and Corporate Governance, Risk Management and Responsible Gaming Committees. Mrs Danziger also sits on the Crown Resorts Foundation Board.

Andrew Demetriou, BA, Bed *Non-executive Director*

Mr Demetriou was Chief Executive Officer of the Australian Football League 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 also holds the role of Executive Chairman of Acquire Learning, a Melbourne company that enrolls students on behalf of training providers in courses, is Executive Chairman of Career One, is a Director of the Melbourne Sports Marketing firm, Bastion Group, is a Non-executive Chairman of Capitol Health Limited, Transitional Chairman of Cox Architects, Global Chairman of Beyond Boundaries and a Non-executive Director of the non-partisan Climate Institute.

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.

Mr Demetriou is a Director of CrownBet Pty Limited.

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

- Capitol Health Limited: from 17 November 2014 to current

Geoffrey J Dixon *Non-executive Director*

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

He was Managing Director and Chief Executive of Qantas Airways Limited for eight years until 2008 - joining Qantas in 1994 and also serving as Chief Commercial Officer and, for two years, as Deputy Managing Director. He was Chairman of the Australian Government's principal tourism authority, Tourism Australia, for six years from 2009 to June 2015.

Directors and officers *continued*

Mr Dixon is Chairman of the privately-held Australian Pub Fund and is on the Board of the publicly listed Australian company Adslot Limited.

Mr Dixon is also Chairman of the Garvan Medical Research Foundation, is on the Board of the Museum of Contemporary Art Australia and is an Ambassador for the Australian Indigenous Education Foundation. He is also Chairman of the Crown Nomination and Remuneration, Risk Management and Finance Committees.

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

- Facilitate Digital Holdings Limited: from 9 July 2009 to 24 December 2013 when the company was delisted from the ASX
- Adslot Limited: from 23 December 2013 to current

Professor John S Horvath, AO, MB, BS (Syd), FRACP *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 is currently continuing to advise the Department of Health and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.

Professor Horvath is a Fellow of the Royal Australasian College of Physicians and is a distinguished practitioner, researcher and teacher. Professor Horvath previously sat on the Board of the Garvan Research Foundation and continues to be a Governor of the Centenary Institute of Medical Research until January 2016. He is a member of the Advisory Council to the Australian Organ and Tissue Donation Agency and a member of the Finance and Administration Committee of the School of Medicine at the University of Sydney. Professor Horvath is 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 the Chairman of the Crown Responsible Gaming Committee and a member of Crown's Occupational Health and Safety, Corporate Social Responsibility and Nomination and Remuneration Committees. He also sits on the Crown Melbourne Board and the Crown Resorts Foundation Board.

Professor Horvath is currently the Global Strategic Medical Advisor to the Chief Executive Officer of Ramsay Health Care.

Michael R Johnston, BEc, CA *Non-executive Director*

Mr 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 large 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.

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

Harold C Mitchell, AC *Non-executive Director*

Mr 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 Art Exhibitions Australia, Vice President of Tennis Australia, Chairman of The Florey Institute of Neuroscience and Mental Health, Board member of New York Philharmonic, Chairman of Australia-Indonesia Centre and Chairman of FreeTV Australia. Previously Mr Mitchell was Chairman of the Melbourne Symphony Orchestra, TVS and University of Western Sydney's television service for Greater Sydney and in June 2015, Mr Mitchell was appointed 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.

Directors and officers *continued*

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 is a member of the Crown Corporate Social Responsibility and Nomination and Remuneration Committees and he sits on the Crown Resorts Foundation Board.

Company secretary details

Michael J Neilson BA, LLB

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

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

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

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

Mary Manos BCom, LLB (Hons), GAICD

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 is a Graduate of the Australian Institute of Company Directors and a secretary of the Crown Resorts Foundation.

Other officer details

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

Kenneth M Barton
Chief Financial Officer

Barry J Felstead
Chief Executive Officer – Australian Resorts

W Todd Nisbet
Executive Vice President, Strategy and Development

Relevant interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2016 were as follows:

Director	Total number of ordinary shares ¹
John Alexander	333,768
Rowen Craigie	225,556
Rowena Danziger	30,896
Harold Mitchell	114,887

Notes:

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

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

Board and Committee meetings

Set out below are details of the number of Board meetings and Committee meetings held by Crown during the 2016 financial year together with each Director's attendance details.

	Board Meetings		Audit & Corporate Governance Committee Meetings		Corporate Social Responsibility Committee Meetings		Nomination and Remuneration Committee Meetings		Occupational Health & 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
R J Rankin *	11	11												
J D Packer **	5	4												
J H Alexander	11	9												
B A Brazil	11	7	3	3										
H L Coonan	11	10			2	2								
R B Craigie	11	10			2	1			4	4	6	6	2	2
R Danziger	11	9	3	3					4	4	6	5	2	2
A Demetriou	11	11												
G J Dixon	11	11					4	4					2	1
J S Horvath	11	10			2	2	4	2	4	4	6	6		
M R Johnston	11	10	3	3					4	4				
H C Mitchell	11	10			2	0	4	4						

* Robert Rankin was appointed a Director on 30 July 2015

** James Packer resigned as a Director on 21 December 2015

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

Shares and Options

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

Indemnity and Insurance of Officers and Auditors

Director and officer indemnities

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

Directors' and officers' insurance

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

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

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 financial year.

Auditor Information

Auditor details

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 28 of the Financial Report.

Crown acquires non-audit services from Ernst & Young, largely in respect of taxation matters relating to:

- structural and capital management initiatives (including the proposed demerger and the exploration of the IPO of an interest in some of Crown Resorts' Australian hotels);
- refinancing of existing facilities and restructuring of other debt and capital markets instruments;
- proposed developments and major capital projects (including social gaming investments, Sydney and One Queensbridge projects); and
- ongoing taxation matters (including advice related to the amended assessments and a notice of penalties received from the Australian Taxation Office (ATO) in February 2016).

The ratio of non-audit to audit services provided by Ernst & Young to Crown is approximately 7.6:1. This ratio reflects an elevated level of activity in the areas noted above during the year.

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

Rounding

The amounts contained in the financial statements have been rounded off to the nearest thousand dollars (where rounding is applicable) under the option available to Crown under ASIC Class Order 2016/191. Crown is an entity to which the Class Order applies.

Remuneration Report

This Remuneration Report for the year ended 30 June 2016, outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Crown group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Crown group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

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

1. Introduction
2. Overview of Remuneration Policy
3. Summary of Senior Executive Remuneration Structure
 - Fixed Remuneration
 - Performance Based Remuneration
4. Details of Performance Based Remuneration Elements
 - Short Term Incentives
 - Long Term Incentives: 2014 Crown LTI
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

- Robert J Rankin (Chairman from 12 August 2015)
- Benjamin A Brazil
- Helen A Coonan
- Rowena Danziger
- Andrew Demetriou
- Geoffrey J Dixon
- John S Horvath
- Michael R Johnston
- Harold C Mitchell
- James D Packer (Chairman until 12 August 2015, Non-executive Director until 21 December 2015)

Executive Directors

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

Other company executives and key management personnel

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

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

This Remuneration Report contains a similar level of disclosure to the 2015 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.

Overview of Remuneration Policy

Philosophy

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

Crown seeks to attract, retain and motivate skilled Directors and senior executives in leadership positions of the highest calibre. Crown’s remuneration philosophy is to ensure that remuneration packages properly reflect a person’s duties and responsibilities, that remuneration is appropriate and competitive both internally and as against comparable companies and that there is a direct link between remuneration and performance.

Crown has differing remuneration structures in place for Non-executive Directors and Senior Executives.

Non-executive Directors

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

The Nomination and Remuneration Committee bears the responsibility of determining the appropriate remuneration for Non-executive Directors. Non-executive Directors’ fees

are reviewed periodically by the Nomination and Remuneration Committee with reference to the fees paid to the Non-executive Directors of comparable companies. The Nomination and Remuneration Committee is subject to the direction and control of the Board.

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

A review of Non-executive Directors' fees was conducted following year end and it is proposed that, subject to shareholder approval to increase the Non-executive Directors fee cap in the Crown Constitution, those fees be increased with effect from 1 November 2016. Further detail regarding this process is set out under the heading "Remuneration details for Non-executive Directors" later in this Report.

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

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

Senior Executives

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

Crown's key strategies and business focuses which are taken into consideration as part of performance based remuneration, are set out on page 3.

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

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

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

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

The KPOs for Senior Executives, including the Chief Executive Officer and Managing Director are closely aligned with objectives set out in Crown's Four Year Financial Plan (see below).

The fixed remuneration for Crown's Chief Executive Officer and Managing Director, Mr Rowen Craigie, which applied during the financial year, was \$3,090,000, which represented a 3% increase on his financial year 2015 fixed remuneration. Mr Craigie's fixed remuneration had remained unchanged from 2007, when his fixed remuneration of \$3,000,000 was determined as part of the de-merger of the gaming businesses of Publishing and Broadcasting Limited and listing of Crown Resorts Limited in December 2007 until 30 June 2015.

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

For summaries of Senior Executive contracts of employment, see page 62.

Performance based remuneration

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

- Short Term Incentives (STI); and
- Long Term Incentives (the 2014 Crown LTI).

A key focus of the Crown Board is the achievement of the Crown group's annual business plan and budget and the long term financial plan. In order to provide incentives to executives, each of the STI and the 2014 Crown LTI link back to key elements of the business plan and budget and long term financial plan. It is therefore important to understand how that business plan and budget and long term financial plan are developed. A summary of the process involved is set out below.

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

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

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

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

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

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

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

Development of Annual Business Plan and Budget

Crown's Annual Business Plan and Budget is prepared having regard to the Crown Four Year Financial Plan.

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

Details of Performance Based Remuneration Elements

Short term Incentives (STI)

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

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

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

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

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

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

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

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

For a more detailed commentary on financial year 2016 STI bonuses see page 67.

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

Long term Incentives

2014 Crown Long Term Incentive Plan (2014 Crown LTI)

The 2014 Crown LTI was made available to selected senior executives with effect from 1 July 2014. A summary of the terms of the 2014 Crown LTI follows.

Operation of the 2014 Crown LTI

The award of a long term incentive bonus under the 2014 Crown LTI is dependent on Crown achieving certain earnings per share hurdles (EPS Hurdles) in respect of, or in relation to, the four financial years ending 30 June 2015, 30 June 2016, 30 June 2017 and 30 June 2018 (each a Plan Year).

The 2014 Crown LTI rules provide that earnings per share (EPS) target would exclude the contribution from Melco Crown Entertainment Limited (MCE) and are to be calculated in accordance with the following formula:

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

where:

Crown Profit means, in respect of a Plan Year, the normalised net profit after tax of the group for that Plan Year (excluding the contribution made by MCE and significant items). Normalised net profit excludes the impact of any variance from the theoretical win rate on VIP program play. For the purposes of both the EPS Hurdles and actual EPS, a theoretical win rate of 1.4% is applied; and

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

How EPS Hurdles were derived

The EPS Hurdles adopted in the 2014 Crown LTI were derived directly from EPS forecasts put in place in respect of the 2014 Four Year Financial Plan (each an EPS Target). Accordingly, the 2014 Crown LTI is specifically designed to provide an incentive to senior executives participating in the 2014 Crown LTI (Participants) to ensure the Four Year Financial Plan from financial year 2015 to financial year 2018 is met. The way in which Crown's Four Year Financial Plans are developed has been described in detail above.

The EPS Hurdles in financial year 2015, financial year 2016 and financial year 2017 are 98% of the EPS Target for the relevant year in the Four Year Financial Plan. The EPS Hurdle in financial year 2018 is 100% of the EPS Target for the relevant year in the Four Year Financial Plan.

Why earnings per share is used as the single measure for the 2014 Crown LTI

Crown has elected to use earnings per share as the single measure for its 2014 Crown LTI.

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

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

In developing the 2014 Crown LTI, consideration was given by the Crown Board to a range of different measures as well as the potential use of multiple measures, however, ultimately, it was determined that a single clear, unambiguous target in the form of an earnings per share hurdle was best suited to Crown. For example, consideration was given to the use of a relative measure, such as relative total shareholder return (TSR), however, it was decided such measures were not appropriate for Crown. This is because there are a limited number of comparable companies within any sizeable ASX comparator group and many of the larger companies listed on ASX bear little resemblance to Crown (e.g. financial institutions and resource companies). As the results and share prices of such companies can be expected to move in line with different economic factors (such as credit conditions and global resource market conditions) the Crown Board considered it to be inappropriate to base Crown executives' long term rewards on factors over which Crown executives have little influence.

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

Crown acknowledges that its EPS Targets are, to a large degree, an internal measure. However, Crown has disclosed in this Report (and will continue to disclose) its historical EPS Targets and EPS Hurdles as well as actual EPS performance against those historical targets, so that shareholders are able to see the “stretch” nature of these targets.

How bonuses accrue

If an EPS Hurdle is achieved in respect of a Plan Year, a Participant will become entitled to a portion of the potential maximum bonus (Maximum Bonus) which may be achieved under the 2014 Crown LTI in accordance with the following table:

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

The Plan rules provide that bonuses will only ultimately be paid at the end of financial year 2018 either by way of the transfer of shares acquired under the 2014 Crown LTI or the payment of cash. See further below.

Effect of achieving an EPS Hurdle

If an EPS Hurdle is met in respect of a Plan Year, the 2014 Crown LTI provides that Crown will calculate the dollar value of the bonus in respect of the relevant Plan Year (Plan Year Bonus) by multiplying the Maximum Bonus for the Participant by the relevant percentage applicable to that Plan Year (as set out in the table above).

If the Plan Year is Plan Year 1, Plan Year 2 or Plan Year 3, the 2014 Crown LTI provides that Crown will pay the Plan Year Bonus earned by the Participant to the nominated Trustee and with an instruction that the Trustee apply that Plan Year Bonus to acquire Crown shares on market (Participant Shares), to be held on trust for the benefit of the Participant until the end of Plan Year 4 (at which time the shares could be transferred to the Participant).

In respect of Plan Year 4 the 2014 Crown LTI provides that Crown will pay the Plan Year 4 Plan Year Bonus to the Participant in cash and also advise the Trustee, who will arrange for any shares held in trust to be transferred to the relevant Participant. The Plan Year 4 Plan Year Bonus is designed to be paid in cash because the Participant will be required to pay tax on the Bonus at this time.

Effect of not achieving one or more EPS Hurdles

If an EPS Hurdle is not met, the 2014 Crown LTI provides as follows:

- if an EPS Hurdle in respect of Plan Year 1, Plan Year 2 or Plan Year 3 is not met, Crown will calculate the Plan Year Bonus which would have been applied to the purchase of Participant Shares had the relevant EPS Hurdle been met (Carried Over Plan Year Bonus);
- if the EPS Hurdle in respect of Plan Year 4 is met:
 - the Plan Year 4 Bonus will be paid by Crown to the relevant Participant in cash;
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant; and
 - if the sum of the EPS Targets for financial year 2015, financial year 2016, financial year 2017 and financial year 2018 (Cumulative EPS Hurdle) has also been met, any Carried Over Plan Year Bonuses will also be paid to the relevant Participant in cash. The Carried Over Plan Year Bonuses (if any) are paid in cash because the Participant will be required to pay tax on these Bonuses at this time.
- if the EPS Hurdle in respect of Plan Year 4 is not met but both the Fallback Plan Year 4 EPS Hurdle (i.e. 98% of the Plan Year 4 EPS Target) and the Cumulative EPS Hurdle are met:
 - the Plan Year Bonus in respect of Plan Year 4 will be paid by Crown to the relevant Participant in cash;
 - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Fallback Plan Year 4 EPS Hurdle are met but the Cumulative EPS Hurdle is met:
 - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
 - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Cumulative EPS Hurdle are met (whether or not the Fallback Plan Year 4 EPS Hurdle is met):
 - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
 - any Carried Over Plan Year Bonuses will lapse and will not be paid by Crown to the relevant Participant; and
 - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.

Illustration

The following is an illustration of a range of outcomes which might have been achieved by a Participant under the 2014 Crown LTI. It does not include every permutation or combination of outcomes which the 2014 Crown LTI was designed to achieve.

Key: ✓ = Achieved ✗ = Not achieved.

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

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

What happens to dividends earned on Crown shares acquired under the 2014 Crown LTI

All dividends received on shares held in trust are to be passed through to the Participant. As bonuses earned in the final year of the 2014 Crown LTI (including any Carried Over Plan Year Bonuses) are to be paid in cash, no dividends apply in respect of these bonuses.

What happens if an executive’s employment with Crown ceases

If a Participant’s employment with Crown ceases, then the Participant is not entitled to any part of his or her 2014 Crown LTI bonus, except where the Participant’s employment is terminated by Crown without cause, in which case the Participant will be entitled to any tranche (in the form of shares held on trust) which have vested prior to the date of termination.

How EPS Hurdles can be amended

The 2014 Crown LTI provides that in the event that corporate control events or capital reconstruction events impact the achievement of EPS Hurdles, then the Crown Board has discretion to amend the EPS Hurdles in such a way that does not materially disadvantage Participants.

The Crown Board retains general power to amend the rules of the 2014 Crown LTI from time to time.

After the Plan Year ended 30 June 2015, the Crown Nomination and Remuneration Committee conducted a review of the 2014 Crown LTI and the EPS Hurdles, to consider whether the Board should exercise its discretion to adjust any EPS Hurdle or any feature of the Plan.

Whilst there was no change to the EPS Hurdles which will apply over the life of the Plan, the Nomination and Remuneration Committee recognised that since the adoption of the 2014 Crown LTI, there had been a number of events which affect the definition of Crown Profit, which were not contemplated when the 2014 Four Year Financial Plan was adopted.

Those events have both a positive impact on the determination of Crown Profit, in some cases, and a negative impact in other cases. They include the beneficial effect of the removal of super tax for Crown Melbourne as part of the modifications to the Crown Melbourne Casino Licence, changes in interest expense on account of various debt raising activities (including the issue of Crown Subordinated Notes II) and various additional corporate costs.

Accordingly, for the purposes of calculating “Crown Profit” and EPS, the Board determined that the effect of these unanticipated events should not be taken into account during the financial year ended 30 June 2015 and thereafter.

The Crown Nomination and Remuneration Committee conducted a similar review of the 2014 Crown LTI and the EPS Hurdles, following 30 June 2016. Again, there was no change to the EPS Hurdles which will apply over the life of the Plan. However, in addition to the above matters, the Nomination and Remuneration Committee recognised that there had been a number of events which affect the determination of Crown Profit, which were not contemplated in the 2014 Four Year Financial Plan. Again some of those events had a positive impact on the determination of Crown Profit and others had a negative impact. Those events include new business acquisitions not contemplated in the 2014 Four Year Financial Plan such as CrownBet and DGN, potential development projects including One Queensbridge and Alon and foreign exchange movements and asset revaluations.

The Nomination and Remuneration Committee concluded that in light of these events and unforeseen costs, appropriate adjustments to neutralise these events should be made. As a result of those adjustments to the determination of Crown Profit, the EPS Hurdles were considered to be achieved in relation to the 2016 financial year.

How the 2014 Crown LTI ameliorates issues with “cliff’s edge” vesting

The key features of the 2014 Crown LTI are that:

- the EPS Hurdles for Plan Years 1, 2 and 3 are set at 98% of the EPS Targets in the 2014 Four Year Financial Plan; and
- if at the end of financial year 2018, on a cumulative basis, the EPS Hurdles over all four years are met, then any Carried Over Plan Year Bonuses will vest and be paid to the relevant senior executive in cash.

Accordingly, when viewed as a whole, the Maximum Bonus under the 2014 Crown LTI consists of four separate and individually achievable targets, as well as a cumulative target. As a result, there are a range of potential outcomes depending on performance against target in each year of the 2014 Crown LTI as well as the cumulative result.

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

Disclosure of historical EPS Targets

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

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

Set out below are the EPS Targets and EPS Hurdles which applied for financial year 2015 and financial year 2016 together with Crown's actual EPS for financial year 2015 and financial year 2016.

	EPS Target (2014 Four Year Financial Plan)	EPS Target Growth (2014 Four Year Financial Plan)	EPS Hurdle (Crown LTI)*	Actual EPS	Actual EPS Growth (from previous year)	Tranche Vested?
FY15	51.5 cents	N/A	50.5 cents	53.0 cents	N/A	Yes
FY16	57.6 cents	11.8%	56.4 cents	57.1 cents	7.7%	Yes

* In financial year 2015 and financial year 2016 the EPS Hurdle was 98% of the 2014 Four Year Financial Plan EPS Target.

All references in the above table to "EPS" exclude the contribution made by MCE and significant items and Crown's actual EPS also excludes the impact of certain unanticipated events as described above.

Details of Participation of Senior Executives in 2014 Crown LTI

Of the Senior Executives named in this Report, five participate in the 2014 Crown LTI. Details of potential 2014 Crown LTI cash bonuses are as follows:

Senior Executive	Maximum Value over four year period	30 June 2015 (15%)	30 June 2016 (20%)	30 June 2017 (25%)	30 June 2018 (40%)
John Alexander	4,500,000	675,000	900,000	1,125,000	1,800,000
Ken Barton	4,050,000	607,500	810,000	1,012,500	1,620,000
Rowen Craigie	9,000,000	1,350,000	1,800,000	2,250,000	3,600,000
Barry Felstead	6,300,000	945,000	1,260,000	1,575,000	2,520,000
Todd Nisbet	6,300,000	945,000	1,260,000	1,575,000	2,520,000

As noted in the tables above, in financial year 2016, Crown met the relevant EPS Hurdle and accordingly, an entitlement to 20% of potential EPS Bonuses for financial year 2016 has vested.

Set out below are the vested bonus amounts for the above participants in respect of financial year 2015 and financial year 2016:

Senior Executive	Vested in relation to the financial year ended 30 June 2015	Vested in relation to the financial year ended 30 June 2016
John Alexander	675,000	900,000
Ken Barton	607,500	810,000
Rowen Craigie	1,350,000	1,800,000
Barry Felstead	945,000	1,260,000
Todd Nisbet	945,000	1,260,000

In accordance with the rules of the 2014 Crown LTI, the vested component of the cash bonus for financial year 2016 will be applied by Crown to fund the purchase of Crown shares on market, which will be held on trust for each of Mr Alexander, Mr Barton, Mr Craigie, Mr Felstead and Mr Nisbet until the end of financial year 2018.

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) and Crown's Board approved Four Year Financial Plan (in the case of the 2014 Crown LTI).

The Crown Board has sought to achieve this link by requiring the achievement of an annual level of normalised EBITDA and net profit after tax (in the case of STI) or predetermined EPS Targets (in the case of the 2014 Crown LTI).

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

- An STI may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her annual KPOs, assessed using a combination of financial and non-financial measures; and
- The 2014 Crown LTI is linked to predetermined EPS Hurdles in financial year 2015, financial year 2016, financial year 2017 and financial year 2018.

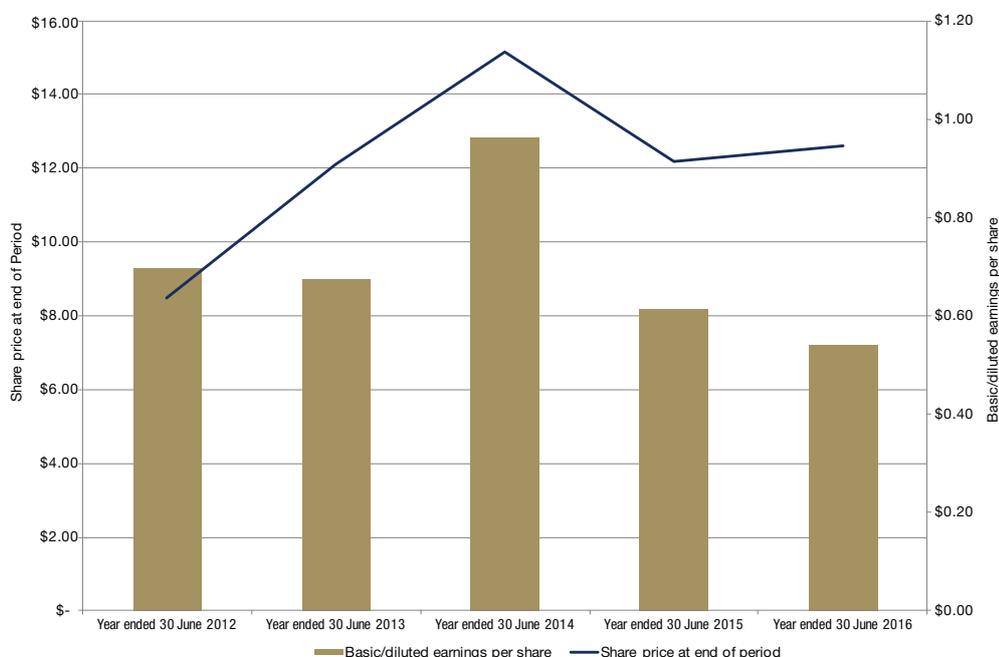
This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, grew by 1.8%. The compound average normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period commencing from financial year 2011 through to financial year 2016 was 5.9%. Normalised Crown group NPAT fell by 22.7% in financial year 2016 predominantly due to a decline in the earnings of Melco Crown Entertainment Limited. The compound average normalised NPAT growth for the Crown group for the five year period commencing from financial year 2011 through to financial year 2016 was 3.6%.

The table and graph below set out information about movements in shareholder wealth for the years ended 30 June 2012 to 30 June 2016.

	Year ended 30 June 2012	Year Ended 30 June 2013	Year Ended 30 June 2014	Year Ended 30 June 2015	Year Ended 30 June 2016
Share price at start of period	\$8.93	\$8.49	\$12.11	\$15.12	\$12.20
Share price at end of period	\$8.49	\$12.11	\$15.12	\$12.20	\$12.61
Full year dividend	37 cents ¹	37 cents ¹	37 cents ¹	37 cents ²	72.5 cents ³
Basic/diluted earnings per share ⁴	69.78 cps	67.40 cps	96.44 cps	61.28 cps	54.04 cps

Notes:

1. Franked to 50% with none of the unfranked component comprising conduit foreign income.
2. Franked to 50% with all of the unfranked component of the final dividend comprised of conduit foreign income.
3. Interim dividend franked to 50% and final dividend franked to 70% with all of the unfranked components comprising conduit foreign income.
4. Excluding the effect of significant items.



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

The rules of the 2014 Crown Long Term Incentive Plan specifically provide that a participant must not grant or enter into any Security Interest in or over any Crown shares that may be acquired under the Plan (Participant Shares) or otherwise deal with any Participant Shares or interest in them until the relevant Participant Shares are transferred from the Trustee to the participant in accordance with the Plan rules. Security Interests are defined to extend to any mortgage, charge, pledge or lien or other encumbrance of any nature, and includes any derivative relating to or involving a Participant Share. Any Security Interest, disposal or dealing made by a participant in contravention of the Plan rules will not be recognised by Crown.

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 are entitled to receive a further fee in respect of that service. Crown's nominee on the CrownBet Board is also entitled to an annual 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 & Corporate Governance Committee, the Occupational Health & Safety Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee or the Risk Management Committee).

Non-executive Directors fees which applied during the financial year ended 30 June 2016 were as follows:

Base Board Fees:	\$100,000
Active Board Committees:	
- Chair	\$20,000
- Member	\$10,000
Crown Melbourne Board:	\$60,000
CrownBet Board:	\$75,000

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

In accordance with Crown's constitution, Non-executive Directors' fees were within an aggregate Non-executive Directors' fee cap of \$1,300,000 per annum.

A review of Non-executive Directors' fees was conducted following year end by the Nomination and Remuneration Committee. The focus of the review was twofold:

- Firstly to consider whether the existing Non-executive Director fees remain appropriate, in light of the fact that there has been no increase in Non-executive Directors' fees since the Publishing and Broadcasting Limited demerger in 2007; and
- To determine whether the aggregate Non-executive Directors' fee cap could accommodate a potential increase in Non-executive Director fees.

The Nomination and Remuneration Committee also considered whether there would be potential within the existing Non-executive Directors' fee cap to accommodate future Non-executive Director fee increases and the possible appointment of another Non-executive Director.

Egan Associates, an expert remuneration consultant, was engaged by the Committee to assist by providing factual information and analysis. Egan Associates provided a report to the Nomination and Remuneration Committee regarding the level of fees paid to Non-executive Directors in other Top 100 Listed Companies so that the Nomination and Remuneration Committee could assess whether to increase Non-executive Director fees and assess whether there might be a need to increase the fee cap in the Crown Constitution. No recommendation was made by or sought from Egan Associates. The advice contained only facts and an analysis of those facts.

With the benefit of the advice from the remuneration consultant, the Nomination and Remuneration Committee recommended to the Board that Non-executive Directors fees which should apply commencing 1 November 2016 be as follows, subject to shareholders approving the increase in the remuneration pool cap (further discussed below):

Base Board Fees:	\$150,000
Active Board Committees:	
- Chair	\$25,000
- Member	\$15,000
Crown Melbourne Board:	\$60,000 (no change)
CrownBet Board:	\$75,000 (no change)

In light of the above recommendation and to allow for scope for possible future fee increases as well as the possible appointment of another Non-executive Director, the Nomination and Remuneration Committee also recommended to the Board that the Non-executive Directors' fee cap be increased from \$1,300,000 per annum to \$2,500,000 per annum (that is, an increase of \$1,200,000 per annum).

Under Crown's Constitution, an increase in the fee cap requires the approval of shareholders by an ordinary resolution. The Crown Board has therefore adopted the recommendation of the Nomination and Remuneration Committee to increase the Non-executive Directors' fee cap to \$2,500,000 per annum by seeking shareholder approval at the 2016 Annual General Meeting. The 2016 Notice of Annual General Meeting provides further information regarding the proposed increase in the fee cap in an Explanatory Memorandum.

Set out below is a table showing Non-executive Director remuneration for financial years 2016 and 2015.

Remuneration table – Non-executive Directors

	Financial Year	Short Term Benefits			Post-employment Benefit – Superannuation	Long Term Incentives		Termination Benefits	Total
		Salary & Fees	Non Monetary	Other		Cash Based	Equity Based		
Ben Brazil	2016	120,000	-	-	11,400	-	-	-	131,400
Non-executive Director	2015	120,000	-	-	11,400	-	-	-	131,400
Helen Coonan	2016	120,000	-	-	11,400	-	-	-	131,400
Non-executive Director	2015	120,000	-	-	11,400	-	-	-	131,400
Rowena Danziger¹	2016	210,000	-	-	19,308	-	-	-	229,308
Non-executive Director	2015	210,000	-	-	18,783	-	-	-	228,783
Andrew Demetriou³	2016	175,000	-	-	16,625	-	-	-	191,625
Non-executive Director	2015	69,792	-	-	6,630	-	-	-	76,422
Geoffrey Dixon	2016	140,000	-	-	13,300	-	-	-	153,300
Non-executive Director	2015	140,000	-	-	13,300	-	-	-	153,300
John Horvath¹	2016	210,000	-	-	19,308	-	-	-	229,308
Non-executive Director	2015	210,000	-	-	18,783	-	-	-	228,783
Michael Johnston²	2016	-	-	-	-	-	-	-	-
Non-executive Director	2015	-	-	-	-	-	-	-	-
Harold Mitchell	2016	120,000	-	-	11,400	-	-	-	131,400
Non-executive Director	2015	120,000	-	-	11,400	-	-	-	131,400
Robert Rankin²	2016	-	-	-	-	-	-	-	-
Non-executive Director	2015	-	-	-	-	-	-	-	-
2016 TOTALS		1,095,000	-	-	102,741	-	-	-	1,197,741
2015 TOTALS		989,792	-	-	91,696	-	-	-	1,081,488

Notes:

1. Mrs Danziger and Professor Horvath each received Directors' fees at a rate of \$60,000 per annum for their participation on the Crown Melbourne Limited Board.
2. Neither Mr Johnston nor Mr Rankin currently receive remuneration from Crown for their services to Crown.
3. Mr Demetriou received Directors' fees at a rate of \$75,000 per annum for his participation on the CrownBet Pty Ltd and CrownBet Holdings Pty Ltd Boards.

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

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

Specific details of each Senior Executive’s contract of employment which applied at the end of the financial year ending 30 June 2016 are summarised in the tables on the following pages.

Summary of Contracts of Employment Applicable During the Year Ended 30 June 2016

John H Alexander			
Current Position	Executive Deputy Chairman (commenced 1 December 2007): Mr Alexander’s current employment agreement with Crown Resorts Limited has no fixed term.		
Fixed Remuneration			
Base salary:	\$1,480,692 per annum		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 per annum.		
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities and superannuation.		
Performance based remuneration	Mr Alexander participates in the 2014 Crown LTI. See further page 54.		
2016 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI
	57%	0%	43%
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		

Rowen B Craigie			
Current Position	Chief executive officer and managing Director (commenced 1 December 2007): Mr Craigie's employment agreement with Crown Resorts Limited will expire on 30 November 2018.		
Fixed Remuneration			
Base salary:	\$3,070,692 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 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.		
Performance based remuneration			
STI:	A maximum of \$1,000,000, assessed by the Chairman based on the achievement of personal KPOs. A further \$1,000,000 may be paid at the discretion of the Crown Board if Crown's performance substantially exceeds that set out in Crown's business plan and represents an exemplary outcome.		
LTI:	Mr Craigie participates in the 2014 Crown LTI. See further page 54.		
2016 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI
	50%	14%	36%
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 (following at least three months' notice to improve); three months' notice for incapacity.		
Termination benefits	Subject to the receipt of shareholder approval, Mr Craigie will be entitled to receive a severance payment equal to 12 months' fixed remuneration in the event of early termination of his employment by Crown. The imposition of Mr Craigie's post-employment restraint is conditional upon receipt of his severance payment.		
Payments made prior to commencement	Nil		
Directors' Fees	Nil		

Kenneth M Barton			
Current Position	Chief Financial Officer (commenced 9 March 2010): Mr Barton's employment agreement with Crown Resorts Limited will expire on 30 September 2018.		
Fixed Remuneration			
Base salary:	\$1,760,692 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 per annum. During the year, Mr Barton made additional voluntary contributions to superannuation as disclosed in the remuneration tables later in this Report.		
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. Until Mr Barton relocates to Melbourne, Crown will meet the weekly travel costs of his Melbourne/Sydney commuting and will provide hotel accommodation while in Melbourne.		
Performance based remuneration			
STI:	Mr Barton's annual target STI is \$500,000 and payment depends on meeting agreed personal KPOs. The STI may, at the discretion of the Nomination and Remuneration Committee, be increased to a maximum of \$750,000 if Mr Barton exceeds his KPOs and Crown also achieves its performance objectives.		
LTI:	Mr Barton participates in the 2014 Crown LTI. See further page 54.		
2016 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI
	51%	20%	29%
Post-employment benefits	Nil		
Post-employment restraint	Nil		
Termination			
By Senior Executive:	6 months' notice.		
By Crown:	6 months' notice without cause; one month's notice for performance issues (following at least 3 months' notice to improve); 3 months' notice for incapacity.		
Termination benefits	Nil		
Payments made prior to commencement	As previously disclosed, a sign on payment was made in 2010 to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.		
Directors' Fees	Nil		

Barry J 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:	\$2,205,692 per annum		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 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 participates in the 2014 Crown LTI. See further page 54.		
2016 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI
	46%	21%	33%
Post-employment benefits	Nil		
Post-employment restraint	Crown may impose various restraint periods up to a period of 12 months post-employment.		
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:	\$2,205,692 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 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 participates in the 2014 Crown LTI. See further page 54.		
2016 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI
	50%	19%	31%
Post-employment benefits	Nil		
Post-employment restraint	Crown may impose various restraint periods up to a period of 12 months post-employment.		
Termination			
By Senior Executive:	12 months’ notice.		
By Crown:	2 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 ending 30 June 2016 and 30 June 2015 is set out below.

Accounting Standards are prescriptive in relation to the required presentation of remuneration tables. Accordingly, as an aid to understanding, the following additional information should be read in conjunction with the table set out below.

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

Fixed Remuneration

Mr Alexander did not receive an increase to his fixed remuneration in financial year 2016 as compared with financial year 2015.

Mr Craigie, Mr Nisbet and Mr Felstead received an increase to their fixed remuneration of 3%. Mr Barton received an increase to his fixed remuneration of 15%, reflecting the expanded scope of his responsibilities, the achievement of various performance objectives and the relative remuneration of his peers.

Short Term Incentives (STI)

In financial year 2016, the Group's financial performance objectives were generally met. Crown Melbourne met its financial performance objectives and Crown Perth exceeded its local contribution objective although did not achieve its overall financial performance objectives. However, on account of declined performance of MCE's businesses, Crown Resorts Limited did not achieve its normalised NPAT budget. Notwithstanding, some important non-financial objectives were achieved, including good progress on the Crown Towers Perth project, the Crown Sydney project and other development projects.

STI bonuses at Crown Melbourne, Crown Perth and Crown Resorts were generally paid at 100% of target STI bonuses. However, individual STI bonuses were adjusted to reflect the extent to which non-financial objectives were achieved. Accordingly, Mr Craigie received 90% of his target STI bonus of \$1 million and did not receive any part of his further "discretionary bonus" of \$1 million for exceptional performance. Mr Nisbet received \$1 million representing 90% of his target STI bonus and Mr Barton received his target STI of \$500,000, together with 85% of

the additional \$250,000 to which he may be entitled, based on exceptional performance. Mr Felstead's STI bonus of \$1 million exceeded his target STI, based on exceptional performance at Crown Melbourne during the period.

Long Term Incentives (LTI)

As summarised earlier, Senior Executives participated in the 2014 Crown LTI.

In accordance with relevant accounting standards, the 2014 Crown LTI is included in the remuneration for each Senior Executive to the extent that it is considered more likely than not at the date of this financial report that the performance condition and service condition will eventuate over the life of the 2014 Crown LTI, notwithstanding that the benefits will vest for the Senior Executives at a different rate. Accordingly, 25% of the total 2014 Crown LTI bonus for which each Senior Executive is potentially eligible will be included in the remuneration table for each of the four active years of the plan, regardless of whether a bonus has vested or not.

As explained earlier, the first, second and third tranches of the 2014 Crown LTI represents 15%, 20% and 25% (respectively) of the total 2014 Crown LTI bonus for which each Senior Executive is eligible. The EPS Hurdle of the 2014 Crown LTI for financial year 2016 was met. Detail of the actual sums vested to relevant Senior Executives has been provided earlier, however, these have also been shown in the separate Remuneration Received / Vested table below.

Remuneration Table – Statutory

Financial Year	Short Term Benefits					Long Term Incentives					Total
	Salary & Fees	Non Monetary ²	Other ²	STI	% of target STI ³	Post-employment Benefits – Superannuation ⁴	Cash Based	Equity Based – 2010 LTI ⁵	Equity Based – 2014 LTI ⁶	Termination Benefits	
James Packer¹											
2016	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-
John Alexander Executive Deputy Chairman											
2016	1,480,692	-	-	-	-	19,308	-	-	1,125,000	-	2,625,000
2015	1,481,217	-	-	-	-	18,783	-	-	1,125,000	-	2,625,000
Ken Barton Chief Financial Officer											
2016	1,745,002	43,726	-	710,000	142%	34,998	-	-	1,012,500	-	3,546,226
2015	1,520,000	45,745	-	450,000	90%	30,000	-	(1,600,000)	1,012,500	-	1,458,245
Rowen Craigie Chief Executive Officer & Managing Director											
2016	3,070,692	-	-	900,000	90%	19,308	-	-	2,250,000	-	6,240,000
2015	2,981,217	-	-	800,000	80%	18,783	-	(4,200,000)	2,250,000	-	1,850,000
Barry Felstead Chief Executive Officer - Australian Resorts											
2016	2,205,692	22,800	-	1,000,000	112%	19,308	-	-	1,575,000	-	4,822,800
2015	2,141,217	22,681	-	864,000	100%	18,783	-	(1,440,000)	1,575,000	-	3,181,681
Todd Nisbet Executive Vice President - Strategy & Development											
2016	2,205,692	-	332,940	1,000,000	90%	19,308	-	-	1,575,000	-	5,132,940
2015	2,141,217	-	310,065	864,000	80%	18,783	-	(1,740,000)	1,575,000	-	3,169,065
2016 TOTALS	10,707,770	66,526	332,940	3,610,000		112,230	-	-	7,537,500	-	22,366,966
2015 TOTALS	10,264,868	68,426	310,065	2,978,000		105,132	-	(8,980,000)⁵	7,537,500	-	12,283,991⁵

Notes:

- Mr Packer was Chairman until 12 August 2015 and a Non-executive Director until 21 December 2015. He did not receive a fee for service.
- Refer to the summaries of contracts of employment for a description of the short term benefits to which various executives are entitled.
- Mr Barton's annual target STI is \$500,000 and payment depends on meeting agreed personal KPOs. The STI may, at the discretion of the Nomination and Remuneration Committee, be increased to a maximum of \$750,000 if Mr Barton exceeds his KPOs and Crown also achieves its performance objectives. The Nomination and Remuneration Committee also exercised discretion to increase Mr Felstead's STI based on exceptional performance at Crown Melbourne during the period.
- Long service leave accrued balances have increased during the financial year ended 30 June 2016 for the following Senior Executives: Mr Alexander \$24,920, Mr Barton \$29,572, Mr Craigie \$51,335, Mr Felstead \$36,965, Mr Nisbet \$36,965.
- The 2010 LTI Modification ceased at the end of financial year 2015 with the Indexed Year 4 EPS Hurdle not having been met, resulting in a reversal of amounts previously expensed.
- The 2014 Crown LTI has been included in total remuneration on the basis that it is considered more likely than not at the date of this financial report that the performance condition and service condition will occur evenly over the life of the Crown LTI, notwithstanding that the benefits will vest for the Senior Executives at a different rate.

Remuneration Table – Remuneration Received / Vested

The table on the previous page is prepared in accordance with the requirements of the Corporations Act, 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, the STI referable to the previous financial year, but which was received after the end of the financial year and the actual portion of the 2014 Crown LTI which vested during the financial year. While senior executives did not actually receive the vested component of the 2014 Crown LTI, those funds were applied by the trustee of the Plan to acquire Crown shares which are being held for the benefit of the senior executive in accordance with the terms of the Plan rules. This information is provided as it is considered to be of interest to the users of the Remuneration Report.

	Financial Year	Salary & Fees	Non Monetary	Other	STI	Super-annuation	Vested Component of Equity Based - 2014 Crown LTI	Total
John Alexander Executive Deputy Chairman	2016	1,480,692	-	-	-	19,308	900,000	2,400,000
	2015	1,481,217	-	-	-	18,783	675,000	2,175,000
Ken Barton Chief Financial Officer	2016	1,745,002	43,726	-	450,000	34,998	810,000	3,083,726
	2015	1,520,000	45,745	-	500,000	30,000	607,500	2,703,245
Rowen Craigie Chief Executive Officer & Managing Director	2016	3,070,692	-	-	800,000	19,308	1,800,000	5,690,000
	2015	2,981,217	-	-	800,000	18,783	1,350,000	5,150,000
Barry Felstead Chief Executive Officer - Australian Resorts	2016	2,205,692	22,800	-	864,000	19,308	1,260,000	4,371,800
	2015	2,141,217	22,681	-	580,000	18,783	945,000	3,707,681
Todd Nisbet Executive Vice President – Strategy & Development	2016	2,205,692	-	332,940	864,000	19,308	1,260,000	4,681,940
	2015	2,141,217	-	310,065	1,050,000	18,783	945,000	4,465,065
2016 TOTALS		10,707,770	66,526	332,940	2,978,000	112,230	6,030,000	20,227,466
2015 TOTALS		10,264,868	68,426	310,065	2,930,000	105,132	4,522,500	18,200,991

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. The Company does not have any options on issue.

30 June 2016

Crown Directors

Directors (Including Directors who left the Board during the year)	Balance 1 July 2015	Issued under executive Share plan	Other net Change	Balance 30 June 2016
James D Packer*	364,270,253	-	-	364,270,253
John H Alexander	272,147	61,621	-	333,768
Rowen B Craigie	102,314	123,242	-	225,556
Rowena Danziger	30,896	-	-	30,896
Harold C Mitchell	114,887	-	-	114,887

* Mr Packer ceased as a Director on 21 December 2015. 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 December 2015.

Crown Executives

Executives	Balance 1 July 2015	Issued under executive Share plan	Other net Change	Balance 30 June 2016
Ken M Barton	28,420	55,478	-	83,898
Barry J Felstead	-	86,269	-	86,269
Todd W Nisbet	51,157	86,269	-	137,426

30 June 2015

Crown Directors

Directors (Including Directors who left the Board during the year)	Balance 1 July 2014	Issued under executive Share plan	Other net Change	Balance 30 June 2015
James D Packer	364,270,253	-	-	364,270,253
John H Alexander	256,549	-	15,598	272,147
Rowen B Craigie	102,314	-	-	102,314
Rowena Danziger	30,896	-	-	30,896
Harold C Mitchell	114,887	-	-	114,887

Crown Executives

Executives	Balance 1 July 2014	Issued under executive Share plan	Other net Change	Balance 30 June 2015
Ken M Barton	28,420	-	-	28,420
Barry J Felstead	-	-	-	-
Todd W Nisbet	51,157	-	-	51,157

Loans to Key Management Personnel

There have been no 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 31 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.



R J Rankin
Director



R B Craigie
Director

Melbourne, 9 September 2016

Auditor's Independence Declaration



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

As lead auditor for the audit of Crown Resorts Limited for the financial year ended 30 June 2016, 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

David McGregor
Partner
Melbourne
9 September 2016

Independent Auditor's Report



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Independent auditor's report to the members of Crown Resorts Limited

Report on the financial report

We have audited the accompanying financial report of Crown Resorts Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year-end or from time to time during the financial-year.

Directors' Responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls that the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Opinion

In our opinion:

- a. The financial report of Crown Resorts Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Crown Resorts Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

David McGregor
Partner
Melbourne
9 September 2016

Directors' Declaration

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

In the opinion of the directors:

1. the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
2. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1 of the Financial Report;
3. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable;
4. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2016; and
5. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 33 of the Financial Report will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board.



R J Rankin
Director



R B Craigie
Director

Melbourne, 9 September 2016



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Statement of Profit or Loss

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Revenues	3	3,616,152	3,484,404
Other income	3	603,593	349
Expenses	3	(2,996,405)	(3,011,132)
Share of profits of associates and joint venture entities	2,10	41,261	122,058
Profit before income tax and finance costs		1,264,601	595,679
Finance costs	3	(215,671)	(132,088)
Profit before income tax		1,048,930	463,591
Income tax expense	2,5	(105,354)	(85,284)
Net profit after tax		943,576	378,307
Attributable to:			
Equity holders of the Parent		948,823	385,047
Non-controlling interests		(5,247)	(6,740)
		943,576	378,307

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

	Note	2016 Cents per share	2015 Cents per share
Earnings per share (EPS)			
Basic EPS	29	130.26	52.86
Diluted EPS	29	130.26	52.86
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	39.50	19.00
Current year interim dividend paid	4	33.00	18.00

Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Net profit after tax		943,576	378,307
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation ⁽¹⁾	21	65,751	388,950
Movement in cash flow hedge reserve	21	(14,230)	33,875
Unrealised gain / (loss) on investments	21	(5,079)	7,250
<i>Items reclassified to profit or loss:</i>			
Foreign currency translation	21	(70,576)	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Employee benefits reserve	21	3,188	-
Other comprehensive income / (loss) for the period, net of income tax		(20,946)	430,075
Total comprehensive income / (loss) for the period		922,630	808,382
Attributable to:			
Equity holders of the Parent		925,236	810,667
Non-controlling interests		(2,606)	(2,285)
		922,630	808,382

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

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

Statement of Financial Position

As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	25	449,663	340,984
Trade and other receivables	6	333,200	377,632
Inventories	7	16,296	14,861
Prepayments		33,405	29,511
Other financial assets	8	9,639	16,032
Total current assets		842,203	779,020
Non-current assets			
Receivables	6	141,488	151,284
Other financial assets	8	15,136	10,674
Investments	9	51,760	41,918
Investments in associates	10	1,614,886	1,965,717
Property, plant and equipment	11	4,069,036	3,690,497
Licences	12	1,113,959	1,130,623
Other intangible assets	13	608,518	420,844
Deferred tax assets	5	330,964	205,109
Other assets	15	60,694	61,264
Total non-current assets		8,006,441	7,677,930
Total assets		8,848,644	8,456,950
Current liabilities			
Trade and other payables	16	475,240	451,593
Interest-bearing loans and borrowings	17	85,715	188,784
Income tax payable		138,720	153,818
Provisions	18	182,017	169,174
Other financial liabilities	19	-	626
Total current liabilities		881,692	963,995
Non-current liabilities			
Other payables	16	339,489	171,495
Interest-bearing loans and borrowings	17	2,175,611	2,473,233
Deferred tax liabilities	5	219,035	192,916
Provisions	18	58,580	36,361
Other financial liabilities	19	22,060	9,950
Total non-current liabilities		2,814,775	2,883,955
Total liabilities		3,696,467	3,847,950
Net assets		5,152,177	4,609,000
Equity			
Contributed equity	20	446,763	446,763
Treasury shares	20	(8,886)	-
Reserves	21	796,630	820,217
Retained earnings	21	3,827,818	3,257,760
Equity attributable to equity holders of the Parent		5,062,325	4,524,740
Non-controlling interest		89,852	84,260
Total equity		5,152,177	4,609,000

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

Cash Flow Statement

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Receipts from customers		3,566,724	3,466,517
Payments to suppliers and employees		(2,695,800)	(2,637,838)
Dividends received		195,913	52,578
Interest received		14,184	16,120
Borrowing costs paid		(252,771)	(156,648)
Income tax paid		(345,568)	(106,153)
Net cash flows from/(used in) operating activities	25b	482,682	634,576
Cash flows from investing activities			
Purchase of property, plant and equipment		(556,549)	(599,602)
Proceeds from sale of property, plant and equipment		66,291	97,713
Payments in respect of licences		-	(345,000)
Payment for the acquisition of equity accounted associates		(203,105)	-
Net proceeds from sale of investments		1,067,109	1,000
Payment for acquisition of financial instruments		-	(272,440)
Net proceeds from disposal of financial instruments		-	69,090
Net payment for acquisition of controlled entities		(49,523)	(3,971)
Loans to associated entities		(386)	(476)
Repayments of loans from associated entities		131,867	9,875
Other (net)		(2,599)	(1,817)
Net cash flows from/(used in) investing activities		453,105	(1,045,628)
Cash flows from financing activities			
Proceeds from borrowings		883,394	2,905,854
Repayment of borrowings		(1,331,718)	(2,160,985)
Equity injections from non-controlling interests		-	72,431
Dividends paid		(378,765)	(269,506)
Net cash flows from/(used in) financing activities		(827,089)	547,794
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		340,984	177,780
Effect of exchange rate changes on cash		(19)	26,462
Cash and cash equivalents at the end of the financial year	25a	449,663	340,984

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 2016

	Ordinary Shares \$'000	Shares Held in Trust \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Year ended 30 June 2016							
Balance at 1 July 2015	446,763	-	3,257,760	820,217	4,524,740	84,260	4,609,000
Profit for the period	-	-	948,823	-	948,823	(5,247)	943,576
Other comprehensive income	-	-	-	(23,587)	(23,587)	2,641	(20,946)
Total comprehensive income for the period	-	-	948,823	(23,587)	925,236	(2,606)	922,630
Dividends paid	-	-	(378,765)	-	(378,765)	-	(378,765)
Shares transferred under Long Term Incentive Plan	-	(8,886)	-	-	(8,886)	-	(8,886)
Acquisition of subsidiaries	-	-	-	-	-	8,198	8,198
Balance at 30 June 2016	446,763	(8,886)	3,827,818	796,630	5,062,325	89,852	5,152,177
Year ended 30 June 2015							
Balance at 1 July 2014	446,763	(1,918)	3,142,219	394,597	3,981,661	-	3,981,661
Profit for the period	-	-	385,047	-	385,047	(6,740)	378,307
Other comprehensive income	-	-	-	425,620	425,620	4,455	430,075
Total comprehensive income for the period	-	-	385,047	425,620	810,667	(2,285)	808,382
Dividends paid	-	-	(269,506)	-	(269,506)	-	(269,506)
Shares transferred under Long Term Incentive Plan	-	1,918	-	-	1,918	-	1,918
Acquisition of subsidiaries	-	-	-	-	-	86,545	86,545
Balance at 30 June 2015	446,763	-	3,257,760	820,217	4,524,740	84,260	4,609,000

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 2016

1. Summary of Significant Accounting Policies

(a) Basis of preparation

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

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the class order applies.

The financial report of Crown Resorts Limited and its controlled entities (the Group) for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 9 September 2016 subject to final approval by a subcommittee.

(b) Statement of compliance

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

The Group has adopted the following accounting standards, which became applicable from 1 July 2015:

- AASB 2013-9 – Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB 2015-3 – Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ending 30 June 2016 which may impact the entity in the period of initial application are outlined in the table below:

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 15	Revenue from Contracts with Customers	1 January 2018	This standard specifies the accounting treatment for all revenue arising from contracts with customers and provides a model for the recognition and measurement of gains and losses on the sales of some non-financial assets (e.g., disposals of property, plant and equipment) that are not an output of the entity's ordinary activities. Crown is assessing the impact the application of this standard will have on the Group.	1 July 2018
AASB 16	Leases	1 January 2019	This standard has a number of key features included that are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Assets and 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. Crown is assessing the impact the application of this standard will have on the Group.	1 July 2019

1. Summary of Significant Accounting Policies *continued*

(b) Statement of compliance *continued*

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 9	Financial Instruments	1 January 2018	<p>AASB 9 <i>Financial Instruments</i> (December 2014) is a new standard which replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i>. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 issued in December 2010 and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption.</p> <p>From 31 December 2010, Crown elected to early adopt the classification and measurement component of AASB 9, which has been applied to Crown's financial statements.</p> <p>Crown has elected to early adopt AASB 9 in its entirety from 1 July, 2016.</p> <p><i>Classification and measurement</i></p> <p>Crown has applied the classification and measurement requirements since 31 December 2010; therefore there will be no further impact on the financial statements.</p> <p><i>Hedge Accounting</i></p> <p>The requirements for general hedge accounting have been simplified for hedge effectiveness testing. Crown does not expect any significant impact on the Group from the application of this section of the standard.</p> <p><i>Impairment</i></p> <p>AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses which will replace the incurred loss model under the current accounting standard. Specifically, the new Standard requires entities to account for expected credit losses from the time financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>The impact of transitioning to AASB 9 on the Group's financial statements will be a decrease in net assets of \$59.5 million, comprising:</p> <ul style="list-style-type: none"> - An increase in provisioning for doubtful debts on trade receivables of \$85.0 million; and - An increase in deferred tax assets of \$25.5 million. <p>As per the transition requirements of AASB 9, adjustments will be recognised against retained earnings. Accordingly, opening retained earnings at 1 July 2016 is expected to decrease by \$57.4 million.</p> <p>The transitional impact is based on best estimates as at the reporting date. The information provided in this note is focused upon material items; it does not represent a complete list of expected adjustments.</p>	1 July 2016

(1) Designates the beginning of the applicable annual reporting period unless otherwise stated, however may be early adopted.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies *continued*

(b) Statement of compliance *continued*

Certain other new Accounting Standards and Interpretations have been published that are not mandatory for the 30 June 2016 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.

(c) 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 controlled from time to time during the year and at reporting date. 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.

(d) Significant accounting judgements, estimates and assumptions

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

certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill and casino licences with indefinite useful lives

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

Fair value of investments

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

Taxes

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

Doubtful debts

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

Significant Items

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

(e) Income tax

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

Deferred 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.

1. Summary of Significant Accounting Policies *continued*

(e) Income tax *continued*

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.

(f) Other taxes

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

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

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

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

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

(g) Foreign currency translation

Both the functional and presentation currency of Crown 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.

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 taken directly to a separate component of equity.

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

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies *continued*

(h) Cash and cash equivalents

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

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

(i) Trade and other receivables

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

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

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

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Inventories which include food, beverages and other consumables are costed on a weighted average basis; and
- net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Investments in associates

The financial statements of the associates are used by the Group to apply the equity method. Where associates apply different accounting policies to the Group, adjustments are made upon application of the equity method.

Investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Statement of Profit or Loss reflects the Group's share of the results of operations of the associates.

Where there has been a change recognised directly in the associates' equity, the Group recognises its share of any changes and discloses this, when applicable in the Statement of Comprehensive Income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long term receivables and loans, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

(l) Investments and other financial assets

Financial assets are classified based on:

- 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 Other Comprehensive Income (OCI) or the Statement of Profit or Loss.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets at fair value through OCI, directly attributable transaction costs.

The best evidence of fair value is quoted prices in an active market. The fair value of the investments and other financial assets that do not have a price quoted in an active market have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. The fair value is reassessed each reporting period.

If the fair value through Statement of Profit or Loss approach is adopted, increments and decrements on the fair value of the financial asset at each reporting date are recognised through the Statement of Profit or Loss.

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.

1. Summary of Significant Accounting Policies *continued*

(m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Freehold buildings - 40 to 75 years;
- Leasehold improvements - lease term; and
- Plant and equipment - 2 to 15 years.

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

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

(n) Intangible assets

Licences

Licences are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The directors regularly assess the carrying value of casino licences so as to ensure they are not carried at a value greater than their recoverable amount.

The casino 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 cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies *continued*

(n) Intangible assets *continued*

Intangible assets are tested for impairment where an indicator of impairment exists, and annually in the case of intangible assets with indefinite lives, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the net asset is derecognised.

(o) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(p) Trade and other payables

Trade and other payables are brought to account for amounts payable in relation to goods received and services rendered, whether or not billed to the Group at reporting date. The Group operates in a number of diverse markets, and accordingly the terms of trade vary by business.

(q) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly associated with qualifying assets are capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation rate to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year, in this case 6.4% (2015: 6.1%).

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

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) to make a future sacrifice of economic benefits to other entities as a result of past transactions or other events, it is probable that a future sacrifice of economic benefit will be required and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, or publicly recommended on or before the reporting date.

(s) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to reporting date including related on-costs. The benefits include wages and salaries, incentives, compensated absences and other benefits, which are charged against profits in their respective expense categories when services are provided or benefits vest with the employee.

The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled. Benefits expected to be settled after twelve months from the reporting date are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary

1. Summary of Significant Accounting Policies *continued*

(s) Employee benefits *continued*

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.

(t) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

(u) Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(v) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward exchange contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair

value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Statement of Profit or Loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(w) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the Statement of Profit or Loss.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies *continued*

(w) Impairment of financial assets *continued*

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Profit or Loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(x) Contributed equity

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

(y) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered to have passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services

Revenue is recognised when control of the right to be compensated for the services and the stage of completion can be reliably measured.

Gaming revenues are the net of gaming wins and losses.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(z) Earnings per share (EPS)

Basic EPS is calculated as net profit after tax, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit after tax, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(aa) Segment Information

The Group's operating segments have been determined based on internal management reporting structure and the nature of the products provided by the Group. They reflect the business level at which financial information is provided to management for decision making regarding resource allocation and performance assessment. The segment information presented is consistent with internal management reporting.

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

1. Summary of Significant Accounting Policies *continued*

(ab) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred.

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

2. Segment Information

30 June 2016

	Normalised Result ⁽¹⁾						Adjustment ⁽¹⁾ \$'000	Significant Items ⁽³⁾ \$'000	Actual
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinalls \$'000	Wagering & Online \$'000	Unall-ocated \$'000	Crown Group \$'000			Crown Group \$'000
Operating revenue									
Main floor gaming	1,183,267	497,322	-	-	-	1,680,589	-	-	1,680,589
VIP program play	676,481	202,769	107,266	-	-	986,516	18,067	-	1,004,583
Wagering & Non gaming	452,708	221,901	893	229,905	12,345	917,752	-	-	917,752
Intersegment						(1,499)	-	-	(1,499)
Operating revenue	2,312,456	921,992	108,159	229,905	12,345	3,583,358	18,067	-	3,601,425
Interest revenue						16,332	-	-	16,332
Total revenue	2,312,456	921,992	108,159	229,905	12,345	3,599,690	18,067	-	3,617,757⁽²⁾
Segment result									
Gaming taxes, commissions & other	(754,469)	(235,162)	(49,322)	-	-	(1,038,953)	(12,535)	-	(1,051,488)
Operating expenses	(884,675)	(426,894)	(32,357)	(235,353)	(110,794)	(1,690,073)	-	-	(1,690,073)
Intersegment						1,499	-	-	1,499
Earnings before interest, tax, depreciation and amortisation "EBITDA"	673,312	259,936	26,480	(5,448)	(98,449)	855,831	5,532	-	861,363
Depreciation and amortisation	(194,105)	(66,843)	(1,201)	(15,810)	(4,816)	(282,775)	-	-	(282,775)
Earnings before interest and tax "EBIT"	479,207	193,093	25,279	(21,258)	(103,265)	573,056	5,532	-	578,588
Net gain on sale of MCE						-	-	601,988	601,988
Impairment reversal						-	-	35,465	35,465
Proposed demerger related costs						-	-	(9,033)	(9,033)
Equity accounted share of associates' net profit/(loss)						56,714	(15,453)	-	41,261
Net interest income/(expense)						(141,604)	-	(57,735)	(199,339)
Income tax benefit/(expense)						(87,196)	(2,707)	(15,451)	(105,354)
Profit/(loss) after tax	479,207	193,093	25,279	(21,258)	(103,265)	400,970	(12,628)	555,234	943,576
Non-controlling interest						5,247	-	-	5,247
Profit/(loss) attributable to equity holders of the Parent	479,207	193,093	25,279	(21,258)	(103,265)	406,217	(12,628)	555,234	948,823

(1) Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinalls and Melco Crown), pre-opening costs from Melco Crown 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, gaming taxes, commissions & other expenses, income tax expense and equity accounted share of associates' results.

(2) Total revenue of \$3,617.8 million includes \$1.6 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) Significant items of \$555.2 million consist of a net gain on sale of Melco Crown shares and an Aspers impairment reversal, partially offset by proposed demerger related costs, early debt retirement costs and a tax provision adjustment relating to amended assessments. Refer note 3.

2. Segment Information *continued*

30 June 2015

	Normalised Result ⁽¹⁾						Adjust- ment ⁽¹⁾ \$'000	Significant Items ⁽³⁾ \$'000	Actual
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinalls \$'000	Wager- ing \$'000	Unall- ocated \$'000	Crown Group \$'000			Crown Group \$'000
Operating revenue									
Main floor gaming	1,090,583	498,004	-	-	-	1,588,587	-	-	1,588,587
VIP program play	706,610	249,333	104,668	-	-	1,060,611	61,065	-	1,121,676
Wagering & Non gaming	436,689	227,967	942	89,751	-	755,349	-	-	755,349
Intersegment						(611)	-	-	(611)
Operating revenue	2,233,882	975,304	105,610	89,751	-	3,403,936	61,065	-	3,465,001
Interest revenue						19,752	-	-	19,752
Total revenue	2,233,882	975,304	105,610	89,751	-	3,423,688	61,065	-	3,484,753⁽²⁾
Segment result									
Gaming taxes, commissions & other	(735,960)	(299,831)	(48,769)	-	-	(1,084,560)	(107,874)	-	(1,192,434)
Operating expenses	(835,840)	(421,090)	(25,083)	(105,728)	(107,349)	(1,495,090)	-	-	(1,495,090)
Intersegment						611	-	-	611
Earnings before interest, tax, depreciation and amortisation "EBITDA"	662,082	254,383	31,758	(15,977)	(107,349)	824,897	(46,809)	-	778,088
Depreciation and amortisation	(188,132)	(62,896)	(1,136)	(6,872)	(3,841)	(262,877)	-	-	(262,877)
Earnings before interest and tax "EBIT"	473,950	191,487	30,622	(22,849)	(111,190)	562,020	(46,809)	-	515,211
Asset Impairments						-	-	(61,342)	(61,342)
Equity accounted share of associates' net profit/ (loss)						161,253	(39,195)	-	122,058
Net interest income/ (expense)						(112,336)	-	-	(112,336)
Income tax benefit/ (expense)						(92,201)	6,917	-	(85,284)
Profit/(loss) after tax	473,950	191,487	30,622	(22,849)	(111,190)	518,736	(79,087)	(61,342)	378,307
Non-controlling interest						6,740	-	-	6,740
Profit/(loss) attributable to equity holders of the Parent	473,950	191,487	30,622	(22,849)	(111,190)	525,476	(79,087)	(61,342)	385,047

(1) Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinall's and Melco Crown), pre-opening costs from Melco Crown and asset impairments. The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commissions & other expenses, income tax expense and equity accounted share of associates' results.

(2) Total revenue of \$3,484.8 million includes \$0.3 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) Significant items consist of asset impairments of \$61.3m, relating primarily to Crown's investment in Cannery. Refer note 3.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

3. Revenue and Expenses

	2016	2015
	\$'000	\$'000
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Revenue from services	3,161,944	3,044,876
Revenue from sale of goods	394,642	389,023
Interest	16,332	19,752
Dividends	12,345	-
Other operating revenue	30,889	30,753
	3,616,152	3,484,404
(b) Other income		
Profit on disposal of non-current assets	1,605	349
Net gain on sale of MCE	601,988	-
	603,593	349
(c) Expenses		
Cost of sales	142,042	141,346
Operating activities	2,765,185	2,697,254
Asset impairment/(reversal)	(35,465)	61,342
Proposed demerger related costs	9,033	-
Other expenses	115,610	111,190
	2,996,405	3,011,132
Depreciation of non-current assets <i>(included in expenses above)</i>		
Buildings	91,739	88,325
Plant and equipment	161,070	148,686
	252,809	237,011
Amortisation of non-current assets <i>(included in expenses above)</i>		
Casino licence fee and management agreement	20,335	18,298
Other assets	9,631	7,568
	29,966	25,866
Total depreciation and amortisation expense	282,775	262,877
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	201,321	161,490
Capitalised interest	(43,385)	(29,402)
	157,936	132,088
Early debt retirement costs	57,735	-
	215,671	132,088
Operating leases	8,361	4,889
Superannuation expense	61,575	57,890
Other employee benefits expense	920,022	836,042
Net foreign currency (gains)/losses	(7,762)	(17,584)
(e) Significant items - income / (expense)		
Net gain on sale of MCE	601,988	-
Early debt retirement costs (net of tax)	(40,786)	-
Asset (impairment)/reversal	35,465	(61,342)
Proposed demerger related costs	(9,033)	-
Tax provision - amended assessments	(32,400)	-
	555,234	(61,342)

4. Dividends Paid and Declared

	2016	2015
	\$'000	\$'000
(a) Dividends declared and paid during the financial year		
Prior year final dividend (paid 9 October 2015)		
Paid at 19.0 cents (2014: 19.0 cents) per share franked at 50% (2014: 50% franked) at the Australian tax rate of 30% (2014: 30%)	138,395	138,395
Current year interim dividend (paid 6 April 2016)		
Paid at 33.0 cents (2015: 18.0 cents) per share franked at 50% (2015: 50% franked) at the Australian tax rate of 30% (2015: 30%)	240,370	131,111
Total dividends appropriated	378,765	269,506
(b) Dividends declared and not recognised as a liability		
Current year final dividend (expected to be paid 7 October 2016)		
Declared at 39.5 cents (2015: 19.0 cents) per share and franked at 70% (2015: 50% franked) at the Australian tax rate of 30% (2015: 30%)	287,716	138,395
(c) Franking credits		
The tax rate at which the final dividend will be franked is 30% (2015: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2016.		
The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2015: 30%)	287,958	44,701
Franking credits that will arise from the payment of income taxes payable as at the end of the financial year	7,047	83,626
Total franking credits	295,005	128,327
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	(86,315)	(29,656)
Total franking credits available for future reporting periods	208,690	98,671

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

5. Income Tax

	2016	2015
	\$'000	\$'000
(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	1,048,930	463,591
Prima facie income tax expense on profit at the Australian rate of 30% (2015: 30%)	314,679	139,077
Tax effect of:		
Non deductible depreciation and amortisation	1,655	1,851
Share of associates' net losses/(profits)	(12,378)	(36,617)
Differences in foreign tax rates	3,056	4,452
Deferred tax balances not previously brought to account	(102,905)	(36,325)
Income tax (over)/under provided in prior years	52,799	(6,705)
Non-deductible/(non-assessable) significant item	(155,754)	18,402
Revenue losses not brought to account	803	5,185
Other items - net	3,399	(4,036)
Income tax expense	105,354	85,284
Income tax expense comprises:		
Current expense	137,891	136,612
Deferred expense/(benefit)	(100,787)	(66,717)
Adjustments for current income tax of prior periods	52,799	15,389
Tax on significant items	15,451	-
	105,354	85,284
(b) Deferred income taxes		
Deferred income tax assets	330,964	205,109
Deferred income tax liabilities	(219,035)	(192,916)
Net deferred income tax assets/(liabilities)	111,929	12,193
(c) Deferred income tax assets and liabilities at the end of the financial year		
The balance comprises temporary differences attributable to:		
Doubtful debt provision	62,990	43,506
Employee benefits provision	35,828	32,710
Losses available for offsetting against future taxable income	46,220	16,440
Other receivables	4,376	5,606
Other provisions	53,939	44,688
Prepaid casino tax	(15,390)	(15,838)
Licences and intangibles	(98,842)	(101,317)
Land and buildings	(87,338)	(82,716)
Property, plant & equipment	10,146	16,131
Revaluation of investment to fair value	108,372	51,678
Other	(8,372)	1,305
Net deferred income tax assets/(liabilities)	111,929	12,193

5. Income Tax *continued*

	2016	2015
	\$'000	\$'000
(d) Movements in deferred income tax assets and liabilities during the financial year		
Carrying amount at the beginning of the year	12,193	(58,227)
Tax income / (expense) during the period recognised in profit or loss	100,787	66,717
Acquisitions	-	4,068
Other	(1,051)	(365)
Carrying amount at the end of the year	111,929	12,193
(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	622,301	622,301
Foreign income tax losses for offset against future foreign profits	625,674	718,351
Foreign capital tax losses for offset against future foreign profits	257,712	249,215
Total tax losses not brought to account	1,505,687	1,589,867
Potential tax benefit at respective tax rates	399,419	525,338

(f) Unrecognised temporary differences

At 30 June 2016, there is no recognised or unrecognised deferred income tax liability (2015: \$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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

6. Trade and Other Receivables

	2016	2015
	\$'000	\$'000
Current		
Trade receivables	550,239	520,847
Provision for doubtful debts (a)	(234,974)	(161,481)
	315,265	359,366
Other receivables	17,935	18,266
	333,200	377,632

(a) Allowance for Doubtful Debts

Trade receivables are non-interest bearing and are generally 30 day terms.

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

Movements in the allowance for doubtful debts

	2016	2015
	\$'000	\$'000
Allowance for doubtful debts at the beginning of the year	(161,481)	(102,812)
Net doubtful debt expense ⁽¹⁾	(78,730)	(77,271)
Net Amounts written off	2,829	21,271
Opening balance on acquisition	-	(1,234)
Exchange differences	2,408	(1,435)
	(234,974)	(161,481)

(1) Amounts are included in other expenses

Ageing analysis of trade receivables

	0-30 days	>30 days	Total
	\$'000	\$'000	\$'000
2016- consolidated			
Current	91,250	-	91,250
Past due not impaired	-	224,015	224,015
Considered impaired	17	234,957	234,974
	91,267	458,972	550,239
2015- consolidated			
Current	77,672	-	77,672
Past due not impaired	-	281,694	281,694
Considered impaired	28	161,453	161,481
	77,700	443,147	520,847

6. Trade and Other Receivables *continued*

	2016	2015
	\$'000	\$'000
Non-current		
Loans to associated entities	-	139,894
Other receivables	141,488	11,390
	141,488	151,284

7. Inventories

	2016	2015
	\$'000	\$'000
Current		
Finished goods (at cost)	16,296	14,861

8. Other Financial Assets

	2016	2015
	\$'000	\$'000
Current		
Receivable on forward exchange contracts	9,639	16,032
	9,639	16,032
Non-current		
Receivable on forward exchange contracts	1,592	1,278
Receivable on cross currency swaps	13,544	9,396
	15,136	10,674

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 35.

9. Investments

	2016	2015
	\$'000	\$'000
At fair value		
Shares - listed (USA)	49,743	39,683
Shares - unlisted (North America)	2,017	2,235
	51,760	41,918

Investments consist of shares, and therefore have no fixed maturity date or coupon rate.

The fair value of listed investments have been determined by reference to published price quotations in an active market.

The fair value of the unlisted investments have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Refer to note 35 for further information regarding the valuation techniques.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

10. Investments in Associates

	2016 \$'000	2015 \$'000
Investment details:		
Associated entities - unlisted shares	241,184	-
Associated entities - listed shares	1,373,702	1,965,717
Total investments in associates	1,614,886	1,965,717
Fair value of listed investments:		
Melco Crown Entertainment Ltd (MCE) ⁽¹⁾	2,275,258	4,749,769
	2,275,258	4,749,769

(1) Reflects MCE share price at balance date, converted to Australian dollars. In accordance with Crown's accounting policies, recoverable amount is the greater of fair value less costs to sell and value in use. The MCE carrying amount does not exceed its recoverable amount.

	2016 \$'000	2015 \$'000
Share of profits of associates		
Melco Crown Entertainment Ltd	42,676	122,042
Aggregate share of profit from non material associates	(1,415)	16
	41,261	122,058

Investments in Associates	Reporting Date	Principal Activity	Principal Place of Business	% Interest	
				30 June 2016	30 June 2015
Melco Crown Entertainment Ltd	31 Dec ⁽²⁾	Resort/Casino and gaming machine operator	Macau ⁽³⁾	27.4	34.3
Nobu Group	31 Dec ⁽²⁾	Restaurants/Hospitality	USA	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	-
Draftstars Pty Ltd	30 June	Daily fantasy sports	Australia	50.0	-
Ellerston Leisure Pty Ltd	30 June	Accommodation/Recreation	Australia	50.0	-
Zengaming Inc	31 Dec ⁽²⁾	eSports social network	USA	30.0	-

(2) The Group uses 30 June results to equity account for the investments.

(3) Melco Crown Entertainment Ltd was incorporated in the Cayman Islands.

The associates outlined above are accounted for using the equity method in these consolidated financial statements. The investment in Aspers Holdings (Jersey) Ltd (Aspers) was previously written down to \$nil. As a result of recent strong operating results and a debt refinance, Crown has reversed the prior net impairment loss (after taking into account unbooked losses) of £19.8m (\$35.5m), which has been accounted for as a significant item. From 1 July, 2016, Crown will re-commence equity accounting its share of Aspers net profit/loss.

In May 2016, Crown entered into an agreement with MCE for the repurchase of 155 million ordinary shares in MCE which generated proceeds of \$1,067.1 million resulting in a net gain on sale of \$602.0 million, which is reported as a significant item. Crown continues to hold a 27.4% interest in MCE at 30 June 2016.

10. Investments in Associates *continued*

Summarised financial information in respect of each of the Group's material associates is set out below.

Melco Crown Entertainment Ltd

	2016	2015
	\$'000	\$'000
Revenue	6,926,977	6,288,928
Profit/(loss) for the year	125,392	370,882
Other comprehensive income for the year	(4,767)	(6,713)
Total comprehensive income for the year	120,625	364,169

	2016	2015
	\$'000	\$'000
Current assets	2,532,487	3,914,968
Non-current assets	9,606,850	9,707,178
Current liabilities	(1,602,737)	(1,435,636)
Non-current liabilities	(5,454,800)	(5,665,827)
Net assets	5,081,800	6,520,683

Reconciliation of net asset to carrying amount:

Proportion of Crown's ownership interest in MCE	27.4%	34.3%
Crown's share of net assets	1,392,413	2,236,594
Non-controlling interest	(194,093)	(307,379)
Adjustment in proportional share of net assets on partial disposal	142,696	-
Other	32,686	36,502
Carrying amount of investment	1,373,702	1,965,717

	2016	2015
	\$'000	\$'000
Carrying amount of investment in Melco Crown Entertainment Ltd		
Balance at the beginning of the financial year	1,965,717	1,539,776
Share of associates' net profit/(loss) for the year	42,676	122,042
Partial disposal of MCE shares	(523,948)	-
Foreign exchange movements	69,926	356,477
Dividends received	(180,669)	(52,578)
Carrying amount of investment in Melco Crown Entertainment Ltd at the end of the financial year	1,373,702	1,965,717

Impairment Testing

Given that the fair market value of the investment in Melco Crown Entertainment Ltd exceeds the carrying value, there have been no indicators of impairment during the period, and no indicators of impairment existed at 30 June 2016. As a result there has been no impairment charge during the year (2015: \$nil).

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

11. Property, Plant and Equipment

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
Year ended 30 June 2016						
At 1 July 2015, net of accumulated depreciation and impairment	1,542,579	939,091	632,624	491,947	84,256	3,690,497
Additions	1,544	39,416	158,688	415,713	52,273	667,634
Disposals	-	-	(57,115)	-	-	(57,115)
Depreciation expense	(29,745)	(61,994)	(148,116)	-	(12,954)	(252,809)
Acquisition of subsidiary	-	-	5,147	-	-	5,147
Exchange differences	18,434	(1,116)	(643)	(993)	-	15,682
Reclassification/ transfer	45,582	(672)	22,515	(67,425)	-	-
At 30 June 2016, net of accumulated depreciation and impairment	1,578,394	914,725	613,100	839,242	123,575	4,069,036
At 30 June 2016						
Cost (gross carrying amount)	1,938,829	1,593,200	2,124,667	839,242	138,085	6,634,023
Accumulated depreciation and impairment	(360,435)	(678,475)	(1,511,567)	-	(14,510)	(2,564,987)
Net carrying amount	1,578,394	914,725	613,100	839,242	123,575	4,069,036

11. Property, Plant and Equipment *continued*

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
Year ended 30 June 2015						
At 1 July 2014, net of accumulated depreciation and impairment	1,223,459	960,861	745,496	155,850	10,669	3,096,335
Additions	343,800	34,792	84,779	363,457	74,267	901,095
Disposals	-	-	(85,013)	-	-	(85,013)
Depreciation expense	(29,548)	(58,777)	(148,006)	-	(680)	(237,011)
Acquisition of subsidiary	-	1,009	12,590	-	-	13,599
Exchange differences	-	1,206	286	-	-	1,492
Reclassification/ transfer	4,868	-	22,492	(27,360)	-	-
At 30 June 2015, net of accumulated depreciation and impairment	1,542,579	939,091	632,624	491,947	84,256	3,690,497
At 30 June 2015						
Cost (gross carrying amount)	1,873,268	1,563,767	2,053,140	491,947	85,812	6,067,934
Accumulated depreciation and impairment	(330,689)	(624,676)	(1,420,516)	-	(1,556)	(2,377,437)
Net carrying amount	1,542,579	939,091	632,624	491,947	84,256	3,690,497

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

12. Licences

	Casino Licenses \$'000
Year ended 30 June 2016	
At 1 July 2015, net of accumulated amortisation and impairment	1,130,623
Amortisation expense	(16,664)
At 30 June 2016, net of accumulated amortisation and impairment	1,113,959
At 30 June 2016	
Cost (gross carrying amount)	1,297,020
Accumulated amortisation and impairment	(183,061)
Net carrying amount	1,113,959
Year ended 30 June 2015	
At 1 July 2014, net of accumulated amortisation and impairment	647,039
Additions	497,121
Amortisation expense	(13,537)
At 30 June 2015, net of accumulated amortisation and impairment	1,130,623
At 30 June 2015	
Cost (gross carrying amount)	1,297,020
Accumulated amortisation and impairment	(166,397)
Net carrying amount	1,130,623

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 is assessed as having an indefinite useful life and no amortisation is charged. Amortisation will commence on the Crown Sydney licence once the property is operational.

13. Other Intangible Assets

	Goodwill ⁽¹⁾ \$'000	Casino Management Agreement ⁽¹⁾ \$'000	Other \$'000	Total \$'000
Year ended 30 June 2016				
At 1 July 2015, net of accumulated amortisation and impairment	132,848	130,016	157,980	420,844
Business acquisitions	204,911	-	-	204,911
Additions	-	-	4,997	4,997
Exchange differences	(10,423)	-	-	(10,423)
Amortisation expense	-	(3,671)	(8,140)	(11,811)
At 30 June 2016, net of accumulated amortisation and impairment	327,336	126,345	154,837	608,518
At 30 June 2016				
Cost (gross carrying amount)	327,336	245,279	169,891	742,506
Accumulated amortisation and impairment	-	(118,934)	(15,054)	(133,988)
Net carrying amount	327,336	126,345	154,837	608,518
Year ended 30 June 2015				
At 1 July 2014, net of accumulated amortisation and impairment	91,987	134,777	5,044	231,808
Business acquisitions	34,248	-	21,422	55,670
Additions	-	-	137,176	137,176
Exchange differences	6,613	-	-	6,613
Amortisation expense	-	(4,761)	(5,662)	(10,423)
At 30 June 2015, net of accumulated amortisation and impairment	132,848	130,016	157,980	420,844
At 30 June 2015				
Cost (gross carrying amount)	132,848	245,279	164,894	543,021
Accumulated amortisation and impairment	-	(115,263)	(6,914)	(122,177)
Net carrying amount	132,848	130,016	157,980	420,844

(1) Purchased as part of business combinations

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 14). The goodwill balance at 30 June 2016 is allocated to Crown Melbourne \$26.9 million (2015: \$26.9 million), Crown Perth \$11.9m (2015: \$11.9 million), Crown Aspinalls \$52.5 million (2015: \$59.9 million) and Wagering & Online \$236.0 million (2015: \$34.1 million).

The useful life of the Crown Melbourne casino management agreement is amortised on a straight line basis to 2050.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

14. Impairment Testing of Intangible Assets

Impairment tests for intangible assets

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGU's) identified according to business segment.

The recoverable amount of a CGU is determined based on a value in use calculation using a discounted cash flow methodology covering a specified period, with an appropriate residual value at the end of that period, for each segment. The methodology utilises cash flow forecasts that are based primarily on business plans presented to and approved by the Board. The implied terminal growth rate beyond the five year period does not exceed the forecasted long term Australian inflation rate of 2.5% (2015: 2.5%).

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and casino licences.

(a) Cash flow forecasts

Cash flow forecasts are based on past performance and expectations for the future using a five year cash flow period.

(b) Residual value

Residual value is calculated using a perpetuity growth formula based on the cash flow forecast using a weighted average cost of capital (after tax) and forecast growth rate.

(c) Forecast growth rates

Forecast growth rates are based on past performance and management's expectations for future performance in each segment.

(d) Discount rates

A weighted average cost of capital (after tax) of between 8% and 10% was used by the Group in impairment testing, risk adjusted where applicable.

15. Other Assets

	2016	2015
	\$'000	\$'000
Non-current		
Prepaid casino tax at cost	100,800	100,800
Accumulated amortisation	(49,500)	(48,009)
	51,300	52,791
Other prepayments	9,394	8,473
	60,694	61,264

16. Trade and Other Payables

	2016	2015
	\$'000	\$'000
Current - unsecured		
Trade and other payables	473,505	450,107
Deferred income	1,735	1,486
	475,240	451,593
Non-current - unsecured		
Casino licence payable	154,136	149,894
Deferred income	9,004	6,115
Contingent consideration	154,094	-
Other	22,255	15,486
	339,489	171,495

17. Interest-Bearing Loans and Borrowings

	2016	2015
	\$'000	\$'000
Current		
Bank Loans - unsecured	75,552	155,900
Capital Markets Debt - unsecured	-	17,421
Finance Lease - secured	10,163	15,463
	85,715	188,784
Non-current		
Bank Loans - unsecured	-	106,682
Capital Markets Debt - unsecured	2,057,968	2,297,604
Finance Lease - secured	117,643	68,947
	2,175,611	2,473,233

Assets pledged as security

The lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

Fair Value Disclosures

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 35.

Financial Risk Management

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 35.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

17. Interest-Bearing Loans and Borrowings *continued*

Financing and Credit Facilities

Unsecured credit facilities are provided as part of the overall debt funding structure of the Crown Group as follows:

Facility Type	Facility Amount \$'000	Drawn Amount \$'000	Letters of Credit Issued \$'000	Available \$'000	Expiry Dates
Bank Facilities					
Bilateral Multi Option Facilities	220,000	75,552	33,914	110,534	Oct 16 / Feb 17
Syndicated Revolving Facilities	1,000,000	-	-	1,000,000	2020 - 2021
GBP Syndicated Facility	178,763	-	-	178,763	Aug 19 / Aug 20
Letter of Credit Facility	185,000	-	185,000	-	Jun 21
	1,583,763	75,552	218,914	1,289,297	
Debt Capital Markets					
Euro Medium Term Notes	174,634	174,634	-	-	Jul 36
Australian Medium Term Notes	750,000	750,000	-	-	Jul 17 / Nov 19
AUD Subordinated Notes	1,133,334	1,133,334	-	-	Sep 72 / Apr 75
	2,057,968	2,057,968	-	-	
Total at 30 June 2016	3,641,731	2,133,520	218,914	1,289,297	
Total at 30 June 2015	4,268,388	2,577,607	212,961	1,477,820	

The bank facilities are provided on an unsecured basis by domestic and international banks.

The debt capital markets drawn amounts represent unsecured notes issued to domestic and international debt investors.

Crown is able to make advances and issue letters of credit under the letter of credit facility, syndicated facilities and the bilateral facilities which are multi option in nature.

Each of the above mentioned facilities is issued by or supported by a Group guarantee from Crown and certain of its subsidiaries and impose various affirmative covenants on Crown, which may include compliance with certain financial ratios and negative covenants, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

During the current and prior year, there were no defaults or breaches on any of the loans or borrowings.

Refer to note 25(b) for a summary of Crown's overdraft facilities.

18. Provisions

	Employee Entitlements	Other	Total
	\$'000	\$'000	\$'000
At 1 July 2015	176,807	28,728	205,535
Arising during the year	152,570	8,316	160,886
Utilised during the year	(122,104)	(4,189)	(126,293)
Balance on acquisition	19	450	469
At 30 June 2016	207,292	33,305	240,597
Current 2016	162,103	19,914	182,017
Non-current 2016	45,189	13,391	58,580
At 30 June 2016	207,292	33,305	240,597
Current 2015	146,770	22,404	169,174
Non-current 2015	30,037	6,324	36,361
At 30 June 2015	176,807	28,728	205,535

19. Other Financial Liabilities

	2016	2015
	\$'000	\$'000
Current		
Payables on forward exchange contracts	-	137
Payables on interest rate swaps	-	489
	-	626
Non-current		
Payables on interest rate swaps	22,060	9,950
	22,060	9,950

Other financial liabilities are outlined in note 35.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

20. Contributed Equity

	2016	2015
	\$'000	\$'000
Issued share capital		
Ordinary shares fully paid	446,763	446,763
Shares held in Trust		
Balance at beginning of the financial year	-	(1,918)
Shares transferred under Crown Resorts Limited Long Term Incentive Plan	(8,886)	1,918
Balance at the end of the financial year	(8,886)	-

	2016	2015
	No.	No.
Issued share capital		
Ordinary shares fully paid	728,394,185	728,394,185

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held.

The voting rights attaching to ordinary shares provide that each ordinary shareholder present in person or by proxy or attorney or being a corporation present by representative at a meeting shall have:

- (a) on a show of hands, one vote only;
- (b) on a poll, one vote for every fully paid ordinary share held.

Capital Management

When managing capital, the Group's objective is to maintain optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During 2016, the Group paid dividends of \$378.8 million (2015: \$269.5 million). The Group's dividend policy is to pay 100% of normalised net profit after tax (before minorities and excluding profits from associates but including dividends received from associates).

21. Reserves and Retained Earnings

	2016	2015
	\$'000	\$'000
Foreign currency translation reserve	147,453	154,919
Employee equity benefits reserve	16,198	13,010
Net unrealised gains reserve	631,079	636,158
Cash flow hedge reserve	1,900	16,130
	796,630	820,217

21. Reserves and Retained Earnings *continued*

	2016	2015
	\$'000	\$'000
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	154,919	(229,576)
Net foreign exchange translation	65,751	388,950
Net foreign exchange reclassified to profit or loss	(70,576)	-
Non-controlling interest	(2,641)	(4,455)
Balance at the end of the financial year	147,453	154,919
Employee Equity Benefits Reserve		
The employee equity benefits reserve is used to record share based remuneration obligations to executives in relation to ordinary shares.		
Balance at the beginning of the financial year	13,010	13,010
Movement for the period	3,188	-
Balance at the end of the financial year	16,198	13,010
Net Unrealised Gains Reserve		
The net unrealised gains reserve records the movement from changes in ownerships interest in a subsidiary, investments and associates equity.		
Balance at the beginning of the financial year	636,158	628,908
Change ownership interest in subsidiary without loss of control	(5,079)	7,250
Balance at the end of the financial year	631,079	636,158
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	16,130	(17,745)
Movement in interest rate swaps	(11,621)	(7,895)
Movement in cross currency swaps	4,148	23,265
Movement in forward exchange contracts	(6,757)	18,505
Balance at the end of the financial year	1,900	16,130
Retained Earnings		
Balance at the beginning of the financial year	3,257,760	3,142,219
Net profit after tax attributable to equity holders of the parent	948,823	385,047
Total available for appropriation	4,206,583	3,527,266
Dividends provided for or paid	(378,765)	(269,506)
Balance at the end of the financial year	3,827,818	3,257,760

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

22. Material Partly-Owned Subsidiaries

Details of ownership interests in all partly owned subsidiaries are outlined in note 32. Financial information of subsidiaries that have material non-controlling interests is provided below:

	2016	2015
	\$'000	\$'000
Alon Group		
Principal place of business	USA	USA
Non-controlling interest percentage	26%	26%
Current assets	50,640	111,108
Non-current assets	532,515	444,971
Current liabilities	(9,620)	(7,612)
Non-current liabilities	(3,025)	(38)
Net Assets	570,510	548,429
Attributable to non-controlling interests	80,906	78,416
Revenue	-	-
Profit / (Loss)	(718)	(33)
Profit attributable to non-controlling interests	(187)	(8)
Cash flows from operating activities	-	-
Cash flows from investment activities	(64,219)	(365,021)
Cash flows from financing activities (dividends to NCI: nil)	-	454,882
Effect of exchange rate changes on cash	5,194	18,660
Net increase/(decrease) in cash and cash equivalents	(59,025)	108,521

23. Business Combinations

Acquisition of subsidiaries in current period

On 2 July 2015, Crown acquired 60% of DGN Games LLC (DGN) for US\$32.5 million (A\$42.5 million). Subsequently on 23 December 2015, Crown increased its shareholding in DGN to 70% by investing a further US\$15m (A\$20.8 million) in return for new units in the company.

On 23 December 2015, Crown through its majority owned subsidiary DGN, acquired 100% of Winners Club Limited (and subsidiaries) for US\$10 million (A\$13.8 million).

The fair value of the identifiable assets and liabilities as at the dates of acquisition were:

	Consolidated fair value at acquisition date
	\$'000
Cash and cash equivalents	6,814
Other current assets	2,586
Property, plant and equipment	5,147
	14,547
Trade and other payables	1,823
Other current liabilities	168
	1,991
Fair value of identifiable net assets	12,556

23. Business Combinations *continued*

Acquisition of subsidiaries in current period *continued*

Goodwill arising on acquisition	\$'000
Consideration transferred on acquisition	56,337
Contingent consideration	157,801
Fair value of identifiable net assets	(12,556)
Minority interest in identifiable net assets	3,329
Goodwill	204,911

Based on the fair values, DGN and Winners Club's identifiable net assets at the date of acquisition were \$12.6 million, resulting in goodwill of \$204.9 million. The goodwill is attributable to the skills and experience of the management team, as well as the synergies that will be obtained through the integration of the two businesses. Goodwill will be deductible for US Federal tax purposes when there has been a payment for the goodwill. Goodwill on payment of the contingent consideration (refer below) may be deductible in the future. The Group incurred \$1.8 million of acquisition costs which have been expensed in the Statement of Profit or Loss.

Crown's consolidated financial statements include the results of DGN and Winners Club from their respective acquisition dates. If the acquisitions had taken place at the beginning of the financial year, revenue from DGN and Winners Club would have been \$21.9 million and profit before tax would have been \$3.8 million.

Crown has elected to measure the non-controlling interest on acquisition in DGN at fair value.

Contingent consideration

As part of the purchase agreement with the previous owners of Winners Club, there may be additional contingent consideration payments based on future earnings of the DGN Group. These potential cash payments are due in December 2017 and December 2020, based on the 2017 and 2020 earnings. As at the acquisition date, the fair value of the contingent consideration was estimated to be \$157.8 million. The fair value was determined using the probability-weighted approach, discounted to present value.

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.

Net Cash Flow - Acquisition of subsidiaries

	\$'000
Cash paid	56,337
Cash acquired	(6,814)
Net Cash Flow - Acquisition of subsidiaries	49,523

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

23. Business Combinations *continued*

Acquisition of subsidiaries in prior period

On 12 August 2014, Crown acquired the remaining 50% of shares of Betfair Australasia Pty Ltd and its subsidiaries (the Betfair Group) for \$10 million. Prior to this, Crown held a 50% interest in the Betfair Group and equity accounted its investment as an associate of the Crown Group. Upon acquisition of the remaining 50%, Betfair became a wholly owned Crown subsidiary.

On 16 December 2014, Crown acquired CrownBet Pty Ltd (formerly BetEasy Pty Ltd) for \$12.2 million via the issuance of shares in a newly formed holding company (forming the CrownBet group). Betfair's sportsbook business and cash was transferred to the newly formed holding company and the BetEasy founders contributed cash in exchange for equity in the newly formed holding company. Consequently, Crown owned 67% of the CrownBet Group, with the remaining interest held by the original founders of BetEasy. Subsequent to this, Crown divested 5% of its interest in the CrownBet group, resulting in a reduction of Crown's ownership from 67% to 62%.

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

	Consolidated fair value at acquisition date
	\$'000
Cash and cash equivalents	17,729
Other current assets	15,166
Property, plant and equipment	13,599
Identifiable intangibles	21,422
Deferred tax assets	8,581
Other non-current assets	1,770
	78,267
Trade and other payables	62,488
Provisions	13,138
Deferred tax liabilities	4,513
	80,139
Fair value of identifiable net assets/(liabilities)	(1,872)

CrownBet's net assets recognised in the 30 June 2015 financial statements was based on a provisional fair value assessment. The final assessment had not been completed by the date the 2015 financial statements were approved for issue by the Board of Directors.

The fair value assessment has now been finalised and therefore the 30 June 2015 comparative information has been updated to reflect adjustments to the provisional amounts. As a result, intangible assets increased by \$8.9 million, payables increased by \$20.3 million, prepayments decreased by \$0.9 million, deferred tax assets increased by \$3.0 million, deferred tax liabilities decreased by \$0.7 million and goodwill increased by \$8.6 million.

Goodwill arising on acquisition

	\$'000
Consideration transferred	22,226
Fair value of pre-existing interest	10,000
Fair value of identifiable net liabilities	1,872
Goodwill	34,098

Betfair's and CrownBet's identifiable net liabilities at the date of acquisition were \$1.9 million, resulting in goodwill of \$34.1 million. The goodwill is attributable to the skills and experience of the management team, as well as the synergies that will be obtained through the combination of the Sportsbook businesses. Opportunities exist to grow the customer base through leveraging Crown's assets to provide additional services and benefits to customers. None of the goodwill recognised is expected to be deductible for income tax purposes.

23. Business Combinations *continued*

Acquisition of subsidiaries in prior period *continued*

The remeasurement to fair value of the Group's existing 50% interest in Betfair resulted in a gain of \$8.1 million, which was recognised in the Statement of Profit or Loss in the year ended 30 June 2015. The Group incurred \$1.1 million of acquisition costs which have been expensed in the Statement of Profit or Loss.

Crown has elected to measure the non-controlling interest on acquisition in CrownBet at fair value.

Net Cash Flow - Acquisition of subsidiaries

	\$'000
Cash paid	10,000
Repayment of loan to Betfair UK	11,700
Cash acquired	(17,729)
Net Cash Flow - Acquisition of subsidiaries	3,971

24. Expenditure Commitments

(a) Capital expenditure commitments

	2016	2015
	\$'000	\$'000
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	217,758	314,504
Payable after one year but not more than five years	974,427	95,599
	1,192,185	410,103

At 30 June 2016, the Group has capital expenditure commitments principally relating to funding various projects.

(b) Non-cancellable operating lease commitments

	2016	2015
	\$'000	\$'000
Payable within one year	15,766	12,390
Payable after one year but not more than five years	55,184	46,820
Payable more than five years	519,028	534,592
	589,978	593,802

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 8 years (2015: 8 years) excluding the land leases detailed below. Operating leases include telecommunications rental agreements and leases on assets including motor vehicles, land and buildings and items of plant and equipment. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated. There are no restrictions placed upon the lessee by entering into these leases.

In addition, in 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which Crown Melbourne Entertainment Complex is located. For years one to forty inclusive the annual rent payable by the parent entity is one dollar per annum. For years forty-one to ninety-nine inclusive the annual rent payable will be the then current market rent for the site. The aggregate lease expenditure contracted for at balance date but not provided for which is disclosed in this report does not include an estimate for the rent payable for years forty-one to ninety-nine inclusive due to the uncertainty of these amounts.

Crown through its majority owned subsidiary, Alon, holds the operating lease on the leasehold portion of the land in Las Vegas which expires in 2097. The above operating lease commitment table includes the scheduled payments until 2097.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

24. Expenditure Commitments *continued*

(c) Non-cancellable finance lease commitments

	2016 \$'000	2015 \$'000
Payable within one year	10,163	15,463
Payable after one year but not more than five years	51,099	30,129
Payable more than five years	66,544	38,818
	127,806	84,410

Under the terms of the lease, Crown has the option to acquire the leased asset for a predetermined residual value on expiry of the lease.

25. Cash Flow Statement Reconciliation

	2016 \$'000	2015 \$'000
(a) Cash balance represents:		
Cash on hand and at bank	412,123	222,125
Deposits at call	37,540	118,859
	449,663	340,984

The above closing cash balances includes \$151.0 million (2015: \$144.3 million) of cash on the company's premises and cash held in bank accounts (including deposits on call) needed to run the day to day operations of the businesses and cash of \$298.7 million (2015: \$196.7 million) for other purposes.

	2016 \$'000	2015 \$'000
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit after tax	943,576	378,307
Non cash items and items dealt with separately:		
- Depreciation and amortisation	282,775	262,877
- Asset impairment/(reversal)	(35,465)	61,342
- Share of associates' net (profit)/loss	(41,261)	(122,058)
- Net foreign exchange (gain)/loss	(7,762)	(14,358)
- Net mark-to-market (gain)/loss on investments	(8,432)	2,034
Cash items not included in profit after tax:		
- Dividends received from associates	183,568	52,578
Items classified as investing/financing activities:		
- (Profit)/loss on sale of property, plant and equipment	(1,605)	(349)
- Profit on sale of MCE shares	(601,988)	-
Working capital changes:		
- (Increase) / decrease in trade receivables and other assets	(139,535)	(53,186)
- (Increase) / decrease in inventories	(1,435)	(1,960)
- (Decrease) / increase in tax provisions	(114,834)	(31,741)
- (Decrease) / increase in trade and other payables, accruals and provisions	25,080	101,090
Net cash flows from operating activities	482,682	634,576

25. Cash Flow Statement Reconciliation *continued*

Bank Overdraft Facilities

The Group has bank overdraft facilities available as follows:

Bank	2016	2015
ANZ Banking Group Limited	A\$20 million	A\$20 million
Citibank NA	US\$10 million	US\$10 million
Royal Bank of Scotland PLC	£20 million	£20 million

As at 30 June 2016 there were no drawn down amounts on the overdraft facilities (2015: £2.2 million).

26. Events After the Reporting Period

Subsequent to 30 June 2016, the directors of Crown declared a final dividend on ordinary shares in respect of the year ending 30 June 2016. The total amount of the dividend is \$287.7 million, which represents a dividend of 39.5 cents per share franked at 70%. The unfranked portion of the dividend has been declared to be conduit foreign income.

27. Contingent Liabilities and Related Matters

On 15 February 2016 Crown was issued with amended assessments and notice of penalty by the Australian Taxation Office for a total of approximately \$362 million which comprises primary tax, interest and penalties. The amended assessments are in respect of income tax paid for the financial years ending 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 and other investments in North America. Crown considers that it has paid the correct amount of tax and intends to pursue all available avenues of objection (including, if necessary, court proceedings) to the amended assessments.

The group has no other contingent liabilities at 30 June 2016.

Legal Actions

Entities within the group are defendants from time to time in legal proceedings arising from the conduct of their business. The group does not consider that the outcome of any proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

28. Auditors' Remuneration

	2016 \$'000	2015 \$'000
Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
Auditing the accounts	1,113	932
Taxation services	7,701	8,109
Consulting and assurance related services	200	-
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:		
Auditing the accounts	298	137
Taxation services	2,791	211
	12,103	9,389
Amounts received, or due and receivable, by non Ernst & Young audit firms for:		
Auditing services	22	98

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

29. Earnings Per Share (EPS)

	2016	2015
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Net profit / (loss) after tax used in calculating basic and diluted EPS (\$'000)	948,823	385,047
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	728,394	728,394

There are no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

30. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

Robert J Rankin	Chairman (appointed Non-Executive Director 30 July 2015, Chairman from 12 August 2015)
James D Packer	Non-Executive Director (Chairman until 12 August 2015, Non-Executive Director until 21 December 2015)
John H Alexander	Executive Deputy Chairman
Benjamin A Brazil	Non-Executive Director
Helen A Coonan	Non-Executive Director
Rowen B Craigie	Chief Executive Officer and Managing Director
Rowena Danziger	Non-Executive Director
Andrew Demetriou	Non-Executive Director
Geoffrey J Dixon	Non-Executive Director
John S Horvath	Non-Executive Director
Michael R Johnston	Non-Executive Director
Harold C Mitchell	Non-Executive Director

(ii) Executives

Kenneth M Barton	Chief Financial Officer
Barry J 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:

	2016	2015
Remuneration by category	\$	\$
Short term benefits	14,717,236	13,621,359
Post employment benefits	112,230	105,132
Long term incentives	7,537,500	(1,442,500)
	22,366,966	12,283,991

Further details are contained in the Remuneration Report.

31. 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 32.

Investments in associates and joint ventures are set out in note 10.

(c) Entity with significant influence over the Group

At balance date Consolidated Press Holdings Group ("CPH"), comprising Consolidated Press Holdings Limited and its related corporations, a group related to Mr James Packer, have a relative interest in 53.01% (2015: 50.01%) of the Company's fully paid ordinary shares.

(d) Key management personnel

Disclosures relating to key management personnel are set out in note 30, 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 continuing operations have had the following transactions with related parties:

(i) Director related entities and entities with significant influence over the Group

CPH provided corporate secretarial and administrative services to Crown and its controlled entities of \$0.2 million during the year (2015: \$0.2 million). CPH paid costs on behalf of Crown to third parties totalling \$1.0 million during the year (2015: \$1.1 million). At 30 June 2016 there were no amounts owing to CPH (2015: \$34,000).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$0.1 million during the year (2015: \$17,000). At 30 June 2016 there were no amounts owing from CPH (2015: \$nil).

(ii) Associates

Crown provided MCE IT and related services of \$1.8 million (2015: \$1.2 million) at cost during the year. During the year Crown paid no costs on behalf of MCE to third parties (2015: \$0.6 million). At 30 June 2016 Crown had no amounts owing from MCE (2015: \$nil).

During the year Mr Nisbet received a fee of US\$0.1 million (2015: US\$0.1 million) for acting as a director of Melco Crown (Philippines) Resorts Corporation, being an indirect majority owned subsidiary of MCE. In addition, during the year, Mr Craigie, Mr Nisbet and Mr Packer received share based compensation of US\$0.1 million, US\$0.6 million and US\$1.0 million respectively from Melco Crown for acting as directors of Melco Crown or any of its subsidiaries.

MCE provided \$22,000 (2015: \$8,000) in Hotel and other services to Crown during the year. In addition, MCE paid costs of \$17,000 (2015: \$0.1 million) on behalf of Crown during the year which has subsequently been reimbursed in full.

During the year Aspers Holdings (Jersey) Ltd made loan repayments of \$131.9 million to Crown (2015: \$9.9 million). Interest charged on loans advanced to Aspers was \$12.1 million for the year (2015: \$16.4 million). At 30 June 2016 there were no amounts owed by Aspers (2015: \$139.9 million). At 30 June 2016 there were no amounts owing to Aspers (2015: \$nil).

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

32. 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 included in a class order with the parent entity are:

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2016	2015		2016 %	2015 %
Crown Resorts Limited			Australia	Parent Entity	
ALON Las Vegas Financeco, LLC			USA	74	74
ALON Las Vegas Holdings, LLC			USA	74	74
ALON Las Vegas Landco, LLC			USA	74	74
ALON Leisure Management, LLC			USA	55	55
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
Crown Asia Investments Limited	A	A	Australia	100	100
Crown Australia Pty Ltd	A	A	Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Limited			Australia	100	100
Crown CCR Group Holdings One Pty Ltd	A	A	Australia	100	100
Crown CCR Group Holdings Two Pty Ltd			Australia	100	100
Crown CCR Group Holdings General Partnership			USA	100	100
Crown CCR Group Investments One LLC			USA	100	100
Crown CCR Group Investments Two LLC			USA	100	100
Crown CCR Holdings LLC			USA	100	100
Crown CPS Holdings Pty Ltd	A	A	Australia	100	100
Crown (Ellerston Leisure) Holdings Pty Ltd			Australia	100	-
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown (Gaming Technology) Holdings Pty Ltd			Australia	100	-
Crown Gateway Luxembourg Pty Ltd	A	A	Australia	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Investment Holdings LLC			USA	100	-
Crown Management Holdings Pty Ltd	A	A	Australia	100	100
Crown Management Pty Ltd	A	A	Australia	100	100
Crown Melbourne Limited	A	A	Australia	100	100
Crown North America Holdings One Pty Ltd			Australia	100	100
Crown North America Investments LLC			USA	100	100
Crown Overseas Investments Pty Ltd	A	A	Australia	100	100
Crown Services (US) LLC			USA	100	100
Crown Sydney Pty Ltd			Australia	100	100
Crown Sydney Gaming Pty Ltd			Australia	100	100
Crown Sydney Holdings Pty Ltd			Australia	100	100

32. Investment in Controlled Entities *continued*

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2016	2015		2016 %	2015 %
Crown Sydney Property Pty Ltd			Australia	100	100
Crown US Investments LLC			USA	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			Australia	100	-
Crown (Western Australia) Finance Pty Ltd	A	A	Australia	100	100
CrownBet Pty Ltd			Australia	62	62
CrownBet Holdings Pty Ltd			Australia	62	62
DGN Games LLC			USA	70	-
Flienn Pty Ltd	A	A	Australia	100	100
Jade West Entertainment Pty Ltd	A	A	Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Melbourne Golf Academy Pty Ltd			Australia	100	100
Nine Television (Netherlands Antilles) Pty Ltd			Australia	100	100
PBL (CI) Finance Pty Ltd			Australia	100	100
Pennwin Pty Ltd	A	A	Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Crown International Holdings Ltd			Bahamas	100	100
Renga Pty Ltd	A	A	Australia	100	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

A These controlled entities have entered into a deed of cross guarantee with the parent entity under ASIC Class Order 98/1418 - the "Closed Group" (refer note 33).

33. Deed of Cross Guarantee

Certain controlled entities of Crown Resorts Limited, as detailed in note 32, are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

By entering into the deed, pursuant to ASIC Class Order 98/1418, certain controlled entities of Crown have been granted relief from the Corporations Act 2001 requirements for preparation, audit and publication of accounts.

The consolidated income statement and balance sheet of the entities which are members of the "Closed Group" are detailed below.

	Closed Group	
	2016 \$'000	2015 \$'000
Consolidated income statement		
Profit / (loss) before income tax	1,463,462	599,641
Income tax (expense) / benefit	(218,595)	(145,763)
Net profit / (loss) after income tax	1,244,867	453,878
Retained earnings / (accumulated losses) at the beginning of the financial year	3,307,569	3,123,197
Dividends provided for or paid	(378,765)	(269,506)
Retained earnings / (accumulated losses) at the end of the financial year	4,173,671	3,307,569

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

33. Deed of Cross Guarantee *continued*

	Closed Group	
	2016	2015
	\$'000	\$'000
Consolidated balance sheet		
Current assets		
Cash and cash equivalents	291,182	204,578
Trade and other receivables	266,237	298,123
Inventories	15,472	14,321
Prepayments	25,255	23,430
Other financial assets	9,639	16,032
Total current assets	607,785	556,484
Non-current assets		
Receivables	2,213,288	1,480,580
Other financial assets	2,837,265	2,768,530
Investments	2,017	2,235
Investment in associates	1,409,167	1,965,717
Property, plant and equipment	3,416,365	3,188,258
Licences	1,013,959	1,030,623
Other intangible assets	194,039	197,657
Deferred tax assets	165,773	128,685
Other assets	58,583	60,820
Total non-current assets	11,310,456	10,823,105
Total assets	11,918,241	11,379,589
Current liabilities		
Trade and other payables	379,500	383,340
Interest-bearing loans and borrowings	85,715	171,363
Income tax payable	133,086	149,704
Provisions	170,348	158,650
Other financial liabilities	-	626
Total current liabilities	768,649	863,683
Non-current liabilities		
Other payables	163,294	156,161
Interest-bearing loans and borrowings	3,529,667	3,798,394
Deferred tax liability	202,341	183,487
Provisions	58,580	36,361
Other financial liabilities	22,060	9,950
Total non-current liabilities	3,975,942	4,184,353
Total liabilities	4,744,591	5,048,036
Net assets	7,173,650	6,331,553
Equity		
Contributed equity	2,180,793	2,180,793
Treasury shares	(8,886)	-
Reserves	828,072	843,191
Retained earnings	4,173,671	3,307,569
Total equity	7,173,650	6,331,553

34. Parent Entity Disclosures

	Crown Resorts Limited	
	2016	2015
	\$'000	\$'000
Results of the parent entity		
Profit after tax for the period	516,023	285,584
Other comprehensive income/(loss)	-	-
Total comprehensive income for the period	516,023	285,584
Financial position of the parent entity		
Current assets	2,290	1,918
Non-current assets	14,575,150	14,459,877
Total assets	14,577,440	14,461,795
Current liabilities	135,972	161,436
Non-current liabilities	4,703,798	4,699,946
Total liabilities	4,839,770	4,861,382
Total equity of the parent entity comprising of:		
Issued capital	9,927,204	9,927,204
Employee equity benefits reserve	13,010	13,010
Accumulated losses	(202,544)	(339,801)
Total equity	9,737,670	9,600,413

Contingent liabilities

On 15 February 2016 Crown was issued with amended assessments and notice of penalty by the Australian Taxation Office for a total of approximately \$362 million which comprises primary tax, interest and penalties. The amended assessments are in respect of income tax paid for the financial years ending 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 and other investments in North America. Crown considers that it has paid the correct amount of tax and intends to pursue all available avenues of objection (including, if necessary, court proceedings) to the amended assessments.

There are no other contingent liabilities for the parent entity at 30 June 2016 (2015: \$nil).

Capital expenditure

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2016 (2015: \$nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in notes 32 and 33.

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

35. Financial Risk Management Objectives and Policies

The Group's principle financial instruments comprise receivables, payables, bank loans, capital market debt, finance lease liabilities, investments, cash and short term deposits and derivatives.

The Group's business activities expose it to the following risks; market risks (interest rate and foreign exchange), credit risk and liquidity risk. For each of these risks, the Group considers the counterparties, geographical area, currency and markets as applicable to determine whether there are concentrations of risk. Other than as described in this note, the Group is satisfied that there are no material concentrations of risk.

The Group has policies in place to manage different types of risks to which it is exposed. Policies include monitoring the level of interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange rates. Ageing analysis of and monitoring of exposures to counterparties are undertaken to manage credit risk. Liquidity risk is monitored through the employment of rolling cash flow forecasts.

Financial risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board are informed on a regular basis of risk management activities.

(a) Market Risk

(i) Interest rate risk – cash flow

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents and long term debt obligations as outlined in note 17.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates that are not designated as cash flow hedges.

	2016 \$'000	2015 \$'000
Financial assets		
AUD cash on hand and at bank	136,426	67,220
AUD deposits at call	28,064	22,546
GBP cash on hand and at bank	47,387	(11,560)
EUR cash on hand and at bank	220	75
USD cash on hand and at bank	76,778	22,085
USD deposits at call	9,746	96,314
Total financial assets	298,621	196,680
Financial liabilities		
AUD Bank loans	20,000	20,000
AUD Capital Market Debt	333,334	682,835
Finance Lease Liability	127,806	84,410
HKD Bank Loans	55,552	69,218
GBP Bank Loans	-	20,396
Total financial liabilities	536,692	876,859
Net exposure	(238,071)	(680,179)

As at balance date, the Group maintained floating rate liabilities of \$536.7 million (2015: \$876.9 million) that were not hedged by interest rate swaps. The associated interest rate risk is partially mitigated by total financial assets of \$298.6 million (2015: \$196.7 million). Under the financial liabilities outstanding, for AUD facilities, the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 270 and 500 basis points, for the finance lease liabilities, the Group pays BBSW or USD LIBOR plus a margin of between 160 and 200 basis points, and for HKD facilities, the Group pays HIBOR plus a margin of 47.5 basis points.

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(i) Interest rate risk – cash flow *continued*

Of the AUD cash on hand and at bank \$136.4 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$28.1 million are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$151.0 million for operational purposes and is non interest bearing (2015: \$144.3 million).

As at balance date, the Group maintained no floating rate borrowings in GBP (2015: \$20.4 million) and had cash and cash equivalents of \$47.4 million (2015: -\$11.6 million) which is interest bearing and accrues at the UK daily cash rate.

As at balance date, the Group maintained floating rate borrowings in HKD of \$55.6m (2015: \$69.2m) and had minimal interest earning cash and cash equivalents (2015: minimal).

As at balance date, the Group had USD cash on hand and at bank of \$76.8 million which is interest bearing and is invested at approximately US LIBOR (2015: \$22.1 million). In addition, the Group had USD deposits at call of \$9.7 million, which is invested at approximately US LIBOR (2015: \$96.3 million). The Group maintained no floating rate borrowings in USD (2015: \$nil).

As at balance date, the Group maintained no floating rate borrowings in EUR (2015: \$nil) and had minimal cash and cash equivalents (2015: minimal).

Group Sensitivity

As a result of an increase of 75 basis points in AUD interest rates, an increase of 100 basis points in GBP, EUR and USD interest rates, and an increase of 50 basis points in HKD interest rates, the Group's post-tax-profit for the year would have decreased by \$0.9 million (2015: \$3.3 million). As a result of a decrease of 50 basis points in AUD interest rates, and a decrease of 25 basis points in USD, GBP, EUR and HKD interest rates, the Group's post-tax-profit for the year would have increased by \$1.0 million (2015: \$2.4 million).

The Group, where appropriate, uses interest rate swaps to manage the risk of adverse movements in interest rates for its long term floating rate borrowings which are subject to variable rates.

The Group uses cross-currency interest rate swaps to manage the risk of adverse movements in interest rates for its long term foreign currency denominated borrowings which are subject to variable rates.

As at balance date the notional principal amounts and period of expiry of the interest rate swap contracts were as follows:

	2016	2015
	\$'000	\$'000
Cash flow hedge		
Maturity under 1 year	-	136,682
Maturity 1 - 5 years	800,000	416,286
Maturity over 5 years	174,634	174,634
Closing Balance	974,634	727,602

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(i) Interest rate risk – cash flow *continued*

As at balance date the key terms of the interest rate swap contracts were as follows:

Hedge Type	Maturity Date	Interest Rate Received	Interest Rate Paid	Fair Value of Swap Contract \$'(000)
Year Ended 30 June 2016				
Interest Rate Swap Contract	March 2019	BBSW	3.04%	(3,311)
Interest Rate Swap Contract	March 2020	BBSW	3.18%	(4,618)
Interest Rate Swap Contract	December 2019	BBSW	2.43%	(3,893)
Interest Rate Swap Contract	December 2020	BBSW	2.55%	(10,238)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	13,544
Year Ended 30 June 2015				
Interest Rate Swap Contract	March 2016	BBSW	3.20%	(375)
Interest Rate Swap Contract	June 2017	BBSW	3.26%	(1,537)
Interest Rate Swap Contract	March 2018	BBSW	3.50%	(1,608)
Interest Rate Swap Contract	June 2018	BBSW	3.39%	(2,327)
Interest Rate Swap Contract	March 2019	BBSW	3.04%	(1,999)
Interest Rate Swap Contract	March 2020	BBSW	3.18%	(2,255)
Interest Rate Swap Contract	December 2015	LIBOR	1.00%	(114)
Interest Rate Swap Contract	December 2016	LIBOR	1.19%	(224)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	9,396

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 \$1,724.6 million (2015: \$1,785.1 million). As at balance date, the carrying amounts of the Group's fixed rate debt were not materially different from the fair values (2015: not material).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances.

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the Group's functional currency.

The Group uses forward exchange contracts to minimise the currency exposure on any significant receivables or payables as is deemed appropriate.

All forward exchange contracts must be in the same currency as the firm commitment and the Group negotiates the terms of the hedges to exactly match the underlying commitment to maximise hedge effectiveness. As at balance date, the Group had hedged the majority of its foreign currency receivables and payables that are firm commitments.

As at balance date, the Group had the following material foreign exchange exposures that were not designated as cash flow hedges:

	2016	2015
	\$'000	\$'000
USD Exposure		
Financial assets		
Cash and cash equivalents	23,879	10,026
Total financial assets	23,879	10,026
Financial liabilities		
US Private Placement	-	257,556
Total financial liabilities	-	257,556
Net exposure	23,879	(247,530)

	2016	2015
	\$'000	\$'000
GBP Exposure		
Financial assets		
Cash and cash equivalents	4,356	6,283
Loans to associates	-	139,894
Total financial assets	4,356	146,177
Financial liabilities		
GBP Loan Facilities	-	173,363
Total financial liabilities	-	173,363
Net exposure	4,356	(27,186)

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

	2016	2015
	\$'000	\$'000
HKD Exposure		
Financial assets		
Cash and cash equivalents	19,811	9,091
Trade and other receivables	64,466	94,761
Total financial assets	84,277	103,852
Financial liabilities		
Trade and other payables	23,386	32,284
HKD Debt Facilities	55,552	69,218
Total financial liabilities	78,938	101,502
Net exposure	5,339	2,350

	2016	2015
	\$'000	\$'000
SGD Exposure		
Financial assets		
Cash and cash equivalents	80	1,240
Total financial assets	80	1,240
Net exposure	80	1,240

Group sensitivity – USD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10c against the USD would not be material as at balance date (2015: \$27.6 million higher or \$35.8 million lower).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 10c against the USD would be \$3.7 million higher or \$2.8 million lower (2015: \$1.5 million higher or \$1.2 million lower).

Group sensitivity – GBP

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 5c against the GBP would not be material as at balance date (2015: \$3.1 million higher or \$3.8 million lower).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 5c against the GBP would be \$0.4 million higher or \$0.4 million lower (2015: \$0.7 million higher or \$0.6 million lower).

Group sensitivity – HKD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 50c against the HKD would not be material as at balance date (2015: not material).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 50c against the HKD would be \$0.5 million higher or \$0.4 million lower (2015: not material).

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

Group sensitivity – SGD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10c against the SGD would not be material as at balance date (2015: not material).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 10c against the SGD would not be material as at balance date (2015: not material).

Foreign Exchange Contracts

The Group uses derivative instruments such as forward exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance.

Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. These derivatives qualify for hedge accounting and are based on limits set by the Board.

Cash flow hedges

At balance date details of outstanding contracts denominated in AUD was:

	Notional Amounts		Average Rate	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Buy USD/Sell AUD				
Maturity under 1 year	70,225	166,243	0.8402	0.8383
Maturity 1 - 5 years	12,063	11,918	0.8290	0.8391
Closing Balance	82,288	178,161	0.8385	0.8383
Sell USD/Buy AUD				
Maturity under 1 year	-	16,809	-	0.7734
Closing Balance	-	16,809	-	0.7734

The forward exchange contracts are considered to be highly effective hedges as they are matched against known and committed receivables and payments and any gain or loss on the hedged risk is taken directly to equity.

(b) Price Risk

(i) Equity Securities Price Risk

The Group is exposed to equity securities price risk. Equity securities price risk arises from investments held by the Group and classified on the balance sheet as investments.

	2016 \$'000	2015 \$'000
Shares - listed	49,743	39,683
Shares - unlisted	2,017	2,235
Net exposure	51,760	41,918

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

35. Financial Risk Management Objectives and Policies *continued*

(b) Price Risk *continued*

(i) Equity Securities Price Risk *continued*

Group sensitivity

The Group's sensitivity to equity securities price risk for the listed investments has been estimated by reference to published price quotations in an active market. The sensitivity to movement in fair value for listed investments as a result of a 10% movement in the share price of the listed shares at balance date was \$2.6 million (2015: \$2.1 million).

The Group's sensitivity to equity securities price risk for the unlisted investments has been estimated using valuation techniques based on the fair value of securities held. The sensitivity to fair value movements through profit and loss as a result of a one percent increase or decrease in either the forecast earnings growth rate or discount rate would not be material (2015: not material).

(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.

(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 3.8% or \$85.7 million of the Group's interest bearing liabilities will mature in less than 12 months (2015: 7.1%).

As at balance date the Group had \$1,289 million in undrawn committed bank lines (2015: \$1,478 million).

35. Financial Risk Management Objectives and Policies *continued*

(d) Liquidity Risk *continued*

Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of financial assets and financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	1 year or less		1 to 5 years		more than 5 years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	449,663	340,984	-	-	-	-	449,663	340,984
Receivables - trade	333,200	377,632	16,108	11,390	-	-	349,308	389,022
Receivables - associates	-	-	-	139,894	-	-	-	139,894
Receivables - other	-	-	125,380	-	-	-	125,380	-
Forward exchange contracts receivable	79,195	197,698	13,423	12,980	-	-	92,618	210,678
Cross currency interest rate swaps receivable	8,322	8,047	33,286	32,189	124,823	128,754	166,431	168,990
Total financial assets	870,380	924,361	188,197	196,453	124,823	128,754	1,183,400	1,249,568
Financial liabilities								
Trade and other payables	475,240	451,593	182,329	21,601	157,160	149,894	814,729	623,088
Finance lease liabilities	10,163	15,463	51,099	30,129	66,544	38,818	127,806	84,410
Capital markets	-	17,421	750,000	990,135	1,307,968	1,307,469	2,057,968	2,315,025
Bank loans	75,552	155,900	-	106,682	-	-	75,552	262,582
Forward exchange contracts payable	70,225	183,118	12,063	11,917	-	-	82,288	195,035
Interest rate swaps payable	5,215	5,321	14,502	10,140	-	-	19,717	15,461
Cross currency interest rate swaps payable	12,312	12,312	49,248	49,248	184,675	196,987	246,235	258,547
Total financial liabilities	648,707	841,128	1,059,241	1,219,852	1,716,347	1,693,168	3,424,295	3,754,148
Net maturity	221,673	83,233	(871,044)	(1,023,399)	(1,591,524)	(1,564,414)	(2,240,895)	(2,504,580)

Notes to the Financial Statements *continued*

For the year ended 30 June 2016

35. 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 values at balance date with the exception of trade receivables. The fair value of trade receivables at balance date approximates the carrying value of trade receivables of \$230.3 million calculated under the lifetime expected loss model. From 1 July 2016 Crown will apply the lifetime expected loss model in evaluating the carrying value of trade receivables as detailed in Note 1b.

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.

At 30 June 2016, the Group held the following classes of financial instruments at fair value:

	Valuation Technique			Total \$'000
	Quoted market price Level One \$'000	Observable inputs Level Two \$'000	Non market observable Level Three \$'000	
Year ended 30 June 2016				
Financial Assets				
Foreign currency forward contracts	-	11,231	-	11,231
Cross currency swap contracts	-	13,544	-	13,544
Equity instruments	49,743	-	2,017	51,760
	49,743	24,775	2,017	76,535
Financial Liabilities				
Contingent consideration	-	-	154,094	154,094
Interest rate swap contracts	-	22,060	-	22,060
	-	22,060	154,094	176,154
Year ended 30 June 2015				
Financial Assets				
Foreign currency forward contracts	-	17,310	-	17,310
Cross currency swap contracts	-	9,396	-	9,396
Equity instruments	39,683	-	2,235	41,918
	39,683	26,706	2,235	68,624
Financial Liabilities				
Foreign currency forward contracts	-	137	-	137
Interest rate swap contracts	-	10,439	-	10,439
	-	10,576	-	10,576

There have been no transfers between fair value measurement levels during the financial year ended 30 June 2016.

35. Financial Risk Management Objectives and Policies *continued*

(e) Fair Value of Financial Instruments *continued*

Reconciliation of Level Three fair value movements:

	2016	2015
	\$'000	\$'000
Financial Assets		
Opening balance	2,235	50,789
Profit and Loss	(218)	(55,874)
Other Comprehensive Income	-	7,320
Closing Balance - Financial Assets	2,017	2,235
Financial Liabilities		
Opening balance	-	-
Acquisition of Subsidiary	157,801	-
Other Comprehensive Income	(3,710)	-
Closing Balance - Financial Liabilities	154,091	-

Valuation techniques

The fair value of the unlisted investments have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Management believes that the estimated fair values resulting from the valuation techniques and recorded in the Statement of Financial Position and the related changes in fair value recorded in the Statement of Comprehensive Income are reasonable and the most appropriate at the reporting date.

The sensitivity to the fair value of Level Three financial instruments of a one percent increase or decrease in either the forecast earnings growth rate or discount rate would not be material at balance date (2015: not material).

Shareholder Information

Substantial shareholders as at 5 September 2016

The following information is extracted from substantial shareholder notices received by Crown.

Shareholder	Number of ordinary Shares	% of Issued Capital
Consolidated Press Holdings Pty Limited	351,111,955	48.20%
Perpetual Limited	46,856,958	6.43%

Holders of each class of securities

Crown only has ordinary shares on issue. The total number of ordinary shares on issue is 728,394,185 held by 67,085 shareholders.

Voting rights of ordinary shares

Crown's Constitution sets out the information in relation to the voting rights attached to shares. In summary, at a general meeting on a show of hands, every member present has one vote; and on a poll, every member present has:

- one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
- a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid on the share bears to the total amount paid and payable on the share.

Distribution of shareholders as at 5 September 2016

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	44,209	2.48
1,001 – 5,000	20,260	5.90
5,001 – 10,000	1,784	1.73
10,001 – 100,000	766	2.11
100,001+	66	87.78
Total	67,085	100
Holding less than a marketable parcel	1,615	

Shareholder Information *continued*

The 20 largest shareholders as at 5 September 2016

Name	No. of Shares	% of Issued Capital
1. CPH CROWN HOLDINGS PTY LTD	342,418,106	47.01
2. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	91,152,395	12.51
3. J P MORGAN NOMINEES AUSTRALIA LIMITED	64,056,983	8.79
4. NATIONAL NOMINEES LIMITED	29,380,327	4.03
5. CITICORP NOMINEES PTY LIMITED	20,179,449	2.77
6. BNP PARIBAS NOMS PTY LTD <DRP>	17,814,511	2.45
7. UBS NOMINEES PTY LTD	17,208,223	2.36
8. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PI POOLED A/C>	11,475,529	1.58
9. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	5,685,688	0.78
10. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,776,638	0.52
11. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	3,145,241	0.43
12. AMP LIFE LIMITED	3,058,680	0.42
13. ARGO INVESTMENTS LIMITED	2,609,184	0.36
14. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	2,095,000	0.29
15. IOOF INVESTMENT MANAGEMENT LIMITED <IPS SUPER A/C>	1,743,794	0.24
16. CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	1,653,793	0.23
17. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PIIC A/C>	1,622,368	0.22
18. BNP PARIBAS NOMS (NZ) LTD <DRP>	1,462,784	0.20
19. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PISELECT>	1,366,438	0.19
20. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	1,291,958	0.18
Total	623,197,089	85.56
Other	105,197,096	14.44

Details of equity securities

Crown has 728,394,185 shares currently on issue, all of which are quoted.

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the Share Registry's website at www.investorcentre.com. For security reasons, shareholders need to enter their Security holder Reference Number (SRN) or Holding Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online. Alternatively, download the relevant forms and have the completed forms mailed to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry, Computershare Investor Services, on telephone number 1300 659 795, or if calling from outside Australia (61 3) 9415 4000 or by fax (61 3) 9473 2500.

Electronic shareholder communications

Receiving shareholder communications electronically, instead of by post enables you to:

- Receive important shareholder and company information faster
- Reduce your impact on the environment
- Securely store important shareholder documents online, reducing clutter in your home or office
- Access all documents conveniently 24/7

Shareholders who wish to receive email alerts informing them of Annual Report, Notice of Meeting, Issuer Holding Statements, Payment Advices and other company related information on Crown's website, www.crownresorts.com.au may either contact the Share Registry or lodge such instructions online at the Share Registry's website at www.investorcentre.com.

Change of address

Issuer sponsored shareholders should notify the Share Registry immediately in writing or by telephone upon any change in their address quoting their SRN. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate HIN.

Direct payment to shareholders' accounts

Dividends may be paid directly to any bank, building society or credit union account in Australia. Payments are electronically credited on the dividend date with advisory confirmation containing payment details mailed to shareholders. Shareholders who wish to have their dividends paid directly to their account may advise the Share Registry in writing or may update their payment instructions online on www.investorcentre.com prior to the dividend record date.

Tax File Numbers

Crown is obliged to deduct tax at the top marginal rate plus Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number (TFN) or exemption details. If you wish to provide your TFN or exemption details, please contact the Share Registry.

Consolidation of multiple holdings

If you have multiple holdings which you wish to consolidate, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Crown website

Crown has a dedicated corporate website, www.crownresorts.com.au which includes Crown's Annual Report, disclosures made to the ASX and Notices of Meeting and other Explanatory Memoranda.

Investment Warning

All information provided in the Annual Report is provided as of the date stated or otherwise as at the date of the Report. The Annual Report has not taken into account any particular investor's investment objectives or other circumstances.

Investors are encouraged to make an independent assessment of Crown or seek independent professional advice.

Corporate Information

Directors

- Robert J Rankin BEc, LLB Chairman
- John H Alexander BA Executive Deputy Chairman
- Rowen B Craigie BEc (Hons) Chief Executive Officer and Managing Director
- Benjamin Brazil BCom, LLB
- The Honourable Helen A Coonan BA, LLB
- Rowena Danziger BA, TC, MACE
- Andrew Demetriou BA, BED
- Geoffrey J Dixon
- John S Horvath AO, MB, BS (Syd), FRACP
- Michael R Johnston BEc, CA
- Harold C Mitchell AC

Company Secretaries

- Michael J Neilson BA, LLB
- Mary Manos BCom, LLB (Hons), GAICD

Crown's registered office and principal corporate office

Level 3

Crown Towers

8 Whiteman Street

Southbank VIC 3006

Australia

Phone: (61 3) 9292 8824

Share Registry

Computershare Investor Services Pty Limited

Yarra Falls

452 Johnston Street

Abbotsford VIC 3067

Phone: 1300 659 795 (within Australia)

(61 3) 9415 4000 (outside Australia)

Fax: (61 3) 9473 2500

Website: www.computershare.com.au

Stock Exchange Listing

Crown's ordinary shares are listed on the Australian Stock Exchange under the code "CWN". Crown's Subordinated Notes I are listed on the Australian Stock Exchange under the code "CWNHA". Crown's Subordinated Notes II are listed on the Australian Stock Exchange under the code "CWNHB". The home exchange is Melbourne.

Website

Visit our website www.crownresorts.com.au for media releases and financial information.

Auditor

Ernst & Young

Banker

Australia and New Zealand Banking Group Limited



**CROWN
RESORTS**

crownresorts.com.au