



CROWN



**CROWN LIMITED
ANNUAL REPORT 2008**

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ANNUAL GENERAL MEETING

Tuesday 28th October, 11.00am River Room, Level 1, Crown Towers
8 Whiteman Street, Southbank Victoria 3006

FINANCIAL CALENDAR

Payment of final dividend	17 October 2008
Annual General Meeting	28 October 2008
2009 interim results	Second half of February 2009



Executive Chairman's Letter

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Dear fellow shareholder,



JAMES PACKER
EXECUTIVE CHAIRMAN

On behalf of your Board of Directors, I am pleased to present Crown Limited's inaugural annual report as a publicly listed entity in its own right.

The year has marked an important milestone in Crown's history with the separation of PBL into two separately listed companies. The move to a pure play gaming enterprise has allowed Crown to focus on developing its business strategy which is underpinned by high cash generating businesses in Australia, a conservative financial structure and increasing geographical diversification.

Crown announced a full-year normalised net profit of \$370.1 million for the financial year ended 30 June 2008. The Group's wholly-owned and operated businesses, Crown Melbourne and Burswood, continue to perform well, delivering solid normalised EBITDA growth of 8.2 percent.

In December 2007, Crown announced it had agreed to acquire 100 percent of Cannery Casino Resorts in the United States, subject to regulatory approval. Cannery has an attractive long-term growth profile which provides entry into the United States "locals" casino market and will further diversify Crown's portfolio.

Melco Crown Entertainment Limited (MPEL) has shown significant improvement during the year. Crown Macau traded well in completing its first full year of operation. MPEL's next development, City of Dreams, is on track to open in the first half of 2009.

The acquisition of Gateway Casinos and Entertainment Inc (Gateway) in Canada was completed under a 50:50 joint venture with Macquarie Bank in November 2007. Gateway operates nine casinos across British Columbia and Alberta.

Since the end of the financial year, Crown has raised \$1.0 billion of term debt which has extended the maturity profile of Crown's debt portfolio.

The Directors have announced a final dividend of 29 cents per ordinary share, 40 percent franked, which brings the total dividend for the year to 54 cents per share.

On behalf of the Board, I wish to thank the management and staff of Crown for their contribution to a successful and historic year for Crown Limited. I wish also to thank shareholders for their continued support.

JAMES PACKER
EXECUTIVE CHAIRMAN

Crown's Gaming Portfolio

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**MELBOURNE
AUSTRALIA
100% OWNED**

- 2,500 slot machines
- 350 table games
- Two hotels with 950 rooms
- Third hotel under construction (658 rooms)
- The Palms 900 seat showroom
- The Palladium 2000 seat ballroom
- 50 restaurants and bars
- International designer boutiques
- 13 cinemas



**PERTH AUSTRALIA
100% OWNED**

- 1,750 slot machines
- 170 table games
- Two hotels with 693 rooms
- 20,000 seat Burswood Dome
- Burswood Theatre & Convention Centre
- 14 restaurants and bars
- Retail outlets



**PITTSBURGH AND
LAS VEGAS USA. WILL BE
100% OWNED, SUBJECT TO
REGULATORY APPROVAL.**

- US "locals" casino operator with one casino in Pittsburgh and three in Las Vegas.
- The Meadows permanent facility in Pittsburgh is due for completion in April 2009.
- Eastside Cannery opened in Las Vegas in August 2008.
- Cannery will operate approximately 9,000 slot machines, 73 table games and 514 hotel rooms on completion of the Meadows permanent facility.

Crown's Gaming Portfolio

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Melco Crown Entertainment
新濠博亞娛樂



MACAU
37.9% INTEREST

Crown Macau

- 240 slot machines
- 240 table games

Mocha Clubs

- A portfolio of gaming lounges operating approximately 1,100 slot machines.

City of Dreams

- Upon completion in 2009 it is expected to have 1,500 slot machines and 550 table games.



GATEWAY
CASINOS & ENTERTAINMENT INC.



CANADA
50% INTEREST

- Operates nine casinos in Western Canada.

- Gateway will operate more than 5,400 slot machines and over 200 tables together with 277 hotel rooms upon completion of current development projects.



SHARP MINDS BETFAIR



AUST & NZ
50% INTEREST

- Betfair Australasia operates a betting exchange for customers who are residents of Australia or New Zealand.



ASPERS



UK
50% INTEREST

- Aspinalls operates four casinos in the United Kingdom with a total of 200 slot machines and 120 table games.



Chief Executive Officer's Report

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ROWEN CRAIGIE
CHIEF EXECUTIVE OFFICER

In December 2007, Crown began its journey as an independent entity. Through its Australian experience at Crown Melbourne and at Burswood, Crown has a strong track record in the management and operation of world class casinos. This includes expertise in product optimisation, loyalty programs, effective direct marketing and key non-gaming activities. Crown has also built an extensive database of VIP High Roller players across the Asian region supported by an experienced sales network. Over many years, Crown's reputation for high-level service and quality gaming facilities has earned it significant loyalty from this market.

For the 12 months to 30 June 2008, the Group reported a normalised net profit after tax (NPAT) of \$370.1 million. The year's reported net profit of \$3,563.2 million was impacted by the one-off results from discontinued operations and net non-recurring gains and asset write downs.

For the year ended 30 June 2008	\$million*
Operating revenue	2,026.2
Net operating expenses	(1,437.4)
Earning before interest, taxation, depreciation and amortisation (EBITDA)	588.8
Earning before interest and taxation (EBIT)	456.0
Net profit after tax (NPAT)	370.1

*Normalised and excluding discontinued operations and non-recurring items

Operating cash flows generated were \$570 million for the 12 months and net debt at 30 June 2008 was \$16.0 million.

Australian casinos

Crown Melbourne and Burswood continued to cement their leadership positions in the Australian casino industry by posting another solid set of results, featuring normalised EBITDA growth of 8.2 percent.

Crown Melbourne reported gains of 6.4 percent in normalised EBITDA to \$433.3 million. Reported EBITDA for the period was \$444.1 million, reflecting an above theoretical win rate of 1.41 percent. Normalised revenue increased by 4.1 percent to \$1,371.0 million, while reported revenue increased to \$1,383.3 million.

Normalised EBITDA from Burswood was \$195.3 million, up 12.6 percent on the prior year. Reported EBITDA for the period was \$188.8 million, reflecting a below theoretical win rate of 1.27 percent which generated a negative impact of \$6.5 million. Burswood's normalised revenue increased by 14.2 percent over the previous year to \$655.2 million. Reported revenue increased to \$647.7 million.

Chief Executive Officer's Report

Continued

Crown Melbourne has been a proven earnings generator over the last decade and in the four years since its acquisition, EBITDA at Burswood has more than doubled (see Figures 1 and 2).

FIGURE 1
CROWN MELBOURNE 10 YEAR NORMALISED REVENUE AND EBITDA PERFORMANCE

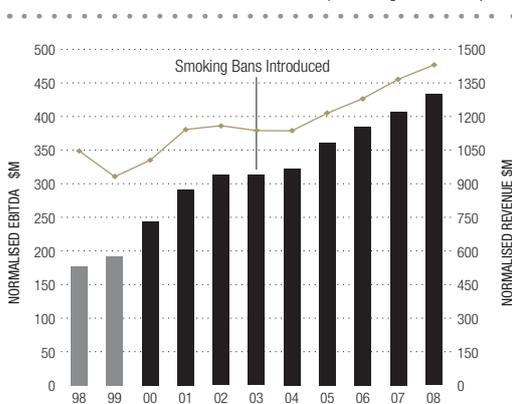
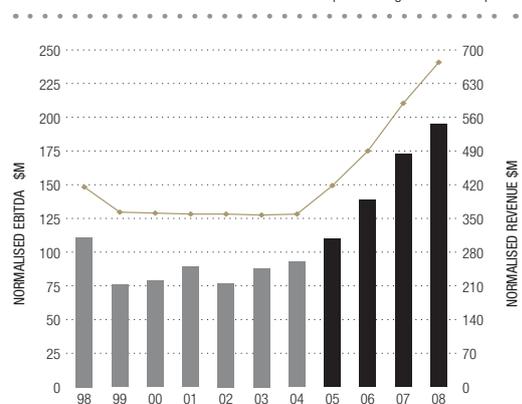


FIGURE 2
BURSWOOD 10 YEAR NORMALISED REVENUE AND EBITDA PERFORMANCE



Crown is committed to maintaining the leading positions of these Australian operations and has a comprehensive capital expenditure program continuing over the next three years to accelerate the growth of both properties.

Construction of a third hotel at Crown Melbourne is well underway and the upgrade of Crown Towers in Melbourne has commenced. Refurbishments of the main casino floors at both Crown Melbourne and Burswood are progressing steadily.

United States casino acquisition

In December 2007, Crown agreed to acquire Cannery Casino Resorts in the United States (US) for US\$1.75 billion on a cash and debt-free basis, subject to regulatory approval. Cannery operates in the “locals” gaming markets of Pittsburgh and Las Vegas, with a portfolio comprising the Meadows (temporary facility) in Pittsburgh, Cannery North, Rampart Casino and Eastside Cannery in Las Vegas. In April 2009, the Meadows permanent facility is due to open in Pittsburgh, in what is proving to be a very strong market.

The licensing process in Nevada and Pennsylvania is progressing well and we are hopeful of settling the Cannery acquisition in the coming months. It is expected to be EPS and cash flow positive in the first full year of ownership, with an EBITDA contribution of approximately US\$200 million expected in 2009/10.

Joint venture businesses

Melco Crown Entertainment Limited

Melco Crown Entertainment Limited (MPEL) has shown significant improvement during the year. Crown's share of MPEL's financial results for the period was a net loss of \$5.4 million which was a significant improvement from a loss of \$47.0 million reported in 2007.

Chief Executive Officer's Report

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Continued

Crown Macau traded well in completing its first full year of operations. It reported for the 2008 financial year an adjusted EBITDA¹ of US\$110.6 million, with trading in the second half generating US\$116.8 million of reported adjusted EBITDA.

The Macau market exhibited exceptional growth, with revenue up 49.2 percent for the 12 months to 30 June 2008. MPEL believes the recent announcements by the Central Government of China on visa restrictions are aimed at moderating that strong growth.

The Chief Executive of the Macau SAR has recently announced that the government intends capping the number of licensed casino operators “for the foreseeable future” and is ceasing further land grants for casino developments. It has also indicated a future regime which may cap both the number of tables and commission rates. MPEL is supportive of these changes.

MPEL is on track to open City of Dreams in the first half of 2009. We are very excited about this project and believe it will be a truly spectacular property.

During the year, MPEL issued an additional 37.5 million American Depository Shares, raising approximately US\$570 million. This diluted Crown's holding from 41.4 percent to 37.9 percent. In addition, MPEL closed a fully syndicated US\$1.75 billion debt facility, with recourse only to MPEL's assets, of which US\$500 million was drawn at 30 June 2008.

Gateway

In November 2007, New World Gaming, a 50:50 joint venture between Crown and Macquarie Bank, completed the transaction to buy Canadian casino operator Gateway Casinos. The acquisition was completed with a total Crown outlay of \$224 million, structured as \$75 million equity and \$149 million of subordinated debt. To complete the acquisition, New World Gaming secured seven year debt facilities of approximately C\$1.1 billion with recourse solely to the joint venture assets.

Gateway's contribution to Crown's earnings for the year comprises an equity accounted loss of \$6.0 million, offset by interest income of \$9.2 million on subordinated debt, giving a net contribution of \$3.2 million. Performance is expected to improve over the medium term following the implementation of operational improvements and the completion of property expansions and upgrades.

Aspinalls

Crown's share of Aspinalls' reported loss was \$9.1 million. The result was impacted by the introduction of smoking bans from July 2007, increased casinos tax, a low win rate at Aspinalls Club in London and pre-opening costs at Swansea and Newcastle. Recent trading has improved with significantly higher VIP volumes at Aspinalls Club and Newcastle has traded profitably in the second half.

Betfair Australasia

Crown holds a 50 percent interest in Betfair Australasia under a joint venture with The Sporting Exchange Limited, the world's largest betting exchange. Betfair is the only licensed betting exchange in Australia and has operated under licence from the Tasmanian Government since February 2006.

The Betfair Australasia business continues to build critical mass and has recently achieved cash break even. This is despite the negative impacts during the year of Equine Influenza and the severe marketing restrictions imposed on the business by legislation in various states. Betfair is in the process of challenging the legality of these restrictions.

(1) Adjusted EBITDA is earnings before interest, taxes, depreciation, amortisation, pre-opening costs, stock based compensation cost and other non-operating income and expenses, as reported by MPEL.

Chief Executive Officer's Report

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Continued

Other US investments

Crown holds a 19.6 percent interest in Fontainebleau Resorts LLC, a United States venture that is developing a major new casino resort and entertainment complex in Las Vegas and redeveloping a hotel resort in Miami. In April 2008, Fontainebleau diluted its interest in Fontainebleau Miami through the sale of a 50 percent interest to Dubai-based Nakheel Hotels.

During the year, Crown purchased a 4.9 percent fully diluted stake in Station Casinos and a 2.5 percent stake in Harrah's Entertainment Inc.

Crown has completed a review of the carrying value of each of the above US casino investments (categorised under Australian Accounting Standards as "Available for Sale Financial Assets"). This review has seen the book value of these assets written down to \$462 million, with \$181 million expensed and \$77 million taken to foreign exchange reserves. Crown remains comfortable with the long-term prospects of each of these investments.

Crown has written off its \$45 million investment in LVTI, a joint venture company in which Crown held a 37.5 percent interest, following LVTI's decision not to exercise its option to acquire a 27 acre site in Las Vegas.

Debt refinancing

In August 2008, Crown announced it had raised \$1.01 billion in new debt facilities. These new facilities have been used to partly repay Crown's existing \$2.15 billion Syndicated Loan Facility which is due to mature in August 2010.

Crown has commenced a program to fix interest rate exposure for more than 75 percent of its prospective net debt (post-Cannery settlement). Currently approximately \$1 billion of debt denominated in US dollars has been fixed for between five and 12 years at a cost of approximately 5.9 percent per annum.

Outlook

Crown management's focus over the coming twelve months will be on consolidating the performance of recent international acquisitions, delivering forecast earnings and managing the major capital expenditure programs at its existing Australian properties.

I would like to sincerely thank the Board, management and staff for their dedicated contribution in 2008.



ROWEN CRAIGIE
CHIEF EXECUTIVE OFFICER

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More information

More information regarding calculations of normalised results is included in **Crown's 2008 Full Year Results Announcement**, which is available on Crown's website at: www.crownlimited.com under the heading Investors – Presentations and Briefings.

Crown Melbourne

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Melbourne's premier entertainment complex is recognised as one of the largest and most diverse in the southern hemisphere, attracting more than 16 million visitors each year.

Overview

Crown Melbourne's integrated facilities feature Crown Casino; the Crown Towers and Crown Promenade hotels; the Palladium, which is Australia's largest ballroom; more than 50 restaurants and bars; an extensive collection of international designer boutiques and 13 cinemas. Crown Melbourne holds a 99 year lease over the Crown Melbourne site to 2092 and is licensed to operate the casino to 2033.

Main floor gaming revenue for the year grew 5.7 percent to \$801.8 million. This was in spite of the introduction of full smoking bans in bars on the main gaming floor and an increase in the Victorian Government gaming machine levy during the year.

VIP commission program play decreased 3.5 percent (at theoretical) to \$289.3 million on slightly reduced turnover of \$21.4 billion. Non-gaming revenue growth of 8.1 percent to

\$279.9 million was driven by an exceptionally strong result in both hotels and food and beverage. Operating margins increased from 30.9 percent to 31.6 percent during the year, reflecting the strong growth in higher margin businesses.

Crown Melbourne property update

The staged upgrade of the Crown Melbourne complex continues. On the gaming floor, the table games department opened the first of a series of premium gaming areas which follows on from the opening of the Riverside Gaming Lounge in December 2006. Sho Noodle bar, Crown Melbourne's newest and most exciting gaming floor dining experience, opened in August 2008. In addition, Caffe Corso, Tia To and East2West are the first of a series of new affordable outlets which opened in the complex. Crown Melbourne's central food court also completed its transformation and is now open to the riverside, offering diversity in snacks and meals. During the year, world-class restaurants Nobu, Bistro Guillaume and Giuseppe Arnaldo & Sons, joined Rockpool Bar & Grill and Crown Melbourne's other renowned restaurants to solidify its reputation as Melbourne's pre-eminent dining destination.





View of Crown Melbourne looking south from the CBD with an artist's impression of the third hotel (currently under construction)

Crown Melbourne

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Continued

The upgrade of Crown Towers has commenced and construction of a new five star 658-room hotel is advancing steadily, which will bring the total rooms available at the complex to more than 1,600.

These property upgrades will underpin future revenue growth at Crown Melbourne.



Local gaming and Crown Club

The local table games business grew strongly this year, supported by steady growth in gaming machines. Poker continues its strong growth in popularity. Crown Melbourne is recognised as operating Australia's leading poker room featuring one of the world's largest and most prestigious poker tournaments, The Aussie Millions, which has become a fixture on Melbourne's calendar of big events each January.

Crown Melbourne operates Crown Club, the largest gaming loyalty program in Australia, which promotes patronage across all of Crown Melbourne's facilities.

Responsible gaming

Crown Melbourne is recognised by government agencies and the gaming industry as a world leader in responsible gaming. Initiatives pioneered at Crown Melbourne, such as its customer support centre, have been adopted by government agencies in Canada and casino operators in Australia and New Zealand because they are accepted as proven measures to help problem gamblers. The customer support centre and its programs continue to be developed, drawing on professional counsellors, leading academics and researchers.

A high priority is placed on employee training in the areas of responsible gaming and casino awareness. A chaplaincy support service complements these activities.

Members of Crown Club who use gaming machines are encouraged to participate in Crown Melbourne's responsible gaming program "Play Safe", where they can nominate predetermined spending and time limits.

Crown Melbourne supports the Victorian Responsible Gambling Ministerial Advisory Council, which was established in 2004 as a direct line of advice to government on problem gambling issues and research priorities. It is represented on various working groups of the Council. Crown Melbourne is also a member of the Australian Gaming Council and the Australasian Casino Association.

Crown Melbourne

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Continued

VIP commission program play

Crown Melbourne has one of the largest single-site VIP gaming operations in the world. The complex is strongly marketed throughout Asia, a feature of which is the promotion of Melbourne and Victoria as attractive tourist destinations.

Along with major events that Melbourne offers, Crown Melbourne hosts its own attractions to stimulate international VIP visitation. This covers activities like concerts, golf and baccarat tournaments, karaoke, gala balls and dinners with world renowned chefs, lucky draws and other competitions and promotions.

Sales resources have been expanded in Greater China, including Hong Kong and Macau to capitalise on emerging opportunities. Select customers have access to Crown Towers Villas, the Crown corporate jet services, the private golf course Capital, as well as Crown Towers luxurious spa, international standard shopping and world class restaurants.

Hotels and conferences

Crown Towers maintained its leading position in the luxury five-star hotel segment and Crown Promenade has cemented its position as Melbourne's leading four-and-a-half star hotel. Hotel occupancy at Crown Towers was 90 percent with an average room rate of \$294 and at the Crown Promenade 94 percent and \$203 respectively.

At Crown Towers, the corporate and conferencing segments contributed the most significant increases, and average room rates also grew across all market segments. This year, Crown Towers was

awarded Top Hotel – Australia / Pacific in the U.S. Conde Nast Traveller Readers' Choice Awards and the Best Business Hotel in Australia, as judged by readers of Business Asia Magazine.

At Crown Promenade, all market segments recorded increases in room night activity, with the property's average room rate achieving strong growth. The Promenade Conference Centre performed strongly, supported by the combined 900 room inventory across the two hotels. Crown Promenade won both the Victorian and the Australian 2007 Tourism Awards for the Best Deluxe Accommodation.

Crown Melbourne's third hotel is on track for completion mid-2010. It is expected to leverage its prime position next to the Melbourne Convention and Exhibition Centre.



Crown Melbourne

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Continued

Restaurants and bars

Food and beverage operations at Crown Melbourne achieved outstanding growth, particularly from bars and banqueting. At the 2008 Victorian Restaurant and Catering Awards for Excellence, Crown Melbourne's Food and Beverage team was inducted into the Hall of Fame following its third consecutive award for Excellence in Professional Development.

Since year-end, four of Crown Melbourne's high performing restaurants were awarded the 2009 Age Good Food Guide's coveted chef's hats: Bistro Guillaume, Rockpool Bar & Grill, the brasserie by Philippe Mouchel and Giuseppe Arnaldo & Sons. In addition, Bistro Guillaume was named Best New Restaurant and Giuseppe Arnaldo & Sons won Best New Interior Design.

Crown Melbourne's more established restaurants continue to demonstrate the quality and breadth of our offering. Koko, Silks, Number 8 and the brasserie by Philippe Mouchel were all recipients of esteemed industry awards during the year.

Crown Melbourne's new entertainment venue, Fusion, opened in November 2007 and the well established Odeon is currently undergoing refurbishment and will reopen in November 2008.

Entertainment and events

Crown Melbourne presented a diverse range of shows, events, festivals, attractions and exhibitions. The Palladium ballroom hosted a significant number of high profile charity events including the ever popular 'Million Dollar Lunch' and 'Starry Starry Night' with each event attended by over 1,000 guests. It was also venue of choice for the TV Week Logie Awards, the AFL Brownlow Medal, the Cricket Australia Allan Border Medal, the Formula 1 Australian Grand Prix Ball and a variety of Victoria Racing Club Spring Carnival events including the Call of the Card and the Oaks Club Ladies Lunch.

New for the 2007 Melbourne Cup Carnival was Crown Melbourne's "Live Site" at Southbank, which attracted an estimated 80,000 people over the eight days and featured all the racing action on a super screen, live entertainment, celebrities, fashion parades, roving performers, press conferences and giveaways.

Other events included the Christmas Spectacular in the Atrium, Chinese New Year festivities on the riverside, as well as the 'My Last Supper' photography exhibition and associated dining hosted by leading Crown Melbourne chefs as part of the Melbourne Food and Wine Festival.

For the second consecutive year, Crown Melbourne joined the State Government of Victoria and the City of Melbourne as a Venue Partner in the 2008 Melbourne Jazz Festival. Celebrating its 10th anniversary, the festival was an action-packed six day program, featuring legendary jazz performers playing in some of Melbourne's finest venues including The Palms at Crown.

Our people

Crown Melbourne is Victoria's largest single-site employer. It is focused on attracting and retaining staff, building organisational capability and providing a safe and rewarding workplace for all employees. A key initiative this year was the launch of the Leadership Development Program to develop supervisory and leadership skills for employees in customer facing roles. Crown Melbourne's commitment to the training and development of staff was recognised by the 2008 Minister's Award for Excellence for Employers of Australian Apprentices. Crown Melbourne's Chef Apprentices were also recognised in the prestigious Capaldi Apprentice Challenge, a competition which determines the best apprentices in Victoria.

Burswood

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Burswood Entertainment Complex is a major Western Australian tourist attraction and a significant tourist revenue earner with one of the best performing casinos in the region.



Overview

Established in 1985 and acquired by PBL in 2004, Burswood is the fastest growing earnings contributor in Crown's portfolio. Located on the banks of the Swan River in Perth, the complex features a casino; InterContinental Perth Burswood and Holiday Inn Burswood hotels; seven restaurants; seven bars; a nightclub; a world-class convention centre; a 2,300-seat theatre; a 20,000-seat capacity indoor stadium; a day spa and retail outlets. Burswood owns the land on which the casino is built and is licensed to operate the casino until at least 2060.

Burswood continues to build on its diversified entertainment credentials in the local, national and international markets through the development and expansion of its total offer. The redevelopment and upgrade of the main gaming floor will continue over the next three years.

Main floor gaming revenue grew 11.5 percent to \$370.4 million and VIP commission program play was up 23.2 percent to \$125.6 million on turnover of \$9.3 billion, with the new international gaming salons being well received by patrons. Non-gaming revenue growth of 14.2 percent to \$159.2 million was particularly strong.

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Burswood

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Continued

Operating margins at Burswood decreased slightly from 30.2 percent to 29.8 percent, reflecting the tight labour market in Perth which has increased wage and overtime costs, higher marketing costs and an increase in lower margin VIP commission program business.

Local gaming and Club Burswood

Local gaming earnings continued to grow, with solid contributions from both table games and electronic games. Underpinning performance was the opening of the Riviera Room in July 2007 and the continuing refurbishment of the main gaming floor.

Electronic gaming continued its new product growth, with approval for 10 new games in 2008. The table games department expanded the Touchbet links, introduced *Texas Hold'Em* Progressive and installed a new Rapid Baccarat product in the second half, which has shown steady results. Membership of Burswood's loyalty program, Club Burswood, grew strongly during the year. The introduction of improved offers and promotions proved successful.

Responsible gaming

Burswood is committed to providing responsible gaming services through the promotion of effective and responsible gambling programs, information, assistance and services. It has continued to implement initiatives to reinforce this commitment following the appointments of a community relations manager and an experienced adviser.

A new dedicated web site, gamblerresponsibly.com.au, was developed and launched. Participation

in the national Responsible Gambling Awareness Week, improvements to the self-exclusion program and gaming personnel training were successful in promoting awareness. Work is underway for a new Responsible Service of Gambling Information Centre for patrons of Burswood.

VIP commission program play

Solid revenue growth was achieved in international gaming through a stronger sales and marketing campaign, together with the introduction of two new \$4 million Infinity Suites at InterContinental Perth Burswood to high-end customers from Asia.

A comprehensive international event schedule included a Passport to Golf promotion featuring seven golf tournaments, the annual Baccarat Tournament, and elaborate Chinese New Year festivities.

Hotel properties

InterContinental Perth Burswood maintained its position as the leading luxury hotel in Perth. The continued integration of Holiday Inn Burswood as the mid-scale accommodation offer contributed also to increased leisure and corporate spend. The extensive global branding and guest loyalty program from both hotels attracted guests to the complex.

Burswood

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Continued

Hotel occupancy at InterContinental Perth Burswood was 78 percent with an average room rate of \$223 and at the Holiday Inn it was 89 percent and \$173 respectively. These solid levels across both properties were assisted by growth in city-wide market demand driven by stronger than expected corporate travel and an increase in leisure arrivals by air.

Restaurants and bars

Burswood's restaurants and bars portfolio continued to deliver exceptional growth. A continued focus on the delivery of contemporary, innovative and diversified product offerings underpinned the result, highlighted by the opening of MINQ Bar and Lounge in August 2007 and Carbon Sports Bar in December 2007.

Effective advertising, additional traffic generated from the main gaming floor and a comprehensive marketing and event programs in all key outlets have contributed to the strong performance. Established restaurants Yú, Victoria Station, Atrium and (A)LURE were all nominated for multiple AHA and industry awards throughout the year.

A key initiative during the year was the introduction of dedicated Responsible Service of Alcohol Officers responsible for patrolling the complex during peak operating hours.

Entertainment and events

Major events presented at Burswood included the opening and closing parties for Miss Saigon, the launch of the Perth Fashion Festival held in Sirocco Restaurant, the (A)LURE Lawn party at Ascot's Spring Racing Carnival, the 'Zestinations' series in the Atrium, a two-day Hawker's Bazaar and a premium dining series shared across the portfolio. Burswood also hosted various high profile charity events and record cover numbers were achieved during the festive season.

Burswood Dome and Burswood Theatre performed solidly, driven by the strong West Australian economy and high Australian dollar appealing to promoters. Contributing to the success was Burswood Dome's unique position as the only large capacity concert venue with weather protection in Perth, underpinned by comprehensive technical and marketing support. The accomplishments of the entertainment team were recognised by its second consecutive AHA Award for Excellence in Live Entertainment.

Conventions and events saw strong growth continue. The Astral, Burswood's refurbished ballroom, further added to performance credentials in this financial year recording increased revenues significantly.



Cannery

(pending – subject to regulatory approval)

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Cannery Casino Resorts operates casinos in Pennsylvania and Nevada in the United States, catering to “locals” customers.



Overview

Crown agreed in December 2007 to acquire 100 percent of Cannery Casino Resorts on a cash and debt-free basis for US\$1,752 million plus acquisition costs. This transaction is subject to regulatory approval.

Cannery is a well established US “locals” casino operator, operating the Meadows, Pittsburgh (temporary facility), Cannery North, Rampart (leased property) and the recently opened Eastside Cannery in Las Vegas. A permanent facility for the Meadows is due to open in April 2009.

Current trading performance

Crown has not yet settled the acquisition and has therefore not reported earnings from Cannery. The existing Cannery management have provided recent trading data.

The Meadows has continued to improve its operating performance as the year has progressed, with revenue in July 2008 up 18 percent on last July (the first available year-on-year monthly comparison). Cannery North and Rampart have performed comparatively well in their markets. Total revenue in the seven months from January to July 2008 is less than

one percent below the previous corresponding seven month period, despite the overall Las Vegas “locals” market being down approximately 5 percent in the six months ended 30 June 2008.

Outlook

On completion of the Meadows development, Cannery will operate approximately 9,000 slot machines and 73 table games, together with 514 hotel rooms. The market in Pennsylvania remains an immature one and is expected to continue to grow strongly in the coming year.

Eastside Cannery is the first new property in 10 years on the Boulder Strip, Las Vegas and we expect it to perform well in that market.

Crown is hopeful of receiving approvals from the Nevada and Pennsylvania Gaming Control Boards in the coming months and finalising this acquisition shortly thereafter. It is expected that the Cannery acquisition will be EPS and cash flow positive in the full first year of ownership. Cannery EBITDA in 2009/10 is expected to be approximately US\$200 million.

Melco Crown Entertainment

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Melco Crown Entertainment (NASDAQ:MPEL) is an owner and developer of casino gaming and entertainment resort facilities that are focused on the rapidly expanding gaming market in Macau.



Overview

Crown currently holds a 37.9 percent equity interest in Melco Crown Entertainment (MPEL), a joint venture between Crown and Melco International Development Limited. MPEL was listed on the NASDAQ in December 2006.

MPEL's financial performance has showed significant improvement during the 2007/08 year. Crown's share of MPEL's financial results was a loss of \$5.4 million, down from a loss of \$47.0 million reported in 2006/07. Crown Macau traded well in completing its first full year of operations.

Macau is a Special Administrative Region of the People's Republic of China located on the southeast coast approximately 60 kms from Hong Kong. As the only Chinese territory where gaming is legal, gaming revenue in Macau has grown substantially. For the year to 30 June 2008 gaming revenue was up 49.2 percent, with visitation to the region up 20.9 percent to 29.3 million visitors. During the year the Central Government of China introduced a number of visa restrictions aimed at moderating that strong growth.

The Chief Executive of the Macau SAR has recently announced that the government intends capping the number of licensed casino operators "for the foreseeable future" and is ceasing further land grants for casino developments. It has also indicated a future regime which may cap both the number of tables and commission rates. MPEL is supportive of these changes.



Melco Crown Entertainment

Continued



Crown Macau, Taipa

The first of MPEL's casino properties is the six-star Crown Macau, which opened in May 2007. Reported adjusted EBITDA for Crown Macau was US\$110.6 million, with trading in the second half generating a pleasing US\$116.8 million of reported adjusted EBITDA.

City of Dreams, Cotai

MPEL is developing a second casino property, City of Dreams, located on the Cotai strip. The first phase of City of Dreams is scheduled to open in the first half of 2009. Over 90 percent of the hard costs associated with phases

one and two have been let to subcontractors and all four hotels have topped out, with interior fit out work well underway. Pre-opening costs of approximately US\$110 million is expected to be incurred and expensed by MPEL in Crown Limited's 2008/09 financial year. These will have a one-off adverse impact of approximately \$45-50 million on Crown Limited's result in that year.

Macau Peninsula

MPEL has entered into a contract, subject to conditions, to acquire a site on the Macau Peninsula. MPEL continues to review and develop its plans for the development of the Macau Peninsula project and has recently negotiated an extension for its purchase. This extension provides additional flexibility in the timing for the closing of the transaction and preserves the company's ability to complete the transaction through July 2009, subject to various closing conditions. MPEL believes that the Macau government's recent policy announcements will not affect this project.

Mocha Clubs

Mocha Clubs comprises a number of gaming lounges in Macau operating approximately 1,100 slot machines.



Gateway

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Gateway Casinos is one of the largest casino and entertainment companies in Western Canada.

Overview

Crown holds a 50 percent equity interest in Gateway Casinos following its acquisition in November 2007 by New World Gaming, a 50:50 joint venture between Crown and Macquarie Bank.

Gateway Casinos operates seven casinos in British Columbia and two casinos in Alberta. These are operated under a unique business partnership model required under Canadian law whereby the Provincial Government owns the slot machines and tables, while Gateway collects an agreed share of gross gaming revenue. Additional compensation is received by Gateway in British Columbia to reimburse capital expenditure until the original amount is recovered. This usually takes five to eight years. Gateway retains ownership of the asset.

Operating performance

Trading at Gateway over the seven months since acquisition was negatively impacted by the introduction of full smoking bans in April 2008, the new Starlight property (which opened in December 2007) trading below expectations and delays in implementing previously identified operational improvements.

New developments

There are a number of projects in the development pipeline: the new Burnaby Grand Villa Casino, scheduled to open in late 2008; the expanded Cascades Casino, to be completed in late 2008; the new Vernon Casino, opening mid-2009; and expanded Kelowna Casino and new Kamloops Casino, both scheduled for completion in 2010. On completion of these new developments, Gateway will operate more than 5,400 slot machines and over 200 tables, together with 277 hotel rooms.

Outlook

Crown expects to see improved performance as additional capacity comes on line from new properties and expansions. Crown expects that the Gateway business will be a profitable long-term investment.



Aspinalls



Crown holds a 50 percent interest in Aspinalls under a joint venture with the Aspinall Group, Britain's longest established gaming operator.

Aspinalls currently operates four casinos in the United Kingdom: Aspinalls Club in London's Mayfair; and three regional casinos in Newcastle, Swansea (opened in September 2007) and Northampton (opened in June 2008 under a joint venture with Kerzner UK).

Trading during the past year was impacted by the introduction of smoking bans in July 2007, an increase in the levels of casino tax, a low win rate at Aspinalls Club and pre-opening costs for Swansea and Northampton.

Recent trading has improved with significantly higher VIP volumes at Aspinalls Club and Newcastle has traded profitably in the second half. Further revenue enhancing strategies are being implemented in order to improve performance.

Betfair Australasia



Crown holds a 50 percent interest in Betfair Australasia under a joint venture with The Sporting Exchange Limited, the world's largest betting exchange.

Betfair is the only licensed betting exchange in Australia and has operated under licence from the Tasmanian Government since February 2006. For the past 12 months, revenue grew 13 percent to \$23.1 million despite some significant challenges. These were the negative impact of Equine Influenza on horse racing, together with a ban on betting exchanges in Western Australia which was unanimously overturned by the High Court of Australia in March 2008.

Betfair has subsequently reinstated its business in Western Australia and has challenged advertising restrictions in New South Wales and Victoria.

Betfair is now experiencing strong underlying growth, with registrations up 94 percent, funded accounts up 62 percent and active customers up 43 percent in June 2008. The company also recently launched the "Tote at Betfair" web interface and has finalised agreements with all major sporting and racing bodies in Australia. Betfair employs 100 people in Hobart and Melbourne.

Other US Investments



Crown holds a 19.6 percent equity interest in Fontainebleau Resorts, which is constructing a casino resort on the strip in Las Vegas, scheduled to open in late 2009. Fontainebleau also owns a 50 percent interest in a resort hotel complex in Miami, following the sale of 50 percent to Dubai-based Nakheel Hotels for US\$375 million in April 2008. Fontainebleau Miami is undergoing a major renovation and will open in late 2008.

Crown purchased a 4.9 percent fully diluted stake in Station Casinos, which pioneered the "locals" gaming market in

Las Vegas and caters primarily to local workers and residents. The Station Casinos franchise includes eight major gaming and entertainment complexes and five smaller casinos.

Crown also purchased a 2.5 percent stake in Harrah's Entertainment Inc. Harrah's is the world's largest provider of branded casino entertainment, owning or managing casino resorts on four continents. The company's properties operate primarily under the Harrah's, Caesars and Horseshoe brand names.

Community and the Environment

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The community

Crown is proud to support the local communities in which it operates through financial and in-kind donations, participation and support of non-profit events, employee volunteer contributions and sponsorships.

Crown Melbourne

Crown Melbourne contributes to the Victorian community through its financial support of community organisations and charities including the Royal Children's Hospital (including the RCH 1000 and the Neonatal Unit programs), the Heartwell Foundation, Make-A-Wish and KOALA Foundation (Kids Oncology and Leukaemia Action Group), Open Family Australia, Challenge, Kids Under Cover and the



Neuroscience Foundation. Crown Melbourne also assists hundreds of community-based associations, from schools and sporting clubs to fire brigades, police units and ethnic groups, by donating in-kind prizes, such as accommodation, for fundraising activities.



A highlight this year included hosting two of Australia's largest and most successful fundraising initiatives: the KOALA Foundation's annual Million Dollar Lunch and the Ilhan Food Allergies Foundation's Rainbow Ball. A combined total of over \$3 million dollars was raised to boost research, aid and awareness nationally for both causes.

Crown Melbourne actively participates in numerous community-based projects. One project is the Victorian Safer Communities Network and the Australian Safer Communities Foundation. This year it was a founding member of the ReTALE Project which identifies homeless youth to offer opportunities for training and work experience to enhance their employment prospects for the future.

Community and the Environment

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Continued

Burswood

Burswood contributes to the Western Australian community under its community partnerships program, 'A Brighter Future'. With 80 percent of front line staff between 18 and 30 years of age, Burswood's current focus is on supporting this demographic, with the aim of making a sustainable difference to a group that is representative of the future.

'A Brighter Future' targets a cross section of issues and projects relevant to young people. In 2008, Burswood launched Young Artists With Attitude, part of Telethon Speech and Hearing's high



profile Art exhibition held at Burswood and giving local artists a high profile platform to exhibit their work.

Burswood also sponsored STYLEAID in 2008, a fashion fundraiser to benefit the Western Australian Aids Council. The WAAC provides a range of services to the Western Australian community, including care and support for HIV positive people and educational programs.

Funds, resources and services continue to be donated to a range of community-based projects, events and local charities. Burswood supported many community partners by hosting their annual gala fund-raising events. This year's highlights were the annual Ronald McDonald House Charities Ball and the annual Youth Focus Ball, which raised funds to assist in the prevention of youth suicide and depression. This year, a record number of staff participated in the annual 'Walk To Cure,' in support of the Juvenile Diabetes Research Foundation.

Burswood continues its sponsorship program to support local businesses and sporting organisations. These included the West Coast Eagles and Fremantle Dockers AFL clubs, the Western Force Super 14 Rugby Union team and the Western Australian Olympic Council in the lead-up to the Beijing Olympic Games. Burswood Dome also hosted the 20th Hyundai Hopman Cup tennis tournament.

Community and the Environment

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Continued

The environment

Crown is committed to make meaningful contributions toward reducing its environmental impact by pursuing sustainable energy, water and waste practices in all of its operations. This commitment is consistent with the objectives to create memorable experiences and enhance shareholder value.

Crown Melbourne

While the business experienced strong operational growth, Crown Melbourne's water consumption remained steady at 2007 levels, which were 20 percent less than the previous year. Crown's updated and approved waterMAP plan continues to improve efficiencies. New initiatives during the year included the introduction of rainwater harvesting systems, which were commissioned to further increase self-sufficiency and meet landscaping and back-of-house requirements. Employees participated in a water-efficient shower head exchange program that was run in conjunction with South East Water.

Energy assessments were carried out in accordance with the Commonwealth Government's Energy Efficiencies Opportunities program and a number of large-scale lighting projects made an important contribution to energy efficiency across the site. One of these was the upgrade of all lights in the 3,400-bay multi-level car park to energy efficient lamps.

Waste reduction efforts continued to build momentum with almost 250 tonnes of food waste diverted to a natural recovery (or composting) facility instead of landfill. Crown Melbourne

also hosted a sustainability workshop during the year facilitated by PricewaterhouseCoopers. The workshop generated more than 100 opportunities for energy efficiency that are currently being evaluated.



Burswood

Reducing Burswood's environmental impact remained a core aim throughout this period of significant investment and construction.

Key focuses this year were lighting projects to retrofit energy efficient lighting in addition to the introduction of a building management system to monitor air-conditioning and electrical energy usage across the property.

Water audits by an external agency were conducted across the complex resulting in significant water savings and an increase in water efficiency scores. In addition, a bore was installed which, in conjunction with complex-wide water saving initiatives, will provide a one mega-litre reduction in scheme water usage annually.

Corporate Governance Statement

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

Crown was admitted to the official list of the ASX on 3 December 2007 (**Listing**) and has been subject to the ASX Listing Rules since that time.

As a newly listed entity, Crown has taken the opportunity to establish structured corporate governance practices appropriate to Crown and the industry in which it operates.

This Statement sets out the extent to which Crown Limited (**Crown**) has followed the best practice recommendations set by the ASX Corporate Governance Council during the period commencing from its Listing to 30 June 2008.

Crown has elected to report against the Corporate Governance Principles and Recommendations (**Revised Principles**) released by the Council on 2 August 2007.

Principle 1

Lay solid foundations for management and oversight

Functions reserved for the Board

The Board is responsible for guiding and monitoring Crown on behalf of its shareholders. In addition, the Board 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.

Functions delegated to Senior Management

Management has responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

Process for evaluating performance of senior executives

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

Detailed information regarding Crown's remuneration practices is provided in the Remuneration Report, commencing at page 33.

Induction process for new senior executives

Crown senior executives are required to undertake formal induction training through Crown's on-site accredited training facility – Crown College.

The program involves training about:

- the history and development of the Crown brand and business;
- the main legal and regulatory obligations affecting the Crown business; and
- the rights and obligations of Crown employees.

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



More information

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

Principle 2

Structure the board to add value

Composition of the Board

As at the date of this Statement, the Board comprises the following eleven directors:

- James D Packer
Executive Chairman
- John H Alexander BA
Executive Deputy Chairman
- Christopher J Anderson BEc
Non-independent, non-executive Director
- Christopher D Corrigan
Independent, non-executive Director
- Rowen B Craigie BEc (Hons)
Chief Executive Officer and Managing Director
- Rowena Danziger BA, TC, MACE
Independent, non-executive Director
- Geoffrey J Dixon
Independent, non-executive Director
- Ashok P Jacob MBA
Non-independent, non-executive Director
- Michael R Johnston BEc, CA
Non-independent, non-executive Director
- David H Lowy AM, BCom
Independent, non-executive Director
- Richard W Turner AM, BEc, FCA
Independent, non-executive Director

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Information about each director's qualifications, experience and period in office is set out in the Directors' Statutory Report, commencing at page 56.

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

Relationships affecting independence

Of Crown's eleven directors, five are independent directors. The independence of directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each director who is listed as an independent director complies with the relevant criteria for independence set out in the Crown Board Charter.

Departure from Recommendation 2.1: The Revised Principles recommend that a majority of the Board should be independent directors. Crown does not comply with this recommendation. The Board, however, considers that its shareholders are best served by ensuring that directors have appropriate skills and experience to manage the business of Crown, notwithstanding that they may not be characterised as independent. Almost half of Crown's directors are, however, independent. In addition, all directors have access to independent advice to assist in the discharge of their duties (see further below).

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

Procedure for selection and appointment of new directors

In the event that a new director appointment is required, the Board will adhere to procedures including the following:

- the experience and skills appropriate for an appointee, having regard to those of the existing Board members and likely changes to the Board 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; and
- finally, all existing Board members must consent to the proposed appointment.

Departure from Recommendation 2.4: The Revised Principles recommend that the Board should establish a Nomination Committee. The Board has not established a Nomination Committee as it does not consider that the process for determining potential directors would be made more efficient by doing so. The appointment of new directors is a matter specifically reserved to the Board. In appropriate circumstances, the Board may delegate some or all of this process to a relevant Committee.

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

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 Board and Committee member.

The questionnaire covers the role, composition, procedure and practices of the Board and its Committees. The individual responses to the questionnaire are confidential to each Board/Committee member, with questionnaire responses to be provided to the Chairman of the Audit & Corporate Governance Committee for his consideration and provision to the Executive Chairman of the Board.

Procedures for taking independent advice

To enable Crown's Board to fulfil its role, each director may obtain independent advice on relevant matters at Crown's expense. In these circumstances, the director must notify the Executive Chairman of the nature of the advice sought prior to obtaining that advice, so that the Executive Chairman can take steps to ensure that the party from whom advice is sought has no material conflict of interest with Crown. The Executive Chairman is also responsible for approving payment of invoices in relation to the external advice.

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

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

Crown Board Committees

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

Committees	Current Members	Meetings held since Listing	Attended by
Audit & Corporate Governance	Richard Turner (Chair) Michael Johnston Rowena Danziger	19 February 2008 20 May 2008	All members
Finance*	Geoffrey Dixon (Chair) Michael Johnston Richard Turner		
Investment*	James Packer (Chair) John Alexander Ashok Jacob Rowen Craigie		
Occupational Health & Safety	Rowena Danziger (Chair) Michael Johnston Rowen Craigie	13 March 2008 20 May 2008	All members
Remuneration**	James Packer (Chair) John Alexander Geoffrey Dixon		
Risk Management	Geoffrey Dixon (Chair) Rowena Danziger Rowen Craigie	13 June 2008	All members

* The Investment Committee and the Finance Committee have not met since Listing.

** The primary role of the Remuneration Committee is to review non-executive director remuneration. The Committee meets once a year to review performance for the previous year. Accordingly, the Committee has not met since Listing.

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



More information

A full copy of each of Crown's **Committee Charters** is available on its website at: www.crownlimited.com under the heading Corporate Governance – Charters.

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

Principle 3 Promote ethical and responsible decision-making

Codes of conduct

Crown has established separate Codes of Conduct that outline the standard of ethical behaviour that is expected of its Directors and of its employees at all times.

The Code of Conduct for Employees is a detailed statement of the:

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

Policy concerning trading in company securities

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

The Securities Trading Policy:

- includes a requirement that employees do not buy and sell Crown shares and securities within a 12 month period (ie that they do not short trade);
- establishes formal "trading windows" during which Crown employees can and cannot trade in Crown shares and securities;
- sets out Crown's policy on entering into transactions in associated products which limit economic risk; and
- summarises the application of the insider trading provisions of the Corporations Act and the consequences of contravention thereof.



More information

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

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

Principle 4 Safeguard integrity in financial reporting

Crown Audit Committee and Charter

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

The members of the Audit & Corporate Governance Committee are Richard Turner (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 Richard Turner is an independent director who has extensive financial qualifications and experience, having been an audit partner at Ernst & Young and having held the position of Chief Executive Officer of Ernst & Young prior to his retirement in 1994.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report, commencing at page 56.

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 Crown's **Audit & Corporate Governance Committee Charter** is available on its website at: www.crownlimited.com under the heading Corporate Governance – Charters.

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 on its website at: www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 6 Respect the rights of shareholders

Promotion of effective communication with shareholders

Crown has designed 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 Full Financial Annual Report;
- disclosures made to ASX; and
- notices of meeting and other explanatory memoranda.

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

More information

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

Principle 7 Recognise and manage risk

Policy for the oversight and management of material business risks

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

Design and implementation of risk management and internal control systems

The Board requires Crown's management to devise and implement risk management systems and to monitor the effectiveness of those systems. The Board convened Risk Management Committee is charged with administering 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.

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

Chief Executive Officer and Chief Financial Officer assurances

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

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More information

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

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

Principle 8 Remunerate fairly and responsibly

Remuneration of Board members and Senior Executives

As indicated earlier, Crown has established a formal Remuneration Committee. The role of the Remuneration Committee is to review and recommend appropriate Directors' Fees to be paid to non-executive Directors. At the discretion of the Crown Board, the role of this Committee may be extended to the remuneration policies to be applied to executives, including any equity-based remuneration plan that may be considered, subject to shareholder approval (where required).

The current members of the Remuneration Committee are James Packer (Chair), John Alexander and Geoffrey Dixon.

Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report, commencing at page 56.

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

A summary of current remuneration arrangements is set out more fully in the Remuneration Report, commencing at page 33.

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.

Departure from Recommendation 8.1: The Revised Principles recommend that the Remuneration Committee should be structured so that it consists of a majority of independent directors, is chaired by an independent director and has at least three members.

Whilst the composition and responsibilities of the Committee are not consistent with the recommendations in the Revised Principles, the Committee provides an effective and efficient mechanism for consideration of appropriate remuneration policy for Crown, responsibility for which ultimately lies with the Crown Board.

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

Crown's policy on directors and employees entering into transactions in associated products which limit economic risk is referred to in its Securities Trading Policy.

The Policy provides that in accordance with the Rules of the Executive Share Plan (**ESP**) operated by Crown those "Directors and employees of the Crown Group" who hold Crown shares under the ESP must not, without the prior consent in writing of Crown, sell, create a security interest in, or otherwise dispose or deal with their Crown shares or any of their interests in any of those Crown shares.



More information

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

A full copy of Crown's **Remuneration Policy** is available on its website at: www.crownlimited.com under the heading Corporate Governance – Policies.

Remuneration Report

Introduction

Content of the Report

This Remuneration Report outlines the director and executive remuneration arrangements of Crown in accordance with the requirements of the Corporations Act 2001 and its Regulations. It also provides the remuneration disclosures required by AASB 124 Related Party Disclosures.

Structure of disclosures

As shareholders are aware, Crown acquired the majority of its gaming assets via two schemes of arrangement between the then Publishing and Broadcasting Limited (**PBL**) (now Consolidated Media Holdings Limited (**CMH**)), Crown and their respective shareholders. Under the first scheme, the “PBL Scheme”, Crown acquired all of the shares in PBL. Under the second scheme, the “Demerger Scheme”, the non gaming assets of PBL were demerged from the Crown group.

The disclosure document used in connection with the schemes of arrangement (the PBL Scheme Booklet) is available on Crown’s website www.crownlimited.com. The PBL Scheme Booklet describes in detail how the PBL Scheme and the Demerger Scheme were effected and provides useful context and background to this Report.

Crown is principally a gaming and entertainment business managed by its Board and key gaming executives. The application of Australian Accounting Standards, however, requires that this Report provide information in relation to persons who at any time during the financial year were members of the consolidated Crown group. Due to the way in which the two schemes were effected, application of Australian Accounting Standards requires Crown to provide information in relation to both “gaming” directors and executives as well as other ex PBL “media” executives who have not participated in the gaming business of Crown during the year but have been part of the “Crown consolidated group” during the year.

Crown has attempted to present the contents of this Report in a way which clearly distinguishes between “gaming” directors and executives who have principally been involved in furthering the business of Crown and “media” directors and executives, so as to provide meaningful and relevant information to shareholders.

Persons to whom Report applies

The remuneration disclosures in this Report cover the following persons:

Non-executive directors

- Christopher J Anderson
- Christopher D Corrigan
- Rowena Danziger
- Geoffrey J Dixon
- Ashok P Jacob
- Michael R Johnston
- David H Lowy
- Christopher J Mackay (resigned 7 March 2008)
- Richard W Turner

Executive directors

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

Other company executives and key management personnel

- David G Courtney (Chief Executive Officer, Crown Melbourne Limited)
- Barry J Felstead (Chief Executive Officer, Burswood Limited)
- Geoffrey R Kleemann (Chief Financial Officer)

Media company executives and key management personnel

As mentioned above, due to the application of Australian Accounting Standards, this Report also sets out remuneration disclosures in relation to:

- Martin P Dalgleish
- Guy Jalland

Mr Dalgleish and Mr Jalland held executive roles within the PBL group prior to the PBL Scheme. Following implementation of the two schemes, Mr Dalgleish moved to a different position within the CMH group. Mr Jalland ceased employment with the PBL group on 21 December 2007.

In this Report the group of persons comprised of the Executive Directors and the other company executives and key management personnel (both gaming and media) are referred to as “Senior Executives”. The Senior Executives above include the five most highly remunerated executives of the Crown consolidated group.

Overview of remuneration policy

Philosophy

The performance of the Crown group is dependent upon the quality of its directors, senior executives and employees. Crown seeks to attract, retain and motivate skilled directors and senior executives 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 Remuneration Committee bears the responsibility of determining the appropriate remuneration for non-executive directors. Non-executive directors’ fees are reviewed periodically by the Remuneration Committee with reference taken to the fees paid to the non-executive directors of comparable companies. The 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 Committee may also elect to receive advice from independent remuneration consultants if necessary.

Details regarding the composition of the Committee and its main objectives are outlined in the Corporate Governance Statement. The Board deems it appropriate that Mr James Packer, who is not an independent director of Crown and does not receive remuneration from Crown, chair this Committee.

No performance based fees are paid to non-executive directors. Non-executive directors are not entitled to participate in the Executive Share Plan.

Non-executive directors are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the Superannuation Guarantee legislation. Notwithstanding, the Executive Chairman and Executive Deputy Chairman may consider making a payment to a retiring non-executive director having regard to the length of service and contribution of the retiring non-executive director and will consider the appropriateness and reasonableness of the amount in light of payments made by comparable companies.

Senior Executives

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

Details of Senior Executive remuneration structure

Fixed remuneration

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

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

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation Guarantee legislation and at the election of the Senior Executive, may include other benefits such as a motor vehicle or motor vehicle allowance, car parking, mobile telephone costs and club membership, aggregated with 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 of Crown and is approved by the Executive Chairman and Executive Deputy Chairman.

The review process includes consideration of the performance of the Senior Executive as measured by achievements against agreed Key Performance Indicators (see further below), performance of Crown and the business in which the Senior Executive is employed, relevant comparative remuneration in the market and external advice.

Fixed remuneration for the Chief Executive Officer and Managing Director is reviewed and set annually following consideration by the Executive Chairman of the performance of the Chief Executive Officer and Managing Director.

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 42.

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 during the year are as follows:

- Short Term Incentives (**STIs**);
- Long Term Incentives (**LTIs**); and
- An Executive Share Plan.

Short Term Incentives

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 Key Performance Indicators (**KPIs**). The employment contracts of some Senior Executives may specify an indicative STI subject to the Crown group's performance and, if applicable, this indicative STI is set out in the summary of their employment contract below.

The basis for payment of an STI is the achievement of the Senior Executive's KPIs established at the beginning of each financial year. The focus is on the achievement of the Crown group's annual business plan and budget.

Financial performance objectives (including performance against budgeted EBITDA) have been chosen as Crown considers they are the best way to align performance outcomes with shareholder value.

Appropriate non-financial performance objectives (such as strategic goals, operational efficiencies and people development) are also chosen where they are within a Senior Executive's sphere of influence and are relevant to the Senior Executive's area of work, as these metrics are aligned with the achievement of Crown's business plan.

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

The Chief Executive Officer and Managing Director reviews performance based remuneration entitlements and determines the STI payments subject to final approval by the Executive Chairman.

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

As at the date of this Report, the approval process for STI payments for gaming Senior Executives for the 2008 financial year has not been completed. Accordingly, the remuneration tables set out in this Report do not disclose an STI payment for the 2008 financial year. STI payments, if any, will therefore be disclosed in Crown's 2009 Annual Report.

Long Term Incentive Plan (Gaming LTI)

This incentive was established in June 2005 whilst Crown's principal gaming businesses were owned by PBL. It was introduced following review of long term incentive plans operated by major competitors of the gaming business and as a means of retaining and motivating selected executives. The Gaming LTI was initially designed so that selected executives would be entitled to a cash bonus where the then "PBL Gaming Division" comprising Crown Melbourne and Burswood achieved its internal EBITDA targets in three, four and five years.

Selected participating Senior Executives may earn the maximum EBITDA cash bonus apportioned over the financial years 2008, 2009 and 2010, subject to the achievement of relevant EBITDA targets.

If the EBITDA target is not reached in any financial year, the amount of the EBITDA Cash Bonus for that year may be held over to the following year or until financial year 2010 and will be payable if the total aggregate EBITDA for Crown Melbourne and Burswood for all three financial years exceeds the aggregate sum of the EBITDA internal targets for financial years 2008, 2009 and 2010.

The Chief Executive Officer and Managing Director determines if the EBITDA target has been met by reference to the audited financial reports of the Crown group and provides the data to the Executive Chairman for his ratification.

Crown has achieved the aggregate EBITDA internal targets for Crown Melbourne and Burswood for financial year 2008. A cash payment has therefore been made to participating executives referable to the 2008 financial year.

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

Senior Executive	Maximum Amount	30 June 2008 (30%)	30 June 2009 (20%)	30 June 2010 (50%)
Rowen Craigie	\$5,000,000	\$1,500,000	\$1,000,000	\$2,500,000
David Courtney	\$2,250,000	\$675,000	\$450,000	\$1,125,000
Barry Felstead	\$1,000,000	\$300,000	\$200,000	\$500,000

Executive Share Plan

Certain Crown executives participate in an Executive Share Plan (**ESP**) which was approved by PBL Shareholders at the 1994 Annual General Meeting. A total of 1,190,000 ESP Shares (which includes the issue to Mr Craigie on 23 November 2007 identified below) were issued to selected executives in financial year 2008.

Prior to the approval of the PBL Scheme, the executives participating in the ESP (**ESP Participants**) held, in total, 10,680,000 PBL ESP shares (**PBL ESP Shares**), in respect of which there were outstanding loans totalling \$185,642,300 (**PBL ESP Loans**) due to PBL. This included a further 1,150,000 PBL ESP Shares issued to Mr Rowen Craigie on 23 November 2007. These additional shares were subject to a PBL ESP Loan of \$22,004,500.

Variations to the ESP and the key ESP terms: As disclosed in the PBL Scheme Booklet (at page 133), the rules governing the operation of the ESP were varied to enable ESP Participants to participate in the PBL Scheme (and continue to participate in the ESP) as follows:

Restrictions were lifted to permit ESP Participants to participate in the PBL Scheme:

The restrictions on transfer of the PBL ESP Shares were lifted to allow the PBL ESP Shares to participate in the PBL Scheme in the same manner as all PBL shareholders. A total of 10,680,000 PBL ESP Shares participated in the PBL Scheme.

ESP Participants now hold Crown ESP shares and CMH ESP shares under the ESP: Subject to the consideration election made by the ESP Participants under the PBL Scheme, ESP Participants were issued with Crown shares under the PBL Scheme and they had CMH shares transferred to them under the Demerger Scheme. ESP Participants no longer hold PBL ESP Shares.

ESP Participants receiving standard consideration saw a reduction in their PBL ESP Loan by the cash consideration amount: For those ESP Participants electing the standard consideration (1 Crown ESP share and \$3 for each PBL ESP Share), the cash component of the PBL Scheme consideration that ESP Participants received in respect of their PBL ESP Shares was applied to reduce the PBL ESP Loan. ESP Participants that elected the maximum share consideration did not receive cash consideration and accordingly there was no reduction of their PBL ESP Loan.

The PBL ESP Loans were then apportioned 75 percent to Crown and 25 percent to CMH:

The PBL ESP Loan for each ESP Participant was then apportioned 75 percent to Crown (**Crown ESP Loan**) and 25 percent to CMH (**CMH ESP Loan**). Each of the Crown ESP Loan and CMH ESP Loan is repayable the earlier of five years from the original date of issue of the PBL ESP Shares (Expiry Date) or when the ESP Participant ceases employment. The loan funds are on a limited recourse basis.

The Crown ESP Loan is applied against the Crown ESP shares: Where an ESP Participant sells all or a portion of their Crown ESP shares, the proceeds of sale of those Crown shares must be applied to repay the equivalent proportion of their outstanding Crown ESP Loan. When an ESP Participant sells all or a portion of their CMH ESP shares, the proceeds of sale of those shares must be applied to repay the equivalent proportion of the outstanding CMH ESP Loan. In each case, the ESP Participant is entitled to retain the net proceeds of sale after the respective Crown ESP Loan or CMH ESP Loan repayment.

The share price performance hurdle of seven percent was retained: The share price performance hurdles requiring a compound share price appreciation of seven percent per annum based on the issue price of the PBL ESP Shares were retained and substituted with equivalent performance hurdles (seven percent compounding share price accumulation) imposed separately on the Crown shares and the CMH shares.

A determination that hurdles have been achieved is provided to the Chief Executive Officer and Managing Director by the Crown Company Secretary (for Crown) and to the Executive Chairman by the CMH Company Secretary (for CMH), following a review by each Company Secretary of the volume weighted average price (**VWAP**) of the Crown and the CMH shares for the 20 days up to and including the anniversary of the issue date of the ESP Participant's PBL ESP Shares.

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Remaining key terms: All other key terms of the ESP remain and apply to the Crown ESP shares and the CMH ESP shares:

- The restrictions which permit only 25 percent of the PBL ESP shares to be released from vesting conditions each year after issue will continue to apply to the Crown ESP shares and the CMH ESP shares that ESP Participants received under the Demerger.
- Interest payable on the Crown ESP Loan and CMH ESP Loan is equal to dividends received on the relevant Crown ESP shares and CMH ESP shares respectively from time to time.
- ESP Participants may only sell their vested Crown ESP shares and CMH ESP shares within a period 28 days after the relevant company lodges its Appendix 4D or Appendix 4E with ASX. ESP Participants may only sell their Crown ESP shares and CMH ESP shares during this time if they are capable of repaying the equivalent proportion of their Crown ESP Loan or and CMH ESP loan. Crown executives are also bound by the terms of the Crown Securities Trading Policy when trading their Crown ESP shares.
- The total number of Crown ESP shares and CMH ESP shares issued under the ESP is limited to a maximum of two percent of the issued capital of Crown, and a maximum of two percent of the issued capital of CMH.
- An ESP Participant must not, without the prior written consent of Crown in writing, sell, create a security interest in (for instance, create a lien, pledge, charge, mortgage or other encumbrance of whatever nature) or otherwise dispose of their Crown ESP shares or any of the ESP Participant's interest in his or her Crown ESP shares. Should an ESP Participant wish to limit his or her exposure to risk in relation to the Crown ESP shares, he or she must contact the Company Secretary immediately, with consent in writing only provided following the assessment and approval by the Board or a delegate of its choosing.

At the date of this Report, a total of 66 ESP Participants hold, in total, 11,449,826 Crown ESP shares or 1.66 percent of Crown's issued capital. There are outstanding Crown ESP Loans totalling \$125,751,938 due to Crown. It is not proposed that any further issues will be made under the ESP.

No Crown ESP Loans were repaid by the Senior Executives or lapsed this year. The Senior Executives who have Crown ESP shares for which Crown ESP Loans are still outstanding are as follows:

Senior Executive	Issue Date	Issue Price (per share)	PBL ESP Shares issued ⁵	PBL ESP Loan	PBL Scheme Election ¹	Crown ESP Shares	Crown ESP Loan (75 %)	A	B	C	Shares sold during year	Loan Expiry Date
Gaming Senior Executives												
John Alexander	30-Oct-06	\$16.16	300,000	\$4,848,000	Std	300,000	\$2,961,000	\$9.87	25	25	Nil	30-Oct-11
Alexander	30-Oct-06	\$17.82	1,000,000	\$17,820,000		1,000,000	\$11,115,000	\$11.12	25	25	Nil	30-Oct-11
Chris Anderson	30-Oct-06	\$16.16	300,000	\$4,848,000	Std	300,000	\$2,961,000	\$9.87	25	25	Nil	30-Oct-11
Rowen Craigie	30-Oct-06	\$16.16	350,000	\$5,656,000	Sh	409,694	\$4,242,000	\$10.35	25	25	Nil	30-Oct-11
Craigie	30-Oct-06	\$17.82	500,000	\$8,910,000		585,276	\$6,682,500	\$11.42	25	25	Nil	30-Oct-11
	23-Nov-07 ³	\$18.97	250,000	\$4,742,500		292,638	\$3,556,875	\$12.15	0	0	Nil	23-Nov-12
	23-Nov-07 ³	\$19.18	900,000	\$17,262,000		1,053,494	\$12,946,500	\$12.29	0	0	Nil	23-Nov-12
David Courtney	23-Feb-06	\$16.16	175,000	\$2,828,000	Sh	204,847	\$2,121,000	\$10.35	25	50	Nil	23-Feb-11
Courtney	30-Aug-06 ⁴	\$17.82	225,000	\$4,009,500		263,374	\$3,007,125	\$11.42	25	25	Nil	30-Aug-11
	06-Mar-07	\$18.97	150,000	\$2,845,500		175,581	\$2,134,125	\$12.15	0	0	Nil	06-Mar-11
Geoff Kleemann	23-Feb-06	\$16.16	240,000	\$3,878,400	Std	240,000	\$2,368,800	\$9.87	25	50	Nil	23-Feb-11
Barry Felstead	30-Aug-06 ⁴	\$17.82	100,000	\$1,782,000	Sh	117,055	\$1,336,500	\$11.42	25	25	Nil	30-Aug-11
Felstead	06-Mar-07	\$18.97	100,000	\$1,897,000	Sh	117,055	\$1,422,750	\$12.15	0	0	Nil	06-Mar-12
Media Senior Executives												
Martin Dalglish	23-Feb-06	\$16.16	240,000	\$3,878,400	Std	240,000	\$2,368,800	\$9.87	25	50	Nil	23-Feb-11
Guy Jalland	23-Feb-06	\$16.16	240,000	\$3,878,400	Std	240,000	\$2,368,800	\$9.87	25	50	Nil	23-Feb-11

A. Min. share price required to sell Crown ESP shares (per share)²

B. Released from limitations during the year (%)

C. Total percentage of shares released from limitations under Plan Rules (%)

Notes:

1 This column provides detail on the consideration election of each executive under the PBL Scheme of Arrangement. "Std" means the PBL Scheme Standard Consideration; "Sh" means the PBL Scheme Maximum Share Consideration.

2 The ESP Plan Rules require that, if an ESP Participant wishes to sell his or her Crown ESP shares during a trading window, he or she must repay the equivalent proportion of the outstanding Crown ESP Loan. If the ESP Participant cannot repay the equivalent proportion of the Crown ESP Loan, he or she cannot trade in his or her Crown ESP shares.

3 In accordance with ASX Listing Rule 10.14, PBL shareholders approved the issue of 1,150,000 PBL ESP Shares to Mr Rowen Craigie at the PBL AGM on 23 November 2007, with those PBL ESP Shares issued to him following the AGM on that day.

4 The executives issued shares on 30 August 2006 did not meet their share price performance hurdle at their second anniversary. The consequence of this is the second 25 percent of their issued ESP Shares were not released from limitations under the Plan Rules. These ESP Shares shall remain subject to the limitations under the Plan Rules unless or until the share price performance condition is satisfied on a subsequent anniversary and the executive remains an employee of the relevant company.

5 The fair value per Crown ESP share for each allotment date under the ESP is as follows: 23 February 2006: \$1.92; 30 August 2006: \$2.51; 6 March 2007: \$3.72; 21 June 2007: \$3.77. The relevant allotment dates for the shares subject to shareholder approval in 2006: Mr Alexander's 300,000 ESP Shares, Mr Anderson's 300,000 ESP Shares and Mr Craigie's 350,000 ESP Shares is 23 February 2006; Mr Alexander's 1,000,000 ESP Shares and Mr Craigie's 500,000 ESP Shares, 30 August 2006. The relevant allotment dates for the shares subject to shareholder approval in 2007: Mr Craigie's 250,000 ESP Shares, 6 March 2007; Mr Craigie's 900,000 ESP Shares, 21 June 2007.

6 The revised Crown performance hurdles were calculated as follows: Revised Hurdle Price = [(Original Issue Price – \$3 cash consideration) * 75 percent] * 7 percent compounding share price accumulation.

As described above, all securities received by selected Senior Executives under the ESP are subject to performance hurdles. There have been no issues of securities as part of remuneration that are not subject to performance conditions.

Relationship between policy and performance

As detailed above, various elements of Crown's remuneration policy are linked to company performance, either by requiring the achievement of a predetermined share price or level of EBITDA. In summary:

- An STI may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her KPIs, assessed using a combination of financial measures and non-financial measures;
- The Gaming LTI may be payable where Crown Melbourne and Burswood achieves predetermined EBITDA targets; and
- The terms of the ESP include share price performance hurdles.

This year, normalised EBITDA generated by Crown Melbourne and Burswood, Crown's wholly owned Australian casinos, grew by 8.2%. The compound average normalised EBITDA growth for Crown's wholly owned Australian casinos for the five year period commencing from financial year 2003 through to financial year 2008 was 15.8%. Please note that during financial years 2003 and 2004 Crown Melbourne was the only gaming asset of PBL. Burswood was acquired by PBL in September 2004 and the impact of the Burswood acquisition on normalised EBITDA growth is included within the five year number above.

Shareholder wealth, measured by earnings per Crown share (excluding the effect of discontinued operations and specific items), grew during financial year 2008 by 9.2%. Prior to the PBL Scheme, PBL operated a mix of gaming and media businesses. Crown is now a stand alone gaming and entertainment business. A five year earnings per share comparison of the two different companies would not produce a meaningful result.

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

Crown's policy on directors and Senior Executives entering into transactions in associated products which limit economic risk is described earlier in the Corporate Governance Statement.

Remuneration details for non-executive directors and Senior Executives

Non-executive directors

During the year the non-executive directors received a base fee of \$100,000 per annum for acting as a director of Crown.

A non-executive director who acts on the Board of Crown Melbourne Limited received a further Directors' fee of \$60,000 per annum.

In addition, non-executive directors of Crown are entitled:

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

In accordance with Crown's constitution, non-executive directors' fees are determined within an aggregate non-executive directors' fee cap of \$1,000,000 per annum.

Senior Executives

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

- an annual review of the executive's fixed remuneration, with any increases at the discretion of the Chief Executive Officer and Managing Director or Executive Chairman and dependent on Crown's financial performance and the individual's KPI 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 KPIs;
- Crown may ask the executive to act as an officer of Crown or as an officer or director of a member or associate of the Crown group for no additional remuneration;
- a prohibition from gambling at any property within the Crown group during the term of employment and for three months following termination and a requirement that the executive maintain licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling 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, notice may be given in writing or payment may be made (wholly or partly) in lieu of notice; and
- all contracts may be terminated without notice by Crown for serious misconduct.

Specific details of each Senior Executive's contract of employment are summarised below. Where a Senior Executive has had more than one contract of employment during the year the most recent contract is listed and changes from the previous contract are noted. Where a key clause in a Senior Executive's contract has been updated (for instance, remuneration (TEC)) the change is noted. The summaries should be read in conjunction with the Remuneration Policy above.

Gaming Senior Executives

James D Packer

Position **Executive Chairman**

Remuneration The Executive Chairman, Mr Packer does not receive any remuneration for his services to Crown. Mr Packer acts as a director of Melco Crown Entertainment Ltd, a company in which Crown has a significant investment. Mr Packer does not receive a fee from Crown for these services.

John H Alexander

Current Position **Executive Deputy Chairman (commenced 1 December 2007):** Mr Alexander currently has a five year employment agreement with Crown Limited which is due to expire in December 2012.

Mr Alexander was previously Chief Executive Officer and Managing Director for the then PBL until 30 November 2007 when he resigned. This contract summary focuses on the terms of Mr Alexander's current contract and notes the material differences between Mr Alexander's current contract and his contract with PBL.

Fixed Remuneration

– base salary	\$1,486,871 per annum, from 1 December 2007 (previously \$3,200,000 per annum).
– superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$13,129 per annum (previously \$28,800 per annum).
– non-monetary benefits and other	Complimentary privileges at Crown's facilities and mobile telephone. (Previously mobile telephone, use of motor vehicle and driver and applicable fringe benefits tax).

Performance based remuneration Not applicable.

<i>2008 Percentage breakdown of remuneration</i>	Fixed remuneration²	STI	LTI
	97%	0%	3%

Post employment benefits Nil.

Post-employment restraint Crown may impose a restraint for the five year term of Mr Alexander's employment agreement up to 30 November 2012. (Under Mr Alexander's contract with PBL, PBL could impose a restraint period of up to 12 months and if PBL did so, Mr Alexander would have been entitled to be paid his net base salary and superannuation during the restraint period).

Termination

– by the Senior Executive	12 months' notice (previously 6 months' notice).
– by Crown	12 months' notice without cause; one months' notice for performance issues (following three months' notice to improve); three months' notice due to incapacity. (Previously 12 months' notice without cause; six months' notice for performance issues without an opportunity to improve provided; three months' notice for performance issues where at least three months' opportunity to improve provided; one months' notice for incapacity where absent for 16 weeks in any 12-month period).

Termination benefits Nil.

Payments made prior to commencement Nil.

Directors' Fees Nil.

Other The terms of the Executive Share Plan to which Mr Alexander is a member have been altered during the previous financial year. A summary of the amendments and details of Mr Alexander's participation is set out on page 37.

Rowen B Craigie

Current Position

Chief Executive Officer and Managing Director (commenced 1 December 2007):

Mr Craigie commenced employment with Crown Limited on 1 December 2007 on a five year contract. He resigned as Chief Executive Officer, PBL Gaming on 30 November 2007. He had previously been an executive Director of the then PBL since 9 January 2002.

This contract summary focuses on the terms of Mr Craigie's current contract and notes the material differences between Mr Craigie's current contract and his contract with PBL.

Fixed Remuneration

– base salary	\$2,986,871 per annum (previously \$2,186,871 per annum).
– superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$13,129 per annum.
– non-monetary benefits and other	Complimentary privileges at Crown Melbourne and Burswood facilities. Mobile telephone, salary sacrifice arrangements for motor vehicle.

Performance based remuneration

– STI	Discretionary up to a maximum of \$2,000,000 of which up to a maximum of \$1,000,000 is assessed by the Executive Chairman based on the achievement of KPIs. 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. (Previously, discretionary based on achievement of KPIs).
– LTI	Subject to achieving internal EBITDA targets in FY08, FY09 and FY10, Mr Craigie is eligible to receive up to \$5,000,000 (30% for FY08, 20% for FY09 and 50% for FY10). See further page 36.

On 1 July 2008, Mr Craigie received a deferred cash bonus of \$1,475,000 under a Notional Share Plan (NSA) put in place by Crown Melbourne in June 2005 (at which time Crown Melbourne was a wholly owned subsidiary of PBL) and cancelled in 2006. The payment is representative of the value which had accrued in the NSA to 30 August 2006. As explained to PBL shareholders as part of its 2006 Notice of Annual General Meeting, it was agreed that the amount would crystallise and be paid to Mr Craigie on 1 July 2008, being the third anniversary of Mr Craigie's participation in the NSA. Crown has agreed to honour PBL's obligations with respect to the NSA. As the payment to Mr Craigie has been disclosed to shareholders in previous PBL Annual Reports as remuneration referable to previous financial years, the payment is not included again in this year's remuneration tables.

<i>2008 Percentage breakdown of remuneration</i>	Fixed remuneration	STI¹	LTI
	47%	0%	53%

Post employment benefits

Nil.

Post-employment restraint

Crown may impose a restraint for various periods up to 36 months. Depending on the circumstances, Mr Craigie may be entitled to an additional payment in consideration for the restraint. Mr Craigie may also be paid an amount equivalent to his monthly fixed remuneration for any period during which a restraint applies.

Termination

– by the Senior Executive	12 months' notice.
– by Crown	12 month's notice without cause; one month's notice for performance issues (following least three months' notice to improve); three months' notice for incapacity.

Termination benefits

Provided that Mr Craigie complies with any restraints imposed on him: If Mr Craigie terminates his employment with Crown or Crown terminates his employment for serious misconduct, performance issues or incapacity, he will be entitled to any unpaid Crown LTI. Thereafter, Mr Craigie will cease to be involved in the Crown LTI. If Crown terminates Mr Craigie's employment without cause, Mr Craigie will be entitled to any unpaid LTI. Mr Craigie may also elect either to end his participation in the Crown LTI and receive a payment of 24 months' fixed remuneration at the date of termination or continue a pro-rated participation (calculated by reference to the number of completed months in the five year term) in the Crown LTI.

REMUNERATION REPORT CONTINUED

<i>Payments made prior to commencement</i>	Nil.						
<i>Directors' Fees</i>	Nil.						
<i>Other</i>	The terms of the Executive Share Plan to which Mr Craigie is a member have been altered during the previous financial year. A summary of the amendments and details of Mr Craigie's participation is set out on page 37.						
David G Courtney							
<i>Current Position</i>	Chief Executive Officer, Crown Melbourne Limited (from 6 March 2007): Mr Courtney has been an executive Director of Crown Melbourne Limited since 6 March 2007 and an executive Director of Burswood Limited since 6 September 2004. His current employment contract commenced on 6 March 2007 and expires 5 March 2012.						
<i>Fixed Remuneration</i>							
– base salary	\$1,236,871 per annum (from 6 March 2007).						
– superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$13,129 per annum.						
– non-monetary benefits and other	Complimentary privileges at Crown Melbourne and Burswood facilities. Mobile telephone and salary sacrifice arrangements for motor vehicle.						
<i>Performance based remuneration</i>							
– STI	Discretionary STI based on the performance of Crown Limited, and the achievement of KPIs.						
– LTI	Subject to achieving internal EBITDA targets in FY08, FY09 and FY10, Mr Courtney is eligible to receive up to \$2,250,000 (30% for FY08, 20% for FY09 and 50% for FY10). See further page 36.						
<i>2008 Percentage breakdown of remuneration</i>	<table border="1"> <thead> <tr> <th>Fixed remuneration</th> <th>STI¹</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td>52%</td> <td>0%</td> <td>48%</td> </tr> </tbody> </table>	Fixed remuneration	STI¹	LTI	52%	0%	48%
Fixed remuneration	STI¹	LTI					
52%	0%	48%					
<i>Post employment benefits</i>	Nil.						
<i>Post-employment restraint</i>	Crown may impose various restraint periods up to a period of 36 months post employment. Depending on the circumstances, Mr Courtney may be entitled to an additional payment in consideration for the restraint. Mr Courtney may also be paid an amount equivalent to his monthly total employment cost for any period during which a restraint applies.						
<i>Termination</i>							
– by the Senior Executive	12 months' notice.						
– by Crown	12 months' notice without cause; one months' notice for performance issues (following three months' notice to improve); three months' notice due to incapacity.						
<i>Termination benefits</i>	Provided that Mr Courtney complies with any restraints imposed on him: If Mr Courtney terminates his employment with Crown Melbourne or Crown Melbourne terminates his employment for serious misconduct, performance issues or incapacity, he will be entitled to any unpaid Crown LTI. Thereafter, Mr Courtney will cease to be involved in the Crown LTI. If Crown Melbourne terminates Mr Courtney's employment without cause, Mr Courtney will be entitled to any unpaid LTI. Mr Courtney may also elect either to end his participation in the Crown LTI and receive a payment of 24 months' total employment cost or continue a pro-rated participation (calculated by reference to the number of completed months in the five year term) in the Crown LTI.						
<i>Payments made prior to commencement</i>	Nil.						
<i>Directors' Fees</i>	Nil.						

<i>Other</i>	The terms of the Executive Share Plan to which Mr Courtney is a member have been altered during the previous financial year. A summary of the amendments and details of Mr Courtney's participation is set out on page 37.		
Barry J Felstead			
<i>Current Position</i>	Chief Executive Officer, Burswood Limited (from 6 March 2007): Mr Felstead has been an executive Director of Burswood Limited since 6 March 2007 when he was appointed Chief Executive Officer, Burswood Limited. His current employment contract with Burswood commenced on 6 March 2007, and expires on 5 March 2012.		
<i>Fixed Remuneration</i>			
– base salary	\$686,871 per annum (from 6 March 2007).		
– superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$13,129 per annum.		
– non-monetary benefits and other	Complimentary privileges at Crown Melbourne and Burswood facilities. Mobile telephone and salary sacrifice arrangements for motor vehicle.		
<i>Performance based remuneration</i>			
– STI	Discretionary STI based on the performance of Crown, and the achievement of KPIs.		
– LTI	Subject to achieving internal EBITDA targets in FY08, FY09 and FY10 Mr Felstead is eligible to receive up to \$1,000,000 (30% for FY08, 20% for FY09 and 50% for FY10). See further page 36.		
<i>2008 Percentage breakdown of remuneration</i>	Fixed remuneration	STI¹	LTI
	60%	0%	40%
<i>Post employment benefits</i>	Nil.		
<i>Post-employment restraint</i>	Crown may impose various restraint periods up to a period of 36 months post employment. Depending on the circumstances, Mr Felstead may be entitled to an additional payment in consideration for the restraint. Mr Felstead may also be paid an amount equivalent to his monthly Fixed Remuneration for any period during which a restraint applies.		
<i>Termination</i>			
– by the Senior Executive	12 months' notice.		
– by Crown	12 months' notice without cause; one months' notice for performance issues (following three months' notice to improve); three months' notice due to incapacity.		
<i>Termination benefits</i>	Provided that Mr Felstead complies with any restraints imposed on him: If Mr Felstead terminates his employment with Burswood or Burswood terminates his employment for serious misconduct, performance issues or incapacity, he will be entitled to any unpaid Crown LTI. Thereafter, Mr Felstead will cease to be involved in the Crown LTI. If Burswood terminates Mr Felstead's employment without cause, Mr Felstead will be entitled to any unpaid LTI. Mr Felstead may also elect either to end his participation in the Crown LTI and receive a payment of 24 months' fixed remuneration or continue a pro-rated participation (calculated by reference to the number of completed months in the five year term) in the Crown LTI.		
<i>Payments made prior to commencement</i>	Nil.		
<i>Directors' Fees</i>	Nil.		
<i>Other</i>	The terms of the Executive Share Plan to which Mr Felstead is a member have been altered during the previous financial year. A summary of the amendments and details of Mr Felstead's participation is set out on page 37.		

Geoffrey R Kleemann

Current Position

Chief Financial Officer: Mr Kleemann joined Crown Limited on 21 January 2008 on a one year contract. His previous appointment was Chief Financial Officer for the then PBL until 21 December 2007.

With effect from 20 October 2008 Mr Kleemann will step down from the position of Chief Financial Officer and has agreed to take on the role of head of Investor Relations at Crown. The terms of his contract with Crown will remain unchanged until the expiration of its one year term. Details of the terms of Mr Kleemann's employment with PBL may be obtained from the CMH Annual Report.

Fixed Remuneration

– base salary	\$686,871 per annum from 21 January 2008.
– superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$13,129 per annum.
– non-monetary benefits and other	Complimentary privileges at Crown's facilities. Mobile telephone. \$80,016 per annum "Living Away from Home Allowance".

Performance based remuneration

– STI	Discretionary STI based on the performance of Crown Limited, and the achievement of KPIs.
– LTI	Nil.

2008 Percentage breakdown of remuneration

Fixed remuneration²	STI¹	LTI
98%	0%	2%

Post employment benefits

Nil.

Post-employment restraint

Crown may impose various restraint periods up to a period of 6 months post employment. Depending on the circumstances, Mr Kleemann may be entitled to an additional payment in consideration for the restraint. Mr Kleemann may also be paid an amount equivalent to his monthly fixed remuneration for any period during which a restraint applies.

Termination

– by the Senior Executive	3 months' notice.
– by Crown	3 months' notice without cause; one months' notice for performance issues (following three months' notice to improve); three months' notice due to incapacity.

Termination benefits

Nil.

Payments made prior to commencement

Nil.

Other

The terms of the Executive Share Plan to which Mr Kleemann is a member have been altered during the previous financial year. A summary of the amendments and details of Mr Kleemann's participation is set out on page 37.

Notes:

1. As at the date of this Report, the approval process for STI payments for gaming Senior Executives for the 2008 financial year has not been completed.
2. Includes voluntary and compulsory superannuation, post employment and redundancy payments following approval of the PBL Scheme.

Media Senior Executives

The following contract summaries for “media” Senior Executives have been provided to Crown for inclusion in this Report by CMH. At no time during the financial year were Mr Dagleish or Mr Jalland employed by Crown or a *current* member of the Crown group.

Martin Dagleish	CEO PBL New Media (to 30 November 2007) Senior Executive CMH (part-time from 1 July 2008)
Position	Mr Dagleish was employed by PBL as the Chief Executive Officer – PBL New Media (ceased employment with PBL 30 November 2007). Mr Dagleish was employed as an Executive of CMH from December 2007 (part-time from 1 July 2008).
Term	Until 30 December 2008 (amended by agreement 16 June 2008 from a previous term of four years expiring 3 December 2011) and then ongoing.
Fixed Remuneration	
– Base Salary	\$300,000 gross per annum (reduced from \$600,000 per annum by agreement on 16 June 2008 and with effect 1 July 2008). When employed by PBL as Chief Executive Officer PBL New Media, Mr Dagleish had a Base Salary of \$600,000 per annum.
– Superannuation	Nine percent of Base Salary and any STI.
– Other benefits	Mobile telephone. Use of car park. Applicable fringe benefits tax.
Performance based Remuneration	
– STI	Mr Dagleish received an STI of \$100,000 on 15 July 2008 for his performance in FY08 (Mr Dagleish had been eligible for an STI of up to \$600,000 under his employment arrangements with PBL). No ongoing contractual entitlement to STI.
– ESP	Details of Mr Dagleish’s participation in the ESP are outlined at section 3.3.3 of the CMH Annual Report.
Termination	
– By Mr Dagleish	Mr Dagleish may terminate the Agreement with effect 30 December 2008 without notice. From 1 January 2009 with one month’s notice.
– By CMH	One month’s notice without cause (from 1 January 2009); one month’s notice at any time where certified unfit to continue working.
– Restraint	CMH may impose a restraint of up to six months. Mr Dagleish is entitled to be paid an amount to be agreed during the restraint period or, in the absence of agreement, his monthly remuneration each month.
– Redundancy Payment	Following approval of the PBL Scheme of Arrangement, Mr Dagleish was paid \$2,848,000 (less applicable taxes) upon termination of his employment as Chief Executive Officer PBL New Media.
Senior Executives	
Guy Jalland	Group General Counsel and Joint Company Secretary PBL (ceased employment 21 December 2007)
Position	Group General Counsel and Joint Company Secretary PBL.
Term	Mr Jalland ceased employment with PBL on 21 December 2007.
Fixed Remuneration	
– Base Salary	\$1,388,416 per annum.
– Superannuation	CMH contributed \$11,584 per annum.
– Other benefits	Mobile telephone.

*Performance based
Remuneration*

- STI Discretionary STI based on the achievement of his KPIs. Mr Jalland received an STI of \$1,000,000 on 15 December 2007.
- ESP Details of Mr Jalland's participation in the ESP are outlined at section 3.3.3 of the CMH Annual Report.

Termination

- By Mr Jalland Six months' notice.
- By CMH Six months' notice without cause; three months' notice for performance issues (following three months' notice to improve); one month's notice due to incapacity.
- Restraint CMH may impose a restraint period of up to 12 months. If CMH does so, Mr Jalland is entitled to be paid his net Base Salary and superannuation during the restraint period.
CMH did not impose the restraint.
- Redundancy Payment Following approval of the PBL Scheme of Arrangement, Mr Jalland was paid \$4,275,000 (less applicable taxes) upon termination of his employment with PBL.

In addition, CMH has provided the following broad relative weightings between fixed and variable components of remuneration of Mr Dalglish and Mr Jalland. These are inclusive of termination payments made by PBL under the approved PBL Scheme:

Media Senior Executive	Fixed	STI	ESP	Post employment¹ and redundancy
Martin Dalglish	17%	3%	3%	77%
Guy Jalland	14%	15%	2%	69%

Notes:

1. Post employment and redundancy payments includes redundancy payments to Mr Dalglish and Mr Jalland following approval of the PBL Scheme in December 2007. The figures also include superannuation contributions by CMH to the executive during the year.

Remuneration tables

As explained earlier Crown is required under Australian Accounting Standards to report a full 12 month period of remuneration of each Senior Executive, notwithstanding that Crown has only traded since December 2007. To assist shareholders, disclosures have been split between remuneration earned whilst a member of the PBL consolidated group (now CMH) and remuneration earned from Crown. For comparative purposes, annual totals have been included.

The tables include lump sum payments as a result of contract variation or redundancy as a result of the PBL Scheme and the Demerger Scheme.

Non-executive directors

	<i>Financial Year</i>		Short Term Benefits		Post-employment Benefits			Share based payments		<i>Total</i>
			<i>Salary & Fees</i>	<i>Non – Monetary</i>	<i>Super</i>	<i>Termination Benefits</i>	<i>Other</i>	<i>Cash Based²</i>	<i>Equity Based^{3,4}</i>	
Christopher Anderson¹ Non-executive director		Fees from CMH (until 30 November 2007)	572,200	8,784	45,000	5,000,000	–	–	60,362	5,686,346
		Fees from Crown (from 1 December 2007)	33,334	–	30,250	–	–	–	62,729	126,313
	2008	Annual Total	605,534	8,784	75,250	5,000,000	–	–	123,091	5,812,659
	2007		1,200,000	5,164	108,000	–	–	–	96,263	1,409,427
Christopher Corrigan Non-executive director		Fees from CMH (until 30 November 2007)	46,110	–	4,150	–	–	–	–	50,260
		Fees from Crown (from 1 December 2007)	58,333	–	4,500	–	–	–	–	62,833
	2008	Annual Total	104,443	–	8,650	–	–	–	–	113,093
	2007		110,000	–	9,900	–	–	–	–	119,900
Rowena⁴ Danziger Non-executive director		Fees from CMH (until 30 November 2007)	83,836	–	3,521	–	–	–	–	87,357
		Fees from Crown (from 1 December 2007)	105,000	–	2,700	–	–	–	–	107,700
	2008	Annual Total	188,836	–	6,221	–	–	–	–	195,057
	2007		200,000	–	–	–	–	–	–	200,000
Geoffrey Dixon Non-executive director		Fees from CMH (until 30 November 2007)	50,301	–	4,806	–	–	–	–	55,107
		Fees from Crown (from 1 December 2007)	74,311	–	5,733	–	–	–	–	80,044
	2008	Annual Total	124,612	–	10,539	–	–	–	–	135,151
	2007		127,391	–	11,465	–	–	–	–	138,856
Ashok Jacob Non-executive director	2008		–	–	–	–	–	–	–	–
	2007		–	–	–	–	–	–	–	–
Michael Johnston Non-executive director	2008		–	–	–	–	–	–	–	–
	2007		–	–	–	–	–	–	–	–
David Lowy Non-executive director		Fees from CMH (until 30 November 2007)	46,110	–	8,579	–	–	–	–	54,689
		Fees from Crown (from 1 December 2007)	68,478	–	6,163	–	–	–	–	74,641
	2008	Annual Total	114,588	–	14,742	–	–	–	–	129,330
	2007		117,391	–	10,565	–	–	–	–	127,956
Richard Turner⁴ Non-executive director		Fees from CMH (until 30 November 2007)	79,644	–	–	–	–	–	–	79,644
		Fees from Crown (from 1 December 2007)	105,000	–	1,350	–	–	–	–	106,350
	2008	Annual Total	184,644	–	1,350	–	–	–	–	185,994
	2007		190,000	–	–	–	–	–	–	190,000

Non-executive directors continues

<i>Fin- ancial Year</i>		Short Term Benefits		Post-employment Benefits			Share based payments		<i>Total</i>
		<i>Salary & Fees</i>	<i>Non – Mon- etary</i>	<i>Super</i>	<i>Term- ination Benefits</i>	<i>Other</i>	<i>Cash Based²</i>	<i>Equity Based^{3,4}</i>	
Chris Mackay Non-executive director	Fees from CMH (until 30 November 2007)	50,301	–	4,527	–	–	–	–	54,828
	Fees from Crown (from 1 December 2007 to 7 March 2008)	29,831	–	2,685	–	–	–	–	32,516
2008	Annual Total	80,132	–	7,212	–	–	–	–	87,344
2007		120,000	–	10,800	–	–	–	–	130,800

Notes:

1. Mr Anderson was an executive director of PBL until 30 November 2007. He is currently a non-executive officer of Crown. Remuneration disclosures made up to 30 November 2007 represent amounts earned in an executive capacity. Mr Anderson receives a director's fee from SEEK Limited. He was not required to reimburse CMH his net director's fees from SEEK this year (\$32,372).
2. AASB 2 "Share-Based Payment" requires an entity to recognise the effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. As the modification to the ESP post Demerger reduced the total fair value of the share-based payment arrangement, Crown continues to account for the services rendered as consideration for the equity instruments granted as if the modification had not occurred.
3. The allocation of the expenses for Equity Based Payments to the Senior Executives is consistent with the split of the PBL ESP Loan as between CMH and Crown Limited (25 percent/75 percent). Mr Anderson: 100 percent of the ESP expense to 30 November 2007, 75 percent from 30 November 2007 (from 30 November 2007, 25 percent of the expense recorded by CMH).
4. Mrs Rowena Danziger and Mr Richard Turner each receive directors' fees of \$60,000 per annum and superannuation for their participation on the Crown Melbourne Limited Board.

Senior Executives

	Financial Year	Short Term Benefits			Post Employment Benefits			Share Based Payments		Total	
		Salary & Fees	Non – Monetary	STI ¹	% of max STI	Super	Termination Benefits	Other	Cash Based ²		Equity Based ^{3,4}
James Packer	2008	–	–	–	–	–	–	–	–	–	
Executive Chairman	2007	–	–	–	–	–	–	–	–	–	
John Alexander	Salary from CMH (until 30 November 2007)	2,488,764	33,414	–	–	120,000	15,000,000	–	–	323,396	17,965,574
Executive Deputy Chairman	Salary from Crown (from 1 December 2007)	870,904	–	–	–	9,847	–	–	–	336,078	1,216,829
	2008 Annual Total	3,359,668	33,414	–	–	129,847	15,000,000	–	–	659,474	19,182,403
	2007	3,207,575	157,372	–	–	278,693	–	–	2,513,313	515,742	6,672,695
Rowen Craigie	Salary from CMH (until 30 November 2007)	867,047	9,380	–	–	41,667	–	–	–	654,966	1,573,060
Executive Officer & Managing Director	Salary from Crown (from 1 December 2007)	1,666,639	24,580	–	–	55,998	–	–	1,666,667	680,651	4,094,535
	2008 Annual Total	2,533,686	33,960	–	–	97,665	–	–	1,666,667	1,335,617	5,667,595
	2007	1,916,102	23,514	1,000,000	100	12,686	–	–	210,714	322,047	3,485,063
David Courtney	Salary from CMH (until 11 December 2007)	497,953	141	–	–	5,471	–	–	–	157,502	661,067
Chief Executive Officer	Salary from Crown (from 12 December 2007)	664,329	188	–	–	28,176	–	–	750,000	195,186	1,637,879
Crown Melbourne Limited	2008 Annual Total	1,162,282	329	–	–	33,646	–	–	750,000	352,688	2,298,945
	2007	955,078	65,937	580,000	100	12,686	–	–	94,821	242,848	1,951,370
Barry Felstead	Salary from CMH (until 11 December 2007)	347,812	10,731	–	–	7,049	–	–	–	65,982	431,574
Chief Executive Officer	Salary from Crown (from 12 December 2007)	331,868	10,223	–	–	6,564	–	–	333,333	81,768	763,756
Burswood Limited	2008 Annual Total	679,680	20,954	–	–	13,613	–	–	333,333	147,750	1,195,330
	2007	489,802	26,718	230,000	–	12,686	–	–	295,000	–	1,054,206
Geoff Kleemann	Salary from CMH (until 21 December 2007)	888,384	–	–	–	82,986	3,975,000	176,796	–	54,917	5,178,083
Chief Financial Officer	Salary from Crown (from 21 January 2008)	292,336	–	–	–	24,440	–	–	–	60,283	377,059
	2008 Annual Total	1,180,720	–	–	–	107,426	3,975,000	176,796	–	115,200	5,555,142
	2007	1,146,398	16,085	200,000	60	171,960	–	–	–	115,200	1,649,643

Notes:

1. As at the date of this Report, the approval process for STI payments for gaming Senior Executives for the 2008 financial year has not been completed. Accordingly, no STI is able to be disclosed in the 2008 financial year. STI payments, if any, will be disclosed in Crown's 2009 Annual Report.
2. Representing average PBL Gaming LTI cash bonus payments for FY08, FY09 and FY10.
3. The allocation of the expenses for Equity Based Payments to the Senior Executives is consistent with the split of the PBL ESP Loan as between CMH and Crown Limited (25 percent/75 percent). Mr Alexander, Mr Craigie: 100 percent of the ESP expense to 30 November 2007, 75 percent from 1 December 2007 (from 1 December 2007, 25 percent of the expense recorded by CMH). Mr Kleemann: 100 percent of the ESP expense to the date he ceased employment with PBL (21 December 2007); then 100 percent recorded by Crown Limited to the end of the year. Mr Courtney, Mr Felstead 100 percent of the ESP expense to 11 December 2007; then 100 percent recorded by Crown Limited to the end of the year.
4. AASB 2 "Share-Based Payment" requires an entity to recognise the effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. As the modification to the ESP post Demerger reduced the total fair value of the share-based payment arrangement, Crown continues to account for the services rendered as consideration for the equity instruments granted as if the modification had not occurred.

Media senior executives

	Financial Year	Short Term Benefits				Post Employment Benefits			Share Based Payments		Total
		Salary & Fees	Non – Monetary	STI	% of max STI	Super	Termination Benefits	Other Long Term Benefits	Cash Based	Equity Based ^{1,2}	
Martin Dalgleish Chief Executive Officer, New Media, PBL	2008	264,890	8,733	41,918	100	10,217	2,848,000	–	–	48,289	3,222,048
	2007	649,900	5,164	200,000	50	112,500	–	–	–	115,200	1,082,764
Guy Jalland PBL Group General Counsel and Company Secretary	2008 (until 21 Dec 07)	903,346	–	1,000,000	100	12,868	4,275,000	211,471	–	115,200	6,517,885
	2007	1,351,777	–	–	–	12,868	–	–	–	115,200	1,479,845

Notes:

1. The allocation of the expenses for Equity Based Payments to the Senior Executives is consistent with the split of the PBL ESP Loan as between CMH and Crown Limited (25 percent/75 percent). Mr Dalgleish, Mr Jalland: 100 percent of the ESP expense for the year (no expense recorded by Crown Limited).
2. AASB 2 "Share-Based Payment" requires an entity to recognise the effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. As the modification to the ESP post Demerger reduced the total fair value of the share-based payment arrangement, CMH continues to account for the services rendered as consideration for the equity instruments granted as if the modification had not occurred.

Directors' Statutory Report

Crown Limited was incorporated on 31 May 2007. On incorporation, the company's name was Arterial Limited. The company changed its name to Crown Limited on 15 June 2007.

As previously mentioned, Crown was admitted to the official list of the ASX on 3 December 2007 (**Listing**) and has been subject to the ASX Listing Rules since that time. Accordingly, where the Corporations Act requires this Report to include specific information for listed entities, that information has been provided for Crown in respect of the period commencing from Listing.

Company Information

Review of operations

A review of operations of the Crown group for the financial year ended 30 June 2008 and the results of those operations is detailed on pages 4 to 23.

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

Prior to the PBL Scheme Crown's business operated within the PBL group of companies. PBL's activities extended to:

- television and broadcasting and program production;
- magazine publishing and distribution; and
- investment in the internet, subscription television and other media and entertainment sectors.

Significant changes in state of affairs

The PBL Scheme was effected on 10 December 2007. The gaming and entertainment activities of the current Crown group have only traded since that time. In accordance with Australian Accounting Standards and the Corporations Act, Crown's 2008 Financial Report reflects the activities of the PBL group until the date the scheme of arrangement was effected and the activities of the newly formed Crown group from demerger until 30 June 2008. The results relating to the non gaming activities have been disclosed as discontinued operations.

Accordingly, the following are some of the significant changes in the state of affairs of the consolidated group since 1 July 2007:

- In September 2007, Melco Crown Entertainment Limited (**MPEL**) secured US\$1.75 billion of senior secured debt facilities to be utilised to finance construction of the City of Dreams project. The facilities are non recourse to Crown. However, Crown and Melco International Development Limited (which currently owns 37.9% of MPEL along with Crown) have each provided a Letter of Credit for US\$125 million which will be able to be used, if necessary, to support completion of the City of Dreams should the facilities and MPEL's internally generated cash flow be insufficient to fund completion;
- In November 2007, MPEL issued American Depositary Shares to the public, raising approximately US\$570 million for MPEL, and reducing Crown's stake to 37.9%;
- In November 2007, Crown completed the acquisition of a 50% interest in Gateway Casinos and Entertainment Inc in Canada, under a joint venture with Macquarie Bank;

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- On 3 December 2007, Crown was admitted to the official list of the ASX;
- On 12 December 2007, the separation of PBL into two separately listed companies was completed by way of two court ordered schemes of arrangement;
- In December 2007, Crown completed the sale of the PBL group's interest in Hoyts. Beneficial ownership was transferred to Crown as part of the PBL Scheme and gross proceeds of sale of \$150 million were received by Crown in mid December 2007. The equity profit and the loss on sale (after costs associated with the sale) have been included in discontinued businesses;
- In December 2007, Crown announced, subject to regulatory approval, its agreement to purchase 100% of Cannery Casino Resorts in the United States; and
- In April 2008 Crown announced that it had sold its 25.4% stake in Monarchy Enterprise Holdings B.V. (the owner of New Regency Productions) for US\$189.4 million (including interest) which will be paid in broadly equal instalments over five years with Crown having already received the initial instalment.

Significant events after Balance Date

Subsequent to 30 June 2008, the directors of Crown announced a final dividend on ordinary shares in respect of the year ending 30 June 2008. The total amount of the dividend is \$196.7 million, which represents 29 cents per share. The final dividend will be 40% franked and the unfranked component of the dividend will be conduit foreign income. The dividend has not been provided for in the 30 June 2008 financial statements.

On 13 August 2008, Crown announced that it had raised A\$1.01 billion of new debt facilities. The refinancing was undertaken so as to extend the maturity profile of Crown's debt portfolio. The new debt finance comprises the following new facilities:

A\$600 million Syndicated Loan Facility	Lender(s):	Fully syndicated among 11 Australian and International banks
	Maturity:	5 years
A\$200 million Bilateral Loan Facility	Lender:	National Australia Bank
	Maturity:	5 years
US\$200 million US Private Placement	Arrangers:	Bank of America and Royal Bank of Scotland as co lead arrangers with Westpac and Commonwealth Bank as co agents
	Maturity:	7, 10 and 12 years

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.

Environmental regulation

The Crown group is not 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 on page 21.

Dividends and distributions

Interim Dividend: Crown paid an interim dividend of 25 cents per ordinary share on 18 April 2008. The dividend was 40% franked and the unfranked component was conduit foreign income.

Final Dividend: The directors of Crown have announced a final dividend of 29 cents per ordinary share to holders registered as at 10 October 2008. The final dividend will be 40% franked and the unfranked component of the dividend will be conduit foreign income.

In summary:	Dividend per share	\$'000
Interim Dividend paid	25 cents per share	\$169,521
Final Dividend payable	29 cents per share	\$196,687
Total		\$366,208

PBL paid shareholders a final dividend in respect of the 2007 financial year of \$169.7 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 eleven current directors.

Name	Date Appointed	Date Ceased
James Douglas Packer	6 July 2007	–
John Henry Alexander	6 July 2007	–
Christopher John Anderson	6 July 2007	–
Christopher Darcy Corrigan	6 July 2007	–
Rowen Bruce Craigie	31 May 2007	–
Rowena Danziger	6 July 2007	–
Geoffrey James Dixon	6 July 2007	–
Ashok Peter Jacob	6 July 2007	–
Michael Roy Johnston	6 July 2007	–
Geoffrey Raymond Kleemann	31 May 2007	6 July 2007
David Hillel Lowy	6 July 2007	–
Christopher John Mackay	6 July 2007	7 March 2008
Michael James Neilson	31 May 2007	6 July 2007
Richard Wallace Turner	6 July 2007	–

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

James D Packer, *Executive Chairman*

Mr Packer is also Executive Chairman of Consolidated Press Holdings Limited and Executive Deputy Chairman of Consolidated Media Holdings Limited. Mr Packer is the Chairman of SEEK Limited (appointed 31 October 2003). He is also a director of the Sunland Group Limited (appointed 20 July 2006), Crown Melbourne Limited (appointed 22 July 1999) and Ellerston Capital Limited (appointed 6 August 2004) and a director of Melco Crown Entertainment Limited.

Mr Packer was previously a director of Qantas Airways Limited until 31 August 2007.

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

- Challenger Financial Services Group Limited: from 6 November 2003 to current
- Consolidated Media Holdings Limited¹: from 28 April 1992 to current
- Crown Melbourne Limited²: from 22 July 1999 to current
- Ellerston Capital Limited³: from 6 August 2004 to current
- Qantas Airways Limited: from 1 August 2000 to 31 August 2007
- SEEK Limited: from 31 October 2003 to current
- Sunland Group Limited: from 20 July 2006 to current

John Alexander BA, *Executive Deputy Chairman*

Mr Alexander became Executive Chairman of Consolidated Media Holdings Limited in November 2007. Mr Alexander had previously been Chief Executive Officer and Managing Director of PBL since June 2004.

Mr Alexander joined ACP Magazines as Group Publisher in 1998 and was appointed Chief Executive Officer of that division in March 1999, a position he held until April 2006. In January 2002, he was appointed Chief Executive Officer of PBL's media businesses which included ACP Magazines and Nine Network – then owned by PBL. Prior to joining the PBL Group, Mr Alexander was the Editor-in-Chief, Publisher & Editor of The Sydney Morning Herald, and Editor-in-Chief of The Australian Financial Review.

Mr Alexander is a director of various companies including Crown Melbourne Limited, Burswood Limited, Melco Crown Entertainment Limited, Aspinalls Holdings (Jersey) Limited, FOXTEL Management Pty Limited, PBL Media Holdings Pty Limited, Premier Media Group Pty Limited and The International Federation of the Periodical Press Limited.

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

- Crown Melbourne Limited²: from 17 August 2004 to current
- Consolidated Media Holdings Limited¹: from 16 December 1999 to current

Christopher J Anderson BEc, *Non Independent, Non-Executive Director*

Mr Anderson is also a non-executive director of Consolidated Media Holdings Limited. In this capacity he monitors the performance of a number of CMH investments including FOXTEL, Premier Media Group (Fox Sports), PBL Media, SEEK and Sky News.

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Mr Anderson was previously the Chief Executive Officer of Optus and stepped down from that role in late 2004. Prior to joining Optus in 1997, Mr Anderson was the Group Chief Executive of Television New Zealand Limited. Previously, he was the Managing Editor of the Australian Broadcasting Corporation and was Chief Executive Officer & Editorial Director of John Fairfax Limited Group. Mr Anderson was employed by John Fairfax Limited from 1966 to 1991 in various editorial and magazine positions.

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

- SEEK Limited: from 25 November 2004 to current
- Consolidated Media Holdings Limited¹: 9 June 2004 to current

Christopher D Corrigan, Independent, Non-Executive Director

Mr Corrigan was Managing Director of Patrick Corporation Limited, Australia's largest stevedore company with interests in rail transportation and aviation from March 1990 to May 2006. Prior to that, he had a career with Bankers Trust spanning 20 years, including periods as Managing Director of Bankers Trust in Australia and for the Asia-Pacific region.

Mr Corrigan sponsored the formation of a development capital business of A\$220 million known as Jamison Equity Limited in 1990, which became a wholly owned subsidiary, in December 1996, of the then publicly listed company Patrick Corporation Limited.

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

- Consolidated Media Holdings Limited¹: from 8 March 2006 to current
- Patrick Corporation Limited⁴: from 22 March 1990 to 11 May 2006
- Oriental Technologies Investments Limited⁵: from 26 July 2000 to 31 December 2005
- Virgin Blue Holdings Limited: from 27 May 2002 to 11 May 2006
- Webster Limited: from 30 November 2007 to current

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

Mr Craigie is also a director of Crown Melbourne Limited, Burswood Limited, Melco Crown Entertainment Limited, Aspinalls Holdings (Jersey) Limited, New World Gaming Partners Holdings British Columbia Limited and Consolidated Media Holding Limited.

Mr Craigie previously served from 2007 to 2008 as the Chief Executive Officer, PBL Gaming and from 2002 to 2007 as the Chief Executive Officer of Crown Melbourne Limited. 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.

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

- Crown Melbourne Limited²: from 9 January 2002 to current
- Consolidated Media Holdings Limited¹: from 9 January 2002 to current

Rowena Danziger BA, TC, MACE, Independent, non-executive Director

Mrs Danziger's professional experience spans over 30 years in various Australian and American educational institutions. She was the Headmistress at Ascham School in Sydney from 1973 to 2003. She is currently a director of Opera Australia and a board member of Sydney Writers' Festival and Chairperson of The Foundation of the Art Gallery of NSW.

Mrs Danziger is also a director of Consolidated Media Holdings Limited and Crown Melbourne Limited.

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

- Consolidated Media Holdings Limited¹: 17 September 1997 to current
- Crown Melbourne Limited²: 21 October 2003 to current

Geoffrey J Dixon, *Independent, non-executive Director*

Mr Dixon is the Managing Director and Chief Executive Officer of Qantas Airways Limited. Mr Dixon joined Qantas in 1994 and has had responsibility at the airline for all commercial activities. Mr Dixon is due to step down as Qantas CEO on 28 November 2008. Before joining Qantas, Mr Dixon was Director of Marketing and Industry Sales at Ansett Australia Airlines and General Manager Marketing and Corporate Affairs at Australian Airlines.

Mr Dixon is on the Governing Board of IATA. Prior to his career in the airline industry, Mr Dixon worked for an arm of the Australian Government Overseas Service in Australia and on postings to Australian Missions in The Hague, New York and San Francisco. He has also worked in the mining and media sectors.

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

- Qantas Airways Limited: from 1 August 2000 to current
- Leighton Holdings Limited: from 19 August 1999 to 31 May 2006
- Consolidated Media Holdings Limited¹: from 31 May 2006 to current

Ashok Peter Jacob MBA, *Non-independent, non-executive Director*

Mr Jacob is Chief Executive Officer of Consolidated Press Holdings Limited (CPH). Prior to joining CPH in 1998, Mr Jacob was the Managing Director of the investment arm of the Pratt group of companies.

Mr Jacob is a director of Consolidated Media Holdings Limited (appointed 9 November 1998), Crown Melbourne Limited (appointed 22 July 1999) and Ellerston Capital Limited (appointed 6 August 2004).

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

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

- Consolidated Media Holdings Limited¹: from 9 November 1998 to current
- Challenger Financial Services Group Limited: from 6 November 2003 to current
- Crown Melbourne Limited²: from 22 July 1999 to current
- Ellerston Capital Limited³: from 6 August 2004 to current

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

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

Prior to his appointment with the CPH group, he was a senior partner in the Australian member firm of Ernst & Young. Mr Johnston was also on the Board of Partners of Ernst & Young, Australia. Mr Johnston holds a Bachelor of Economics Degree from Sydney University and is an Associate of the Institute of Chartered Accountants in Australia.

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

- Challenger Financial Services Group Limited⁶: from 24 February 2006 to current
- Ellerston Capital Limited³: from 6 August 2004 to current
- Consolidated Media Holdings Limited¹: from 16 December 2005 to current

David H Lowy AM, BCom, Independent, non-executive Director

David Lowy is a principal of LFG Holdings, non-executive deputy chairman of Westfield Holdings Limited and a Director of Consolidated Media Holdings Limited. He is also the Founder and President of the Temora Aviation Museum and a director of The Lowy Institute for International Policy. He holds a Bachelor of Commerce degree from the University of NSW.

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

- Westfield Group: from 5 July 2004 to current
- Westfield America Management Limited: from 13 July 2004 to current
- Consolidated Media Holdings Limited¹: from 31 May 2006 to current

Richard W Turner AM, BEc, FCA, Independent, non-executive Director

Before his retirement in 1994, Mr Turner had been the Chief Executive Officer of Ernst & Young, having had a successful 36 year career as an audit partner. Mr Turner is a Fellow of the Institute of Chartered Accountants in Australia. He is a director of HBOS Australia Limited, Bankwest Limited, Mirvac Ltd and its group companies. He was past President and director of The Smith Family and past Chairman and a current director of the Institute of Pain Management Limited.

Mr Turner is also a director of Consolidated Media Holdings Limited, Crown Melbourne Limited, and is Chairperson of Crown Limited's Audit & Corporate Governance Committee.

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

- Crown Melbourne Limited²: from 21 October 2003 to current
- Consolidated Media Holdings Limited¹: from 9 November 1998 to current
- The Mirvac Group: from 7 January 2005 to current

Notes:

1. Consolidated media Holdings Limited (previously Publishing and Broadcasting Limited, ASX Code: PBL).
2. Crown Melbourne Limited (previously Crown Limited, "Crown Melbourne") was classified as a listed company while it had a series of unsecured notes (ASX Code: CROHB) quoted on the ASX. These notes were redeemed on 15 August 2005 and Crown Melbourne was removed from the ASX's official list on 2 September 2005.
3. Ellerston Capital Limited is the manager and responsible entity for the Ellerston Gems Fund (EGF), admitted to the Official List of ASX Limited on 29 June 2007.
4. Removed from the ASX's official list on 3 July 2006.
5. Removed from the ASX's official list on 17 March 2006.
6. Alternate director to Mr James Packer and Mr Ashok Jacob.

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.

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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.

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

Other officer details

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

- Geoffrey Kleemann
Chief Financial Officer
- David Courtney
Chief Executive Officer, Crown Melbourne Limited
- Barry Felstead
Chief Executive Officer, Burswood Limited

Relevant interests of directors

Details of relevant interests of current directors in Crown shares are as follows:

Director	Total number of ordinary Shares
John Alexander	1,827,133 ¹
Chris Anderson	315,194 ²
Rowen Craigie	2,341,102 ³
Rowena Danziger	28,876
David Lowy	137,250
James Packer	261,500,000
Richard Turner	27,000

Notes:

1. Of which 1,300,000 shares are Crown ESP shares.

2. Of which 300,000 shares are Crown ESP shares.

3. Comprised entirely of Crown ESP shares.

* For more information regarding Crown ESP shares, please see page 36 of the Remuneration Report.

None of Crown's directors are 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 since Listing together with each director's attendance details. The Crown Board held a number of meetings prior to Listing, particularly in connection with the PBL Scheme and the Demerger Scheme.

	Board		Audit & Corporate Governance Committee		OH&S Committee		Risk Management Committee	
	H*	A	H	A	H	A	H	A
James Packer	4	4						
John Alexander	4	4						
Christopher Anderson	4	4						
Christopher Corrigan	4	3						
Rowen Craigie	4	4			2	2	1	1
Rowena Danziger	4	4	2	2	2	2	1	1
Geoffrey Dixon	4	2					1	1
Ashok Jacob	4	3						
Michael Johnston	4	4	2	2	2	2		
David Lowy	4	4						
Christopher Mackay**	2	2						
Richard Turner	4	3	2	2				

H Number of meetings held

A Number of meetings attended

* Two meetings were held shortly after Listing by a quorum of directors, primarily to deal with administrative matters of updating the company's registered address and officer details. No other substantive matters were considered. R Craigie and J Alexander attended both meetings and A Jacob attended one.

** Resigned 7 March 2008.

The primary role of the Remuneration Committee is to review non-executive director remuneration. The Committee meets once a year to review performance for the previous year. Accordingly, the Committee has not met since Listing. The Investment Committee and the Finance Committee also have not met since Listing.

Page 27 of the Corporate Governance Statement includes details on Board committee structure and membership during the year.

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Under Crown's Constitution, documents containing written resolutions assented to by directors are to be taken as a minute of a meeting of directors. There were no additional written resolutions assented to by the Board or a Committee 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.

D&O Insurance

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

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

Auditor Information

Auditor details

Ernst & Young has been appointed Crown's auditor.

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

True and fair information

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

Non-audit services

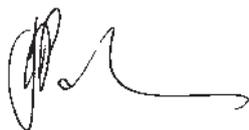
Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 30.

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

Rounding

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

Signed in accordance with a resolution of the Directors.



J D Packer
Director



R B Craigie
Director

Melbourne, 17th day of September, 2008



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Auditor's Independence Declaration to the Directors of Crown Limited

In relation to our audit of the financial report of Crown Limited for the financial year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink that reads "Ernst + Young".

Ernst & Young

A handwritten signature in black ink that reads "Brett Kallio".

Brett Kallio
Partner

17 September 2008

Liability limited by a scheme approved under
Professional Standards Legislation



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Independent auditor's report to the members of Crown Limited

Report on the Financial Report

We have audited the accompanying financial report of Crown Limited (the company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's 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 and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 our 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, we consider 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 met 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. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.



Auditor's Opinion

In our opinion:

1. the financial report of Crown Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of Crown Limited and the consolidated entity at 30 June 2008 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 32 to 52 of the directors' report for the year ended 30 June 2008. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Crown Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

A stylized, handwritten signature of "Ernst + Young" in a cursive script.

Ernst & Young

A handwritten signature of "Brett Kallio" in a cursive script.

Brett Kallio
Partner
Melbourne
17 September 2008

Directors' Declaration

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

1. In the directors' opinion:
 - a) there are reasonable grounds to believe that Crown will be able to pay its debts as and when they become due and payable; and
 - b) the financial statements and notes are in accordance with the Corporations Act, including:
 - (i) Section 296 (compliance with accounting standards); and
 - (ii) Section 297 (true and fair view); and
2. The directors have received declarations in relation to Crown's financial statements for the financial year ended 30 June 2008, by its Chief Executive Officer and its Chief Financial Officer in accordance with section 295A of the Corporations Act.

In the opinion of Directors, at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 35 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



J D Packer
Director



R B Craigie
Director

Melbourne, 17th day of September, 2008

Financial Report

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MORE INFORMATION

More information regarding calculations of normalised results is included in Crown's 2008 Full Year Results Announcement, which is available on Crown's website at: www.crownlimited.com under the heading Investors – Presentations and Briefings.

Income Statement

for the year ended 30 June 2008

	Note	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Continuing Operations					
Revenues	3	2,215,930	2,016,604	175,000	–
Other income	3	701	164	–	–
Expenses	3	(1,807,029)	(1,427,421)	(3,168,144)	–
Share of profits of associate and joint venture entities	2,11	(21,999)	(50,976)	–	–
Profit/(loss) from continuing operations before income tax and finance costs		387,603	538,371	(2,993,144)	–
Finance costs	2,3	(132,989)	(151,204)	–	–
Profit/(loss) from continuing operations before income tax		254,614	387,167	(2,993,144)	–
Income tax (expense)/benefit	2,5	(117,608)	(18,767)	462	–
Profit/(loss) from continuing operations after income tax		137,006	368,400	(2,992,682)	–
Discontinued operations					
Profit/(loss) from discontinued operations after income tax	2	3,426,213	1,611,831	–	–
Profit/(loss) for the period		3,563,219	1,980,231	(2,992,682)	–
Attributable to minority interests	24	–	22,979	–	–
Attributable to members of the parent		3,563,219	1,957,252	(2,992,682)	–
		2008 Cents per share	2007 Cents per share		
Earnings per share (EPS)	31				
Basic EPS*		517.00	285.87		
Diluted EPS*		517.00	285.87		
Dividends per share	4				
Final dividend proposed		29.0	25.0		
Current year interim dividend paid		25.0	30.0		

* Basic/diluted EPS excluding the effect of discontinued operations is 19.88 cps (2007: 42.46).
Basic/diluted EPS excluding the effect of discontinued operations and specific items is 54.58 cps (2007: 49.97).

Balance Sheet

At 30 June 2008

	Note	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current assets					
Cash and cash equivalents	26(a)	2,362,964	2,227,657	–	–
Trade and other receivables	7	146,524	104,956	–	–
Inventories	8	11,835	9,722	–	–
Prepayments		11,253	12,729	–	–
Other assets	9	70	108	–	–
		2,532,646	2,355,172	–	–
Assets classified as held for sale	10	–	447,435	–	–
Total current assets		2,532,646	2,802,607	–	–
Non-current assets					
Receivables	7	443,202	90,101	178,160	–
Available-for-sale financial assets	12	507,489	398,013	–	–
Other financial assets	13	–	–	8,628,413	–
Investments in associates accounted for using the equity method	11	1,130,164	915,211	–	–
Property, plant and equipment	14	1,854,977	1,831,060	–	–
Licences	15	666,868	674,339	–	–
Other intangible assets	16	189,301	210,469	–	–
Deferred tax assets	5	136,573	184,052	13,870	–
Prepaid casino tax	9	71,106	73,840	–	–
Total non-current assets		4,999,680	4,377,085	8,820,443	–
Total assets		7,532,326	7,179,692	8,820,443	–
Current liabilities					
Trade and other payables	18	255,108	234,821	13,408	–
Interest-bearing loans and borrowings	19	20,000	20,046	–	–
Current income tax liabilities		37,178	22,670	–	–
Provisions	20	105,750	137,836	–	–
Liabilities directly associated with the assets classified as held for sale	21	–	78,619	–	–
Total current liabilities		418,036	493,992	13,408	–
Non-current liabilities					
Other payables	18	24,059	114	–	–
Interest-bearing loans and borrowings	19	2,359,234	309,144	2,224,936	–
Deferred tax liabilities	5	394,709	477,331	–	–
Provisions	20	38,157	33,827	–	–
Total non-current liabilities		2,816,159	820,416	2,224,936	–
Total liabilities		3,234,195	1,314,408	2,238,344	–
Net assets		4,298,131	5,865,284	6,582,099	–
Equity					
Equity attributable to equity holders of the parent					
Contributed equity	22	258,149	2,454,986	9,738,590	–
Reserves	23	176,223	350,256	5,712	–
Retained earnings/(accumulated losses)	23	3,863,759	3,060,042	(3,162,203)	–
Total equity		4,298,131	5,865,284	6,582,099	–

Cash Flow Statement

For the year ended 30 June 2008

	Note	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash flows from operating activities					
Receipts from customers		2,072,949	3,868,967	–	–
Payments to suppliers and employees		(1,564,942)	(2,818,243)	–	–
Dividends received		66,659	29,828	–	–
Interest received		191,725	117,672	–	–
Borrowing costs		(127,625)	(257,931)	–	–
Income tax paid		(68,745)	(215,593)	–	–
Net cash flows from/(used in) operating activities	26	570,021	724,700	–	–
Cash flows from investing activities					
Purchase of property, plant and equipment		(203,142)	(239,730)	–	–
Proceeds from sale of property, plant and equipment		3,486	13,036	–	–
Payment for purchases of equity investments		(233,072)	(617,343)	–	–
Payment for the acquisition of controlled entities		–	(309,357)	–	–
Purchase of available for sale financial assets		(434,023)	–	–	–
Net proceeds from sale of equity investments		828,972	12,591	–	–
Net proceeds from sale of controlled entities		–	897,811	–	–
Net proceeds from sale of available for sale investments (inc. held for sale)		35,832	–	–	–
Loans to associated entities		(12,322)	(104,074)	–	–
Repayment of loans to associated entities		–	31,716	–	–
Loans to other entities		–	(30,551)	–	–
Other (net)		(2,652)	(13,952)	–	–
Net cash flows from/(used in) investing activities		(16,921)	(359,853)	–	–
Cash flows from financing activities					
Issue of shares		–	3,473	–	–
Proceeds from borrowings		2,070,000	3,685,660	2,238,576	–
Repayment of borrowings		(10,000)	(2,602,513)	–	–
Dividends paid		(338,694)	(398,778)	(169,544)	–
Payment of capital reduction		(2,053,852)	–	(2,069,032)	–
Cash disposed from sale of group entities		(85,770)	–	–	–
Dividends/distributions paid to minority interests		–	(10,654)	–	–
Net cash flows from/(used in) financing activities		(418,316)	677,188	–	–
Net increase/(decrease) in cash and cash equivalents		134,784	1,042,035	–	–
Cash and cash equivalents at the beginning of the financial year		2,227,657	1,185,135	–	–
Effect of exchange rate changes on cash		523	487	–	–
Cash and cash equivalents at the end of the financial year	26	2,362,964	2,227,657	–	–

Statement of Recognised Income and Expense

for the year ended 30 June 2008

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Foreign currency translation	(279,548)	947	–	–
Unrealised gain on investment in associates	110,624	341,701	–	–
Net income recognised directly in equity	(168,924)	342,648	–	–
Profit/(loss) for the period	3,563,219	1,980,231	(2,992,682)	–
Total recognised income and expense for the period	3,394,295	2,322,879	(2,992,682)	–
Attributable to:				
Equity holders of the parent	3,394,295	2,299,900	(2,992,682)	–
Minority interest	–	22,979	–	–
	3,394,295	2,322,879	(2,992,682)	–

Notes to the Financial Statements

For the year ended 30 June 2008

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* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value and investments in associates accounted for using the equity method. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available

to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

The financial report of Crown Limited and its controlled entities for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of directors on 18 August 2008 subject to final approval by a sub committee which approval was received on 17 September 2008.

(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.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ending 30 June 2008. These are outlined in the table below.

Reference	Title	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB Int. 13	Customer Loyalty Programmes	1 July 2008	The Group accounts for its customer loyalty programmes in such a manner that this standard is not expected to have any material impact on the Group's financial report.	1 July 2008
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	1 January 2009	AASB 8 is a disclosure standard so therefore will have no direct impact on the amounts included in the Group's financial statements. In addition, the amendments may have an impact on the Group's segment disclosures.	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	1 January 2009	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Group already capitalises borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(b) Statement of compliance *continued*

Reference	Title	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	1 January 2009	These amendments are not expected to have any impact on the Group's financial report as the Group does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	1 July 2009
AASB 3 (Revised)	Business Combinations	1 July 2009	The Group may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Group has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	1 July 2009	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2007
AASB 2008-7	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	<p>Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments.</p> <p>In addition, if the Group enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.</p>	1 July 2007
AASB 2008-5 and 2008-6	Improvements to IFRSs	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(b) Statement of compliance *continued*

Reference	Title	Application date of standard*	Impact on Group financial report	Application date for Group*
IFRIC 16**	Hedges of a Net Investment in a Foreign Operation	1 January 2009	The Interpretation is unlikely to have any impact on the Group since it does not significantly restrict the hedged risk or where the hedging instrument can be held.	1 July 2009
AASB Int. 12 and AASB 2007-2	Service Concession Arrangements and consequential amendments to other Australian Accounting Standards	1 January 2008	Unless the Group enters into service concession arrangements or public-private-partnerships (PPP), the amendments are not expected to have any impact on the Group's financial report.	1 July 2008

* Designates the beginning of the applicable annual reporting period unless otherwise stated

** Pronouncements that have been issued by the IASB and IFRIC but have not yet been issued by the AASB. Entities must disclose the impact of these pronouncements in order to make the statement of compliance with IFRS under AASB 101.14.

The Group has adopted AASB 7 'Financial Instruments: Disclosures' and all consequential amendments which became applicable on 1 July 2007. The adoption of this standard has only impacted the disclosure in these financial statements. There has been no impact on profit and loss or the financial position of the entity.

(c) Basis of consolidation

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

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

Subsidiary acquisitions are accounted for using the purchase 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.

Investments in subsidiaries, as recorded in the parent entity (Crown Limited) accounts, are carried at cost.

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

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

(d) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key 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 17.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer, using the assumptions detailed in note 28.

Specific Items

Management determines specific items based on the nature and size.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(e) Income tax

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

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

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

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

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

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

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(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 balance sheet.

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

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

(g) Foreign currency translation

Both the functional and presentation currency of Crown Limited and its Australian subsidiaries is Australian dollars (A\$). 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.

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 balance sheet date. All differences in the consolidated financial report are taken to the income statement.

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(g) Foreign currency translation *continued*

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Limited at the rate of exchange ruling at the balance sheet date and the income statements are 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 income statement.

(h) Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise cash at bank and on hand, and short term deposits.

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. 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:

Gaming inventories which include food, beverages and general stores are costed on a weighted average basis.

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 Group's investment in its associates are accounted for under the equity method of accounting in the consolidated financial statements. These are entities in which the Group has significant influence and which are not subsidiaries.

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 the associates, as recorded in the parent entity (Crown Limited) accounts, are carried at cost.

The investment in the associates is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement 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 consolidated statement of recognised income and expense.

(l) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as available-for-sale, are measured at fair value. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(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

Plant and equipment – 2 to 15 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(m) Property, plant and equipment *continued*

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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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 income statement in the period the item is derecognised.

(n) Intangible assets

Licences

Licences are carried at cost.

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

The casino licence premiums are carried at cost of acquisition. The Crown Melbourne licence is being amortised on a straight-line basis over the remaining life of the licence from the time PBL acquired Crown Melbourne, being 34 years. The Burswood licence is perpetual and, as such, no amortisation is charged. The Burswood licence is subject to an annual impairment assessment.

Goodwill

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

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

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate

that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

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

Development costs

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

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 income statement.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived intangibles annually, 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 income statement when the net asset is derecognised.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(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. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-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

Liabilities 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 cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

Borrowing costs

Borrowing costs are capitalised on qualifying assets. Other borrowing costs are recognised as an expense when incurred.

(r) Provisions

Provisions are recognised when the economic entity has a legal or constructive obligation 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.

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 borrowing cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined 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 balance date including related on-costs. The benefits include wages and salaries, incentives, compensated absences and other benefits, which are charged against profits in their respective expense categories when services are provided or benefits vest with the employee.

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(t) Share-based payment transactions

Equity settled transactions

The Group provides benefits to senior executives in the form of share-based payments, whereby executives render services in exchange for shares or rights over shares (equity-settled transactions).

The plan in place to provide these benefits is the Executive Share Plan (ESP).

The cost of these equity-settled transactions with executives is measured by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by an external valuer using the Monte Carlo model, further details of which are given in note 30.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Crown Limited, further details of which are given in note 28.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(t) Share-based payment transactions *continued*

Equity settled transactions continued

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant executives become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting dates reflects:

- (i) the extent to which the vesting period has expired and
- (ii) the Groups best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

(u) 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 leased 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 income statement on a straight-line basis over the lease term.

(v) 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.

(w) Derivative financial instruments

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate

swap contracts is determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges (interest rate swaps) which meet the conditions for special hedge accounting, any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement.

Any gain or loss attributable to the hedged risk on remeasurement of the hedged item is adjusted against the carrying amount of the hedged item and recognised in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the income statement such that it is fully amortised by maturity.

In relation to cash flow hedges (forward foreign exchange contracts) to hedge firm commitments which meet the conditions for special hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in the income statement. When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss, for example when the future sale actually occurs.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

(x) Impairment of financial assets

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

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT

ACCOUNTING POLICIES *continued*

(x) Impairment of financial assets *continued*

(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 assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate (ie: 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 profit or loss.

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

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

(ii) *Financial assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) *Available-for-sale investments*

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals

of impairment losses for debt instruments are reversed through profit or loss if the increase in an instruments fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(y) Contributed equity

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

(z) Revenue

Revenue is recognised 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 passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services

Control of the right to be compensated for the services and the stage of completion can be reliably measured.

Casino revenues are the net of gaming wins and losses.

Interest

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

Dividends

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

(aa) Earnings per share

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

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share 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.

2. SEGMENT INFORMATION

Crown operated one distinct segment, being:

- Gaming – operation of fully integrated gaming and entertainment facilities.

Intersegment trading, where appropriate, is eliminated on consolidation. Any such transactions are based on market values.

30 June 2008

(a) Industry segment

	Note	Gaming \$'000	Un- allocated \$'000	Crown Group \$'000	Less: Dis- continued Operations \$'000	Continuing Operations \$'000
Operating revenue						
Total		2,028,924	9,480	2,038,404	8,731	2,029,673
Intersegment		(2,233)	–	(2,233)	–	(2,233)
External customers	3	2,026,691	9,480	2,036,171	8,731	2,027,440
Other income	3	701	273,933	274,634	273,933	701
Interest revenue	3			188,490	–	188,490
Total revenue		2,027,392	283,413	2,499,295	282,664	2,216,631
Segment result						
Earnings before interest, tax, depreciation and amortisation “EBITDA”		632,924	(50,907)	582,017	(11,068)	593,085
Depreciation and amortisation	3	(130,287)	(3,866)	(134,153)	(1,343)	(132,810)
Earnings before interest and tax “EBIT”		502,637	(54,773)	447,864	(12,411)	460,275
Specific items	3	–	3,112,400	3,112,400	3,351,563	(239,163)
Equity accounted share of associates’ net profit/(loss)	11	(21,999)	57,470	35,471	57,470	(21,999)
Net interest income/(expense)	3			55,501	–	55,501
Profit from operating activities before income tax and minority interests		480,638	3,115,097	3,651,236	3,396,622	254,614
Less: tax expense	5			(88,017)	29,591	(117,608)
Profit after tax		480,638	3,115,097	3,563,219	3,426,213	137,006
Total assets employed ^		4,991,457	2,540,869	7,532,326	–	7,532,326
Total liabilities		752,833	2,481,362	3,234,195	–	3,234,195
Acquisition of Non-current assets		199,086	–	199,086	–	199,086
Investments in associates	11	1,130,164	–	1,130,164	–	1,130,164
Non-cash (income)/expenses (other than depn & amort)		–	239,163	239,163	–	239,163

^ Unallocated assets include unallocated cash on deposit of \$2,215.2 million (2007: \$2,086.2 million).

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

2. SEGMENT INFORMATION *continued*

30 June 2007

(a) Industry segment *continued*

	Note	Gaming \$'000	Media (Disc- ontinued) \$'000	Un- allocated \$'000	Crown Group \$'000	Less: Dis- continued Operations \$'000	Continuing Operations \$'000
Operating revenue							
Total		1,915,496	1,667,128	5,677	3,588,301	1,672,805	1,915,496
Intersegment		(6,953)	(10,878)	(4,460)	(22,291)	(15,338)	(6,953)
External customers	3	1,908,543	1,656,250	1,217	3,566,010	1,657,467	1,908,543
Other income	3	164	13,948	1,543,378	1,557,490	1,557,326	164
Interest revenue	3				112,803	4,742	108,061
Total revenue		1,908,707	1,670,198	1,544,595	5,236,303	3,219,535	2,016,768
Segment result							
Earnings before interest, tax, depreciation and amortisation "EBITDA"		603,810	478,443	(76,431)	1,005,822	402,012	603,810
Depreciation and amortisation	3	(120,053)	(37,580)	(7,284)	(164,917)	(42,393)	(122,524)
Earnings before interest and tax "EBIT"		483,757	440,863	(83,715)	840,905	359,619	481,286
Specific items	3	–	(62,100)	1,389,663	1,327,563	1,327,563	–
Equity accounted share of associates' net profit/(loss)	11	(50,976)	113,433	–	62,457	113,433	(50,976)
Net interest (expense)	3				(150,284)	(107,141)	(43,143)
Profit from operating activities before income tax and minority interests		432,781	492,196	1,305,948	2,080,641	1,693,474	387,167
Less: tax expense	5				(100,410)	(81,643)	(18,767)
Profit after tax		432,781	492,196	1,305,948	1,980,231	1,611,831	368,400
Total assets employed ^		4,684,385	103,248	2,392,059	7,179,692	550,683	6,629,009
Total liabilities		849,632	78,619	386,157	1,314,408	202,996	1,111,412
Acquisition of Non-current assets		897,391	324,434	93,183	1,315,008	324,434	990,574
Investments in associates	11	1,180,996	–	(122,785)	1,058,211	143,000	915,211
Non-cash (income)/ expenses (other than depn & amort)		12,030	(8,098)	40,258	44,190	(8,098)	52,288

(b) Geographical segment

The consolidated entity operates principally within Australia.

3. REVENUE AND EXPENSES

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Profit before income tax expense includes the following revenues and expenses:				
(i) Revenue from continuing operations				
Revenue from services	1,744,585	1,638,374	–	–
Revenue from sale of goods	263,737	270,135	–	–
Interest	188,490	108,061	–	–
Dividends	40	34	175,000	–
Other operating revenue	19,078	–	–	–
	2,215,930	2,016,604	175,000	–
(ii) Other income from continuing operations				
Profit on disposal of non-current assets	701	164	–	–
(iii) Expenses from continuing operations				
Cost of sales	101,829	95,484	–	–
Gaming activities	1,423,675	1,329,466	–	–
Specific Items	239,163	–	–	–
Other activities	42,362	2,471	–	–
	1,807,029	1,427,421	–	–
<i>Depreciation of non-current assets</i> (included in expenses above)				
Buildings	42,941	39,228	–	–
Plant and equipment	72,019	65,359	–	–
	114,960	104,587	–	–
<i>Amortisation of non-current assets</i> (included in expenses above)				
Casino licence fee and management agreement	14,436	14,417	–	–
Other assets	3,414	3,520	–	–
	17,850	17,937	–	–
Total depreciation and amortisation expense	132,810	122,524	–	–

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

3. REVENUE AND EXPENSES *continued*

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(iv) Specific items				
Continuing operations				
Write down of LVTI	44,699	–	–	–
Write down of available for sale assets – equity securities	181,330	–	–	–
Write down of deferred debt security	13,134	–	–	–
Impairment write down of non-current assets	–	–	3,168,144	–
	239,163	–	3,168,144	–
Discontinued operations				
Gain on demerger of CMH	(2,420,245)	–	–	–
Net profit on disposal of investments	(948,318)	(1,530,896)	–	–
Impairment and write down of non-current assets	17,000	79,734	–	–
Restructuring costs	–	80,399	–	–
Other provisions	–	43,200	–	–
	(3,351,563)	(1,327,563)	–	–
Total specific items	(3,112,400)	(1,327,563)	3,168,144	–
(v) Other income and expense disclosures				
Finance costs expensed:				
Debt facilities	132,989	151,172	–	–
Finance leases	–	32	–	–
	132,989	151,204	–	–
Bad and doubtful debts – trade debtors	(11,185)	6,901	–	–
Rentals – operating leases	8,652	8,387	–	–
Defined benefit superannuation plan expenses	–	(575)	–	–
Defined contribution plan expense	33,930	60,220	–	–
Other employee benefits expense	530,545	699,207	–	–
Executive share plan expenses	3,672	9,509	–	–
Net foreign currency gains/(losses)	781	2,194	–	–

4. DIVIDENDS PAID AND PROPOSED

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(a) Dividends appropriated during the financial year				
<i>Current year interim dividend (paid 18 April 2008)</i>				
Paid at 25 cents (2007: 30 cents) per share franked at 40% (2007: fully franked) at the Australian tax rate of 30% (2007: 30%)	169,521	202,669	169,521	–
<i>Prior year final dividend (paid 15 October 2007)</i>				
Paid at 25 cents (2006: 29 cents) per share and fully franked (2006: fully franked) at the Australian tax rate of 30% (2006: 30%)	169,736	196,474	–	–
Total dividends appropriated	339,257	399,143	169,521	–
(b) Dividends announced and not recognised as a liability				
<i>Current year final dividend on ordinary shares (expected to be paid 17 October 2008)</i>				
Announced at 29 cents (2007: 25 cents) per share and franked at 40% (2007: fully franked) at the Australian tax rate of 30% (2007: 30%)	196,687	169,718	196,687	–
(c) Franking credits				
The tax rate at which the final dividend will be franked is 30% (2007: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2008				
The amount of franking credits available for the subsequent financial year:				
Franking account balance as at the end of the financial year at 30% (2007: 30%)	9,445	49,049	9,445	–
Franking credits that will arise from the payment of income taxes payable as at the end of the financial year	22,554	22,670	22,554	–
Total franking credits	31,999	71,719	31,999	–
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	(34,287)	(72,736)	(34,287)	–
	(2,288)	(1,017)	(2,288)	–

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The company will pay tax instalments before the payment of the final dividend to ensure the dividends can be franked to 40%.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

5. INCOME TAX

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(a) Income tax expense				
The prima facie tax expense, using tax rates applicable in the country of operation, on profit differs from income tax provided in the financial statements as follows:				
Profit/(loss) before income tax	3,651,236	2,080,641	(2,993,144)	–
Prima facie income tax expense/(benefit) on profit/(loss) at the Australian rate of 30% (2007: 30%)	1,095,371	624,192	(897,943)	–
Tax effect of:				
Rebatable dividends	–	(3,198)	(52,500)	–
Non deductible depreciation and amortisation	1,506	2,584	–	–
Non taxable net capital loss/(gain)	(1,031,337)	(465,057)	950,443	–
Share of associates' net (profits)	(10,641)	(18,737)	–	–
Tax losses previously not recognised now brought to account	–	(70,062)	–	–
Dividends from associated entities	–	8,500	–	–
Other items – net	(7,263)	(801)	–	–
Impairment and write down of investments	71,739	23,920	–	–
Deferred income tax on temporary differences	(6,966)	338	(462)	–
Income tax (over)/under provided in prior years	675	(1,269)	–	–
Deferred tax adjustment	(25,067)	–	–	–
Income tax expense/(benefit)	88,017	100,410	(462)	–
Income tax expense/(benefit) comprises –				
Current expense	94,308	101,341	–	–
Deferred expense/(benefit)	(6,966)	338	(462)	–
Adjustments for current income tax of prior periods	675	(1,269)	–	–
	88,017	100,410	(462)	–
(b) Deferred income taxes				
Deferred income tax assets	136,573	184,052	13,870	–
Deferred income tax liabilities	394,709	477,331	–	–
Net deferred income tax liabilities	(258,136)	(293,279)	13,870	–

5. INCOME TAX *continued*

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(c) Deferred income tax assets and liabilities at the end of the financial year				
Doubtful debt provision	7,803	18,287	–	–
Employee benefits provision	18,222	18,218	–	–
Revenue losses carried forward	13,500	33,241	13,500	–
Other receivables	49,353	34,296	–	–
Other provisions	47,695	38,606	–	–
<i>Revaluation to fair value of:</i>				
Investments	(155,490)	(224,857)	–	–
Prepaid casino tax	(563)	(22,152)	–	–
Licences, mastheads and intangibles	(149,797)	(145,384)	–	–
Land and buildings	(86,960)	(45,179)	–	–
Accelerated depreciation for tax purposes	(3,764)	(10,650)	–	–
Other	1,865	12,295	370	–
Net deferred income tax assets/(liabilities)	(258,136)	(293,279)	13,870	–
(d) Movements in deferred income tax assets and liabilities during the financial year, reflected in deferred income tax expense/(benefit) –				
<i>Revaluation to fair value of:</i>				
Prepaid casino tax	(820)	(820)	–	–
Adjustment to the carrying value of assets	(6,146)	1,158	(462)	–
Net deferred income tax expense/(benefit)	(6,966)	338	(462)	–
(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable –				
The Group has tax losses arising in Australia that are available indefinitely for offset against future capital gains of the companies in which the losses arose.				
Capital gains tax – no expiry date	199,000	1,344,492	199,000	–
Total tax losses not brought to account	199,000	1,344,492	199,000	–
Potential tax benefit at respective tax rates	59,700	403,348	59,700	–

(f) Withholding taxes payable

At 30 June 2008, there is no recognised or unrecognised deferred income tax liability (2007: \$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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

5. INCOME TAX *continued*

(g) Tax consolidation

Crown Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Limited in order to allocate income tax expense between Crown Limited and the wholly owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date the possibility of default is remote.

(h) Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the period. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries intercompany accounts with the tax consolidated group head company, Crown Limited.

6. DISCONTINUED OPERATIONS

(a) Details of discontinued operations

Demerger of CMH

On 12 December 2007, Crown disposed of its Media businesses by way of a demerger of Consolidated Media Holdings Limited. The demerger was effected by returning 1 CMH share to shareholders for each Crown share held.

The net assets of CMH at the time of demerger were \$131.6 million. The value of CMH at the demerger date was \$2,551.8 million. A gain of \$2,420.2 million was therefore recorded on demerger. The \$131.6 million has been recorded as a reduction of capital in the consolidated accounts and the \$2,420.2 million has been accounted for as an internal distribution in the consolidated accounts.

As part of the demerger the following material entities were disposed:

- Consolidated Media Holdings Ltd (formally PBL)
- Windfyr Pty Ltd (and controlled entities)
- PBL Media Holdings Shareholder Pty Ltd (and controlled entities)
- PBL Pay TV Pty Ltd (and controlled entities)

PBL Media

On 10 September 2007 PBL disposed half of its 50% investment (25%) in PBL Media for proceeds of \$526.4 million. The cost base disposed by PBL relating to the share disposed was negative \$347.3 million resulting in a profit on disposal of \$873.7 million.

Ticketing and Events

On 17 July 2007, PBL sold its Ticketing and Events business to PBL Media for \$210.0 million in cash. PBL's cost base in the Ticketing and Events business at the time of the sale was \$50.5 million. At the time of the transaction PBL owned 50% of PBL Media, therefore 50% of these net assets and 50% of the debt funding that PBL Media used for the acquisition were transferred to PBL's investment in PBL Media (\$79.7 million). The residual 50% was disposed, resulting in a gain on disposal of \$79.7 million.

The material entities disposed as part of this transaction were:

- Ticketek Pty Limited
- Sydney Superdome Pty Limited; and
- Events Management Catering Pty Limited

6. DISCONTINUED OPERATIONS *continued*

(a) Details of discontinued operations *continued*

Hoyts

On 5 December 2007 Crown sold its investment in Hoyts for \$145.4 million. Costs of \$3.2 million were incurred in relation to the sale. At the time the carrying value of Hoyts was \$147.3 million resulting in a loss on disposal of Hoyts of \$5.1 million.

Other Discontinued Operations

Other discontinued operations consists of equity accounted results of entities no longer part of the Crown Group, tax adjustments, and corporate costs of businesses residing in CMH. The net profit from these other discontinued operations is \$74.7 million.

Summary of Discontinued Operations

In summary, Crown's gain from discontinued operations of \$3,426.2 million consists of the following:

	\$'000
Gain on demerger of CMH	2,420,245
Gain on disposal of PBL Media	873,721
Gain on disposal of Ticketing & Events	79,743
Loss on disposal of Hoyts	(5,146)
New Regency write down	(17,000)
Other discontinued operations	74,650
	3,426,213

(b) Cashflow information – discontinued operations

The net cash flows of discontinued operations for the period until disposal were as follows:

	CONSOLIDATED	
	2008	2007
	\$'000	\$'000
Operating activities	(3,641)	438,700
Investing activities	671,872	(299,853)
Financing activities	(2,139,622)	677,188
	(1,471,391)	816,035

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

6. DISCONTINUED OPERATIONS *continued*

(c) Assets and liabilities – held for sale operations

The major classes of assets and liabilities of Ticketek Pty Limited and Sydney Superdome Pty Limited at 30 June 2007 are as follows:

	Ticketek and Sydney Superdome
	\$'000
Assets	
Intangibles	63,069
Property, plant and equipment	27,715
Inventories	915
Trade and other receivables	4,556
Other assets	6,992
Assets classified as held for sale	103,247
Liabilities	
Trade and other payables	71,967
Other liabilities	6,652
Liabilities directly associated with assets classified as held for sale	78,619
Net assets/liabilities attributable to discontinued operations	24,628

(d) Cashflow information – held for sale operations

The net cash flows of held for sale operations are as follows:

	Ticketing and Events \$'000	Hoyts \$'000	New Regency \$'000	Total \$'000
Operating activities	26,103	–	–	26,103
Net cash inflow	10,622	–	–	10,622

7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current				
Trade receivables	114,844	103,568	–	–
Provision for doubtful debts ^(a)	(13,983)	(44,242)	–	–
	100,861	59,326	–	–
Loans to associated entities	314	384	–	–
Loans to directors	–	92	–	–
Other receivables	45,349	45,154	–	–
	45,663	45,630	–	–
	146,524	104,956	–	–

(a) Allowance for Doubtful Debts

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

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

Movements in the allowance for doubtful debts:

	CONSOLIDATED	
	2008 \$'000	2007 \$'000
Allowance for doubtful debts at the beginning of the year	(44,242)	(41,412)
Discontinued Operations (Transferred Out)	369	1,858
Net doubtful debt (expense)/reversal for the year ⁽ⁱ⁾	11,185	(6,901)
Amounts written off	18,705	2,213
	(13,983)	(44,242)

(i) Amounts are included in other expenses

Ageing analysis of trade debtors

	0–30 days	>30 days	Total \$'000
	2008 – consolidated		
Current	62,049	–	62,049
Past due not impaired	–	38,812	38,812
Considered impaired	1,184	12,799	13,983
	63,233	51,611	114,844
2007 – consolidated			
Current	36,884	–	36,884
Past due not impaired	–	22,442	22,442
Considered impaired	563	43,679	44,242
	37,447	66,121	103,568

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

7. TRADE AND OTHER RECEIVABLES *continued*

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Non Current				
Loans to associated entities	248,079	73,339	–	–
Derivatives	11,200	–	–	–
Loans to controlled entities	–	–	178,160	–
Other receivables	188,923	21,762	–	–
Provision for doubtful debts	(5,000)	(5,000)	–	–
	443,202	90,101	178,160	–

8. INVENTORIES

Current

Finished goods (at cost)	11,835	9,722	–	–
	11,835	9,722	–	–

9. OTHER ASSETS

Current

Deposits	70	108	–	–
	70	108	–	–

Non Current

Prepaid casino tax at cost	100,800	100,800	–	–
Accumulated amortisation	(29,694)	(26,960)	–	–
	71,106	73,840	–	–

10. ASSETS CLASSIFIED AS HELD FOR SALE

Current

Ticketek and Sydney Superdome	–	103,247	–	–
Hoyts	–	143,000	–	–
New Regency	–	201,188	–	–
	–	447,435	–	–

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Non Current				
<i>Investments at equity accounted amount:</i>				
Associated entities – unlisted shares	151,876	824,426	–	–
Associated entities – listed shares	978,288	90,785	–	–
Total investments in associates	1,130,164	915,211	–	–
<i>Fair value of listed investments:</i>				
SEEK Ltd	–	568,027	–	–
Melco Crown Entertainment Ltd	1,613,685	2,466,517	–	–
	1,613,685	3,034,544	–	–

Investments in Associates	Reporting Date	Principal Activity	Country of Incorporation or Residence	% Interest ¹	
				2008	2007
Melco Crown Entertainment Ltd	31 Dec ²	Resort/Casino and gaming machine operator	Macau	37.9	41.4
Sky Cable Pty Ltd	30 June	Investment in Pay TV	Australia	–	50.0
Premier Media Group	30 June	Pay TV sport service	Australia	–	50.0
SEEK Ltd	30 June	Online job search service	Australia	–	27.2
Aspinalls	30 June	Casino and gaming machine operator	U.K.	50.0	50.0
PBL Media	30 June	Magazine publishing and broadcast services	Australia	–	50.0
Betfair Australasia Pty Ltd	30 April ²	Betting exchange	Australia	50.0	50.0
Gateway Casinos	31 Dec ²	Casino and gaming machine operator	Canada	50.0	–

1 The proportion of ownership interest is equal to the proportion of voting power held.

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

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

	Note	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Share of associates' revenue and profits					
Share of associates':					
Revenue		654,845	637,529	–	–
Operating profit before income tax		37,964	80,002	–	–
Income tax expense		(2,493)	(17,545)	–	–
Share of associates' net profit after income tax	2	35,471	62,457	–	–
Carrying amount of investments in associates					
Balance at the beginning of the financial year		915,211	1,026,325	–	–
Carrying amount of investments in associates acquired during the year		79,586	340,249	–	–
Share of associates' net profit/(loss) for the year		35,471	62,457	–	–
Dividends received or receivable		(66,659)	(28,332)	–	–
Gain on issue of shares by associate		158,035	488,145	–	–
Impairment and fx write down of investments		(266,453)	(66,235)	–	–
Recognition of PBL Media on deconsolidation		–	(642,375)	–	–
Transfer to assets held for sale		–	(143,000)	–	–
Carrying amount of investments in associates disposed of during the year		274,973	(122,023)	–	–
Carrying amount of investment in associates at the end of the financial year		1,130,164	915,211	–	–
Represented by:					
Investments at equity accounted amount:					
• Melco Crown Entertainment Ltd		978,287	1,052,642	–	–
• Aspinalls		85,489	109,923	–	–
• Betfair Australasia Pty Ltd		16,948	18,430	–	–
• Gateway		49,440	–	–	–
• Sky Cable Pty Ltd		–	138,757	–	–
• Premier Media Group		–	117,930	–	–
• SEEK Ltd		–	90,785	–	–
• PBL Media ¹		–	(613,256)	–	–
		1,130,164	915,211	–	–

1 The negative carrying value of the investment in PBL Media reflects 50% of the cost of net assets sold by PBL to PBL Media, offset by the 50% share of PBL Media's debt.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
The consolidated entity's share of the assets and liabilities of associates in aggregate				
Current assets	377,684	617,632	–	–
Non-current assets	2,102,728	4,969,001	–	–
Current liabilities	(255,979)	(486,692)	–	–
Non-current liabilities	(1,138,693)	(2,531,121)	–	–
Net assets	1,085,740	2,568,820	–	–
Retained profits/(accumulated losses) of the consolidated entity attributable to associates				
Balance at the beginning of the financial year	79,641	58,656	–	–
Share of associates' net profits/(losses)	35,471	62,457	–	–
Disposal of associated entities	(190,436)	(41,472)	–	–
Balance at the end of the financial year	(75,324)	79,641	–	–

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
At fair value				
Shares – unlisted (Australia)	37,014	37,014	–	–
Shares – unlisted (US)	470,475	359,757	–	–
Shares – listed	–	1,242	–	–
	507,489	398,013	–	–

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

The fair value of the unlisted available-for-sale investments has been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Management believes the estimated fair values resulting from the valuation techniques and recorded in the balance sheet and the related changes in fair values recorded in the income statement are reasonable and the most appropriate at the balance sheet date.

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13. OTHER FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Non current				
Unlisted shares in controlled entities	–	–	8,628,413	–
	–	–	8,628,413	–

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

14. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED							PARENT ENTITY
	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Leasehold improve- ments \$'000	Plant and equipment \$'000	Construction work in progress \$'000	Leased plant and equipment \$'000	Total property, plant and equipment \$'000	Total \$'000
Year ended 30 June 2008								
At 1 July 2007, net of accumulated depreciation and impairment	694,185	654,001	5,374	451,806	25,485	209	1,831,060	–
Additions	7,187	43,103	–	46,274	102,522	–	199,086	–
Disposals	(2,933)	–	–	(1,191)	–	–	(4,124)	–
Disposal of entities	(40,828)	–	(5,374)	(5,152)	(3,600)	(209)	(55,163)	–
Depreciation expense	(16,776)	(26,662)	–	(72,444)	–	–	(115,882)	–
Amortisation expense	–	–	–	–	–	–	–	–
Reclassification/transfer	33,716	116	–	25,534	(59,366)	–	–	–
At 30 June 2008, net of accumulated depreciation and impairment	674,551	670,558	–	444,827	65,041	–	1,854,977	–
At 1 July 2007								
Cost (gross carrying amount)	820,225	947,206	5,838	1,146,271	25,485	10,981	2,956,006	–
Accumulated depreciation and impairment	(126,040)	(293,205)	(464)	(694,465)	–	(10,772)	(1,124,946)	–
Net carrying amount	694,185	654,001	5,374	451,806	25,485	209	1,831,060	–
At 30 June 2008								
Cost (gross carrying amount)	812,165	987,441	–	1,184,250	65,041	10,679	3,059,576	–
Accumulated depreciation and impairment	(137,614)	(316,883)	–	(739,423)	–	(10,679)	(1,204,599)	–
Net carrying amount	674,551	670,558	–	444,827	65,041	–	1,854,977	–

14. PROPERTY, PLANT AND EQUIPMENT *continued*

	CONSOLIDATED							PARENT ENTITY
	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Leasehold improve- ments \$'000	Plant and equipment \$'000	Construction work in progress \$'000	Leased plant and equipment \$'000	Total property, plant and equipment \$'000	Total \$'000
Year ended 30 June 2007								
At 1 July 2006, net of accumulated depreciation and impairment	733,275	660,748	8,901	481,478	24,061	1,719	1,910,182	–
Additions	38,206	17,290	5,141	165,991	10,846	120	237,594	–
Disposals	(383)	–	(493)	(1,246)	–	(24)	(2,146)	–
Disposal of entities	(60,976)	–	(6,290)	(71,544)	(9,306)	(1,295)	(149,411)	–
Depreciation expense	(17,287)	(24,037)	–	(93,921)	–	–	(135,245)	–
Amortisation expense	–	–	(1,885)	–	–	(311)	(2,196)	–
Reclassification/transfer	1,350	–	–	(1,234)	(116)	–	–	–
Transfer (to)/from assets held for sales	–	–	–	(27,718)	–	–	(27,718)	–
At 30 June 2007, net of accumulated depreciation and impairment	694,185	654,001	5,374	451,806	25,485	209	1,831,060	–
At 1 July 2006								
Cost (gross carrying amount)	847,434	929,916	19,681	1,391,122	24,061	16,828	3,229,042	–
Accumulated depreciation and impairment	(114,159)	(269,168)	(10,780)	(909,644)	–	(15,109)	(1,318,860)	–
Net carrying amount	733,275	660,748	8,901	481,478	24,061	1,719	1,910,182	–
At 30 June 2007								
Cost (gross carrying amount)	820,225	947,206	5,838	1,146,271	25,485	10,981	2,956,006	–
Accumulated depreciation and impairment	(126,040)	(293,205)	(464)	(694,465)	–	(10,772)	(1,124,946)	–
Net carrying amount	694,185	654,001	5,374	451,806	25,485	209	1,831,060	–

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

15. LICENCES

	CONSOLIDATED				PARENT ENTITY
	Television licences ¹ \$'000	Casino licence ¹ \$'000	Magazine Mastheads ¹ \$'000	Total \$'000	Total \$'000
Year ended 30 June 2008					
At 1 July 2007, net of accumulated depreciation and impairment	–	674,339	–	674,339	–
Amortisation expense	–	(7,471)	–	(7,471)	–
At 30 June 2008, net of accumulated amortisation and impairment	–	666,868	–	666,868	–
At 1 July 2007					
Cost (gross carrying amount)	–	774,899	–	774,899	–
Accumulated depreciation and impairment	–	(100,560)	–	(100,560)	–
Net carrying amount	–	674,339	–	674,339	–
At 30 June 2008					
Cost (gross carrying amount)	–	774,899	–	774,899	–
Accumulated depreciation and impairment	–	(108,031)	–	(108,031)	–
Net carrying amount	–	666,868	–	666,868	–
Year ended 30 June 2007					
At 1 July 2006, net of accumulated depreciation and impairment	894,555	681,810	846,613	2,422,978	–
Acquisition of entities	127,400	–	–	127,400	–
Disposal of entities	(1,021,955)	–	(846,613)	(1,868,568)	–
Amortisation expense	–	(7,471)	–	(7,471)	–
At 30 June 2007, net of accumulated amortisation and impairment	–	674,339	–	674,339	–
At 1 July 2006					
Cost (gross carrying amount)	894,555	774,899	846,613	2,516,067	–
Accumulated depreciation and impairment	–	(93,089)	–	(93,089)	–
Net carrying amount	894,555	681,810	846,613	2,422,978	–
At 30 June 2007					
Cost (gross carrying amount)	–	774,899	–	774,899	–
Accumulated depreciation and impairment	–	(100,560)	–	(100,560)	–
Net carrying amount	–	674,339	–	674,339	–

¹ Purchased as part of a business combination

The casino licence premiums are carried at cost and amortised on a straight line basis over their useful lives. The Crown licence is being amortised over 34 years. The Burswood licence is perpetual and no amortisation is charged.

16. OTHER INTANGIBLE ASSETS

	CONSOLIDATED			PARENT ENTITY	
	Goodwill ¹ \$'000	Casino management agreement ¹ \$'000	Venue ticketing rights ² \$'000	Total \$'000	Total \$'000
Year ended 30 June 2008					
At 1 July 2007, net of accumulated depreciation and impairment	27,043	183,426	–	210,469	–
Disposal of entities	(14,203)	–	–	(14,203)	–
Transfer to held for sale	–	–	–	–	–
Additions	–	–	–	–	–
Amortisation expense	–	(6,965)	–	(6,965)	–
At 30 June 2007, net of accumulated amortisation and impairment	12,840	176,461	–	189,301	–
At 1 July 2007					
Cost (gross carrying amount)	27,043	245,279	–	272,322	–
Accumulated depreciation and impairment	–	(61,853)	–	(61,853)	–
Net carrying amount	27,043	183,426	–	210,469	–
At 30 June 2008					
Cost (gross carrying amount)	12,840	245,279	–	258,119	–
Accumulated depreciation and impairment	–	(68,818)	–	(68,818)	–
Net carrying amount	12,840	176,461	–	189,301	–
Year ended 30 June 2007					
At 1 July 2006, net of accumulated depreciation and impairment	413,969	190,372	12,271	616,612	–
Disposal of entities	(556,729)	–	–	(556,729)	–
Transfer to held for sale	–	–	(7,102)	(7,102)	–
Additions	169,803	–	–	169,803	–
Amortisation expense	–	(6,946)	(5,169)	(12,115)	–
At 30 June 2007, net of accumulated amortisation and impairment	27,043	183,426	–	210,469	–
At 1 July 2006					
Cost (gross carrying amount)	413,969	245,279	30,136	689,384	–
Accumulated depreciation and impairment	–	(54,907)	(17,865)	(72,772)	–
Net carrying amount	413,969	190,372	12,271	616,612	–
At 30 June 2007					
Cost (gross carrying amount)	27,043	245,279	–	272,322	–
Accumulated depreciation and impairment	–	(61,853)	–	(61,853)	–
Net carrying amount	27,043	183,426	–	210,469	–

1 Purchased as part of a business combination

2 Asset purchase

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 17).

The useful life of the casino management agreement is 34 years, and is amortised on a straight line basis.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

17. IMPAIRMENT TESTING OF GOODWILL AND CASINO LICENCES

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

The recoverable amount of a CGU is determined based on fair value less costs to sell. Fair value less costs to sell is calculated using a discounted cash flow methodology covering a specified period, with an appropriate residual value at the end of that period, for each segment. The methodology utilises cash flow forecasts that are based primarily on business plans presented to and approved by the Board.

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

(i) Cash flow forecasts

Cash flow forecasts are based on five year financial forecasts presented to and approved by the board.

(ii) 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.

(iii) Forecast growth rates

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

(iv) Discount rates

Discount rates used are the weighted average cost of capital (after tax) for the Group in each segment, risk adjusted where applicable.

The carrying value of goodwill is allocated to the following CGU's or groups of CGU's:

	2008 \$M	2007 \$M
Gaming	12.8	12.8
Other	–	14.2
	12.8	27.0

18. TRADE AND OTHER PAYABLES

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current – unsecured				
Trade and other payables	249,296	223,776	13,408	–
Deferred income	5,812	11,045	–	–
	255,108	234,821	13,408	–
Non Current – unsecured				
Other	59	114	–	–
Deferred Income	24,000	–	–	–
	24,059	114	–	–

19. INTEREST-BEARING LOANS AND BORROWINGS

	Note	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current – secured					
Lease liabilities	25(b)	–	46	–	–
		–	46	–	–
Current – unsecured					
Bank Loans – unsecured		20,000	20,000	–	–
		20,000	20,000	–	–
Total current		20,000	20,046	–	–
Non Current – secured					
Lease liabilities	25(b)	–	266	–	–
		–	266	–	–
Non Current – unsecured					
Bank Loans – unsecured		2,070,000	–	–	–
Capital Markets Debt – unsecured		281,634	299,234	–	–
Derivatives		7,600	–	–	–
Loans from associated entities		–	9,644	–	–
Loans from controlled entities		–	–	2,224,936	–
		2,359,234	308,878	2,224,936	–
Total non-current		2,359,234	309,144	2,224,936	–

Fair Value Disclosures

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 1.

Financial Risk Management

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 36.

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 Date
Bilateral Multi Option Facility	20,000	20,000	–	–	August 2009
Syndicated Multi Option Facility	2,150,000	2,070,000	–	80,000	August 2010
Bilateral Multi Option Facility	100,000	–	38,680	61,320	October 2010
Medium Term Note	114,600	114,600	–	–	May 2011
Syndicated Multi Option Facility	450,000	–	315,507	134,493	August 2010
Syndicated Revolving and Term Loan Facility	600,000	–	–	600,000	June 2013
Euro Medium Term Note	174,634	174,634	–	–	July 2036
Total	3,609,234	2,379,234	354,187	875,813	

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

19. INTEREST-BEARING LOANS AND BORROWINGS *continued*

The syndicated facilities are provided on an unsecured basis by a syndicate of domestic and international banks with the Australia New Zealand Banking Group acting as Agent.

The bilateral multi option facilities are provided on an unsecured basis by one of the syndicate banks.

Crown is able to make advances and issue letters of credit under the syndicated facilities and the bilateral facilities which are multi option in nature. For details relating to letters of credit issued, refer to note 29.

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

	Note	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Assets pledged as security					
The carrying amounts of assets pledged as security for interest bearing liabilities are:					
Finance lease					
Plant and equipment	14	–	209	–	–
Total assets pledged as security		–	209	–	–

20. PROVISIONS

	Employee entitlements \$'000	Restructuring \$'000	Other \$'000	Total \$'000
Consolidated				
At 1 July 2007	62,219	51,583	57,861	171,663
Disposal of entities	(2,629)	(51,583)	(3,952)	(58,164)
Arising during the year	35,566	–	52,018	87,584
Utilised during the year	(31,338)	–	(25,896)	(57,234)
Amount reversed during the year	–	–	58	58
At 30 June 2008	63,818	–	80,089	143,907
Current 2008	57,171	–	48,579	105,750
Non-current 2008	6,647	–	31,510	38,157
	63,818	–	80,089	143,907
Current 2007	54,664	51,583	31,589	137,836
Non-current 2007	7,555	–	26,272	33,827
	62,219	51,583	57,861	171,663

20. PROVISIONS *continued*

	Employee entitlements \$'000	Restructuring \$'000	Other \$'000	Total \$'000
Parent entity				
Current 2008	-	-	-	-
Non-current 2008	-	-	-	-
	-	-	-	-
Current 2007	-	-	-	-
Non-current 2007	-	-	-	-
	-	-	-	-

21. LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current				
Ticketek	-	59,372	-	-
Sydney Superdome	-	19,247	-	-
	-	78,619	-	-

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

22. CONTRIBUTED EQUITY

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Issued share capital				
Ordinary shares fully paid	258,149	2,454,986	9,738,590	–
Movements in issued share capital				
Carrying amount at the beginning of the financial year	2,454,986	2,359,614	–	–
Issue of shares on acquisition of PBL	–	–	14,345,281	–
Issue of shares through Executive Share Plan*	3,250	3,572	–	–
Capital Reduction	(2,069,032)	–	(2,069,032)	–
Return of capital by way of CMH Demerger	(131,560)	–	(2,551,805)	–
Other	505	–	14,146	–
Issue of shares at \$17.00 to CPH (in relation to acquisition of Aspinalls)	–	91,800	–	–
Carrying amount at the end of the financial year	258,149	2,454,986	9,738,590	–

	CONSOLIDATED		PARENT ENTITY	
	2008 No.	2007 No.	2008 No.	2007 No.
Issued share capital				
Ordinary shares fully paid	689,676,925	688,486,925	689,676,925	8
Movements in issued share capital				
Initial share issue	–	–	–	8
Balance at the beginning of the financial year	688,486,925	677,496,925	8	–
Issue of shares through Executive Share Plan*	1,190,000	5,590,000	–	–
Share buyback	–	–	(8)	–
Transfer on demerger	–	–	689,676,925	–
Issue of shares to CPH (in relation to acquisition of Aspinalls)	–	5,400,000	–	–
Balance at the end of the financial year	689,676,925	688,486,925	689,676,925	8

*Shares issued through the Executive Share Plan are accounted for as share based payments. Refer to Note 28.

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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.

Effective 1 July 1998, the Corporations Legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent entity does not have authorised capital nor par value in respect of its issued shares.

23. RESERVES AND RETAINED EARNINGS

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Foreign currency translation reserve	(280,576)	(388)	–	–
Asset revaluation reserve	–	–	–	–
Capital profits reserve	–	–	–	–
Employee equity benefits reserve	5,712	10,340	5,712	–
Net unrealised gains reserve	451,087	340,304	–	–
Cash flow hedge reserve	–	–	–	–
	176,223	350,256	5,712	–
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.				
Balance at the beginning of the financial year	(388)	(8,811)	–	–
Net exchange difference on translation of foreign operations	(279,548)	8,423	–	–
Disposal of entities	(640)	–	–	–
Balance at the end of the financial year	(280,576)	(388)	–	–
Asset revaluation reserve				
The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. The reserve can only be used to pay dividends in limited circumstances.				
Balance at the beginning of the financial year	–	10,338	–	–
Transfer to retained earnings	–	(2,937)	–	–
Disposal of entities	–	(7,401)	–	–
Balance at the end of the financial year	–	–	–	–
Capital profits reserve				
The capital profits reserve is able to be used to accumulate realised capital profits. The reserve can be used to pay dividends or issue bonus shares				
Balance at the beginning of the financial year	–	405	–	–
Disposal of entities	–	(405)	–	–
Balance at the end of the financial year	–	–	–	–

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

23. RESERVES AND RETAINED EARNINGS *continued*

	Note	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
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		10,340	831	–	–
Disposal of entities		(8,300)	–	–	–
Charged to the income statement		3,672	9,509	–	–
Transfer on demerger		–	–	3,081	–
Transfer to controlled entities		–	–	2,631	–
Balance at the end of the financial year		5,712	10,340	5,712	–
Net unrealised gains reserve					
The net unrealised gains reserve records the movement in fair value of derivative financial instruments					
Balance at the beginning of the financial year		340,304	3,236	–	–
Disposal of entities		159	(3,236)	–	–
Revaluation of equity accounted investments due to change in associates equity		110,624	340,304	–	–
Movement in fair value of available-for-sale assets		–	–	–	–
Balance at the end of the financial year		451,087	340,304	–	–
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		–	3,221	–	–
Disposal of entities		–	(3,221)	–	–
Balance at the end of the financial year		–	–	–	–
Retained earnings					
Balance at the beginning of the financial year		3,060,042	1,498,996	–	–
Net profit attributable to members of Crown		3,563,219	1,957,252	(2,992,682)	–
Total available for appropriation		6,623,261	3,456,248	(2,992,682)	–
Dividends provided for or paid	4	(339,257)	(399,143)	(169,521)	–
Transfer from reserves		–	2,937	–	–
Internal Demerger distribution		(2,420,245)	–	–	–
Balance at the end of the financial year		3,863,759	3,060,042	(3,162,203)	–

24. MINORITY INTERESTS

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Reconciliation of minority interests				
Balance at the beginning of the financial year	–	3,334	–	–
Share of operating profit	–	22,979	–	–
Acquisition of minority interests	–	29,164	–	–
Less dividends/distributions	–	(12,362)	–	–
Less disposal of minority interests	–	(43,115)	–	–
Balance at the end of the financial year	–	–	–	–

25. EXPENDITURE COMMITMENTS

(a) Capital expenditure commitments

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<i>Estimated capital expenditure contracted for at balance date, but not provided for, payable:</i>				
• within one year	321,821	69,226	–	–
• after one year but not more than five years	118,632	947	–	–
	440,453	70,173	–	–

At 30 June 2008, the Group has capital expenditure commitments principally relating to funding various projects at Burswood and Crown Melbourne casinos.

In December 2007, Crown entered an agreement to acquire Cannery Casino Resorts for US 1.7 billion plus costs. The agreement is subject to a pre condition, namely, Crown obtaining regulatory approval to complete the acquisition. For this reason, we have not included the agreement to acquire Cannery Casino Resorts in the table above.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

25. EXPENDITURE COMMITMENTS *continued*

(b) Lease expenditure commitments

(i) Finance lease commitments:

Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	2008 Minimum lease payments	2008 Present value of lease payments	2007 Minimum lease payments	2007 Present value of lease payments
Consolidated				
• within one year	–	–	72	46
• after one year but not more than five years	–	–	288	266
Total minimum lease payments	–	–	360	312
Less amounts representing finance charges	–	–	(48)	–
Present value of minimum lease payments	–	–	312	312
Parent Entity				
• within one year	–	–	–	–
• after one year but not more than five years	–	–	–	–
Total minimum lease payments	–	–	–	–
Less amounts representing finance charges	–	–	–	–
Present value of minimum lease payments	–	–	–	–

(ii) Non-cancellable operating lease commitments:

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Payable within one year	2,479	6,787	–	–
Payable after one year but not more than five years	10,351	29,011	–	–
Payable more than five years	1,918	25,204	–	–
	14,748	61,002	–	–

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 6 years (2007: 5 years). Operating leases include telecommunications rental agreements and leases on assets including aircraft, 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.

26. CASH FLOW STATEMENT RECONCILIATION

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(a) Cash balance represents:				
• cash on hand and at bank	134,419	158,271	–	–
• deposits at call	2,228,545	2,069,386	–	–
	2,362,964	2,227,657	–	–
(b) Reconciliation of the profit after tax to the net cash flows from operating activities				
Profit/(loss) after tax	3,563,219	1,980,231	(2,992,682)	–
Depreciation and amortisation				
• property, plant and equipment	115,882	137,441	–	–
• intangibles	18,271	27,476	–	–
Program rights amortisation and usage	–	159,700	–	–
Payments to program contract creditors	–	(183,204)	–	–
(Profit)/loss on sale of property, plant and equipment	2,229	(882)	–	–
Unrealised foreign exchange (gain)/loss	(523)	(4,705)	–	–
Program related inventory write down	–	2,244	–	–
(Profit)/loss on disposal of investments	(3,381,154)	(1,524,861)	–	–
Share of associates' net (profit)	(35,471)	(62,457)	–	–
Impairment and write down of investments	239,163	66,234	3,168,144	–
Investment distribution	–	909	–	–
Dividends received from associates	66,659	29,794	–	–
Executive Share Plan expense	2,692	9,613	–	–
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	(28,246)	(667)	(175,462)	–
(Increase)/decrease in doubtful debts	(3,359)	1,483	–	–
(Increase)/decrease in inventories	(2,773)	11,586	–	–
(Increase)/decrease in prepayments	1,504	(2,970)	–	–
(Increase)/decrease in development costs	–	(1,500)	–	–
(Increase)/decrease in deferred income tax asset	302	(29,471)	–	–
(Increase)/decrease in other assets	(3,517)	(1,688)	–	–
(Decrease)/increase in payables	117,495	37,267	–	–
(Decrease)/increase in current income tax liability	(37,191)	28,156	–	–
(Decrease)/increase in provisions for employee entitlements	3,196	8,134	–	–
(Decrease)/increase in other provisions	(69,287)	36,228	–	–
(Decrease)/increase in deferred income tax liability	930	1,459	–	–
Exchange rate charge on conversion of assets and liabilities of overseas controlled entities	–	(850)	–	–
Net cash flows from operating activities	570,021	724,700	–	–

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

26. CASH FLOW STATEMENT RECONCILIATION *continued*

Bank Overdraft Facilities

The consolidated entity has bank overdraft facilities available as follows:

Bank	2008	2007
ANZ Banking Group Limited	A\$10 million	A\$10 million
Citibank NA	US\$10 million	US\$10 million

There were no drawn down amounts at 30 June 2008.

27. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 June 2008, the directors of Crown announced a final dividend on ordinary shares in respect of the year ended 30 June 2008. The total amount of the dividends is \$196.7 million, which represents a 40% franked dividend of 29 cents per share. The dividend has not been provided for in the 30 June 2008 financial statements.

On 13 August 2008, Crown announced that it had raised A\$1.01 billion of new debt facilities, so as to extend the maturity profile of Crown's debt portfolio. The new debt comprises the following new facilities:

- **A\$600 million Syndicated Loan Facility**

Lender(s): Fully syndicated among 11 Australian and International banks

Maturity: 5 years

- **A\$200 million Bilateral Loan Facility**

Lender: National Australia Bank

Maturity: 5 years

- **US\$200 million US Private Placement**

Arrangers: Bank of America and Royal Bank of Scotland as co lead arrangers with Westpac and Commonwealth Bank as co agents

Maturity: 7, 10 and 12 years

28. EXECUTIVE SHARE PLAN

Crown operates an Executive Share Plan (ESP) which was approved at the 1994 Annual General Meeting. A total of 1,190,000 ESP shares (which includes the issue to Mr Craigie on 23 November 2007 identified below) were issued to executives in the current financial year.

Prior to the approval of the PBL Scheme, the executives participating in the ESP held, in total, 10,680,000 PBL ESP shares in respect of which there were outstanding loans totalling \$185,642,300 due to PBL. This included 1,150,000 ESP shares issued to Mr Rowen Craigie on 23 November 2007. These additional shares were subject to a PBL ESP loan of \$22,004,500.

The terms of the ESP were varied during the year to enable ESP participants to participate in the PBL Scheme and to continue to participate in the ESP. A full summary of the variations made to the ESP this year is provided in the Remuneration Report.

The share price performance condition requiring a 7 percent compound share price appreciation on the issue price of the PBL ESP shares was retained and substituted with equivalent performance hurdles (7 percent compounding share price appreciation) imposed separately on the Consolidated Media Holdings Limited ESP shares and the Crown ESP shares.

At the date of this Report, a total of 66 ESP participants hold, in total, 11,449,826 Crown ESP shares or 1.66 percent of Crown's issued capital.

ESP share movement	2008 No.	2007 No.
Shares at the beginning of the financial year	9,655,000	4,380,000
Granted (i.e. issued) during the year	1,190,000	5,590,000
Granted (i.e. issued) during the year as a consequence of PBL Scheme election	958,469	–
Forfeited	(308,643)	(200,000)
Vested (and sold) during the year	(45,000)	(115,000)
Shares on issue at the end of the financial year	11,449,826	9,655,000
Loans to executives at the beginning of the financial year	\$165,839,800	\$70,621,050
ESP loans issued during the year	\$22,717,300	\$99,815,800
Cash consideration paid under PBL scheme	(\$15,180,000)	–
Loan balance transferred to CMH	(\$42,615,575)	–
Loans repaid during the year	(\$3,358,950)	(\$2,918,762)
Loans forfeited	(\$1,650,637)	(\$1,678,288)
Loans to executives at year end	\$125,751,938	\$165,839,800

Methodology

External valuers have used a Monte Carlo simulation model combined with a Black Scholes option pricing model to value the ESP this year. The value per share granted for each allotment incorporates the share price growth performance conditions.

The Monte Carlo simulation is a technique used to simulate future TSRs. The assumptions that underpin Black Scholes are used in a Monte Carlo simulation. The key assumptions are:

- Share price movement conforms to a lognormal distribution
- Market efficiency
- Risk neutral valuation

Using an estimate of the future standard deviation (volatility) of returns and the risk neutral valuation assumption (allowing the use of the risk free interest rate), the share price return distribution of a company at a future date is estimated. The Monte Carlo simulation technique simulates possible share price returns conforming to that distribution. At each simulation, the share price is also simulated, meaning an equity instrument can be valued at that date.

The share price simulated at one vesting date is used to simulate the share price at the next vesting date. If the target was not met at the earlier date, the unvested portion is carried to the next vesting date in the simulation.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

28. EXECUTIVE SHARE PLAN *continued*

The Monte Carlo simulation model uses the following inputs for the issuance on 23 November 2007.

Grant date	23 November 2007
Issue price	\$18.97 & \$19.18
Dividend yield	3.17%
Risk from rate	6.21%
Volatility	23%
Expected life	5 years

Non transferability of the plans

During the period from grant date to vesting, executives cannot sell their plan rights. However, no adjustment is made to the fair values for this, as non-transferability is due to the executive having not yet earned the right to the plan (through the provision of their services), rather than a restriction on the underlying value of the plan rights.

After vesting, the holders have until expiry to “exercise” the plan. Since the plan rights are not transferable, liquidity can only be obtained by exercising the plan rights and selling the underlying shares. In the case of the ESP, given the seniority of the holders and the benefit of the limited recourse feature, it is assumed the ESP will be held until expiry.

Dilution

When an investor exercises an exchange traded option, there is no change in either the company’s assets or the number of shares outstanding. However, when a company issued option is exercised, the number of shares outstanding will increase and the underlying assets of the company will be increased by the amount of the exercise proceeds. Any dilution of the share price of Crown which might arise on the issue of new shares following exercise of the ESP would be immaterial, given the number of existing shares on issue. Accordingly, no adjustment to the value of the ESP has been made for potential dilution.

Other assumptions

- PBL’s share price was the loan amount per share as advised by management at the grant date for the ESP;
- The risk free rate is the yield on an Australian Government Bond with a life similar to the expected life at the valuation date;
- Expected volatility was based on PBL’s historical share price movement preceding the valuation date and the implied volatility on exchanged traded options;
- The dividend yield was calculated based on the consensus broker EPS forecast divided by PBL’s share price.

29. CONTINGENT LIABILITIES AND RELATED MATTERS

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Unsecured	354,187	567,720	354,187	–
Contingent liabilities related primarily to the following:				
<i>Controlled Entities</i>				
(i) Under the terms of a deed entered into in accordance with the ASIC Class Order 98/1418, the parent entity has undertaken to meet any shortfall which might arise on the liquidation of controlled entities which are party to the deed.	–	–	–	–
(ii) The consolidated entity and parent entity have issued letters of credit to the State of Victoria in respect of obligations of Crown Melbourne Limited	185,000	185,000	185,000	–
(iii) The consolidated entity and parent entity have made guarantees in relation to commitments of certain of its associated entities	150,961	382,668	150,961	–
(iv) The consolidated entity and parent entity have made certain guarantees regarding contractual, performance and other commitments	18,226	52	18,226	–

The probability of having to meet these contingent liabilities is remote, and therefore it is not practicable to disclose an indication of the uncertainties relating to each amount or the timing of any outflows.

30. AUDITORS' REMUNERATION

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Amounts received, or due and receivable, by the auditor of the parent entity for:				
Auditing the accounts	764	1,254	–	–
Taxation services	2,061	3,194	–	–
Other services				
• Assurance related	2	333	–	–
• Assurance services relating to restructuring	642	3,050	–	–
• Due diligence	334	3,645	–	–
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:				
Auditing the accounts of controlled entities	24	187	–	–
Other services				
• Taxation services	383	373	–	–
• Assurance Related	25	–	–	–
• Due Diligence	354	–	–	–
	4,589	12,036		–

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Notes to the Financial Statements *continued*

For the year ended 30 June 2008

31. EARNINGS PER SHARE (EPS)

	CONSOLIDATED	
	2008 \$'000	2007 \$'000
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Net profit	3,563,219	1,980,231
Net (profit) attributable to minority interests	–	(22,979)
Earnings used in calculating basic and diluted EPS	3,563,219	1,957,252
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	689,206	684,666
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Excluding the effect of discontinued operations:		
Net profit attributable to members of the parent	3,563,219	1,957,252
Discontinued operations	3,426,213	1,666,522
Net profit excluding discontinued operations and specific items	137,006	290,730
Earnings used in calculating basic and diluted EPS	137,006	290,730
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	689,206	684,666
Excluding the effect of discontinued operations and specific items:		
Net profit attributable to members of the parent	3,563,219	1,957,252
Discontinued operations	3,426,213	1,666,522
Specific items after tax	(239,163)	(51,379)
Net profit excluding discontinued operations and specific items	376,169	342,109
Earnings used in calculating basic and diluted EPS	376,169	342,109
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	689,206	684,666

32. KEY MANAGEMENT PERSONNEL DISCLOSURES

The Company has applied the exemption under Corporations Amendments Regulation 2006 which exempts listed companies from providing remuneration in their annual report as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 Related Party Disclosures. These remuneration disclosures have been transferred to the remuneration report in pages 32 to 52, and have been audited.

(a) Details of key management personnel

(i) Directors

James D Packer	Executive Chairman
John H Alexander	Executive Deputy Chairman
Christopher J Anderson	Non Executive Director
Rowen B Craigie	Chief Executive Officer and Managing Director
Christopher D Corrigan	Non Executive Director
Rowena Danziger	Non Executive Director
Geoffrey J Dixon	Non Executive Director
Ashok P Jacob	Non Executive Director
Michael R Johnston	Non Executive Director
David H Lowy	Non Executive Director
Christopher J Mackay	Non Executive Director (resigned 7 March 2008)
Richard W Turner	Non Executive Director

(ii) Executives

Geoffrey Kleemann	Chief Financial Officer – Crown Limited
Guy Jalland	PBL Group General Counsel and Joint Company Secretary (until 21 December 2007)
Martin Dalgleish	Chief Executive Officer, PBL New Media (until 30 November 2007)
David Courtney	Chief Executive Officer – Crown Melbourne Limited
Barry Felstead	Chief Executive Officer – Burswood Limited

(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:

Remuneration by category	2008 \$	2007 \$
Short term	11,223,580	27,672,994
Post employment	405,282	850,401
Other long term	388,267	249,004
Termination	26,098,000	1,500,000
Share based payments	5,524,218	5,063,239
	43,639,347	35,335,638

Further details are contained in the Remuneration Report.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

32. KEY MANAGEMENT PERSONNEL DISCLOSURES *continued*

(c) Shareholdings of key management personnel

2008

Ordinary shares held in Crown (directly and indirectly)

Directors (Including directors who left the Board during the year)	Balance 1 July 2007 (PBL Shares)	Issued under Executive Share Plan	Net Change	Balance 30 June 2008
James D Packer	261,500,000	–	–	261,500,000
Christopher J Anderson	315,194 ³	–	–	315,194
John H Alexander	1,812,500 ³	–	14,633 ²	1,827,133
Rowen B Craigie	850,000 ³	1,150,000	341,102 ²	2,341,102
Rowena Danziger	22,876	–	6,000 ¹	28,876
David H Lowy	117,253	–	19,997 ²	137,250
Christopher J Mackay (resigned 7 March 2008)	100	–	–	100
Richard W Turner	27,000	–	–	27,000
Directors not listed did not hold any Crown shares during the financial year.				

Executives	Balance 1 July 2007 (PBL Shares) ⁴	Issued under Executive Share Plan	Net Change	Balance 30 June 2008
Geoffrey R Kleemann	350,000	–	–	350,000
Guy Jalland	240,000	–	–	240,000
Martin P Dagleish	240,000	–	–	240,000
David G Courtney	550,000	–	93,802 ²	643,802
Barry J Felstead	200,000	–	34,110 ²	234,110

1. Change is as a result of an on-market transaction.

2. Additional shares issued as a result of the shareholder electing the PBL Scheme Maximum Share Consideration under the PBL Scheme. Mr John Alexander elected the PBL Scheme Maximum Share Consideration, in relation to only one parcel of shares (87,000).

3. 300,000 of Mr Chris Anderson's shares are ESP shares, 1,300,000 of Mr John Alexander's shares are ESP shares and all of Mr Rowen Craigie's shares are ESP shares.

4. All the Executives' shares are ESP shares except for Mr Geoff Kleemann. 240,000 of Mr Kleemann's shares are ESP shares.

The Company does not have any options on issue.

32. KEY MANAGEMENT PERSONNEL DISCLOSURES *continued*

(c) Shareholdings of key management personnel *continued*

2007

Ordinary shares held in PBL (directly and indirectly)

Directors (Including directors who left the Board during the year)	Balance 1 July 2006	Issued under Executive Share Plan	Net Change Other	Balance 30 June 2007
James D Packer	258,782,250	–	2,717,750	261,500,000
Christopher J Anderson	15,194	300,000	–	315,194
John H Alexander	512,500	1,300,000	–	1,812,500
Rowen B Craigie	–	850,000	–	850,000
Rowena Danziger	22,876	–	–	22,876
David H Lowy	117,253	–	–	117,253
Christopher J Mackay	100	–	–	100
Richard W Turner	27,000	–	–	27,000
Directors not listed did not hold any PBL shares during the financial year.				

Executives	Balance 1 July 2006 ¹	Issued under Executive Share Plan	Net Change Other	Balance 30 June 2007
Geoffrey R Kleemann	350,000	–	–	350,000
Guy Jalland	240,000	–	–	240,000
Martin P Dagleish	240,000	–	–	240,000
David G Courtney	175,000	375,000	–	550,000

1. All the Executives' shares are ESP shares except for Mr Geoff Kleemann. 240,000 of Mr Kleemann's shares are ESP shares.

All changes disclosed under "Other" are the result of on-market transactions.
The Company does not have any options on issue.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

32. KEY MANAGEMENT PERSONNEL DISCLOSURES *continued*

(d) Loans to key management personnel

	Balance as at 01-Jul-07 \$	Net Change \$	Interest charged \$	Balance as at 30-Jun-08 \$	Highest owing in period \$
Directors					
Christopher J Anderson	4,848,000	(1,887,000)	157,597	2,961,000	4,848,000
John H Alexander	22,668,000	(8,592,000)	909,908	14,076,000	22,668,000
Rowen B Craigie	14,566,000	12,861,875	797,775	27,427,875	27,427,875
Total directors	42,082,000	2,382,875	1,865,280	44,464,875	54,943,875
Executives					
Geoffrey Kleemann	3,878,400	(1,509,600)	175,000	2,368,800	3,878,400
Guy Jalland	3,878,400	(1,509,600)	120,000	2,368,800	3,878,400
Martin Dalgleish	3,878,400	(1,509,600)	120,000	2,368,800	3,878,400
David Courtney	9,683,000	(2,420,750)	298,451	7,262,250	9,683,000
Barry Felstead	3,679,000	(919,750)	108,528	2,759,250	3,679,000
Total executives	24,997,200	(7,869,300)	821,979	17,127,900	24,997,200

All loan amounts for directors and executives relate to monies advanced by PBL to purchase PBL shares issued under PBL's ESP. The conditions under which ESP issues are made are set out in the Remuneration Report. Interest is charged on ESP loans and is equal to the dividends received on shares held from time to time. The reduction in loan balances in the financial year arose as a result of the application of the PBL Scheme Consideration, in accordance with the amended terms of the executive share plan as detailed in the Remuneration Report.

(e) Other transactions with director, key management personnel and their personally related entities

Consolidated Press Holdings Limited ("CPH"), an entity related to Mr James Packer, provides management and consulting services to Crown and its controlled entities. The charges for the year ended 30 June 2008 were \$27,000 (2007: \$190,000). In addition, CPH provided leased premises, car parking and other facilities at a charge of \$5,187,000 (2007: \$1,693,000).

A controlled entity of CPH provided customs clearance services to Crown and its controlled entities in prior years. The charge for these services for the year ended 30 June 2008 was \$Nil (2007: \$2,136,000).

Crown and its controlled entities provided television air-time to controlled entities of CPH in prior years. The charge for television air-time for the year ended 30 June 2008 was \$Nil (2007: \$49,000). Crown and its controlled entities also provided CPH with hotel rooms for \$426,000 (2007: \$151,000), Banqueting and other services of \$240,000 (2007: \$138,000), information technology services of \$Nil (2007: \$285,000) and leased premises of \$423,000 (2007: \$670,000).

All transactions between the consolidated entity and its director related entities are conducted under normal commercial terms and conditions unless otherwise noted.

33. RELATED PARTY DISCLOSURES

Parent entity

Crown Limited is the ultimate parent entity of the Group at 30 June 2008. However, during the year Publishing and Broadcasting Limited was the ultimate parent up until the separation of PBL and Crown into two separate listed companies in December 2007. The related party transactions include transactions entered into with PBL related parties up until 11 December 2007 and Crown Limited related parties transactions from 12 December 2007 to 30 June 2008.

Controlled entities, associates and joint ventures

Interests in significant controlled entities are set out in note 34.

Investments in associates and joint ventures are set out in note 11.

Entity with significant influence over the Group

Consolidated Press Holdings Limited ("CPH"), an entity related to Mr James Packer, holds 37.92% (2007: 38.42%) of the Company's fully paid ordinary shares.

Key management personnel

Disclosures relating to key management personnel are set out in note 32, and in the Remuneration Report.

Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

	CONSOLIDATED	
	2008	2007
	\$'000	\$'000
Rendering of services and other revenue from:		
<i>Entities with significant influence over the Group</i>		
CPH	1,089	1,243
Controlled entities of CPH	–	49
<i>Associates</i>		
SEEK Ltd	38	721
Hoyts Cinemas Group	350	592
Foxtel	77	6,456
PBL Media (inc. ninemsn)	5,061	3,132
Australian News Channel Pty Ltd	–	197
Premier Media Group	–	668
MPEL	1,599	700
Betfair	331	–
Aspers	1,500	500
Gateway	9,170	–
CMH	7	–
Receiving of services from related parties:		
<i>Entities with significant influence over the Group</i>		
CPH	5,214	1,883
Controlled entities of CPH	–	2,136
<i>Associates</i>		
SEEK Ltd	47	138

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Notes to the Financial Statements *continued*

For the year ended 30 June 2008

33. RELATED PARTY DISCLOSURES *continued*

	CONSOLIDATED	
	2008 \$'000	2007 \$'000
Receiving of services from related parties: <i>continued</i>		
<i>Entities with significant influence over the Group continued</i>		
Hoyts Cinemas Group	233	1,445
Foxtel	333	3,232
PBL Media (inc. ninemsn)	1,732	3,884
Premier Media Group	–	332
Global Television Limited	–	4,411
MPEL	86	–
Aspers	191	–
Gateway	26	–
CMH	1,082	–

Terms and conditions of transactions with related parties

All of the above transactions were conducted under normal commercial terms and conditions.

Under the terms of the ninemsn joint venture agreement, PBL was to provide to ninemsn Pty Ltd the use of brands, including registered trademarks and logos, and personalities at no charge. An amount of advertising and ongoing promotional airtime was also provided free of charge as per the agreement. The market value of this advertising and promotional service was \$Nil (2007: \$1.2 million). This condition does not apply to Crown Limited and will not apply in future years.

Under the terms and conditions of the agreement with Seek Limited, PBL previously provided via its wholly owned subsidiaries advertising at no charge. This condition did not apply this year and will not apply in future years. Crown received dividends from SEEK of \$5.9 million during the year (2007: \$8.0 million).

Crown received dividends from Foxtel of \$50.0 million during the year (2007: \$Nil)

Crown has advanced loans to MPEL of \$73.8m. Interest received on the loan was \$1.6m for the year (2007: \$0.7m).

Crown owes \$29.9m in other payables to CMH relating to taxation matters.

Crown received dividends from Premier Media Group (“PMG”) during the year of \$10.7m (2007: \$20.4 million). PMG loaned Crown \$Nil during the year (2007: \$9.6 million). No interest was charged on the loan.

The PBL Media services of \$1.7m (2007: \$3.9 million) provided to Crown relate to wireless and website costs, subscriptions, advertising, publicity and ticketing. Crown provided leased premises of \$4.6 million and other services of \$0.5 million during the year to PBL Media.

Subsequent to the investment in Aspinalls Holdings (Jersey) Limited, Crown made further equity contributions of \$1.8 million. Crown also provided loans to Aspinalls of \$1.8 million during the financial year. Interest of \$1.5 million (2007: \$0.5 million) was charged on the loan for the year.

No further amounts were invested in Betfair Australasia during the reporting period. The loan balance at 30 June 2008 was \$7.7 million (2007: \$7.7 million). No interest is payable on the loan.

In November 2007, Crown invested \$74.6m for 50% interest in Gateway Casinos and Entertainment Inc. Subsequent to the investment Crown made further equity contributions of \$3.2m during the year. Crown also provided a loan to Gateway of \$155.1m. Interest of \$9.2m was charged on the loan for the year.

Outstanding balances at year end are unsecured and settlement occurs in cash.

For the year ended 30 June 2008, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties as there have been no default of payment terms and conditions (2007: \$Nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

34. INVESTMENT IN CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Crown Limited and its controlled entities. Significant controlled entities and those included in a class order with the parent entity are:

	Footnote		Place of Incorporation	Beneficial Interest Held by the Consolidated Entity*	
	2008	2007		2008 %	2007 %
Crown Limited			Australia	Parent Entity	
Artra Pty Ltd			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
Crown CCR Group Holdings One Pty Ltd	D		Australia	100	100
Crown Entertainment Group Holdings Pty Ltd	A		Australia	100	100
Crown Group Finance Limited	A		Australia	100	100
Crown Melbourne Limited		C	Australia	100	100
Crown North America Holdings One Pty Ltd	D		Australia	100	–
Crown North America Investments LLC			USA	100	100
Crown Services (US) LLC	D		USA	100	–
Events Management Catering Pty Ltd	F	A	Australia	–	100
Flienn Pty Ltd	A	A,D	Australia	100	100
Jade West Entertainment Pty Ltd	A	A	Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Mancon Nominees Pty Ltd	F	A	Australia	–	100
Manden Productions Pty Ltd	F	A	Australia	–	100
Nine Television (Netherlands Antilles) Pty Ltd			Australia	100	100
PBL Asia Investments Limited			Cayman Islands	100	100
PBL Capital Pty Ltd			Australia	100	100
PBL (CI) Finance Limited			Cayman Islands	100	100
PBL Cinema Holdings Pty Ltd		A	Australia	100	100
PBL Enterprises Ltd	F	A	Australia	–	100
PBL Film Holdings Pty Ltd	F	A	Australia	–	100
PBL Gateway (Luxembourg) Sarl	D		Luxembourg	100	–
PBL GC (Cyprus) Limited			Cyprus	100	100
PBL International Partnership		D	–	100	100
PBL Overseas Investments Pty Ltd		D	Australia	100	100
PBL Management Pty Ltd	F	A	Australia	–	100
PBL Media Shareholder Pty Ltd	F	A,D	Australia	–	100
PBL Pay TV Pty Ltd	F	A	Australia	–	100
PBL Property Pty Ltd	F	A	Australia	–	100
PBL Securities Ltd	A		Australia	100	100
PBL (WA) Pty Ltd	A	A	Australia	100	100

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Notes to the Financial Statements *continued*

For the year ended 30 June 2008

34. INVESTMENT IN CONTROLLED ENTITIES *continued*

	Footnote		Place of Incorporation	Beneficial Interest Held by the Consolidated Entity*	
	2008	2007		2008 %	2007 %
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Publishing and Broadcasting International Holdings Ltd	B	B	Bahamas	100	100
Renga Pty Ltd	A	A	Australia	100	100
Robbdoc Pty Ltd	F	A	Australia	–	100
Sydney Superdome Pty Ltd	F	A,E	Australia	–	100
Ticketek Pty Ltd	F	E	Australia	–	100
Windfyr Pty Limited	F	A	Australia	–	100

* 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 35).

B Controlled entities which are audited by other member firms of Ernst & Young International.

C Members of the “Extended Closed Group” only.

D Entity acquired or incorporated during the financial year.

E These entities are held for sale.

F Entity disposed during the financial year.

35. DEED OF CROSS GUARANTEE

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 profit and loss statement and balance sheet of the entities which are members of the “Closed Group” for the year ended 30 June 2008 are detailed below. Crown does not have an Extended Closed Group as at 30 June 2008.

	CLOSED GROUP		EXTENDED CLOSED GROUP	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Consolidated income statement				
Profit/(loss) before income tax	(1,510,339)	(1,249,745)	–	(905,874)
Income tax (expense)/benefit	(52,602)	104,780	–	(14,614)
Net profit/(loss) after income tax	(1,562,941)	(1,144,965)	–	(920,488)
Retained earnings at the beginning of the financial year	2,039,793	3,583,901	–	4,360,756
Retained earnings of entities entering Closed Group	96,936	–	–	–
Retained earnings of entities removed from Closed Group	(1,982,502)	–	–	–
Dividends provided for or paid	(169,521)	(399,143)	–	(399,143)
Retained earnings/(accumulated losses) at the end of the financial year	(1,578,235)	2,039,793	–	3,041,125

35. DEED OF CROSS GUARANTEE *continued*

	CLOSED GROUP		EXTENDED CLOSED GROUP	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Consolidated balance sheet				
Current Assets				
Cash and cash equivalents	2,282,780	1,937,598	–	2,060,259
Trade and other receivables	33,480	20,278	–	64,809
Inventories	4,138	437	–	5,613
Tax asset	–	98,691	–	–
Other	7,446	339	–	6,697
Total Current Assets	2,327,844	2,057,343	–	2,137,378
Non Current Assets				
Receivables	1,670,748	3,274,225	–	3,565,717
Investment in associates	102,437	(15,429)	–	(15,429)
Available for sale assets	8,100	55	–	55
Other financial assets	9,553,562	8,814,868	–	8,267,191
Property, plant and equipment	559,789	77,962	–	1,302,688
Licences	420,426	112,736	–	371,764
Other intangible assets	11,892	–	–	–
Deferred tax assets	82,793	98,616	–	142,747
Other	–	–	–	73,840
Total Non Current Assets	12,409,747	12,363,033	–	13,708,573
Total Assets	14,737,591	14,420,376	–	15,845,951
Current Liabilities				
Payables	105,428	76,437	–	201,530
Interest-bearing loans and borrowings	20,000	46	–	46
Income tax payable	13,618	–	–	5,704
Provisions	42,828	57,147	–	108,646
Total Current Liabilities	181,874	133,630	–	315,926
Non Current Liabilities				
Payables	–	–	–	60
Interest-bearing loans and borrowings	6,330,865	9,747,630	–	9,531,290
Deferred tax liability	42,327	32,868	–	152,952
Provisions	23,059	1,129	–	339,272
Total Non Current Liabilities	6,396,251	9,781,627	–	10,023,574
Total Liabilities	6,578,125	9,915,257	–	10,339,500
Net Assets	8,159,466	4,505,119	–	5,506,451
Equity				
Contributed equity	9,738,590	2,454,986	–	2,454,986
Reserves	(889)	10,340	–	10,340
Retained earnings/(accumulated losses)	(1,578,235)	2,039,793	–	3,041,125
Total Equity	8,159,466	4,505,119	–	5,506,451

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, bank loans and capital market debt, available for sale 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), price risk, 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 Treasury 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.

Risk management is carried out by the Treasury Group under policies approved by the Board of Directors. The Treasury Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board are informed on a regular basis of Treasuries 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 long term debt obligations as outlined in note 19.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates that are not designated in cash flow hedges.

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Financial Assets				
Cash and cash equivalents	2,362,964	2,227,657	–	–
	2,362,964	2,227,657	–	–
Financial Liabilities				
Bank loans	2,090,000	20,000	–	–
	2,090,000	20,000	–	–
Net Exposure	272,964	2,207,657	–	–

As at balance date, the Group maintained floating rate borrowings of \$2,090m (2007: \$20m) and the associated interest rate risk is mitigated by net cash and cash equivalents of \$2,363m (2007: \$2,228m). Under the bank loans, the Group pays the Bank Bill Swap rate (BBSW) plus a margin (45 basis points), and the cash and cash equivalents are invested at approximately BBSW.

Group Sensitivity

The sensitivity to fair value movements through equity or profit and loss as a result of interest rates increasing or decreasing by 50% is immaterial as at balance date.

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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.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(a) Market Risk *continued*

(i) Interest rate risk – cash flow *continued*

As at balance date the notional principal amounts and period of expiry of the interest rate swap contracts are as follows:

	CONSOLIDATED		PARENT	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash flow hedge				
Maturity 1-5 years	–	–	–	–
Maturity over 5 years	174,634	174,634	–	–
Closing Balance	174,634	174,634	–	–

Under the swap contract (maturing July 2036), the Group has the right to receive interest at a fixed rate of 4.76% (2007: 4.76%) semi-annually and pay interest at fixed rate of 7.05% (2007: 7.05%) quarterly. The terms of the swap contract are matched directly against the appropriate loan and interest expense and as such are highly effective. The change in value of the swap at balance date was negative \$22.2m US dollars (2007: negative \$11.8m US Dollars).

(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 \$114.6m (2007: \$124.6m).

As at balance date the Group had the following interest rate swap in place to hedge the medium term note issuance.

	CONSOLIDATED		PARENT	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Fair value hedge				
Maturity 1-5 years	124,600	124,600	–	–
Maturity over 5 years	–	–	–	–
Closing Balance	124,600	124,600	–	–

Under the terms of the contract (maturing May 2011) the Group has the right to receive a fixed rate of interest of 6% semi-annually and pay floating rate of interest (i.e. bank bill swap rate) plus 39.5 basis points. The value of the swap currently exceeds the medium term note by \$10m. The fair value of the swap at balance date was negative \$7.6m Australian dollars.

Group Sensitivity

The sensitivity to fair value movements through equity or profit and loss as a result of interest rates increasing or decreasing by 50% is immaterial as at balance date.

(iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the Group's functional currency.

Treasury, on behalf of the operating units, uses forward exchange contracts to minimise the currency exposure on any significant receivables or payables as is deemed appropriate.

All forward exchange contracts must be in the same currency as the firm commitment and the Group negotiates the terms of the hedges to exactly match the underlying commitment to maximise hedge effectiveness. As at balance date, the Group had hedged 100% of its foreign currency receivables and payables that are firm commitments.

As at balance date, the Group had the following foreign exchange exposures that were not designated as cash flow hedges:

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(a) Market Risk *continued*

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
US Dollars				
Financial Assets				
Cash and cash equivalents	502,702			
Trade and other receivables	22,162	–	–	–
Available-for-sale financial assets	138,828	–	–	–
	663,692	–	–	–
Financial Liabilities	500,000	–	–	–
Net exposure	163,692	–	–	–
	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
GBP Exposure				
Financial Assets				
Loans to associates	11,393	8,003	–	–
	11,393	8,003	–	–
Financial Liabilities	–	–	–	–
Net exposure	11,393	8,003	–	–

Group sensitivity – US dollar

Based on the financial instruments held at balance date, had the Australian dollar strengthened by 5c or weakened by 10c against the US dollar with all other variables held constant, the Group's post-tax-profit for the year would have been \$9.0m lower or \$21.0m higher (2007: no exposure).

The sensitivity to fair value movements through equity as a result of the Australian dollar strengthening by 5c or weakening by 10c against the US dollar would not be material.

Group sensitivity – GBP

The sensitivity to fair value movements through equity or profit and loss as a result of the Australian dollar strengthening or weakening by 5c against the GBP would not be material. This sensitivity analysis was conducted based on the foreign exchange risk exposures in existence at the balance sheet date.

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.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(a) Market Risk *continued*

Cash flow hedges

At balance date details of outstanding contracts are:

	CONSOLIDATED				PARENT			
	Notional Amounts		Average Rate		Notional Amounts		Average Rate	
	\$AUD				\$AUD			
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000			\$'000	\$'000		
Buy USD/Sell AUD								
Maturity under 1 year	2,728	2,701	0.7330	0.7404	–	–	–	–
Maturity 1-5 years	2,063	4,791	0.7271	0.7305	–	–	–	–
Buy AUD/Sell USD								
Maturity under 1 year	37,635	15,533	0.8822	0.7523	–	–	–	–
Maturity 1-5 years	151,236	–	0.8133	–	–	–	–	–

The change in fair value of cash flow hedges as at balance date was negative \$2.3m Australian dollars (2007: negative \$1.4m)

Fair value hedges

At balance date details of outstanding contracts are:

	CONSOLIDATED				PARENT			
	Notional Amounts		Average Rate		Notional Amounts		Average Rate	
	\$AUD				\$AUD			
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000			\$'000	\$'000		
Buy AUD/Sell USD								
Maturity 1-5 years	82,689	–	0.7758	–	–	–	–	–
Buy AUD/Sell CAD								
Maturity 1-5 years	161,671	–	0.8041	–	–	–	–	–

The change in fair value of fair value hedges as at balance date was negative \$11.2m Australian dollars (2007: no exposure).

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(b) Price Risk

The Group is exposed to equities securities price risk. Equity securities price risk arises from investments held by the Group and classified on the balance sheet as available-for-sale financial assets.

Neither the Group nor the parent entity is exposed to commodity price risk.

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Shares – unlisted	507,489	396,771	–	–
Shares – listed	–	1,242	–	–
Net exposure	507,489	398,013	–	–

Group sensitivity

The Group's sensitivity to price risk has been estimated using valuation techniques based on the fair value of securities held. Had the value of securities held decreased by 5%, the Group's post tax profit and loss would have been \$24.2m lower as at balance date. Had the value of securities held increased by 10%, Equity would have increased by \$50.7m as at balance date.

(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.

The Group's policy is that no more than 30% or \$500 million of borrowings should mature in any 12 month period. At balance date 0.55% or \$20 million of the Group's debt will mature in less than 12 months (2007: 6.6%).

As at balance date the Group had \$875.8 million in undrawn committed bank lines.

Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of 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.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

	1 year or less		1 to 5 years		More than 5 years		Total carrying amount as per the Balance Sheet	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated Group								
<i>Financial Liabilities</i>								
Trade and other payables	255,108	234,821	24,059	114	–	–	279,167	234,935
Capital markets	–	–	114,600	124,600	174,634	174,634	289,234	299,234
Bank loans	20,000	20,000	2,070,000	–	–	–	2,090,000	20,000
Finance lease/Hire purchase liability	–	46	–	266	–	–	–	312
Forward exchange contracts	34,906	22,117	393,533	16,462	–	5,655	–	–
Interest rate swaps	–	–	124,600	124,600	–	–	–	–
Cross currency interest rate swaps	–	–	–	–	174,634	174,634	–	–
Total Financial Liabilities	310,014	276,984	2,726,792	266,042	349,268	354,923	2,658,401	554,481
<i>Financial Assets</i>								
Cash and cash equivalents	2,362,964	2,227,657	–	–	–	–	2,362,964	2,227,657
Receivables – trade	146,210	104,572	183,923	16,762	–	–	330,133	121,334
Receivables – associates	314	384	228,921	–	30,358	73,339	259,593	73,723
Assets held for sale	–	447,435	–	–	–	–	–	447,435
Available for sale assets	–	–	–	–	507,489	398,013	507,489	398,013
Forward exchange contracts	34,906	22,117	393,533	16,462	–	5,655	–	–
Interest rate swaps	–	–	124,600	124,600	–	–	–	–
Cross currency interest rate swaps	–	–	–	–	174,634	174,634	–	–
Total Financial Assets	2,544,394	2,802,165	930,977	157,824	712,481	651,641	3,460,179	3,268,162
Net Maturity	2,234,380	2,525,181	(1,795,815)	(108,218)	363,213	296,718	801,778	2,713,681

Notes to the Financial Statements *continued*

For the year ended 30 June 2008

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

	1 year or less		1 to 5 years		More than 5 years		Total carrying amount as per the Balance Sheet	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent								
<i>Financial Liabilities</i>								
Trade and other payables	13,408	–	–	–	–	–	13,408	–
Total Financial Liabilities	13,408	–	–	–	–	–	13,408	–
<i>Financial Assets</i>								
Loans to controlled entities	–	–	–	–	178,160	–	178,160	–
Total Financial Assets	–	–	–	–	178,160	–	178,160	–

(e) Fair Value of Financial Instruments

The fair value of the Group's financial assets and financial liabilities approximates the carrying value as at balance date.

Shareholder Information

Substantial shareholders as at 12 September 2008:

The following information is extracted from substantial shareholder notices received by Crown Limited.

Shareholder	Number of Ordinary Shares	% of Issued Capital
Consolidated Press Holdings Limited	261,500,000	37.92
Janus Capital Management LLC	54,398,725	7.98
Perpetual Limited	58,444,366	8.58

Holders of each class of securities

Crown only has Ordinary Shares on issue. The total number of ordinary shares on issue is 689,676,925 held by 62,834 shareholders.

Voting rights of ordinary shares

Crown Limited'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:

- (a) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
- (b) 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 12 September 2008:

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	42,167	2.67
1,001 – 5000	18,363	5.54
5,001 – 10,000	1,461	1.48
10,001 – 100,000	734	2.76
100,001+	109	87.55
Total	62,834	100.00
Holding less than a marketable parcel	3,219	

Shareholder Information *continued*

The 20 largest shareholders as at 12 September 2008:

Name	No. of Shares	% of Issued Capital
1. Bareage Pty Limited	158,486,104	23.26
2. HSBC Custody Nominees (Australia) Limited	104,690,189	15.37
3. Consolidated Press Holdings Limited	88,286,136	12.96
4. JP Morgan Nominees Australia Limited	54,906,424	8.06
5. National Nominees Limited	34,800,223	5.11
6. RBC Dexia Investor Services Australia Nominees Pty Limited <PIPOOLED A/C>	30,560,500	4.49
7. ANZ Nominees Limited <CASH INCOME A/C>	20,238,534	2.97
8. Citicorp Nominees Pty Limited	16,853,648	2.47
9. Samenic Limited	11,136,925	1.63
10. RBC Dexia Investor Services Australia Nominees Pty Limited <BKCUST A/C>	9,074,473	1.33
11. UBS Nominees Pty Ltd	7,024,351	1.03
12. WIN Television NSW Pty Ltd	5,486,845	0.81
13. Cogent Nominees Pty Limited	4,645,238	0.68
14. RBC Dexia Investor Services Australia Nominees Pty Limited <PIIC A/C>	3,695,166	0.54
15. Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 4 A/C>	3,507,176	0.51
16. Queensland Investment Corporation	3,220,451	0.47
17. UBS Wealth Management Australia Nominees Pty Ltd	2,525,874	0.37
18. Perpetual Trustee Company Limited	2,417,003	0.35
19. Consolidated Press Investments Pty Ltd	2,069,387	0.30
20. Birketu Pty Ltd	2,000,001	0.29
Total	565,624,648	83.00
Others	124,052,277	17.00

Details of unquoted equity securities

Crown Limited has 8,380,821 Shares on issue which are currently unquoted. These shares are held by participants in the Executive Share Plan (as described more fully in the Remuneration Report) and represent shares which are yet to be released from restriction in accordance with the terms of the Plan.

Use of cash and assets

Crown was admitted to the official list of the ASX on 3 December 2007. The company used (and continues to use) the cash and assets in a form readily convertible to cash that it had at the time of admission in a manner consistent with its business objectives.

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the Share Registry's website at www.computershare.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

Shareholders who wish to receive email alerts informing them of significant announcements, dividend payment advices and the availability of reports on Crown Limited's website, www.crownlimited.com, may either contact the Share Registry or lodge such instructions online at the Share Registry's website at www.computershare.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 should advise the Share Registry in writing.

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.

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Corporate Information

Directors

- James D Packer *Executive Chairman*
- John H Alexander BA *Executive Deputy Chairman*
- Rowen B Craigie BEc (Hons) *Chief Executive Officer and Managing Director*
- Christopher J Anderson BEc
- Christopher D Corrigan
- Rowena Danziger BA, TC, MACE
- Geoffrey J Dixon
- Ashok P Jacob MBA
- Michael R Johnston BEc, CA
- David H Lowy AM, BCom
- Richard W Turner AM, BEc, FCA

Chief Financial Officer

Geoffrey R Kleemann CA

Chief Executive Officer, Crown Melbourne

David G Courtney BBus, F Fin, MBA, ACA, GDipAppFin

Chief Executive Officer, Burswood

Barry J Felstead

General Counsel/Joint Company Secretary

Michael J Neilson BA, LLB

Joint Company Secretary

Mary Manos BCom, LLB (Hons)

Crown Limited's registered office and principal corporate office

Level 3
Crown Towers
8 Whiteman Street
Southbank VIC 3006
Australia

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Phone: 1300 850 505 (within Australia)
(61 3) 9415 4000 (outside Australia)
Fax: (61 3) 9473 2500
Website: www.computershare.com

Stock Exchange Listing

Crown Limited's ordinary shares are listed on the Australian Stock Exchange under the code "CWN". The home exchange is Melbourne.

Website

Visit our website www.crownlimited.com for media releases and financial information

Auditor

Ernst & Young

Banker

Australia and New Zealand Banking Group Limited

Printer to insert FSC logo

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DESIGN: COLLIER & ASSOCIATES THE STRATEGIC DESIGN COMPANY #13012



CROWN



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