



CROWN

Crown Limited

ANNUAL REPORT 2011

Australia's
Integrated
Resort
Company



ANNUAL GENERAL MEETING

Thursday 27 October, 11.00am
River Room, Level 1, Crown Towers
8 Whiteman Street, Southbank, Melbourne

FINANCIAL CALENDAR

Record date for dividend 30 September 2011
Payment of final dividend 14 October 2011
Annual General Meeting 27 October 2011
2012 interim results Second half of February 2012

We continue to
build Australia's
leading integrated
resorts, attracting
visitors from around
the globe.

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EXECUTIVE
CHAIRMAN'S
LETTER



“We look forward to working with governments and other stakeholders to build on Australia’s strengths as an attractive tourism destination.”

Dear fellow shareholder,

I have pleasure in presenting Crown Limited’s 2011 Annual Report.

For the financial year ended June 2011, Crown announced a net profit of \$335.9 million, an increase of 14.9 percent on last year, and a final dividend of 19 cents per share, franked to 50 percent. This brings the total dividend for the year to 37 cents per share.

These results reflect a mixed performance from Crown’s Australian integrated resorts, but a pleasing contribution from Melco Crown Entertainment in Macau.

For some years now we have shown our confidence in Australia, leading the way in investment in tourism infrastructure. Our current \$2.3 billion capital expenditure program demonstrates our continued faith in the Australian economy, Australia’s appeal as a tourism destination for the Asian region and our ability to deliver integrated resorts of international quality.

Our Australian casinos attract significant patronage from overseas, particularly from the Asian region. This market is becoming increasingly competitive as integrated resorts throughout Asia continue to receive support from their governments. We must remain focused on maintaining our global reputation for quality and service excellence. We look forward to continuing to work with governments at all levels and other stakeholders to build on Australia’s strengths as an attractive tourism destination.

Crown has also announced its intention to conduct an on market share buy-back of up to 30 million of its ordinary shares. This number represents approximately 4 percent of Crown shares currently on issue. The buy-back is expected to be EPS accretive and is considered to be the most appropriate use of Crown’s balance sheet.

In the year ahead, the primary focus will be on maximising the performance of Crown Melbourne and Burswood and managing the major capital expenditure programs currently underway at both properties. We will continue to work with Melco Crown Entertainment to further build the value of the business in Macau, a market in which Crown continues to have positive expectations.

On behalf of the Board, I wish to thank the management and staff of Crown for their contribution in 2011. I would also like to thank you, all our shareholders, for your continued support.

A handwritten signature in black ink, appearing to be 'JP', with a long horizontal flourish extending to the right.

JAMES PACKER
Executive Chairman
Crown Limited

Hotels

From premium luxury to creature comforts, Crown's two Australian integrated resorts offer 2,300 guest rooms across five hotels.

In 2011 the five hotels operated by Crown had approximately one million bookings for guests who stay at our properties each year.





Dining

With a wide range of cafes, casual restaurants and fine dining establishments across Crown Melbourne and Burswood, the discerning diner has a myriad of delicacies to choose from.

In 2011 more than 14 million meals were served to customers of Crown across more than 90 restaurants and bars.





Gaming

From the exclusive atmosphere of Crown's international VIP gaming salons to the excitement of the gaming floor, Crown delivers an unparalleled gaming experience.



Events

Whether hosting a glamorous gala ball, an international conference, a corporate event or an intimate celebration, Crown Melbourne's and Burswood's pre-eminent facilities will impress.



Entertainment



Local and international guests alike are captivated by world-class entertainment from large capacity rock concerts to musicals, comedy shows, ballets and theatre.

Shopping

Louis Vuitton, Versace, Burberry, Prada, Peter Alexander, Nine West, Guess and G-Star are just some of the designer names in the wide retail offering across Crown's Australian integrated resorts.

Crown's collection of the world's leading designers offers the ultimate shopping spree all under the one roof.



Chief Executive Officer's Report



“On completion of the capital expenditure program, Crown will have created the two premier integrated resorts in Australia, which will compete with the best in the Asian region.”

Rowen Craigie Chief Executive Officer
Crown Limited

OVERVIEW

Crown reported a normalised net profit after tax (NPAT) of \$340.3 million for the 12 months ended 30 June 2011. Crown Melbourne and Burswood achieved normalised revenue growth of 5.3 percent and normalised EBITDA growth of 1.8 percent. Crown's operating cash flow was \$451.0 million for the 12 months and net debt, excluding working capital cash, was \$1,016.1 million at 30 June 2011.

Performance for the year ended 30 June 2011	(\$m) ¹
Group revenue	2,445.1
Expenditure	(1,780.2)
EBITDA ²	664.9
EBIT ³	469.3
Normalised net profit after tax	340.3
Reported net profit	335.9

1. Normalised, excluding significant items

2. Earnings before interest, tax, depreciation and amortisation

3. Earnings before interest and tax

Our \$2.3 billion capital expenditure program that started in 2007 is on track for completion by the end of 2013. The program involves a range of projects across the two Australian properties. Some of the program has been completed, for example the construction of Crown Metropol and the upgrade of hotel facilities at Crown Towers. Important projects are ongoing, but are tracking well, such as the expansion and upgrade of the VIP facilities at both Crown Melbourne and Burswood, upgrade of hotel facilities at InterContinental Perth Burswood and expansion of the main gaming floors at both properties.

This capital expenditure is expected to further enhance Crown's position as one of the leading operators of integrated resorts in the region. Crown expects the investment in the upgrade and expansion of its Australian integrated resorts will be earnings and value accretive for shareholders.

Internationally, the results from our Macau joint venture, Melco Crown Entertainment, continue to improve and were the major contributor to the growth in NPAT for the group.

AUSTRALIAN CASINOS

During the year we saw some evidence in areas of our Australian operations of a softening in consumer sentiment and both properties continue to be impacted by complex-wide renovations. Both Crown Melbourne and Burswood continued to feel the impact of competition from the two Singapore integrated resorts. Burswood's results were particularly affected by a reduction in VIP program play as a result of that increased competition and the fact that its new VIP facilities are not yet complete. Crown Melbourne benefited from the completion of some of the capital refurbishment projects at the property.

Across the two properties, main floor gaming revenue grew 5.6 percent and VIP program play was flat with revenue of \$535.0 million. Non-gaming revenue grew by 10.6 percent, benefiting from Crown Metropol's first full year of operation.

Normalised EBITDA from Crown Melbourne was \$505.7 million, up 6.5 percent on the prior comparable period (pcp). Reported EBITDA for the period was \$511.1 million, down 5.5 percent, or \$29.6 million, on the pcp. This reflected an above theoretical win rate of 1.37 percent, which generated a positive EBITDA variance of \$5.4 million, compared to a positive EBITDA variance of \$65.8 million in the pcp when the win rate was 1.66 percent.

Figure 1
Crown Melbourne Normalised Revenue and EBITDA Performance

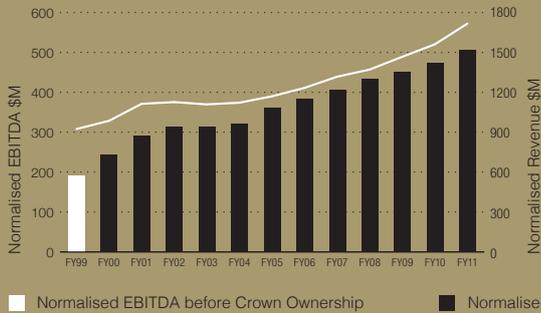


Figure 2
Burswood Normalised Revenue and EBITDA Performance



Figures 1 and 2 show a time series of the normalised revenue and EBITDA at both Crown Melbourne and Burswood.

A more detailed report on Crown Melbourne is provided later in this Annual Report.

Normalised EBITDA from Burswood was \$195.2 million, down 8.6 percent on the pcp, principally due to a decline in international VIP activity. Reported EBITDA for the period was \$176.2 million, down 4.0 percent, or \$7.3 million, on the pcp. This reflected a below theoretical win rate of 1.10 percent, which generated a negative EBITDA variance of \$19.0 million, compared to a negative EBITDA variance of \$30.1 million in the pcp when the win rate was 1.08 percent.

A more detailed report on Burswood is provided later in this Annual Report.

MELCO CROWN ENTERTAINMENT (MCE)

MCE reported good progress during the financial year. Crown's share of MCE's reported result for the year was an equity accounted gain of \$34.9 million. Crown's share of MCE's normalised result for the period was a gain of \$19.2 million, after adjusting for Crown's share of an above theoretical win rate and pre-opening expenses.

This pleasing result is attributed to the continued improved operating performance at City of Dreams and significant improvement in Altira Macau. The Macau gaming market as a whole has exhibited strong growth during the period. In the six months to June 2011, gross gaming revenues were up 45 percent year-on-year.

Additional information about MCE and Crown's other international investments appears later in this Annual Report.

OUTLOOK

Crown remains cautious given the general softening in consumer sentiment and recognises the need to carefully manage the continuing disruption to its customers from the redevelopment and refurbishment programs at our Australian casinos. Recent VIP program play volumes have been more encouraging, although variable visitation from South East Asian VIP customers indicates that the impact of the two new integrated resorts in Singapore continues to be felt, particularly at Burswood.

Our efforts will remain focused on enhancing Crown's Australian operations. We are currently midway through our extensive capital expenditure program totalling \$2.3 billion, of which approximately \$800 million will be spent within the next three years. We will also continue to work closely with MCE to maintain the continued positive trend in the performance of MCE's Macau businesses.

I would like to sincerely thank the Board for its support and to thank all management and staff for their efforts in 2011.

Rowen Craigie

Rowen Craigie
Chief Executive Officer

Portfolio of integrated resort assets

CROWN OWNS AND OPERATES AUSTRALIA'S LEADING PREMIUM INTEGRATED RESORTS
– CROWN ENTERTAINMENT COMPLEX IN MELBOURNE AND BURSWOOD ENTERTAINMENT COMPLEX IN PERTH.



MELBOURNE – 100% OWNED



A WORLD OF ENTERTAINMENT.™

- Crown Melbourne operates 2,500 gaming machines and has approval to operate 500 table games.
- Crown Towers hotel comprises 480 guest rooms.
- Crown Promenade hotel comprises 465 guest rooms.
- Crown Metropal hotel comprises 658 guest rooms.
- Crown Conference Centre has 7,350 square metres of conference and meeting facilities over three floors.
- Banqueting facilities include the Palladium's 1,500 seat ballroom and the Palms' 900 seat cabaret venue.
- More than 70 restaurants and bars reside in the complex, including many of Melbourne's finest.
- Internationally recognised designer boutiques and retail outlets.
- Entertainment facilities include a multi-screen cinema complex, a bowling alley and an interactive gaming auditorium.



PERTH – 100% OWNED



MACAU – 33.4% INTEREST

BURSWOOD

ENTERTAINMENT COMPLEX

- Burswood has approval to operate 2,000 gaming machines and 220 table games.
- InterContinental Perth Burswood hotel comprises more than 400 guest rooms.
- Holiday Inn Burswood hotel comprises 291 guest rooms.
- Large scale entertainment facilities including the 20,000 seat Burswood Dome and 2,300 seat Burswood Theatre.
- World-class conventions and events facilities.
- 22 restaurants and bars and a nightclub.
- Luxury day spa and retail outlets.



Melco Crown Entertainment

新濠博亞娛樂

City of Dreams

- Melco Crown operates approximately 1,300 gaming machines and more than 400 table games.
- Crown Towers hotel comprises approximately 300 guest rooms.
- Hard Rock hotel comprises approximately 300 guest rooms.
- Grand Hyatt hotel comprises 800 guest rooms.
- More than 20 restaurants and bars.
- Wide range of retail brands.
- Iconic and spectacular show – Franco Dragone's 'The House of Dancing Water' in the Theatre of Dreams.
- Other key attractions include The Bubble audio visual experience and Club Cubic.

Altira

- The casino and hotel features more than 220 table games and more than 200 guest rooms.

Mocha Clubs

- A network of gaming lounges, operating approximately 1,600 gaming machines.

Crown Melbourne



“Significant progress has been made on the redevelopment of Crown Melbourne and the investment in growth capital expenditure is progressively delivering benefits.”

CROWN MELBOURNE IS A KEY DRIVER OF TOURISM WITHIN AUSTRALIA, PARTICULARLY IN VICTORIA, ATTRACTING AROUND 18 MILLION VISITORS ANNUALLY.



*Clockwise from above:
Bistro Guillaume Crown Melbourne
Aerial view of Crown Melbourne
Crown Melbourne gaming floor
Crown Melbourne Lagerfeld*

OVERVIEW

Australia's leading integrated resort, Crown Melbourne is a key driver of tourism within Australia, particularly in Victoria, attracting around 18 million visitors annually to its 500,000 square metre entertainment complex. The property features quality shopping and dining experiences, gaming options, live entertainment and 1,600 guest rooms ranging from six-star luxury to premium five-star and quality four-star accommodation across its three hotels. Crown Melbourne is the state's largest single-site private sector employer with more than 6,500 employees.

In the financial year, normalised revenue grew by 9.9 percent. The growth in revenue can be attributed to completion of some of the capital refurbishments projects at the property and Crown's strategy to source new VIP Program Play customers from China. Crown Melbourne generated normalised EBITDA growth of 6.5 percent, despite refurbishment disruption, an increase in gaming machine tax agreed with the Victorian Government and a change in revenue mix as a result of growth in VIP program play, along with an increase in its associated costs.

Main gaming floor revenue grew 6.1 percent for the year to \$930.7 million reflecting the completion of some of the capital refurbishments. Normalised VIP program play revenue increased by 15.1 percent to \$418.2 million on record turnover of \$31 billion. Non-gaming revenue grew 14.4 percent to \$365.2 million, largely benefiting from Crown Metropolis's first full year of operation.

CROWN MELBOURNE PROPERTY UPDATE

Significant progress has been made on the redevelopment of Crown Melbourne. The Teak Room reopened in October 2010 followed by the completion of stage one of the extension and refurbishment of the Mahogany Room in December 2010. The remaining works on the Mahogany Room are on schedule and are expected to be completed by November 2011.



Development of the Crown ‘West End’, a new gaming, restaurant, cafe, bar and entertainment precinct, is expected to be fully open by mid 2012. This new area will utilise some of the increase in table games granted to Crown Melbourne under the licence arrangements approved by the Victorian Parliament in 2009. Club 23, a sophisticated bar and lounge with private areas and a balcony overlooking the Yarra River and city skyline with a small number of high end gaming tables, including poker tables, is expected to be completed by November 2011.

The addition of a number of premium restaurants and the development of luxury and lifestyle retail precincts have further boosted Crown Melbourne’s status as a leading integrated resort.

The refurbished Crown Towers lobby and the porte cochere re-opened in June 2011. The final component of this work will be completed in the last quarter of 2011, at the same time as the new ground level Mahogany Room entry.

The private salons on level 39 of Crown Towers opened in September 2010. An exclusive experience tailored to Crown Melbourne’s most valued guests, the level 39 salons house four large private gaming rooms and offer exceptional personalised service within an environment of quality design and craftsmanship, which firmly positions Crown Melbourne as one of the world’s best VIP gaming facilities, at least the equal of any in the competitive Asian market.

The capital expenditure program is expected to reinforce Crown Melbourne’s position as a world class integrated resort, providing significant benefits to the Australian and Victorian tourism industries. The investment in growth capital expenditure is progressively delivering benefits and is expected to be earnings and value accretive for shareholders.

LOCAL GAMING AND SIGNATURE CLUB

A significant investment in improving customer service commenced this year. Two thirds of Crown’s gaming

machine product was refreshed, while the first full year of operation for the Ticket-In Ticket-Out system was successful, both adding to increased customer satisfaction. Furthermore, in the area of table games, a new focus on improved customer engagement and experience has been implemented.

The Aussie Millions Poker Championship continues to be recognised as one of the top three poker events in the world, assuring Crown Melbourne’s place as the home of poker in Australasia. The event attracts a large contingent of international customers, with substantial interest from China this year.

The Crown Signature Club loyalty program continues to attract new customers. The changes implemented over a number of years, including the amalgamation of all programs into one Signature Club and the offers of free parking and invitations to ‘money can’t buy’ experiences, have been well received.

VIP PROGRAM PLAY

Crown Melbourne achieved an all-time record of \$31 billion in VIP program play turnover. While the impact of the two new integrated resorts in Singapore had an adverse impact, Crown’s strategy to source new customers from China helped grow the business.

The new luxury private salons on level 39 have created a unique environment of exceptional quality, which is proving extremely popular with Crown Melbourne’s VIP guests.

HOTELS, CONFERENCES AND RETAIL

The three hotels at Crown Melbourne, Crown Towers, Crown Metropolis and Crown Promenade are achieving approximately 700,000 bookings for guests who stay at Crown Melbourne hotels each year. The number of international guests staying at Crown Melbourne’s hotels continues to increase, with numbers from China growing significantly. This increase in hotel guests also has a major positive impact on the other facilities on offer at Crown.



Crown Metropol's first full year of trading has produced good results, providing Crown Melbourne with significant growth in its market share. The addition of Crown Metropol has enabled Crown to attract domestic and international conventions and conferences, many of which can be accommodated across the three Crown Melbourne hotels. Crown Metropol was awarded the Commercial Architecture Award at the 2010 Australian Institute of Architects Awards and was also named in the 2011 Conde Nast Traveller Hot 100 List.

Crown Towers continues to be the market leader in luxury hotel accommodation and was awarded the Nespresso Best Large Luxury Hotel at the 2010 Australian Gourmet Traveller Travel Awards.

Crown Promenade consistently achieves the highest occupancy in its competitive set. The expanded Crown Conference Centre attracts a wide range of events, ranging from local meetings to major international conferences. The capacity to handle multiple large concurrent events provides significant additional visitation to the Crown complex.

Progress on the retail master plan continues, with the key luxury and lifestyle precincts proceeding toward their desired tenant mix. The main ground floor retail strip is undergoing an upgrade of the common areas as well as new and relocated restaurant tenancies. Further adding to the luxury offering, Omega and Bvlgari are set to join Crown retail in the near future.

RESTAURANTS AND BARS

Spice Temple and The Waiting Room, both operated by Neil Perry, opened in October 2010. The Atlantic restaurant and the new Bistro Guillaume opened in the second half of the financial year and are trading well. These establishments have received positive reviews since opening. The popular premium Chinese restaurant, Silks, closed temporarily post-Chinese New Year for refurbishments and reopened in July 2011 with an expanded menu including dishes from the Northern Chinese, Sichuan and Shanghai provinces. Lucky Chan completed its relocation in August 2011, moving to its new riverside location which seats 270 and includes three private dining areas and an outdoor seating area.

Crown Melbourne again supported the Melbourne Food & Wine Festival this year with the 'Stars of Spice' event featuring world-leading chefs. Specialty dining experiences, particularly the wine-featured dinners, including the 10th annual Grange dinner, along with Crown Melbourne's Seafood and Prawn Celebrations, proved to be a great success for a number of the premium and casual restaurants. Additionally, a range of partnered beverage promotions offered an array of 'money can't buy' sporting and travel packages.

Crown Melbourne's restaurants continue to be recognised through industry-related awards. Rockpool Bar & Grill and Number 8 Restaurant and Wine Bar again both received '2 glasses' in the Best of Award of Excellence in the 2011 Wine Spectator Awards and Spice Temple was awarded '1 glass'. Number 8 was also highly recommended and awarded '3 glasses' in the Gourmet Traveller Wine Awards.

From left:

Lumia

Sho Noodle Bar

Crown Towers hotel suite

Crown Metropol pool



Nobu Melbourne was awarded Best Asian Restaurant at the 2011 Victorian Restaurant and Catering Awards for Excellence, while Crown Melbourne's Banqueting and Events team was also recognised, winning Caterer of the Year and Wedding Caterer of the Year. Crown Melbourne was also awarded the prestigious George Mure Memorial Professional Award for Crown's Food and Beverage Training Team, and Crown College's training restaurant, Culinarium, was a finalist for the Best Training Restaurant.

Five of Crown Melbourne's premium restaurants were awarded Chef's Hats in The Age Good Food Guide 2012. Rockpool Bar & Grill received Two Hats, while Neil Perry also received the Professional Excellence award. One Hat was bestowed on The Atlantic, Bistro Guillaume, Maze and Spice Temple, which also received Wine List of the Year.

Rockpool Bar & Grill had significant success at the 2010 Gourmet Traveller Wine's 2010 Australian Wine List of the Year Awards announced in August last year, winning Overall Winner of the 2010 Australia's Wine List of the Year, Best Restaurant List, Best List in Victoria and The Judy Hirst Award, won by Sommelier David Lawler. Rockpool was inducted into the Hall of Fame at the 2011 Gourmet Traveller Wine's 2011 awards held in August 2011.

Crown's restaurants and bars continue to focus on the responsible service of alcohol (RSA) to ensure all customers have a positive experience. Our key objective is to provide a safe and pleasant environment for all patrons and staff. Crown remains diligent in these areas and has increased the number of RSA officers on the floor and has provided additional staff training.

ENTERTAINMENT AND EVENTS

The Palladium at Crown again hosted some of Australia's most notable industry events this year including the annual TV Week Logie Awards, the Cricket Australia Allan Border Medal and the Australian Masters Golf Gala Dinner with special guest Tiger Woods.

Crown Melbourne is also home to another great sporting tradition – the AFL Brownlow Medal. Post the end of the financial year, Crown and the AFL announced a new landmark deal that secures the Brownlow Medal in Melbourne at The Palladium for another six years.

During the spring racing carnival, the Palladium was home to a number of Victoria Racing Club's Spring Carnival events including the Oaks Club Ladies Lunch and the Call of the Card.

In conjunction with the Victoria Racing Club and its official partners, Crown Melbourne again hosted a 'live site' at Southbank during the Melbourne Cup Carnival. An estimated 80,000 people enjoyed live entertainment, big screen racing action, giveaways and the riverbank Carnival Bar.

Crown has invested heavily in the conferencing market with the newly developed multi-million dollar Crown Conference Centre playing host to some of Australia's leading businesses including the Intel Summit 2011, Tertiary Education Management Conferences, CIPSA Conference, Cook Medical Conferences, the AGES Annual Scientific Meeting 2011, Telstra, NAB, Genesys Wealth, Intel, Foster's, IATA and Steadfast.

The Palms and Crown Melbourne's nightclubs Fusion and Co. showcased guests such as The Potbelleez, Jessica Mauboy, Ricki-Lee Coulter, Zoe Badwi, Carmen Electra and Backstreet Boys.

Burswood



“Burswood is well advanced in its \$750 million capital expenditure program that will create a property that can successfully compete against the integrated resorts in the Asian region.”

THE OPENING OF NEW RESTAURANTS WILL ADD SIGNIFICANTLY TO THE FOOD AND BEVERAGE FACILITIES AT BURSWOOD.



OVERVIEW

Burswood is a major Western Australian tourist attraction, drawing more than seven million visitors each year. From a casino, quality hotels, world-class convention centre, 22 restaurants and bars, nightclub, 2,300 seat Lyric theatre, 20,000 seat capacity indoor stadium, day spa and retail outlets, Burswood offers much to its visitors. Burswood is well advanced in its \$750 million capital expenditure program that will create a property that can successfully compete against the integrated resorts in the Asian region. Burswood is the state's largest single-site private sector employer, with more than 4,300 employees.

Burswood's financial results were affected by a 32.3 percent reduction in normalised VIP program play revenue as a result of increased competition from the two new integrated resorts in Singapore and the impact of the complex-wide renovations which has seen reduced visitation. Normalised EBITDA for Burswood was down 8.6 percent on the pcp.

Main gaming floor revenue increased 4.4 percent to \$413.8 million and non-gaming revenue increased 3.3 percent to \$169.7 million for the year in an economic environment that continues to be challenging.

Clockwise from above:

Nobu Perth

Aerial view of Burswood

Burswood gaming floor

Pearl Room



BURSWOOD PROPERTY UPDATE

Significant progress has been made on the redevelopment of Burswood. Planning for the expansion of the Burswood gaming floor to accommodate new gaming product (250 additional electronic gaming machines, 50 additional tables including the installation of fully automated table games) is in the final design stages. It is expected that the expansion will be completed mid-way through the 2013 financial year.

A number of new restaurants were opened at the property including Neil Perry's Rockpool Bar & Grill, 88 Noodle Bar, and most recently, the new Italian restaurant, Modo Mio. The Atrium Restaurant & Lobby Lounge at the InterContinental Perth Burswood also had a major refurbishment during the year. Initial customer response to these venues has been very positive. The new food court and the new Japanese restaurant, Nobu, both opened in the first quarter of the 2012 financial year and Bistro Guillaume by Guillaume Brahimi is set to open in June 2012.

InterContinental Perth Burswood's refurbishment program is on schedule. Renovations to the reception and foyer areas, along with room refurbishments on five of the levels, were completed during the year. The refurbishment of the balance of the rooms on the remaining five levels is due for completion in mid 2012.

The construction of the sky gaming salons is in its final stages and they are expected to open in September 2011. The construction of a new Infinity Suite on level nine has commenced and is on schedule for completion by early 2012. Work on the luxury villas, resort pools and tropical gardens is progressing and is expected to be completed by December 2011.

The capital expenditure undertaken in upgrading and expanding the Burswood resort will create a property that can successfully compete against the new integrated resorts in the Asian region, complete with new luxurious resort and pool facilities, as well as world-class entertainment, leisure, local gaming and premium player facilities. This investment will progressively deliver benefits and is expected to be earnings and value enhancing for shareholders.

LOCAL GAMING AND CLUB BURSWOOD

A number of tailored local VIP events, along with the launch of several new games, were introduced in the gaming machine area and were well received by players. An increase in live entertainment and prize draws during peak periods further improved the atmosphere on the main gaming floor, while enhanced off-peak initiatives encouraged increased patron visitation during weekdays. The launch of Burswood's complex-wide loyalty program in October 2010 continued to drive membership growth with new Club Burswood memberships doubling year-on-year. The expanded loyalty program provides additional member benefits.

VIP PROGRAM PLAY

When completed, the expanded VIP offering, including luxury villa accommodation and the sky gaming salons, will enhance Burswood's position in the international market as a world-class integrated resort. These initiatives, coupled with the existing six private gaming salons and luxury yacht, will provide a significant point of difference for Burswood as one of the most customer-focused and luxurious international facilities in the world.



HOTELS

InterContinental Perth Burswood maintained its position as the leading luxury hotel in Perth despite the hotel, lobby and surrounding restaurants undergoing extensive refurbishment for a significant portion of the period.

An agreement to acquire the Holiday Inn Hotel and to restructure the relationship with InterContinental Hotels Group was finalised in July 2011. As a result of these transactions, Burswood will be entitled to a greater share of hotel profits which will be value creating for Crown's shareholders.

RESTAURANTS AND BARS

Despite construction disruption, Burswood's restaurants and bars produced year-on-year growth driven predominantly by the successful reopening of Atrium Restaurant and Lobby Lounge and the opening of 88 Noodle Bar on the main gaming floor. The newly opened Modo Mio and Nobu Perth, which opened their doors in September 2011, will add significantly to the food and beverage facilities at Burswood.

Established bars continued to trade successfully due to effective promotions, value meal offers and additional patronage driven through entertainment events held in the Burswood Theatre and Dome. Additionally, on the main gaming floor, Carvers and Snax both traded well in their second year of operation.

Burswood's Carbon Sports Bar was inducted into the Australian Hotels Association Hall of Fame as Western Australia's Best Sporting Entertainment Venue and was also recognised at a national level, winning the same category nationally.

Burswood's responsible service of alcohol initiatives were also rewarded with the Australian Hotels Association Responsible Service of Alcohol Award for Western Australia for the third consecutive year as well as making the Australian Hotels Association Hall of Fame.

From left:

(A)LURE Dining Room and Bar

Modo Mio

EVE Night Club

Carbon Sports Bar



ENTERTAINMENT AND EVENTS

Burswood was presented with Western Australia's Best Conference and Banquets award at the Australian Hotels Association Awards for Excellence.

Both the Burswood Dome and Theatre hosted a range of major events during the financial year, with approximately 600,000 patrons in attendance across both venues.

The Dome hosted top national and international artists including Kylie Minogue, Rihanna, Usher, Gorillaz and Linkin Park. Metallica set a record attendance for their two performances.

The Theatre has enjoyed a record year with 188 performances. Mamma Mia continued its successful run alongside multiple performances by WA Ballet, West Side Story, Riverdance and Billy Connolly. Broadway musical WICKED launched in June 2011 with a record breaking number of ticket sales.

Star Show package sales continued to be successful with several thousand dinner, accommodation and entertainment combinations sold via the onsite Contact Centre and Ticketek website.

Burswood is recognised as one of Australia's leading meetings and events venues and this year focused on strengthening the brand with redesigned collateral, competitive event pricing and promotion of Burswood Entertainment Complex as a one-stop destination for all event business.

The Summer Marquee performed strongly through an extended season and a fourth Botanical Room opened, replacing the Swan Room.

Major convention events at Burswood this year included Australian Primary Principals Association Conference, Rio Tinto Annual General Meeting, Western Australian Primary Principals Association Conference, Junior Recruit Re-Union, WASSRA Conference and the AMEC Conference.

Signature events hosted at the Complex this year included White Collar Boxing, Real Estate Institute of Western Australia Ball and West Coast Eagles Club Champion Awards.

Sponsorships and partnerships played a significant role in supporting local businesses and organisations including being host-sponsor of the Western Australian & Qantas Australian National Tourism Awards, host venue for the WA Fashion Awards in conjunction with the Perth Fashion Festival and naming rights sponsor of Burswood International Race Day as part of the Summer racing carnival with Perth Racing.

Melco Crown Entertainment



“The results from our Macau joint venture, Melco Crown Entertainment, continue to improve and were the major contributor to the growth in NPAT for the Group.”

CROWN HELD A
33.4% EQUITY INTEREST
IN MELCO CROWN
AS AT JUNE 2011.



OVERVIEW

Crown held a 33.4 percent equity interest in Melco Crown Entertainment (MCE), a joint venture between Crown and Melco International Development Limited, as at 30 June 2011. MCE was listed on the NASDAQ in December 2006 and has two premium properties, City of Dreams and Altira Macau. The joint venture also operates Mocha Clubs.

MCE reported good progress during the financial year. Crown's share of MCE's reported result for the year was an equity accounted gain of \$34.9 million. Crown's share of normalised result for the period was a gain of \$19.2 million, after adjusting for Crown's share of an above theoretical win rate and pre-opening expenses.

This pleasing result is attributed to the continued improved operating performance at City of Dreams and significant improvement in Altira Macau. The Macau gaming market as a whole has exhibited strong growth during the period. In the six months to June 2011, gross gaming revenues were up 45 percent year-on-year.

In July 2011, MCE completed the acquisition of a 60 percent equity interest in Macau Studio City, a large scale integrated gaming, retail and entertainment resort project to be developed in Macau jointly by MCE and New Cotai Holdings, LLC. MCE will focus on delivering innovative attractions based on the “Studio City” concept. When complete, Macau Studio City will meaningfully increase MCE's presence on Cotai.

In August 2011, MCE announced that it had applied to the Stock Exchange of Hong Kong (SEHK) for a proposed dual listing of its shares and is evaluating a possible global offering of SEHK listed shares to local and international investors. The proposed dual listing, when completed, would put MCE on a par with its competitors and would provide it with additional sources of capital. The proposed dual listing is subject to a number of approvals, including SEHK approval and MCE board and shareholder approval, as well being subject to market conditions.

MCE has a positive outlook on the Macau market. In particular, The House of Dancing Water show continues to generate incremental visitation, consistent with the objective of developing the highly profitable premium mass market operations at City of Dreams.

Clockwise from left:

Gallery of Art, City of Dreams

Grand Hyatt hotel City of Dreams Macau

Club Cubic

Cast of The House of Dancing Water

City of Dreams Macau



Aspinall's Club



The Aspinall's Club is a high-end London casino. It is one of only five licensed casinos in London's prime west end entertainment district. The acquisition of the Aspinall's Club has enabled Crown to integrate the London operation more fully into its international VIP business while leveraging the sales and marketing capability of Crown's international VIP organisation. Activity in the Club since Crown's acquisition has been ahead of expectations, but at a low win rate.

Aspinall's Club London

Other Investments

Betfair

Crown's equity accounted share of Betfair's loss was \$2.5 million. The loss is primarily due to an increase in legal fees and product fees. Betfair has appealed to the High Court against the judgement of the Full Federal Court in its case against Racing NSW and Harness Racing NSW. Betfair's appeal was heard by the High Court in August 2011 and a decision is expected late in 2011 or early 2012.

Cannery

During the year, Crown received the necessary regulatory approvals in Nevada and Pennsylvania and now holds a 24.5 percent equity share in Cannery Casino Resorts, LLC.

Aspers Group

The Aspers Group completed the sale of the Aspinall's Club to Crown during the period. The sale has enabled the Aspers Group to reduce most of its external borrowings. During the year, the Aspers Group was successful in obtaining the licence for a new casino in Stratford, London, to be located within the new Westfield shopping complex, which is adjacent to the 2012 Olympic Games site. Work on the new casino is underway and it is expected to open in late 2011.

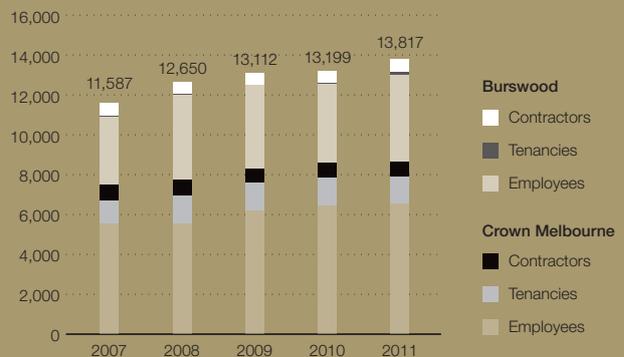
Tabcorp Holdings Limited and Echo Entertainment Group Limited

As at 30 June 2011, Crown held an economic interest in each of Tabcorp Holdings Limited and Echo Entertainment Group Limited equivalent to 4.9 percent of the issued shares of each company, by way of cash settled equity derivatives. The economic interest was acquired prior to the Tabcorp demerger. Crown has no current intention of increasing its interest in either company.

Sustainability Report – Our People



Employment Headcount FY07 – FY11



CROWN PLACES SIGNIFICANT EMPHASIS ON ITS CONTINUING COMMITMENT TO ITS EMPLOYEES, THE LOCAL COMMUNITY AND ITS LEADERSHIP ROLE AS A SUSTAINABLE BUSINESS PRACTICE.

As the largest single-site private sector employer in both Victoria and Western Australia, Crown Limited’s focus on the training, development and retention of its people is of premium importance with Crown’s almost 11,000 employees completing more than 370,000 hours of job training annually.

As a key signatory to the Australian Employment Covenant, which focuses on creating demand for Aboriginal employment, Crown Limited’s commitment to sustainable aboriginal employment continued to develop this year. Guided by dedicated employment coordinators, overall indigenous employee numbers have more than doubled over the past 12 months. Across Crown Melbourne and Burswood, 145 aboriginal employees have been engaged to work in a variety of roles, from food and beverage to security. Retention rates remain strong at more than 50 percent.

Crown’s Indigenous Employment Program is seen as a best practice model by the Australian Employment Covenant and GenerationOne, whose aims are to end disparity between indigenous and non-indigenous Australians.

In addition to this acknowledgement, Crown Limited’s achievements in this area were also recognised this year with a national Diversity@Work 2010 Award for Employment and Inclusion of Indigenous Australians.

Recipient of the Victorian Government 2010 Employer of the Year Award



Recipient of the Australian Government 2010 Employer of the Year Award



Recipient of the Diversity@Work 2010 Award





CROWN MELBOURNE

In 2010, Crown Melbourne was recognised for its commitment to innovation in training, winning Employer of the Year 2010 at the Victorian Training Awards, before going on to win Australian Employer of the Year 2010 at the Australian Training Awards.

Underpinning this success was Crown's Learning Pathways. This initiative is a major focus that has helped shift Crown Melbourne's employment proposition from training to learning and from jobs to careers.

Crown's Learning Pathways include courses delivered from six training packages and 16 different qualification streams. More than 1,000 employees, representing more than 15 percent of the workforce, are obtaining an accredited qualification within the Australian Quality Training Framework (AQTF). In 2010, Crown Melbourne launched its third level program within its Learning Pathway Framework which is aligned to a Diploma of Management.

As part of the disability employment program, Crown Melbourne, in partnership with WISE employment, placed 12 employees in various roles and traineeships across the business.

Crown Melbourne continues its focus on the health and safety of its employees and visitors. During the year, WorkSafe Victoria conducted an extensive review of Crown's Health, Safety and Workers' Compensation management systems, which resulted in the extension of Crown's self insurance status for a further four-year period.

In addition, Crown Melbourne received endorsement from WorkSafe Victoria for its new three-year Health and Safety Compliance Program. This Program reviews Crown's compliance with legislative, regulatory, self insurance and corporate governance requirements. This includes the scheduling, undertaking and reporting of audits, and the identification and implementation of corrective actions.



BURSWOOD

Burswood remains the largest single-site private employer in Western Australia with more than 4,300 employees. This year saw approximately 1,900 people recruited in a very competitive labour market. Burswood's strong employer brand continues to attract the skilled and talented staff required to support the business.

Burswood has continued to expand its training activities. The focus was on developing and improving the customer service capability of all employees and improving the management and leadership capability of frontline and senior managers.

Burswood currently employs and trains 388 apprentices and trainees both under its own Registered Training Organisation and also in partnership with local TAFEs. The Leadership Development Program built on the success of its inaugural year with more than 40 staff graduating from the program and another 37 managers and supervisors currently participating. This program identifies developing leaders within the business and assists them in reaching their full potential over a 12-month training program.

During the financial year, Burswood was successful in the Australian Hotels Association Branch Awards for Excellence in the category of Outstanding Achievement in Training and now qualifies for the National awards to be held later this year.

From left:

Crown Melbourne employees

Burswood Employee of the Year Awards

Sustainability Report – Responsible Gaming



Initiatives that support responsible gaming continue to be of paramount importance to Crown. The establishment by the Crown Board of a Board Committee at the beginning of this financial year to oversee responsible gaming is testament to the commitment to responsible gaming practices.

Chaired by Crown Director, Professor John Horvath, the Responsible Gaming Committee meets regularly to review and monitor Crown's responsible gaming programs, recommending policies and procedures to enhance the effectiveness of those programs and promote awareness of responsible gaming issues.

Across Crown Melbourne and Burswood, Crown's continued commitment to responsible gaming practices is evident, with increased exposure and promotion of avenues for assistance to patrons who may be experiencing difficulty with their gaming behaviours.

Staff training and education at all levels is the cornerstone of Crown's responsible gaming program. At both Crown Melbourne and Burswood, staff undergo training that begins during induction and continues throughout their career at Crown. All staff know the steps to take to ensure individuals are directed to the Responsible Gaming Support Centre, or to alert Responsible Gaming Liaison Officers. Staff are trained in identifying the observable signs that indicate a customer may be experiencing difficulty with their gaming behaviour, and are instructed to make their manager aware of the situation.

CROWN MELBOURNE

An in-house facility that operates 24-hours a day, seven days a week, Crown Melbourne's Responsible Gaming Support Centre is a world-first responsible gaming initiative.

In operation since 2002, the Centre is the hub for all of Crown Melbourne's Responsible Gaming Services including housing Crown's Responsible Gaming Liaison Officers who provide services around the many responsible gaming initiatives and programs, including the Self-Exclusion Program. Access to on-site Responsible Gaming Psychologists and the availability of the Chaplaincy Support Service are other key initiatives offered.

Leading the way in proactive responsible gaming services, Crown Melbourne has pioneered a number of initiatives including the Play Safe Limits program, a voluntary pre-commitment system that Crown Melbourne first implemented in 2003. The program allows gaming machine and fully automated table games customers to use their Crown Signature Club Cards to set daily individual spend and time limits, or a combination thereof.

Information on Crown Melbourne's responsible gaming programs is widely available to customers throughout the complex, on the gaming floor and via the Responsible Gaming Support Centre, and this year saw the addition of information being available via the Crown Signature Club's Voucher Issuance Kiosks, on gaming floor posters, as well as on plasma screens located at the end of each bank of gaming machines.

From left:

Crown Melbourne participates in Responsible Gambling Awareness Week

Some of the Responsible Gaming staff from Crown Melbourne



Visibility of contact numbers for Crown Melbourne's Responsible Gaming Support Centre and Gambler's Help is also prominent, appearing on gaming machines, table games, near ATMs, brochures, Crown Signature Club information desks and in newsletters.

Crown Melbourne's Responsible Gambling Code of Conduct, which is printed in a number of languages, is also widely available to customers and other stakeholders.

Crown Melbourne has established strong links with support services such as Gambler's Help and relevant assistance programs, with regular interactions to ensure provision of appropriate assistance to customers seeking help. Crown Melbourne is represented on the Victorian Responsible Gambling Ministerial Advisory Council and on its working groups and committees.

This financial year, Crown Melbourne has also been involved with the Monash and Melbourne Universities Problem Gambling Research and Treatment Centre Advisory Panel, as well as the planning for the National Association of Gambling Studies 2011 Conference.

Crown Melbourne has participated in Responsible Gambling Awareness Week (RGAW), a state wide government, community and industry initiative, since its inception. This year, Crown Melbourne hosted an event, where Sue Stanley, an ambassador for RGAW and Crown Melbourne's Chaplain, Father James Grant, spoke about the key themes for the week. Crown Melbourne's involvement highlights the importance of the partnership between the gaming industry, state government and the community sector in promoting responsible gaming.

BURSWOOD

Stakeholder engagement has been a main focus for the Responsible Gaming team at Burswood and relationships have been expanded to include a wide range of community service organisations and industry partners. This in turn has raised awareness of responsible gaming and the services provided by Burswood to assist patrons who develop a problem with their gambling.

Burswood's Responsible Gambling Information Centre's services are actively promoted to customers throughout the complex, with information readily available on Burswood's responsible gaming programs including its Self Exclusion policy. Furthermore, Burswood continues to work closely and cooperatively with a number of agencies and organisations that offer counselling services at a customer's request. These services are available 24 hours a day.

In July 2010, Burswood introduced a voluntary pre-commitment scheme in conjunction with the issuing of player activity statements. Patrons who play Burswood's gaming machines are able to set financial and time limits regarding their play. Additionally, patrons are able to obtain a statement that details their gaming activity.

Burswood's support for the Responsible Gambling Awareness Week, which is a collaborative partnership between the Gaming and Wagering Commission of Western Australia, TAB, Burswood, Lotterywest and Centrecare, is ongoing. Held in May this year, the 2011 Responsible Gambling Awareness Week official opening was launched by the Minister for Racing and Gaming, the Honourable Terry Waldron MLA. The key theme to this year's Awareness Week was 'Gamble Aware – when does the fun stop for you?' emphasising the need for balance and control.

Staff engagement has also been a key focus for the period with updates in online training programs along with the introduction of the Responsible Service of Gaming Staff Champions Program.

Burswood participates in Responsible Gambling Awareness Week

Sustainability Report – Community



Crown assists in the growth and development of the local communities where Crown's people live and work.

Crown focuses on a variety of charitable causes, from individuals who suffer illness to established care agencies. Contributions this year were made in various forms, including sponsorship arrangements and resources such as staff time, use of facilities and various Crown packages that can be further used to raise monies for the charities.

CROWN MELBOURNE

Crown Melbourne responds and provides assistance, donations and support to a broad range of community needs.

In January 2011, Crown Melbourne donated \$500,000 to boost the 2011 Red Cross Victorian Floods Appeal, which continues to help many thousands of Victorians who are still suffering after the devastating floods in January and February.

Crown Melbourne also raised more than \$72,000 for the Salvation Army Queensland Disaster Relief Appeal, including more than \$36,000 raised by patrons via collection tins, that was matched dollar-for-dollar by Crown.

For more than six years, Crown Melbourne has sponsored and hosted the My Room Ball. My Room was formed in 1993 by three families who had children undergoing chemotherapy and wanted to support the Oncology Unit at The Royal Children's Hospital in Melbourne.

Crown also sponsors and hosts Starry Starry Night, which this year raised more than \$600,000 for The Alannah and Madeline Foundation.

Crown Melbourne also supports Challenge's Robert Allenby Gala Dinner and Diamonds are a Girl's Best Friend Dinner for children living with cancer and other life-threatening blood disorders.

Over the past five years, the KOALA Foundation (Kids Oncology And Leukaemia Action Foundation) has received more than \$8.7 million from its annual fundraising event that brings together some of Australia's most influential people. Crown Melbourne hosts The Million Dollar Lunch and donates food, the venue, various prizes and raffle items, along with staff and management teams who work at the event for the benefit of the KOALA Foundation.

Crown Melbourne is proud that staff volunteer their time and efforts each Christmas Day to help pack and distribute more than 250 hampers filled with ingredients donated by Crown Melbourne as part of the Open Family Australia Christmas program.

Crown partnered with a number of national charities in support of their annual gala balls and events including My Room Ball, Starry Starry Night, Ronald McDonald House Charity Ball, Diamonds Dinner, Lillian Frank's Royal Children's Hospital Fashion Luncheon and the high profile gala that is The Million Dollar Lunch at Crown.

Crown Melbourne is also involved with The Shane Warne Foundation, which donates monies raised at events to charities that work with seriously ill and underprivileged Australian children. Crown Melbourne sponsors and hosts a number of the Foundation's events including the Footy Finals Luncheon, the Boxing Day Breakfast and the Joe Hachem and Shane Warne Charity Poker Tournament.

From left:

Victorian Flood Appeal 2011

Crown Melbourne

Million Dollar Lunch 2011



BURSWOOD

Working with more than 20 local charity groups, Burswood is able to help meet a range of needs across Western Australia.

Burswood was involved as a major supporter of Channel Seven's Telethon weekend in Perth this financial year, pledging a donation of \$1 million to support child health causes in Western Australia.

In February 2011, a gala fundraising dinner that marked the opening of Neil Perry's Rockpool Bar & Grill raised \$420,000 for the Starlight Children's Foundation.

Burswood's Chief Executive Officer, Barry Felstead, joined 106 other Western Australian CEOs to once again sleep under the stars in Vinnies CEO Sleepout in support of homeless services, raising \$47,091 for the cause.

Burswood's support also includes a number of local welfare-based agencies such as Foodbank Western Australia. On a daily basis chefs prepare soup for inclusion in food relief parcels for more than 600 charitable agencies and hundreds of schools. Since 1999, 100,000 litres of fresh soup, the equivalent to more than 455,000 meals, have been donated.

In January 2011, Burswood responded to the devastation of the floods in Queensland and Western Australia with a complex-wide initiative raising funds for The Salvation Army Flood Relief Appeal. A Flood Relief Concert at Burswood Theatre raised additional funds for the Queensland Premier's Distress Relief Fund and the Lord Mayor's Distress Relief Fund (WA).

With more than 4,300 employees, Burswood's staff play an important role in the community support program. Staff engagement activities during the period included The Salvation Army Easter Appeal, the annual Anglicare WA Winter Appeal and St Vincent de Paul Christmas Appeal. The Workplace Giving Program was relaunched supporting Anglicare WA, Ronald McDonald House Charities or United Way. Furthermore, a team of employees, family and friends participated in the annual Juvenile Diabetes Research Foundation Walk to Cure for the 10th year.

Burswood has a long-term partnership with Ronald McDonald House in Perth, which celebrated its 20th anniversary this year. Staff teams participated in the 'Make A Meal' program donating time to prepare dinner for families. Burswood was also a proud sponsor of the 10th annual 'Burswood Nick O'Hern Charity Golf Day,' another fundraiser for Ronald McDonald House.

An important long-term partnership exists with WA Police and Burswood works with them to promote safety in the community. Sponsorship is provided for the annual WA Police Officer of the Year Awards and for the Wall-to-Wall Charity Ride.

Once again, Burswood partnered with a number of charities in support of their annual gala balls including Ronald McDonald Charity Ball, Boobalicious Ball, StyleAid, Amanda Young Foundation Ball and Youth Focus 'Night of Nights' Gala Ball.

*From left:
Burswood \$1 million donation
to support child health
Vinnies CEO Sleepout in
support of homeless services*

*Opposite page, from left:
Crown Melbourne collects
green waste for recycling
Water saving initiatives in
Crown Melbourne laundry*

Sustainability Report – Environment



Crown is expanding its environmental sustainability efforts by following the Global Reporting Initiative Guidelines in its sustainability reporting and by bringing operations in line with global environmental management standards. Crown's vision is to play a leadership role in sustainable business practice in the gaming and entertainment industry.

The ongoing implementation of remote monitoring of electricity, gas and water via meters installed throughout both Crown Melbourne and Burswood continues to assist in resource consumption monitoring and reporting. Respective business units receive monthly reports showing their individual consumption.

Crown's environmental initiatives put it in a strong position to comply with the Australian Government Climate Change Plan, Securing a Clean Energy Future, which aims to transition Australia to a low carbon, clean energy economy through initiatives in four key areas – carbon pricing, renewable energy, energy efficiency and land management.

Crown Melbourne and Burswood once again joined thousands of organisations around the world in switching off all non-essential lighting during Earth Hour and also participated in World Environment Day.

Ongoing staff communications and involvement helped increase staff awareness of Crown's environmental initiatives this year. Staff participation in annual 'B Green' week was high, with competitions, surveys and environmental gifts on offer. As an internal communications tool, reminder stickers continue to be used to encourage staff to switch off lights, turn off computers and report leaking taps.

Crown completed reporting actions for the Carbon Disclosure Project, which holds the largest database of primary corporate climate change information in the world. Crown also took part in the National Greenhouse and Energy Reporting System, the Energy Efficiency Opportunities program and the Water Efficiency Management Plan, which was initiated by the Western Australian State Government.

CROWN MELBOURNE

This year Crown Melbourne undertook a number of sustainability initiatives including joining the City of Melbourne's 1200 Buildings Program aimed at reducing the city's environmental impact by retrofitting existing buildings. Additionally, an Environmental Management System that enables Crown Melbourne to monitor and manage its environmental impact was established. Crown Melbourne also established its Environmental Committee with representatives from each business unit.

Energy Efficiency

Crown Melbourne continued to reduce energy consumption this financial year through initiatives such as lighting upgrades, improvements to kitchen exhaust fans and car park ventilation, heating, ventilation and air conditioning optimisation and IT Hub cooling systems. This resulted in a CO₂ abatement of more than 4,000 tonnes, the equivalent to powering 300 homes or removing 900 cars from the streets.

Over the financial year, Crown upgraded more than 5,000 light fittings resulting in more than one million kWh in energy savings per year. That is enough energy to power 100 Victorian homes, or the equivalent to removing 300 cars from the streets.

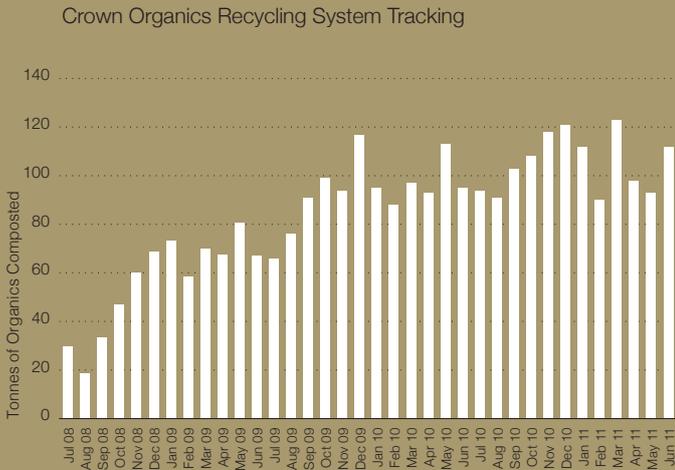
Water Conservation

Water reduction initiatives continued to be a focus for Crown Melbourne this year including saving water during fire sprinkler testing (in a joint initiative with South East Water) with more than four million litres of water saved per year.

Crown Melbourne continues to conserve a significant amount of water after replacing approximately 5,500m² of grass with artificial turf since June 2009. Annual water savings have totalled almost three million litres per year, or the equivalent of one and a half Olympic sized swimming pools.

Life Cycle Management

In October 2010, Crown received the Excellence in Sustainability Award at the annual Restaurant & Catering Awards for Excellence on the back of its organics recycle program which turns organic waste into compost to be used in agricultural processes.



In a bid to minimise the environmental impact of Crown’s office paper, FSC (Forest Stewardship Council) and PEFC (Program for the Endorsement of Forest Certification) certified sustainable paper, which is Australian made, is now used in all offices.

Crown Melbourne has successfully been re-certified under Sustainability Victoria’s Waste-Wise scheme for the fourth year in a row. Crown received Bronze certification and was awarded a Special Commendation for the ‘significant improvements in waste management observed in the last 12 months’.

A green waste recycling system completed at Crown Melbourne this financial year collects and composts green waste generated from landscape activities across the complex to reuse on-site to assist in the growth of Crown’s extensive gardens.

In a significant move to help reduce the environmental impact of product packaging, Crown Melbourne became a signatory to the Australian Packaging Covenant this year. The Covenant is a voluntary initiative by government and industry to reduce the environmental effects of packaging on the environment.

Staff support and inclusion in sustainable activities continues to be important, and this year, in addition to supporting World Environment Day, Crown staff were given the opportunity to recycle their old mobile phones via Mobile Muster collection bins, with a tree being planted for each kilogram of phones recycled.

BURSWOOD

Burswood Entertainment Complex places high priority on environmental issues, working towards a sustainable environment through monitoring and measuring its performance and consumption. With a dedicated environmental committee representing the major business units across the company, the committee drives environmental initiatives for energy conservation, water conservation and waste management.

Energy Efficiency

As part of Burswood’s ongoing energy monitoring program, further energy saving initiatives were completed this year including the trial of LED lamps in various areas across the complex. Additionally, the installation of voltage reduction transformers resulted in a 24 percent reduction in kilowatts per hour (kWh) consumption.

Water Conservation

Burswood has historically had a strong focus on water conservation and this year received a five-star rating from the Water Corporation in the One-2-Five™ water management assessment. A number of water saving initiatives were identified and implemented including the installation of 2.5 litre tapware restrictors/aerators to hand basins.

Life Cycle Management

A complex-wide public recycling program, as well as an organic waste recycling program within Burswood’s kitchens, were a major focus in waste management this year.

Through these initiatives, an estimated 12 tonnes of waste will be diverted from landfill every year – reducing CO2 emissions by 36 tonnes per annum.

The following initiatives were implemented over the course of the year with funding applications lodged and grants received for each:

- Packaging Stewardship Forum public place recycling; and
- Strategic Waste Initiatives Scheme – which involves collection of all landscape green waste from all commercial kitchens which is then removed off-site, processed and returned to Burswood as mulch for the garden areas. By diverting an average of 13 tonnes of food per month, a total of more than 99 tonnes of carbon dioxide equivalents are likely to be saved.

2010 Waste-Wise Awards at the Melbourne Aquarium

Corporate Governance Statement

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

This Statement sets out the extent to which Crown Limited (Crown) has followed the best practice recommendations set by the ASX Corporate Governance Council (the Principles and Recommendations) during the twelve month period ending 30 June 2011.

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 (in conjunction with management) is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a formal Board Charter which sets out a list of specific functions which are reserved for the Board.

Board appointments are made pursuant to formal terms of appointment.

Functions delegated to senior executives

Crown's senior executives have responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

Process for evaluating performance of senior executives

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

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

Induction process for new executives

Crown executives are required to undertake formal induction training through either the Crown Melbourne on-site accredited training facility – Crown College, or Burswood's on-site training program.

The program involves training about:

- the history and development of the Crown and Burswood brands and businesses;
- the main legal and regulatory obligations affecting the Crown businesses;
- Crown's responsible gaming policies and procedures;
- Crown's responsible service of alcohol policies and
- the rights and obligations of Crown employees.

As part of the induction program, 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 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
- Benjamin A Brazil BCom LLB
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
- Professor John S Horvath AO, MB, BS (Syd), FRACP
Independent, Non-Executive Director
- Ashok Jacob MBA
Non-independent, Non-Executive Director
- Michael R Johnston BEc, CA
Non-independent, Non-Executive Director
- Harold C Mitchell AC
Independent, Non-Executive Director

Mr David L B Gyngell resigned on 25 November 2010.

Mr Richard W Turner resigned on 1 May 2011.

Information about each current Director's qualifications, experience and period in office is set out in the Directors' Statutory Report.

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

The Crown Board is currently comprised of eleven Directors, six of whom are independent Directors. A majority of Directors are therefore independent.

During the year, there were three Board changes (the appointment of Mr Mitchell and the resignations of Mr Gyngell and Mr Turner), however, the Board was at all times comprised of a majority of 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 2.2: The Principles and Recommendations 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 is sanctioned by shareholders and who will 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

Where a new Director appointment is required, Crown adheres to procedures (Selection Procedure) 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 are considered;
- upon identifying a potential appointee, specific consideration is 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.

The duties, responsibilities and powers of Crown's Nomination and Remuneration Committee extend to reviewing the Selection procedure and making appropriate recommendations to the Board in relation to the Selection Procedure. The Committee is responsible for implementing the Selection Procedure and developing succession plans in order for the Board to maintain appropriate experience, expertise and diversity.

The re-appointment procedures for incumbent Directors are as outlined in Crown's Constitution. In summary, subject to the specific matters described in the Constitution, an election of Directors must take place each year at which one third of Directors must retire. Any Director who has been in office for three or more years and for three or more annual general meetings must also retire. Directors who retire are generally eligible for re-election.

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 Nomination and Remuneration Committee for his consideration and provision of a report to the Board.

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

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

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 ⁴	Meetings held during FY 2011
Audit & Corporate Governance	Benjamin Brazil (Chair) Rowena Danziger Michael Johnston	3
Finance ¹	Geoffrey Dixon (Chair) Benjamin Brazil Michael Johnston	0
Investment ²	James Packer (Chair) John Alexander Rowen Craigie Ashok Jacob	0
Nomination and Remuneration ³	Geoffrey Dixon (Chair) Chris Corrigan Harold Mitchell	2
Occupational Health, Safety & Environment	Rowena Danziger (Chair) Rowen Craigie John Horvath Michael Johnston	4
Responsible Gaming	John Horvath (Chair) Rowen Craigie Rowena Danziger	5
Risk Management	Geoffrey Dixon (Chair) Rowen Craigie Rowena Danziger	2

1. The Finance Committee did not meet this financial year, however there was one written resolution assented to by the Committee during financial year 2011.
2. The Investment Committee did not meet this financial year, however there were two written resolutions assented to by the Committee during financial year 2011.
3. The Nomination and Remuneration Committee was restructured in June 2011. Its mandate was extended to specifically include delegated authority to deal with remuneration arrangements for executive directors and relevant senior management including the level of remuneration and relevant contractual terms. In June 2011, Mr Mitchell replaced Mr Packer as a member of the Committee. As a result, the Committee is now comprised solely of independent, non-executive directors. In addition to its two formal meetings, there was also one written resolution assented to by the Committee during financial year 2011.
4. During the year, Mr Brazil replaced Mr Turner as Chair of the Audit & Corporate Governance Committee and as a member of the Finance Committee, as noted above, Mr Mitchell replaced Mr Packer as a member of the Nomination and Remuneration Committee and Professor Horvath was appointed to the Occupational Health, Safety & Environment Committee.

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 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;
- legal obligations of employees and the reasonable expectations of their stakeholders; and
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Policy concerning diversity

Crown has established a policy concerning diversity and disclosed its policy on its website. The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

In accordance with the Policy, Crown has established measurable objectives for achieving gender diversity and will assess the objectives and Crown's progress in achieving those objectives annually, and will report the results of those objectives. The first report will be provided in the 2012 Annual Report.

Crown will also report annually the proportion of women employees in the Crown Limited group, women in senior executive positions and women on the Board. The first report will be provided in the 2012 Annual Report.

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

Policy concerning trading in company securities

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

The Securities Trading Policy:

- includes a requirement that employees do not buy and sell Crown shares 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;
- includes restrictions and clearance procedures as to when trading can and cannot occur;
- 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.

A copy of the Securities Trading Policy has been given to Australian Securities Exchange and released to the market.



More information

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

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

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

PRINCIPLE 4 SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

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

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

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

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 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 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 a Communications Policy which seeks to promote effective communication with its shareholders. The Policy explains how information concerning Crown will be communicated to shareholders. The communication channels include:

- Crown's Annual Report;
- disclosures made to the ASX; and
- Notices of Meeting and other Explanatory Memoranda.

Crown has a dedicated corporate website which includes copies of all communications and other company information. Advance notification of results announcements is made via Crown's website.



More information

A full copy of Crown's Communication Policy is available 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

As required by the Board, Crown's management have devised and implemented risk management systems appropriate to Crown.

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

The Policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown's controlled businesses and requires that the results of those procedures are reported to the Crown Board. A formal Risk Management Plan has been developed using the model outlined in AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines. The Plan identifies specific Head Office risks in light of major risks identified at an operational level and provides the framework for the reporting and monitoring of material risks across the Crown group.

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.



More information

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

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

PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration of Board members and Senior Executives

Crown has established a formal Nomination and Remuneration Committee. The role of the Nomination and Remuneration Committee includes the review and recommendation of appropriate Directors' Fees to be paid to non-executive Directors. During the year, the role of this Committee was extended to include consideration of remuneration policies to be applied to executives, including any equity-based remuneration plan that may be considered, subject to shareholder approval (where required).

Following the end of the financial year, the Committee has reviewed and approved:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2012; and
- the short term bonus payments made to senior executives referable to the financial year ending 30 June 2011.

The Nomination and Remuneration Committee was also actively involved in the development of the 2010 Crown LTI which is described in detail in the Remuneration Report.

The current members of the Nomination and Remuneration Committee are Geoffrey Dixon (Chair), Chris Corrigan and Harold Mitchell who are each independent, non-executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. The Nomination and 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. 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.

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

Directors and employees of the Crown group who hold Crown shares under the Executive Share Plan are not permitted to hedge or create derivative arrangements in respect of their Executive Share Plan shares or any of their interests in any of those shares.

The rules of the 2010 Crown LTI specifically provide that a participant must not grant or enter into any Security Interest in or over any Crown shares that may be acquired under the Plan (Participant Shares) or otherwise deal with any Participant Shares or interest in them until the relevant Participant Shares are transferred from the Trustee to the participant in accordance with the Plan rules. Security Interests are defined to extend to any mortgage, charge, pledge or lien or other encumbrance of any nature, and includes any derivative relating to or involving a Participant Share. Any Security Interest, disposal or dealing made by a participant in contravention of the Plan rules will not be recognised by Crown.



More information

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

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

Nevada Information Statement

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

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

NEVADA GOVERNMENT REGULATION

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

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

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

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

REGISTRATION AS A PUBLICLY TRADED CORPORATION

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

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

SUITABILITY OF INDIVIDUALS

Power to investigate

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

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

The Nevada Gaming Authorities may deny an application for licensing or a finding of suitability for any cause they deem reasonable. A finding of suitability is comparable to licensing and both require submission of detailed personal and financial information followed by a thorough investigation. The applicant for licensing or a finding of suitability or the gaming licensee by which the applicant is employed or for whom the applicant serves must pay all the costs of the investigation.

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

Consequences of finding of unsuitability

If the Nevada Gaming Authorities were to find an officer, Director or key employee unsuitable for licensing or to continue having a relationship with Crown or the licensed subsidiaries, such company or companies would have to sever all relationships with that person. In addition, the Nevada Commission may require Crown or the licensed subsidiaries to terminate the employment of any person who refuses to file appropriate applications. Determinations of suitability or of questions pertaining to licensing are not subject to judicial review in Nevada.

Reporting requirements

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

CONSEQUENCES OF VIOLATION OF THE NEVADA ACT

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

CERTAIN BENEFICIAL HOLDERS OF SHARES REQUIRED TO BE LICENSED

Generally

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

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

Institutional investors

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

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

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

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

Corporations and trusts

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

Consequences of finding of unsuitability

Any person who fails or refuses to apply for a finding of suitability or a licence within 30 days after being ordered to do so by the Nevada Commission or the Chairman of the Nevada Board may be found unsuitable. The same restrictions apply to a nominee if the nominee, after request, fails to identify the beneficial owner. Any shareholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of Crown's shares beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offence in Nevada. Crown will be subject to disciplinary action if, after Crown receives notice that a person is unsuitable to be a shareholder or to have any other relationship with Crown or a licensed subsidiary, Crown or any of the licensed subsidiaries:

- pays that person any dividend or interest upon any of Crown's voting securities;
- allows that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pays remuneration in any form to that person for services rendered or otherwise; or
- fails to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, the immediate purchase of the voting securities for cash at fair market value.

CERTAIN DEBT HOLDERS REQUIRED TO BE LICENCED

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

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

MAINTENANCE OF SHARE REGISTER

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

ACTIONS REQUIRING PRIOR APPROVAL OF THE NEVADA COMMISSION

Public offerings to fund Nevada gambling activities

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

Transactions effecting a change in control

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

Share buy-backs and other arrangements

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

INVESTIGATION AND MONITORING OF "FOREIGN GAMING OPERATIONS"

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

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

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

Directors' Statutory Report

COMPANY INFORMATION

Review of operations

A review of operations of the Crown Limited (Crown) group for the financial year ended 30 June 2011 and the results of those operations is detailed on pages 8 to 30.

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

Significant changes in state of affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2010 include:

- On 19 July 2010, it was announced that the Burswood Entertainment Complex had received in-principle support from the Government of Western Australia to expand the existing casino complex in order to accommodate an increase in gaming product. On the basis of obtaining the approval, Burswood commenced additional investment of \$350 million over 36 months to enhance and expand its VIP gaming and accommodation facilities, expand its local gaming capacity, establish new restaurants and bars, upgrade the Intercontinental Perth Hotel and to acquire a luxury motor yacht for international investors.
- On 11 May 2011, a series of acquisitions and additional capital expenditure projects were announced including:
 - the acquisition of the Holiday Inn hotel building and associated assets in Perth for approximately \$79 million;
 - the acquisition of the Aspinall's Club from the Aspers Group (a 50:50 joint venture between Crown and the Aspinall family) for a price of £36 million (approximately \$53 million);
 - an additional investment of approximately \$65 million in the further development of Level 1, West End Casino at Crown Melbourne;
 - the development of a new bar and lounge to be known as "Club 23" to be located on Level 3, Crown Towers at an expected project cost of \$11 million;
 - an additional investment of approximately \$73 million on the further expansion of the main gaming floor at Burswood; and
 - the upgrading of VIP facilities in Burswood including the construction of a new infinity suite at a cost of approximately \$7 million.
- During the year Crown acquired an economic interest in each of Tabcorp Holdings Limited and Echo Entertainment Group Limited equivalent to 4.9% of the issued shares of each company by way of cash settled equity derivatives.

Significant events after Balance Date

Subsequent to 30 June 2011, the Directors of Crown announced a final dividend on ordinary shares in respect of the year ending 30 June 2011. The total amount of the dividend is \$144.1 million, which represents 19 cents per share. The final dividend will be 50% franked. None of the unfranked component of the dividend will be conduit foreign income. The dividend has not been provided for in the 30 June 2011 financial statements.

As noted above, on 11 May 2011, Crown announced the acquisition of the Holiday Inn hotel building and associated assets in Perth together with the termination of Burswood's partnership with the Intercontinental Hotel Group (IHG) pursuant to which both the Holiday Inn hotel and the Intercontinental Hotel at Burswood were operated. The cost of these transactions was approximately \$79 million. Settlement of the transactions occurred on 1 July 2011 and Burswood now operates both the Holiday Inn Burswood hotel and the Intercontinental Burswood hotel under a licence agreement with IHG.

On 26 August 2011, Crown announced its intention to conduct an on market share buy-back of up to 30 million of its ordinary shares. This number represents approximately 4% of Crown shares on issue at 30 June 2011.

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

Key features of the NGER Act are:

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

Crown is also subject to the Energy Efficiency Opportunities Act 2006 which encourages large energy-using businesses to improve their energy efficiency. It does this by requiring businesses to identify, evaluate and report publicly on cost effective energy savings opportunities. Crown submits reports in line with the required reporting schedule.

At a state level, Crown Melbourne is subject to the Victorian Government's Environment & Resource Efficiency Plans (EREP), which requires all large commercial and industrial facilities to prepare a plan identifying actions to reduce energy and water use and waste generation. Under the Western Australian Water By-laws legislation, Burswood Limited (Burswood) is required to complete annual water management assessments and submit water efficiency management plans.

In July this year, the Government announced the details of a proposed carbon price mechanism. The Clean Energy legislative package is proposed to commence on 1 July 2012. Crown is monitoring the process of the legislative package and will assess the impact of the scheme on Crown's businesses once the detail has been finalised.

The Crown group is not otherwise subject to any particular or significant environmental regulation under Australian law. Environmental issues are, however, important to Crown and it has taken a number of initiatives in this regard. A description of those initiatives is set out in the Sustainability section of this Report.

Dividends and distributions

Interim Dividend: Crown paid an interim dividend of 18 cents per ordinary share on 15 April 2011. The dividend was 60% franked. None of the unfranked component was conduit foreign income.

Final Dividend: The Directors of Crown have announced a final dividend of 19 cents per ordinary share to shareholders registered as at 30 September 2011. The final dividend will be 50% franked. None of the unfranked component of the dividend will be conduit foreign income.

In summary:	Dividend per share	\$'000
Interim Dividend paid	18 cents per share	\$136,511
Final Dividend payable	19 cents per share	\$144,095
Total	37 cents per share	\$280,606

Crown paid shareholders a final dividend in respect of the 2010 financial year of \$144.1 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	–
Benjamin Alexander Brazil	26 June 2009	–
Christopher Darcy Corrigan	6 July 2007	–
Rowen Bruce Craigie	31 May 2007	–
Rowena Danziger	6 July 2007	–
Geoffrey James Dixon	6 July 2007	–
David Liam Barr Gyngell	13 September 2010	25 November 2010
John Stephen Horvath	9 September 2010	–
Ashok Jacob	6 July 2007	–
Michael Roy Johnston	6 July 2007	–
Harold Charles Mitchell	10 February 2011	
Richard Wallace Turner	6 July 2007	1 May 2011

At Crown's 2010 Annual General Meeting, Mr James Packer, Mrs Rowena Danziger and Mr Ashok Jacob stood for re-election as Directors. Each was re-elected as a Director at that time.

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

James D Packer, Executive Chairman

Mr Packer is the Executive Chairman of Consolidated Press Holdings Limited (CPH), a family company. CPH is a 43.79% shareholder in Crown and is a 50% shareholder in ASX listed Consolidated Media Holdings Limited (CMH), owner of interests in FOXTEL and FOX SPORTS.

Mr Packer is Deputy Chairman of CMH, and is a director of various companies including Crown Melbourne Limited (appointed 22 July 1999), Burswood Limited (appointed 3 September 2004) and Melco Crown Entertainment Limited (appointed 8 March 2005).

Mr Packer is the Chair of the Crown Investment Committee.

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

- Challenger Financial Services Group Limited: from 6 November 2003 to 8 September 2009
- Consolidated Media Holdings Limited¹: from 28 April 1992 to current
- SEEK Limited: from 31 October 2003 to 26 August 2009
- Sunland Group Limited: from 20 July 2006 to 13 August 2009
- Ten Network Holdings Limited: from 13 December 2010 to 2 March 2011

John Alexander BA, Executive Deputy Chairman

Mr Alexander is the Executive Deputy Chairman of Crown Limited, Executive Chairman of Consolidated Media Holdings Limited and is also a director of a number of companies, including Crown Melbourne Limited, Burswood Limited, Aspers Holdings (Jersey) Limited, FOXTEL Management Pty Limited, Premier Media Group Pty Limited (FOX SPORTS) and SEEKAsia Limited.

Prior to 2007, Mr Alexander was the Chief Executive Officer and Managing Director of Publishing and Broadcasting Limited (PBL) from 2004, the Chief Executive of ACP Magazines Limited from 1999 and PBL's group media division comprising ACP Magazines Limited and the Nine Network from 2002.

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 member of the Crown Investment Committee.

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

- Consolidated Media Holdings Limited¹: from 16 December 1999 to current
- SEEK Limited: from 17 April 2009 to 26 August 2009

Benjamin A Brazil BCom LLB, Independent, Non-Executive Director

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

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

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, Mr Corrigan 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 \$220 million known as Jamison Equity in 1990, which became a wholly owned subsidiary, in December 1996, of the then publicly listed company Patrick Corporation Limited. In September 2011, Mr Corrigan became the Chairman of Qube Logistics Holdings Limited.

Mr Corrigan is a member of the Crown Nomination and Remuneration Committee.

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

- Consolidated Media Holdings Limited¹: from 8 March 2006 to current
- Qube Logistics Holdings Limited: from 23 March 2011 to current
- Webster Limited: from 30 November 2007 to 9 July 2010

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

Mr Craigie is also Chief Executive Officer and a director of Crown Melbourne Limited, and a director of Burswood Limited, Melco Crown Entertainment Limited and Aspers Holdings (Jersey) 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.

Mr Craigie is a member of Crown's Investment, Occupational, Health Safety & Environment, Risk Management and Responsible Gaming Committees.

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

- Consolidated Media Holdings Limited¹: from 9 January 2002 to 8 April 2009

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. Mrs Danziger was the Headmistress at Ascham School in Sydney from 1973 to 2003. She is currently 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 and is Chair of the Crown Limited Occupational Health, Safety & Environment Committee and a member of the Crown Audit & Corporate Governance, Risk Management and Responsible Gaming Committees.

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

- Consolidated Media Holdings Limited¹: 17 September 1997 to current

Geoffrey J Dixon, Independent, Non-Executive Director

Mr Dixon was Managing Director and Chief Executive Officer of Qantas Airways Limited from 2001 to 2008. He joined Qantas in 1994 and was also Chief Commercial Officer and, for two years, Deputy Chief Executive. He has also worked in the media, mining and government sectors.

Mr Dixon is currently Chairman of the Australian Government's major tourism marketing organisation, Tourism Australia, and Chairman of the Garvan Medical Research Foundation and Queensland Events. He sits on the boards of publicly listed companies Consolidated Media Holdings Limited and Facilitate Digital Holdings Limited. He is on the boards of Voyages Indigenous Tourism Australia, the Museum of Contemporary Art and the Great Barrier Reef Foundation, and is an Ambassador for the Australian Indigenous Education Foundation.

Mr Dixon is the Chairman of the Crown Finance, Nomination and Remuneration and Risk Management Committees.

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

- Qantas Airways Limited: from 1 August 2000 to 28 November 2008
- Consolidated Media Holdings Limited¹: from 31 May 2006 to current
- Facilitate Digital Holdings Limited: from 9 July 2009 to current
- Jetset Travelworld Limited: from 17 July 2008 to 15 September 2008

Professor John S Horvath AO, MB, BS (Syd), FRACP, Independent, Non-Executive Director

Professor John Horvath was the Australian Government Chief Medical Officer from 2003-2009. He is currently continuing to advise the Department of Health & Ageing and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.

Professor Horvath is currently a member of Council of the NHMRC and Chairman of the Healthcare Committee. He is a Fellow of the Royal Australasian College of Physicians and is a distinguished practitioner, researcher and teacher. Professor Horvath sits on the Board of the Garvan Research Foundation, the Centenary Institute of Medical Research and is a member of the Advisory Board to the World Health Organisation Influenza Collaborating Centre.

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

Professor Horvath is the Chair of the Crown Responsible Gaming Committee and a member of the Crown Occupational Health, Safety & Environment Committee.

Ashok Jacob MBA, Non-independent, Non-Executive Director

Mr Ashok Jacob is a non-executive director of Crown (appointed 6 July 2007) as well as a non-executive director of Consolidated Media Holdings Limited (CMH). (Mr Jacob had previously been a non-executive director of CMH from 9 November 1998 to 8 April 2009).

Mr Jacob is the Chairman of Ellerston Capital (appointed 6 August 2004). Mr Jacob was the CEO of Consolidated Press Holdings Limited (CPH) from 2006 to 2011 and previously the Joint CEO from 1998 to 2006.

Mr Jacob is a director of CPH (appointed 25 November 1998) and a director of MRF Limited (appointed 26 October 1998).

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

Mr Jacob is a member of the Crown Investment Committee.

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

- Consolidated Media Holdings Limited¹: from 9 November 1998 to 8 April 2009, reappointed on 10 September 2009 to current
- Challenger Financial Services Group Limited: from 6 November 2003 to 8 September 2009

Michael R Johnston BSc, 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, Mr Johnston 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 CPH) until 30 June 2008. He is an alternate Director of Consolidated Media Holdings Limited.

Prior to his appointment with the CPH Group, Mr Johnston 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 of Australia.

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

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

- Consolidated Media Holdings Limited¹: from 16 December 2005 to 8 April 2009 (from 8 April 2009, alternate director to Mr James Packer and Mr Guy Jalland; from 10 September 2009 to current, alternate director to Mr Ashok Jacob)
- Challenger Financial Services Group Limited: from 24 February 2006 to 8 September 2009 (alternate director to Mr James Packer and Mr Ashok Jacob)
- Living and Leisure Australia Group: from 23 August 2011 to current

Harold C Mitchell AC, Independent, Non-Executive Director

Harold Mitchell is the founder of Mitchell and Partners, Executive Chairman of the Mitchell Communication Group and Executive Director of Aegis plc. Since he started Mitchell and Partners in 1976, the company has evolved to become the largest media and communications group in Australia today, with a growing presence in New Zealand and across the Asia-Pacific region.

In December 2000, he launched the Harold Mitchell Foundation which distributes funds between health and the arts. He has been Chairman of the National Gallery Australia, President of the Melbourne International Festival of Arts, President of the Museums Board of Victorian and a Board Member of the Opera Australia Council.

Mr Mitchell holds a large number of community roles including Chairman of CARE Australia, Chairman of the Melbourne Symphony Orchestra, Chairman of ThoroughVision, Chairman and Majority Owner of the Melbourne Rebels Rugby Union team, Chairman of TVS, University of Western Sydney's television service for Greater Sydney, Chairman of Art Exhibitions Australia, Vice President of Tennis Australia and a Director of the Deakin Foundation.

Mr Mitchell was appointed Companion of the Order of Australia in 2010 for eminent service to the community through leadership and philanthropic endeavours in the fields of art, health and education and as a supporter of humanitarian aid in Timor-Leste and Indigenous communities.

Mr Mitchell is a member of the Crown Nomination and Remuneration Committee.

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

- Mitchell Communication Group Limited – From 10 March 2000 to 24 November 2010 (removed from ASX)

Notes:

1. Consolidated Media Holdings Limited (previously Publishing and Broadcasting Limited, ASX Code: PBL).

Company secretary details

Michael J Neilson BA, LLB

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

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

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

Mr Neilson is also a member of the School Council of Camberwell Grammar School.

Mary Manos BCom, LLB (Hons), GAICD

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. Ms Manos is a Graduate of the Australian Institute of Company Directors.

Other officer details

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

- Kenneth M Barton
Chief Financial Officer
- W Todd Nisbet
Executive Vice President, Strategy and Development
- Barry J Felstead
Chief Executive Officer, Burswood Limited
- Greg F Hawkins
Deputy Chief Executive, Crown Melbourne Limited

Relevant interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2011 were as follows:

Director	Total number of ordinary shares ¹
John Alexander	506,047
Rowen Craigie	2,341,102 ²
Rowena Danziger	30,896
Harold Mitchell	114,887
James Packer	326,129,244 ³

Notes:

1. For more information on relevant interests of current Directors, please see the Remuneration Report and the key management personnel disclosures set out in the Notes to the Financial Statements.
2. Mr Craigie's holding was entirely comprised of Crown Employee Share Plan shares.
3. On 1 September 2011, Mr Packer notified Crown and the ASX that Cairnton Holdings Limited, an entity controlled by Mr Packer, acquired 6 million ordinary shares. Accordingly, as at the date of this Report, Mr Packer has a relevant interest in a total of 332,129,244 ordinary shares.

None of Crown's Directors is party to any contract which would give that Director the right to call for the delivery of shares in Crown.

Board and Committee meetings

Set out below are details of the number of Board meetings and Committee meetings held by Crown during the 2011 financial year together with each Director's attendance details.

	Board		Audit & Corporate Governance Committee		Nomination and Remuneration Committee		Occupational Health, Safety & Environment Committee		Risk Management Committee		Responsible Gaming Committee	
	Meetings		Meetings		Meetings		Meetings		Meetings		Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J D Packer	7	7			2	2						
J H Alexander	7	7										
B A Brazil	7	7										
C D Corrigan	7	6			2	2						
R B Craigie	7	7					4	4	2	2	5	4
R Danziger	7	7	3	3			4	4	2	2	5	5
G J Dixon	7	7			2	2			2	2		
D L B Gyngell ¹	1	1										
J S Horvath ²	6	6					3	3			5	5
A P Jacob	7	7										
M R Johnston	7	6	3	3			4	4				
H C Mitchell ³	3	3										
R W Turner ⁴	5	5	3	3								

1. Appointed 13 September 2010 and resigned 25 November 2010.

2. Appointed 9 September 2010.

3. Appointed 10 February 2011.

4. Resigned 1 May 2011.

The Corporate Governance Statement includes details on Committee structure and membership during the year.

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

SHARES AND OPTIONS

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

INDEMNITY AND INSURANCE OF OFFICERS AND AUDITORS

Director and officer indemnities

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

Directors' and officers' Insurance

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

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

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 28 of the Financial Report.

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.

Remuneration Report

INTRODUCTION

Content of the Report

This Remuneration Report for the year ended 30 June 2011, outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the Corporations Act (Cth) 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Crown group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Crown group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company. For further details of KMP, refer to note 30 of the Financial Report.

The disclosures in the Remuneration Report have been audited.

Persons to whom Report applies

The remuneration disclosures in this Report cover the following persons:

Non-Executive Directors

- Benjamin A Brazil
- Christopher D Corrigan
- Rowena Danziger
- Geoffrey J Dixon
- David L Gyngell (appointed 13 September 2010 and resigned 25 November 2010)
- John S Horvath (appointed 9 September 2010)
- Ashok Jacob
- Michael R Johnston
- Harold C Mitchell (appointed 10 February 2011)
- Richard W Turner (resigned 1 May 2011)

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

- Kenneth M Barton (Chief Financial Officer)
- David G Courtney (Chief Executive Officer, Crown Melbourne Limited until 8 October 2010)
- Barry J Felstead (Chief Executive Officer, Burswood Limited)
- Greg F Hawkins (Deputy Chief Executive Officer, Crown Melbourne Limited from 6 December 2010)
- W Todd Nisbet (Executive Vice President – Strategy and Development from 9 August 2010)

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

As shareholders are aware, Crown acquired the majority of its gaming assets in December 2007 via two schemes of arrangement between the then Publishing and Broadcasting Limited (PBL) (now Consolidated Media Holdings Limited (CMH)), Crown and their respective shareholders. Remaining references in this report to the PBL Scheme and the Demerger Scheme are references to those schemes. The disclosure document which detailed the terms of the Schemes (the PBL Scheme Booklet) remains available for viewing on the Crown website.

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 Nomination and Remuneration Committee bears the responsibility of determining the appropriate remuneration for Non-Executive Directors. Non-Executive Directors' fees are reviewed periodically by the Nomination and Remuneration Committee with reference taken to the fees paid to the Non-Executive Directors of comparable companies. The Nomination and Remuneration Committee is subject to the direction and control of the Board.

In forming a view of the appropriate level of Board fees to be paid to Non-Executive Directors, the 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. During the year, the Nomination and Remuneration Committee was restructured so that it is now comprised solely of Non-Executive independent directors.

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

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

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

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

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

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 61.

Performance based remuneration

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

- Short Term Incentives (STI);
- Long Term Incentives (the Crown LTI); and
- an Executive Share Plan (ESP).

Short Term Incentives (STI)

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

Individuals may be paid an STI following an assessment of the performance of the Crown group in the previous year and the performance of the individual against agreed annual KPOs. Senior Executives have a potential or target STI, which is subject to the Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. A key focus is on the achievement of the Crown group's annual business plan and budget.

Financial performance objectives (including performance against budgeted normalised EBITDA¹ and/or net profit after tax) 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 included in a Senior Executive's KPOs where they are within that Senior Executive's sphere of influence and are relevant to the Senior Executive's area of work. These metrics are aligned with the achievement of Crown's business plan.

The performance of each Senior Executive against the financial and non-financial KPOs is reviewed on an annual basis.

Whether KPOs have been achieved is determined by the Chief Executive Officer and Managing Director having regard to the operational performance of the business or function in which the Senior Executive is involved and the Chief Executive Officer and Managing Director's assessment of the attainment of the individual's KPOs.

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

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

2010 Crown LTI (Crown LTI)

The Crown LTI was designed as a successor long term incentive to the Gaming LTI (which ceased on 30 June 2010 and was described in previous Reports) and is designed to be paid to participating Senior Executives partly in cash and partly in Crown shares. The Crown LTI has been made available to selected senior executives with effect from 1 July 2010. The Crown LTI rewards relevant senior executives for achieving certain earnings per share targets over the four year period from 1 July 2010 to 30 June 2014.

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

Each relevant senior executive will be eligible to receive a bonus under the Crown LTI. The bonus will vest in tranches at the end of each financial year from FY11 to FY14 if adjusted Crown group earnings per share, calculated as normalised net profit after tax (excluding the contribution made by Melco Crown Entertainment Limited) divided by the weighted average number of Crown shares on issue (EPS) meets the relevant EPS target. Specifically, the bonus will vest in the following proportions: 15% if the FY11 EPS target is met; 20% if the FY12 EPS target is met; 25% if the FY13 EPS target is met; and 40% if the FY14 EPS target is met.

In each financial year from FY11 to FY13, if Crown meets its EPS target in that financial year, the cash proceeds of the vested cash bonus will then be used by Crown to purchase Crown shares on market which will be held on trust for the senior executive.

In FY14, if Crown meets its EPS target in that financial year, each senior executive will receive their bonus in cash.

If Crown does not reach its EPS target in FY11, FY12 or FY13 then a bonus for that year will not vest. However, if on a cumulative basis, the EPS targets over all four years are met, then at the end of FY14, any previously “unvested” bonuses will vest and be paid to the relevant senior executive in cash.

After the end of FY14, Crown will:

- transfer any Crown shares held in trust on behalf of a senior executive to that senior executive; and
- pay any cash component which may then be payable.

If a senior executive's employment with Crown ceases, then the senior executive would not be entitled to any part of his or her Crown LTI bonus, except for where the senior executive's employment has been terminated by Crown without cause, in which case the senior executive will be entitled to any vested bonus (in the form of shares held on trust). Shares may only be transferred to a senior executive if that transfer does not constitute an unlawful termination benefit. Shares which cannot be transferred at the date of termination will only transfer to the senior executive after the end of FY14, in accordance with the terms of the Crown LTI.

In the case of Mr Craigie, Mr Barton and Mr Nisbet, part of the bonus to which they are eligible (the MCE Contribution Bonus) is dependent on Melco Crown Entertainment Limited (MCE) achieving certain “Contribution” targets. MCE Contribution is defined as Crown's percentage interest in MCE from time to time, multiplied by the normalised net profit after tax of MCE in respect of each financial year from FY11 to FY14. The MCE Contribution Bonus is independent of the portion of the bonus which is referable to meeting the nominated earnings per share targets (EPS Bonus). Accordingly, Mr Craigie, Mr Barton and Mr Nisbet may achieve some or all of their entitlement to the MCE Contribution Bonus without achieving any part of the EPS Bonus and the converse also applies.

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

Senior Executive	Maximum Value over four year period	30 June 2011 (15%)	30 June 2012 (20%)	30 June 2013 (25%)	30 June 2014 (40%)
Rowen Craigie	\$12,300,000	\$1,845,000	\$2,460,000	\$3,075,000	\$4,920,000
Barry Felstead	\$3,600,000	\$540,000	\$720,000	\$900,000	\$1,440,000
Greg Hawkins*	\$3,000,000	\$271,500	\$642,000	\$802,500	\$1,284,000
Ken Barton	\$4,500,000	\$675,000	\$900,000	\$1,125,000	\$1,800,000
Todd Nisbet	\$5,250,000	\$787,500	\$1,050,000	\$1,312,500	\$2,100,000

* Mr Hawkins' commencement date with Crown Melbourne Limited was 6 December 2010. Accordingly, his first year entitlement to an EPS Bonus has been reduced on a pro-rata basis to approximately seven months of participation in the Crown LTI. Had Mr Hawkins been a participant from 1 July 2010, his Maximum Value over the four year period would have been \$3,210,000. The entitlements for 30 June 2012, 30 June 2013 and 30 June 2014 have been determined by reference to that Maximum value. On account of the pro rata reduction, the total possible EPS Bonus which Mr Hawkins may achieve is \$3,000,000.

In FY11, Crown did not meet the relevant EPS target and accordingly, EPS Bonuses for FY11 have not vested. The MCE Contribution targets for FY11 were, however, achieved. Accordingly, an entitlement to 15% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested.

Set out below are the vested bonus amounts for the above participants in respect of FY11:

Senior Executive	Maximum Value over four year period	Vested in relation to the financial year ended 30 June 2011
Rowen Craigie	\$12,300,000	\$270,000
Barry Felstead	\$3,600,000	Nil
Greg Hawkins	\$3,000,000	Nil
Ken Barton	\$4,500,000	\$75,000
Todd Nisbet	\$5,250,000	\$135,000

In accordance with the rules of the Crown LTI, the vested component of the cash bonus will be applied by Crown to fund the purchase of Crown shares on market, which are to be held on trust for each of Mr Craigie, Mr Barton and Mr Nisbet until the end of FY14.

Executive Share Plan (ESP)

During the year, certain Crown executives participated in an ESP which was approved by the PBL Shareholders at the 1994 Annual General Meeting.

The key features of the ESP are as follows:

- Crown Directors determine the number of Crown shares to be issued under the ESP;
- the total number of shares which can be issued under the ESP is limited to 2% of the issued capital of Crown;
- the price payable for each Crown share issued under the ESP is the weighted average share market price over the five business days up to and including the date that the offer of Crown shares is accepted;
- on completion of each year of service after the issue date, and subject to the performance hurdle summarised below, 25% of a participating executive's Crown shares are released from restrictions on transfer, with the loan repayable in year five (Expiry Date);
- subscription moneys for shares are funded by a loan from Crown that is fully repayable after five years, or earlier, upon cessation of employment of the executive;
- if a participating executive sells Crown shares which are no longer subject to transfer restrictions before the Expiry Date, the executive must pay the issue price for each Crown share towards repayment of the relevant portion of the loan;
- loan funds provided by Crown to acquire shares are provided on a limited recourse basis; and
- interest payable on the loan funds is equal to dividends received on the relevant Crown shares from time to time.

Crown ESP shares are subject to a performance condition, requiring a 7% compound annual growth in the Crown share price in order that the relevant portion of shares vest and be released from restrictions under the ESP.

If a share price hurdle is not exceeded, that 25% share parcel remains restricted until the hurdle is exceeded in a subsequent anniversary. If the hurdle is ultimately not exceeded, the shares will be transferred back to Crown.

Determination that hurdles have been achieved will be provided to the Chief Executive Officer and Managing Director by the Company Secretary.

Only executives of Crown can participate in the ESP. Mr James Packer does not participate.

There have been no issues of shares under the ESP since 2007 and there were no new issues of Crown ESP shares made in the 2011 financial year. No new ESP shares will be issued in the future. None of the executives met their share price performance hurdles during the 2011 financial year. The consequence of this is that no issued ESP Shares were released from limitations under the Plan Rules. The ESP is now in run off mode.

As at 30 June 2011, a total of 4,952,807 ESP shares were on issue, representing 0.65% of Crown's capital.

The Senior Executives who at 30 June 2011 had ESP shares for which loans were still outstanding, or had repaid loans during the year, are as follows:

Senior Executive	Issue Date	Issue Price (Per Share) ¹	Number of Crown ESP Shares Issued	Crown ESP Loan	Released from Limitations During the year % ²	Loan Outstanding	Number of ESP Shares for which Loan still outstanding	Shares sold During Year	Loan Expiry Date
Rowen Craigie	30-Oct-06	\$10.35	409,694	\$4,242,000	NIL	\$4,242,000	409,694	NIL	30-Oct-11
	30-Oct-06	\$11.42	585,276	\$6,682,500	NIL	\$6,682,500	585,276	NIL	30-Oct-11
	23-Nov-07	\$12.15	292,638	\$3,556,875	NIL	\$3,556,875	292,638	NIL	23-Nov-12
	23-Nov-07	\$12.29	1,053,494	\$12,946,500	NIL	\$12,946,500	1,053,494	NIL	23-Nov-12
David Courtney ³	23-Feb-06	\$10.35	204,847	\$2,121,000	NIL	\$2,121,000	204,847	NIL	23-Feb-11
	30-Aug-06	\$11.42	263,374	\$3,007,125	NIL	\$3,007,125	263,374	NIL	30-Aug-11
	06-Mar-07	\$12.15	175,581	\$2,134,125	NIL	\$2,134,125	175,581	NIL	06-Mar-11
Barry Felstead ⁴	30-Aug-06	\$11.42	117,055	\$1,336,500	NIL	\$1,336,500	117,055	NIL	30-Aug-11
	06-Mar-07	\$12.15	117,055	\$1,422,750	NIL	\$1,422,750	117,055	NIL	06-Mar-12

Notes:

1. 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. Shares allotted to Mr Craigie on 23 February 2006 and 30 August 2006 were issued on 30 October 2006, following receipt of shareholder approval. Shares allotted to Mr Craigie on 6 March 2007 and 21 June 2007 were issued on 23 November 2007, following the receipt of shareholder approval.
2. None of the executives met their share price performance hurdles during FY11. The consequence of this is that no ESP Shares were released from limitations under the Plan Rules. These ESP Shares remained subject to the limitations under the Plan Rules.
3. The five year anniversary of the issue date of two tranches of shares held by Mr Courtney occurred during or since year end. Loans referable to those shares have been recalled by Crown. The shares are in the process of being divested and the proceeds will be applied to satisfy outstanding loans owed by Mr Courtney to Crown on a limited recourse basis.
4. The five year anniversary of the issue date of one tranche of shares held by Mr Felstead occurred after year end. Loans referable to those shares have been recalled by Crown. The shares are in the process of being divested and the proceeds will be applied to satisfy outstanding loans owed by Mr Felstead to Crown on a limited recourse basis.

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 earnings per share target or level of normalised EBITDA. In summary:

- An STI may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her annual KPOs, assessed using a combination of financial and non-financial measures;
- The Crown LTI may be payable where Crown achieves predetermined adjusted earnings per share targets in financial years 2011, 2012, 2013 and 2014;
- A component of the Crown LTI may be payable to key senior executives involved in managing the performance of Melco Crown Entertainment Limited (MCE), where MCE has achieved predetermined contribution 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 1.8%. The compound average normalised EBITDA growth for Crown Melbourne and Burswood for the five year period commencing from financial year 2006 through to financial year 2011 was 6.0%.

Crown was admitted to the official list of the ASX on 3 December 2007. Accordingly, the table below sets out information about movements in shareholder wealth for the years ended 30 June 2008, 30 June 2009, 30 June 2010 and 30 June 2011.

	Year ended 30 June 2008	Year ended 30 June 2009	Year ended 30 June 2010	Year Ended 30 June 2011
Share price at start of period	NA ¹	\$9.29	\$7.27	\$7.77
Share price at end of period	\$9.29	\$7.27	\$7.77	\$8.93
Full year dividend	54 cents ²	37 cents ³	37 cents ³	37 cents ⁴
Basic/diluted earnings per share ⁵	54.58 cps	33.74 cps	38.54 cps	44.29 cps

Notes:

1. As Crown was admitted to the official list of the ASX on 3 December 2007, there is no trading data for 1 July 2007.
2. Franked to 40% with unfranked component made up of conduit foreign income.
3. Franked to 60% with none of the unfranked component comprising conduit foreign income.
4. Interim dividend franked to 60% and final dividend franked to 50% with none of the unfranked components comprising conduit foreign income.
5. Excluding the effect of discontinued operations and specific items.

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

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

REMUNERATION DETAILS FOR NON-EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES
Non-Executive Directors

Non-Executive Directors are entitled to a base fee of \$100,000 per annum for acting as a Director of Crown.

Non-Executive Directors acting on the Board of Crown Melbourne Limited are entitled to receive a further fee of \$60,000 per annum.

Non-Executive Directors of Crown are entitled to additional fees if they act as either chair or a member of an active Committee (the Audit & Corporate Governance Committee, the Occupational Health, Safety & Environment Committee, the Nomination and Remuneration Committee or the Risk Management Committee):

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

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

In accordance with Crown's constitution, Non-Executive Directors' fees are currently determined within an aggregate Non-Executive Directors' fee cap of \$1,000,000 per annum.

Crown's shareholders will be asked to consider increasing the fee cap to \$1,300,000 per annum at the 2011 Annual General Meeting. Further details of the proposed increase are set out in the 2011 Notice of Annual General Meeting.

Set out below is a table showing Non Executive Director remuneration for financial years 2011 and 2010.

Remuneration Table – Non-Executive Directors

	Financial Year	Short Term Benefits			Post-employment Benefit – Superannuation	Long Term Incentives		Termination Benefits	Total
		Salary & Fees	Non Monetary	Other		Cash Based	Equity Based		
Ben Brazil ¹	2011	103,333	–	–	9,300	–	–	–	112,633
Non-executive director	2010	100,000	–	–	9,000	–	–	–	109,000
Christopher Corrigan	2011	110,000	–	–	9,900	–	–	–	119,900
Non-executive director	2010	101,667	–	–	9,150	–	–	–	110,817
Rowena Danziger ^{2,4}	2011	208,107	–	–	–	–	–	–	208,107
Non-executive director	2010	200,000	–	–	–	–	–	–	200,000
Geoffrey Dixon	2011	140,000	–	–	–	–	–	–	140,000
Non-executive director	2010	123,333	–	–	4,777	–	–	–	128,110
David Gyngell ³	2011	21,970	–	–	1,977	–	–	–	23,947
Non-executive director									
John Horvath ^{2,4}	2011	151,288	–	–	13,616	–	–	–	164,904
Non-executive director									
Ashok Jacob ⁵	2011	–	–	–	–	–	–	–	–
Non-executive director	2010	–	–	–	–	–	–	–	–
Michael Johnston ⁵	2011	–	–	–	–	–	–	–	–
Non-executive director	2010	–	–	–	–	–	–	–	–
David Lowy	2011	–	–	–	–	–	–	–	–
Non-executive director	2010	100,000	–	–	9,000	–	–	–	109,000
Harold Mitchell ⁶	2011	2,237	–	–	40,000	–	–	–	42,237
Non-executive director									
Richard Turner ^{2,7}	2011	150,000	–	–	–	–	–	–	150,000
Non-executive director	2010	180,000	–	–	–	–	–	–	180,000
2011 TOTALS		886,935	–	–	74,793	–	–	–	961,728
2010 TOTALS		805,000	–	–	31,927	–	–	–	836,927

Notes:

- Mr Brazil replaced Mr Turner as the Chair of the Audit & Corporate Governance Committee with effect from 1 May 2011. Mr Brazil's fees therefore include two months worth of fees in respect of his role as Chair of the Audit & Corporate Governance Committee.
- Mrs Danziger, Mr Turner and Professor Horvath each received Directors' fees at a rate of \$60,000 per annum for their participation on the Crown Melbourne Limited Board. As Mr Turner ceased being a director on 1 May 2011, his fees include 10 months worth of Directors' fees for his role on the Board of Crown Melbourne Limited. Professor Horvath was appointed to the Board of Crown Melbourne Limited in September 2010 so his fees also include approximately 10 months worth of Directors' fees for his role on the Board of Crown Melbourne Limited.
- Mr Gyngell resigned as a director on 25 November 2010. His fees are representative of the period commencing 13 September 2010 through to 25 November 2010.
- An additional Board Committee, the Responsible Gaming Committee, was established during FY11. Further detail regarding the mandate of that Committee and its members is provided in the Corporate Governance Statement. Fees for Mrs Danziger and Professor Horvath include approximately 10 months service on the Responsible Gaming Committee in their capacities as a member and the Chair (respectively) of that Committee.
- Neither Mr Jacob nor Mr Johnston receives remuneration for their services to Crown.
- Mr Mitchell was appointed on 10 February 2011.
- Mr Turner resigned on 1 May 2011.

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 requiring approval of the Chief Executive Officer and Managing Director and the Nomination and Remuneration Committee and dependent on Crown's financial performance, the individual's KPO performance and market changes;
- competitive performance based incentive payments annually and in the long term, dependent upon Crown achieving its objectives and the Senior Executive achieving his or her KPOs;
- Crown may ask the executive to act as a Director of a member or associate of the Crown group for no additional remuneration;
- a prohibition from gambling at any property within the Crown group during the term of employment and for three months following termination and a requirement that the executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling 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;
- all contracts may be terminated without notice by Crown for serious misconduct; and
- all Senior Executives are entitled to complimentary privileges at Crown Melbourne and Burswood facilities.

Specific details of each Senior Executive's contract of employment which applied during the financial year ending 30 June 2011 are summarised in the tables on the following pages. Where a Senior Executive has had more than one contract of employment during the year, or where a new contract of employment has been entered into post year end, this has been noted in those tables. The following is a list of those Senior Executives who have entered into revised contracts of employment at or post year end together with a summary of the key differences between their old and new contracts of employment. The summaries should be read in conjunction with the Remuneration Policy described earlier. The table summarising the FY11 remuneration for Senior Executives follows the contract summaries.

Summary of New or Amended Contracts of Employment

Senior Executive	Date of new or amended contract of employment	Key changes from previous contract
Rowen B Craigie	New contract of employment entered into with a commencement date of 15 September 2011.	The term of Mr Craigie's contract has been extended and will now expire on 30 November 2015. Mr Craigie's post employment restraint will apply for periods of up to 24 months. Subject to the receipt of shareholder approval, Mr Craigie will be entitled to receive a severance payment equal to 24 months' fixed remuneration in the event of early termination of his employment by Crown. The imposition of Mr Craigie's post employment restraint is conditional upon receipt of this severance payment. Mr Craigie has been invited to participate in the Crown LTI. The details of his participation are set out above.
Barry J Felstead	New contract of employment entered into with a commencement date of 24 June 2011.	Mr Felstead's new contract of employment has no fixed term and may be terminated by Mr Felstead on 6 months' notice or by Crown on 12 months' notice. Mr Felstead's post employment restraint will apply for periods of up to 12 months. Mr Felstead has been invited to participate in the Crown LTI. The details of his participation are set out above.
W Todd Nisbet	Extension of contract entered into on 30 August 2011.	The term of Mr Nisbet's contract has been extended and will now expire 30 November 2014. All other terms remain unchanged.

Summary of Contracts of Employment Applicable During the Year Ended 30 June 2011

	James D Packer	John H Alexander
Current Position	Executive Chairman	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.
Fixed Remuneration		
Base salary:	Nil. 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.	\$1,484,801 per annum (increasing annually by CPI) ² .
Superannuation		Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,199 per annum.
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Burswood facilities.	Complimentary privileges at Crown Melbourne and Burswood facilities and superannuation.
Performance based remuneration	Not applicable	Not applicable
2011 Percentage breakdown of remuneration	Not applicable	Fixed remuneration¹ 100% STI 0% LTI 0%
Post employment benefits	Not applicable	Nil
Post-employment restraint	Not applicable	Crown may impose a restraint for the five year term of Mr Alexander's employment agreement up to 30 November 2012.
Termination		
By Senior Executive:	Not applicable	12 months' notice.
By Crown:	Not applicable	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.
Termination benefits	Not applicable	Nil
Payments made prior to commencement	Not applicable	Nil
Directors' Fees	Nil	Nil
Other	Nil	Nil

1. Includes voluntary and compulsory superannuation.

2. Mr Alexander's CPI review in the 2008-2011 financial years has been deferred with his consent.

	Rowen B Craigie	Kenneth M Barton				
Current Position	Chief Executive Officer and Managing Director (commenced 1 December 2007): During FY11, Mr Craigie had a five year employment agreement with Crown Limited which was due to expire in December 2012. Mr Craigie entered into a new contract of employment on 15 September 2011.	Chief Financial Officer, Crown Limited (commenced 9 March 2010): Mr Barton's employment contract with Crown Limited commenced on 9 March 2010 and expires in March 2015.				
Fixed Remuneration						
Base salary:	\$2,984,801 per annum.	\$1,234,801 per annum.				
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,199 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,199 per annum.				
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Until Mr Barton relocates to Melbourne, Crown will meet the weekly travel costs of his Melbourne/Sydney commuting and will provide hotel accommodation while in Melbourne.				
Performance based remuneration						
STI:	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 personal KPOs. A further \$1,000,000 may be paid at the discretion of the Crown Board if Crown's performance substantially exceeds that set out in Crown's business plan and represents an exemplary outcome.	Mr Barton's annual target STI is \$500,000 and payment depends on meeting agreed personal KPOs. The STI may, at the discretion of the Nomination and Remuneration Committee, be increased to a maximum of \$750,000 if Mr Barton exceeds his KPOs and Crown also achieves its performance objectives.				
LTI:	Participation in the Gaming LTI until F10 when that LTI ceased. The Gaming LTI was described in detail in previous Reports.	Mr Barton has been invited to participate in the Crown LTI. Subject to achieving internal earnings per share targets in FY11, FY12, FY13 and FY14, Mr Barton is eligible to receive up to \$4,500,000 (15% for FY11, 20% for FY12, 25% for FY13 and 40% for FY14). See further page 55.				
2011 Percentage breakdown of remuneration	Fixed remuneration¹ 39%	STI 8%	LTI 53%	Fixed remuneration¹ 46%	STI 14%	LTI 40%
Post employment benefits	Nil			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.			Nil.		
Termination						
By Senior Executive:	12 months' notice.			6 months' notice.		
By Crown:	12 months' notice without cause; one month's notice for performance issues (following least three months' notice to improve); three months' notice for incapacity.			6 months' notice without cause; one month's notice for performance issues (following least 3 months' notice to improve); 3 months' notice for incapacity.		
Termination benefits	Nil			Nil		
Payments made prior to commencement	Nil			A \$400,000 sign on payment in 2010 less applicable taxes in order to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.		
Directors' Fees	Nil			Nil		
Other	A summary of the terms of the 2010 Crown LTI to which Mr Craigie is a member is set out on page 54.			A summary of the terms of the 2010 Crown LTI to which Mr Barton is a member is set out on page 54.		

1. Includes voluntary and compulsory superannuation.

	David G Courtney	Barry J Felstead
Current Position	Chief Executive Officer, Crown Melbourne Limited (from 6 March 2007 to 8 October 2010): Mr Courtney's employment contract with Crown Melbourne commenced on 6 March 2007 and was due to expire on 5 March 2012.	Chief Executive Officer, Burswood Limited (from 6 March 2007): During FY11, Mr Felstead had an employment contract with Burswood which commenced on 6 March 2007 and was due to expire on 5 March 2012. Mr Felstead entered into a new contract of employment on 24 June 2011.
Fixed Remuneration		
Base salary:	\$1,344,801 per annum.	\$984,801 per annum.
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,199 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,199 per annum.
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Felstead is entitled to one annual economy airfare between Perth and Melbourne for himself and his family.
Performance based remuneration		
STI:	Discretionary STI based on the performance of Crown Limited and the achievement of personal KPOs. Mr Courtney's annual target STI is 40% of his TEC.	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Felstead's annual target STI is 40% of his TEC.
LTI:	Participation in the Gaming LTI until F10 when that LTI ceased. The Gaming LTI was described in detail in previous Reports.	Participation in the Gaming LTI until F10 when that LTI ceased. The Gaming LTI was described in detail in previous Reports.
2011 Percentage breakdown of remuneration	Fixed remuneration¹ 97% STI 1% LTI 2%	Fixed remuneration¹ 42% STI 17% LTI 41%
Post employment benefits	Nil	Nil
Post-employment restraint	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 fixed remuneration for any period during which a restraint applies.	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.
Termination		
By Senior Executive:	12 months' notice.	12 months' notice.
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.
Termination benefits	24 months fixed remuneration upon cessation of employment – see further the disclosures accompanying the Senior Executive remuneration table below.	Nil
Payments made prior to commencement	Nil	Nil
Directors' Fees	Nil	Nil
Other		A summary of the terms of the 2010 Crown LTI to which Mr Felstead is a member is set out on page 54.

1. Includes voluntary and compulsory superannuation.

	Greg F Hawkins	W. Todd Nisbet				
Current Position	Deputy Chief Executive Officer, Crown Melbourne Limited (from 6 December 2010): Mr Hawkins' employment contract with Crown Melbourne commenced on 6 December 2010 and will expire in accordance with its terms.	Executive Vice President – Strategy and Development, Crown Limited (from 9 August 2010): Mr Nisbet's employment contract with Crown Limited commenced on 9 August 2010 and was due to expire in August 2013. Mr Nisbet's contract of employment was extended on 30 August 2011.				
Fixed Remuneration						
Base salary:	\$884,801 per annum.	\$1,500,000 per annum.				
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,199 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,199 per annum.				
Non-monetary benefits and other:	<p>Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.</p> <p>Mr Hawkins was previously employed by Crown Melbourne Limited to act in a Chief Executive Role on a secondment basis at Crown's investment properties in Macau.</p> <p>Under that contract of employment, upon his return to Australia, Mr Hawkins was entitled reasonable relocation expenses for Mr Hawkins and his family. The value of that benefit has been included in the Senior Executive remuneration table.</p>	<p>Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.</p> <p>Mr Nisbet is entitled to Relocation Benefits to assist with the relocation of him and his family from Nevada, USA to Melbourne.</p> <p>During Mr Nisbet's employment with Crown, he will also be entitled to additional customary expatriate benefits for himself and his family.</p> <p>Upon cessation of employment Mr Nisbet will be entitled to relocation benefits for him and his family to Las Vegas.</p>				
Performance based remuneration						
STI:	Discretionary STI based on the performance of Crown Limited and the achievement of personal KPOs. Mr Hawkins' annual target STI is 40% of his TEC.	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Nisbet's annual target STI is 50% of his base salary.				
LTI:	Mr Hawkins has been invited to participate in the Crown LTI. Subject to achieving internal earnings per share targets in FY11, FY12, FY13 and FY14, Mr Hawkins is eligible to receive up to \$3,000,000 (8.5% for FY11, 20% for FY12, 25% for FY13 and 40% for FY14). See further page 55.	Mr Nisbet has been invited to participate in the Crown LTI. Subject to achieving internal earnings per share targets in FY11, FY12, FY13 and FY14, Mr Nisbet is eligible to receive up to \$5,250,000 (15% for FY11, 20% for FY12, 25% for FY13 and 40% for FY14). See further page 55.				
2011 Percentage breakdown of remuneration	Fixed remuneration¹ 45%	STI 0%	LTI 55%	Fixed remuneration¹ 45%	STI 20%	LTI 35%
Post employment benefits	Nil			Nil		
Post-employment restraint	Crown may impose various restraint periods up to a period of up to 12 months post employment.			Crown may impose various restraint periods up to a period of up to 12 months post employment.		
Termination						
By Senior Executive:	6 months' notice.			6 months' notice.		
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.			12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.		
Termination benefits	Nil			Nil		
Payments made prior to commencement	Nil			Nil		
Directors' Fees	Nil			Nil		
Other	A summary of the terms of the 2010 Crown LTI to which Mr Hawkins is a member is set out on page 54.			A summary of the terms of the 2010 Crown LTI to which Mr Nisbet is a member is set out on page 54.		

1. Includes voluntary and compulsory superannuation.

Remuneration table for Senior Executives

The structure of senior executive remuneration has been described in detail in this Report, both generically and specifically in relation to each named Senior Executive. In addition, a table summarising all remuneration to be attributed to each Senior Executive for the financial years ending 30 June 2011 and 30 June 2010 is set out below. Accounting Standards are prescriptive in relation to the required presentation of remuneration tables. Accordingly, as an aid to understanding, the following additional information should be read in conjunction with the table set out below.

Fixed Remuneration

None of Messrs Alexander, Craigie or Barton received an increase to their fixed remuneration in financial year 2011 as compared with financial year 2010.

For the same period, Mr Courtney received an increase to his fixed remuneration of 3.4% and Mr Felstead received a more substantial increase of 36% in recognition that his remuneration had previously been unreflective of his status as a Chief Executive Officer of a major business unit. As noted in the table below, Mr Courtney subsequently ceased performing the role of Chief Executive Officer of Crown Melbourne on 8 October 2010.

Messrs Nisbet and Hawkins commenced new roles with the Group in financial year 2011, which has resulted in them being included in this Report as Senior Executives. Each of Mr Nisbet and Mr Hawkins were required to relocate with their families to Melbourne, Australia to take up their respective roles. In Mr Nisbet's case, he relocated from Las Vegas in the USA and, in Mr Hawkins' case, he relocated from Macau. Crown met the once off costs associated with Mr Nisbet's and Mr Hawkins' respective relocations and these have been reported as part of their fixed remuneration. Going forward, Mr Nisbet will also be entitled to additional customary benefits relating to his relocation as described in the summary of his employment contract.

Short Term Incentives (STI)

As the Group financial results were mixed but a number of non financial KPOs were met, the award of STI bonuses in relation to financial year 2011 was also mixed and depended largely on the achievement of individual KPOs of the relevant Senior Executive.

Long Term Incentives (LTI)

As summarised earlier, relevant Senior Executives may be eligible to participate in one or both of Crown's existing long term incentives, the Executive Share Plan (ESP) and the Crown LTI.

The ESP continues in operation but is in run off mode. Effectively, all ESP shares are "out of the money" and are of no practical value to Senior Executives. Accounting Standards, however, require a value to be placed on these shares and they are therefore included in the remuneration table.

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

As explained earlier, the first tranche of the Crown LTI represents only 15% of the total Crown LTI bonus for which each Senior Executive is eligible. The earnings per share hurdle for this first hurdle of the Crown LTI for financial year 2011 was not met, but the MCE Contribution hurdle was met, resulting in 15% of the MCE Contribution portion of the Crown LTI for eligible Senior Executives vesting. Detail of the actual sums vested to relevant Senior Executives has been provided earlier.

	Financial Year	Short Term Benefits					Post-employment Benefits – Super-annuation ⁶	Long Term Incentives				Total
		Salary & Fees	Non Monetary	Other	STI	% of max STI		Cash Based	Equity Based – Crown LTI ⁸	Equity Based – ESP ⁷	Termination Benefits	
James Packer Executive Chairman	2011	–	–	–	–	–	–	–	–	–	–	–
	2010	–	–	–	–	–	–	–	–	–	–	–
John Alexander Executive Deputy Chairman	2011	1,484,801	–	–	–	–	15,199	–	–	–	–	1,500,000
	2010	1,485,539	–	–	–	–	14,461	–	–	–	–	1,500,000
Ken Barton¹ Chief Financial Officer	2011	1,234,801	44,220	–	400,000	80%	15,199	–	1,125,000	–	–	2,819,220
	2010	384,987	15,726	400,000	130,000	84%	7,231	–	–	–	–	937,944
Rowen Craigie Chief Executive Officer & Managing Director	2011	2,984,801	–	–	600,000	60%	15,199	–	3,075,000	1,035,275	–	7,710,275
	2010	2,985,539	–	–	1,000,000	100%	14,461	1,666,667	–	1,503,585	–	7,170,252
David Courtney²	2011	1,335,000	–	–	74,521	50%	25,000	–	–	110,161	3,790,845	5,335,527
	2010	1,290,000	–	–	526,000	100%	25,000	750,000	–	323,230	–	2,914,230
Barry Felstead Chief Executive Officer Burswood Limited	2011	984,801	–	–	400,000	100%	15,199	–	900,000	68,211	–	2,368,211
	2010	720,539	10,856	–	400,000	135%	14,461	333,333	–	147,750	–	1,626,939
Greg Hawkins³ Deputy Chief Executive Officer Crown Melbourne Limited	2011	522,836	–	87,320	–	–	11,400	–	750,000	–	–	1,371,556
Todd Nisbet⁴ Executive Vice President – Strategy & Development	2011	1,346,587	–	326,053	750,000	100%	15,199	–	1,312,500	–	–	3,750,339
Rob Turner⁵	2011	–	–	–	–	–	–	–	–	–	–	–
	2010	737,206	–	–	–	–	14,461	–	–	149,818	1,435,000	2,336,485
2011 TOTALS		9,893,627	44,220	413,373	2,224,521	–	112,395	–	7,162,500	1,213,647	3,790,845	24,855,128
2010 TOTALS		7,603,810	26,582	400,000	2,056,000	–	90,075	2,750,000	–	2,124,383	1,435,000	16,485,850

Notes:

- Mr Barton commenced in his role as Chief Financial Officer on 9 March 2010. Mr Barton's contract included provision for a \$400,000 sign on payment less applicable taxes in order to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer. Mr Barton received a total STI payment of \$530,000 which, in accordance with his contract of employment relates to performance for both the 2010 and 2011 financial years on a pro-rata basis. The STI has therefore been split over the two years in the above table.
- Mr Courtney ceased performing the role of Chief Executive Officer of Crown Melbourne Limited on 8 October 2010. In accordance with the terms of his Employment Agreement, Mr Courtney will remain an employee of the Crown Group until 8 October 2011 (representing a 12 month notice period) at which time he will be paid a severance payment in accordance with his Employment Agreement which includes an entitlement to a payment of 24 months fixed remuneration upon cessation of employment. Those amounts have been accrued for in the 2011 financial year and are therefore included in the above table under the heading of Termination Benefits. Mr Courtney's STI represents 50% of his maximum target STI on a pro rata basis over the period 1 July 2010 to 8 October 2010 when he ceased performing the role of Chief Executive Officer of Crown Melbourne Limited.
- Mr Hawkins commenced in his role as Deputy Chief Executive Officer on 6 December 2010. Mr Hawkins will be eligible for an STI payment in the 2012 financial year which will be referable to the period of service commencing from 6 December 2010. Refer to the summary of Mr Hawkins' contract of employment for a description of the other one off short term relocation entitlements to which Mr Hawkins was entitled upon his return to Australia from Macau.
- Mr Nisbet commenced in his role as Executive Vice President – Strategy and Development on 9 August 2010. Refer to the summary of Mr Nisbet's contract of employment for a description of the other short term entitlements to which Mr Nisbet is entitled.
- Mr Turner ceased employment with Crown on 31 May 2010. Remuneration disclosures were made in respect of the 11 month period ending 31 May 2010. The \$1,435,000 termination payment to Mr Turner represented an \$820,000 payment in lieu of 12 months notice and a \$615,000 agreed severance payment.
- Long service leave accrued balances have increased during the financial year ended 30 June 2011 for the following Senior Executives: Mr Alexander \$24,983, Mr Barton, \$20,820, Mr Craigie, \$49,967, Mr Courtney \$22,655, Mr Felstead \$16,667, Mr Hawkins \$14,824, Mr Nisbet \$22,540.
- 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 continued to account for the services rendered as consideration for the equity instruments granted as if the modification had not occurred. The allocation of the expenses for Equity Based payments to the Senior Executives made following the PBL Scheme and the Demerger Scheme was consistent with the split of the PBL ESP Loan as between CMH and Crown Limited (25 percent/75 percent).
- The Crown LTI has been included in total remuneration on the basis that it is considered more likely than not at the date of this financial report that the performance condition and service condition will occur evenly over the life of the Crown LTI, notwithstanding that the benefits will vest for the Senior Executives at a different rate.

Signed in accordance with a resolution of the Directors.



 J D Packer
Director



 R B Craigie
Director

Melbourne, 16th day of September, 2011



Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001
Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
www.ey.com/au

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 2011, 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 stylized, handwritten signature of 'Ernst + Young' in black ink.

Ernst & Young

A handwritten signature of 'Brett Kallio' in black ink.

Brett Kallio
Partner
Melbourne
16 September 2011

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under Professional Standards
Legislation



Ernst & Young Building
 8 Exhibition Street
 Melbourne VIC 3000 Australia
 GPO Box 67 Melbourne VIC 3001
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 Fax: +61 3 8650 7777
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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 consolidated statement of financial position as at 30 June 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year'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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

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

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Opinion

In our opinion:

- a. the financial report of Crown Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial positions as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).

Report on the remuneration report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Crown Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

A stylized, handwritten signature of 'Ernst + Young' in black ink.

Ernst & Young

A handwritten signature of 'Brett Kallio' in black ink.

Brett Kallio
Partner
Melbourne
16 September 2011

Directors' Declaration

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

In the opinion of the directors:

1. the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
2. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1 of the Financial Report; and
3. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.
4. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.
5. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 32 of the Financial Report will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



J D Packer
Director



R B Craigie
Director

Melbourne, 16th day of September, 2011

Financial Report

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Income Statement

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Continuing Operations			
Revenues	3	2,409,241	2,342,248
Other income	3	403	10,455
Expenses	3	(1,959,351)	(1,811,811)
Share of profits / (losses) of associates and joint venture entities	2,10	32,366	(69,457)
Profit before income tax and finance costs		482,659	471,435
Finance costs	3	(75,545)	(84,126)
Profit before income tax		407,114	387,309
Income tax expense	2,5	(71,259)	(95,016)
Net profit after tax		335,855	292,293

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

	Note	2011 Cents per share	2010 Cents per share
Earnings per share (EPS)			
Basic EPS	29	44.29	38.54
Diluted EPS	29	44.29	38.54
EPS calculation is based on the weighted average number of shares on issue throughout the period			
Dividends per share			
Current year final dividend proposed	4	19.00	19.00
Current year interim dividend paid	4	18.00	18.00

Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Net profit after tax		335,855	292,293
Other Comprehensive Income			
Foreign currency translation ⁽¹⁾	21	(205,916)	(63,781)
Movement in cashflow hedge reserve	21	(19,230)	30,680
Unrealised gain / (loss) on investments in associates	21	500	(4,061)
Other comprehensive income / (loss) for the period, net of income tax		(224,646)	(37,162)
Total comprehensive income / (loss) for the period		111,209	255,131

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

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

Statement of Financial Position

At 30 June 2011

	Note	2011 \$'000	2010 \$'000
Current Assets			
Cash and cash equivalents	24	183,699	196,395
Trade and other receivables	6	123,756	147,252
Inventories	7	18,070	16,328
Prepayments		17,122	12,197
Other financial assets	8	7,775	1,971
Total current assets		350,422	374,143
Non-current assets			
Receivables	6	131,477	128,158
Other financial assets	8	24,051	6,045
Investments	9	98,658	106,634
Investments in associates	10	851,721	1,029,669
Property, plant and equipment	11	2,514,905	2,320,459
Licences	12	664,455	651,926
Other intangible assets	13	213,030	175,370
Deferred tax assets	5	108,731	111,081
Other assets	15	66,325	65,636
Total non-current assets		4,673,353	4,594,978
Total assets		5,023,775	4,969,121
Current Liabilities			
Trade and other payables	16	237,889	292,283
Interest-bearing loans and borrowings	17	19,752	135,236
Income tax payable		39,025	33,117
Provisions	18	102,917	113,320
Other financial liabilities	19	2,276	–
Total current liabilities		401,859	573,956
Non-current liabilities			
Other payables	16	–	67
Interest-bearing loans and borrowings	17	1,049,707	712,758
Deferred tax liabilities	5	209,925	207,098
Provisions	18	27,699	15,337
Other financial liabilities	19	74,225	40,600
Total non-current liabilities		1,361,556	975,860
Total liabilities		1,763,415	1,549,816
Net assets		3,260,360	3,419,305
Equity			
Contributed equity	20	645,475	638,690
Reserves	21	225,788	448,751
Retained earnings	21	2,389,097	2,331,864
Total equity		3,260,360	3,419,305

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

Cash Flow Statement

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Receipts from customers		2,438,649	2,325,096
Payments to suppliers and employees		(1,833,769)	(1,660,736)
Dividends received		19	26
Interest received		5,377	7,301
Borrowing costs		(86,002)	(89,773)
Income tax paid		(73,305)	(114,457)
Net cash flows from/(used in) operating activities	24b	450,969	467,457
Cash flows from investing activities			
Purchase of property, plant and equipment		(351,537)	(356,270)
Proceeds from sale of property, plant and equipment		454	13,809
Payment in respect of licences		(20,000)	–
Payment for purchases of equity investments		(15,106)	–
Payment for the acquisition of controlled entities	22	(55,134)	–
Purchase of investments		–	(20,584)
Net proceeds from sale of equity investments		–	84,671
Loans to associated entities		(51,188)	(4,000)
Repayment of loans from associated entities		28,051	–
Other (net)		(2,686)	(3,177)
Net cash flows from/(used in) investing activities		(467,146)	(285,551)
Cash flows from financing activities			
Proceeds from borrowings		660,341	250,000
Repayment of borrowings		(384,600)	(450,000)
Dividends paid		(278,622)	(278,417)
ESP proceeds received		6,785	2,893
Net cash flows from/(used in) financing activities		3,904	(475,524)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		196,395	515,498
Effect of exchange rate changes on cash ⁽¹⁾		(423)	(25,485)
Cash and cash equivalents at the end of the financial year	24a	183,699	196,395

⁽¹⁾ Prior period represents foreign exchange movements in USD cash offset by an equivalent movement in USD borrowings.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2011

	Ordinary Shares \$'000	Retained Earnings \$'000	Net Unrealised Gains Reserve \$'000	Foreign Currency Translation Reserve \$'000	Cashflow Hedge Reserve \$'000	Employee Benefits Reserve \$'000	Total Equity \$'000
Year ended 30 June 2011							
Balance at 1 July 2010	638,690	2,331,864	628,532	(157,888)	(33,220)	11,327	3,419,305
Profit for the period	–	335,855	–	–	–	–	335,855
Other comprehensive income	–	–	500	(205,916)	(19,230)	–	(224,646)
Total comprehensive income for the period	–	335,855	500	(205,916)	(19,230)	–	111,209
Dividends paid	–	(278,622)	–	–	–	–	(278,622)
ESP proceeds received	6,785	–	–	–	–	–	6,785
Share based payments expense	–	–	–	–	–	1,683	1,683
Balance at 30 June 2011	645,475	2,389,097	629,032	(363,804)	(52,450)	13,010	3,260,360
Year ended 30 June 2010							
Balance at 1 July 2009	634,364	2,317,988	632,593	(94,107)	(63,900)	9,392	3,436,330
Profit for the period	–	292,293	–	–	–	–	292,293
Other comprehensive income	–	–	(4,061)	(63,781)	30,680	–	(37,162)
Total comprehensive income for the period	–	292,293	(4,061)	(63,781)	30,680	–	255,131
Dividends paid	–	(278,417)	–	–	–	–	(278,417)
ESP proceeds received	2,893	–	–	–	–	–	2,893
Transfers	1,433	–	–	–	–	(1,433)	–
Share based payments expense	–	–	–	–	–	3,368	3,368
Balance at 30 June 2010	638,690	2,331,864	628,532	(157,888)	(33,220)	11,327	3,419,305

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2011

1. Summary of Significant Accounting Policies

(a) Basis of preparation

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

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 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 2011 was authorised for issue in accordance with a resolution of the directors on 15 September 2011 subject to final approval by a sub committee.

(b) Statement of compliance

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

The Group has adopted the following accounting standards, which became applicable from 1 July 2010:

- AASB 2009-5 – Further Amendments Australian Accounting Standards arising from the Annual Improvements Project
- AASB 124 – Related Party Disclosures
- AASB 9 – Financial Instruments

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

The Group has early adopted AASB 9 *Financial Instruments*, with effect from 31 December 2010. The standard changes the way in which the Group's investments and their performance are presented. Adoption of this standard has no impact on the way in which the Group's investments are measured, and hence has no impact on net assets during the period. Previously the Group was required to classify investments as 'available-for-sale financial assets' under AASB 139 *Financial Instruments: Recognition and Measurement*, where unrealised gains and losses were taken to the revaluation reserve through the Statement of Changes in Equity and reported as other comprehensive income. Realised gains or losses from the sale of the investment were transferred from the revaluation reserve to the Income Statement. Where there was objective evidence of impairment of an investment, and impairment charge was booked in the Income Statement, even where no loss had been realised.

Under the new standard, the Group's investments in equities that were held as at 31 December 2010 have been classified as fair value through Income Statement and both realised and unrealised gains and losses are accounted for through the Income Statement.

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 2011. These are outlined in the table below.

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 124	Related Party Disclosures	1 January 2011	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The amendment will not have an impact on the Group.	1 July 2011

⁽¹⁾ Designates the beginning of the applicable annual reporting period unless otherwise stated.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

1. Summary of Significant Accounting Policies *continued*

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	1 January 2011	The Group will be required to present an analysis of other comprehensive income for each component of equity, either in the Statement of Changes in Equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions. This standard may result in additional or changes in disclosure.	1 July 2011
AASB 10	Consolidated Financial Statements	1 January 2013	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 <i>Consolidated and Separate Financial Statements</i> dealing with the accounting for consolidated financial statements and SIC-12 <i>Consolidation – Special Purpose Entities</i> . After initial evaluation, Crown does not expect any impact on the Group.	1 July 2013
AASB 11	Joint Arrangements	1 January 2013	AASB 11 replaces AASB 131 <i>Interests in Joint Ventures</i> and SIC-13 <i>Jointly-controlled Entities – Non-monetary Contributions by Ventures</i> . AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition AASB 11 removes the option to account for jointly-controlled entities using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. After initial evaluation, Crown does not expect any impact on the Group.	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. This standard may result in additional or changes in disclosure.	1 July 2013
AASB 13	Fair Value Measurement	1 January 2013	AASB 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets.	1 July 2013

⁽¹⁾ Designates the beginning of the applicable annual reporting period unless otherwise stated.

1. Summary of Significant Accounting Policies *continued*

(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 acquisition method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. 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 14.

Fair value of investments

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

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 26.

Doubtful debts

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

Significant Items

Management determines significant items based on the nature, size and generally accepted accounting principles.

(e) Income tax

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

Deferred income tax is provided on all temporary differences at the reporting 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
- when 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:

- when 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

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

1. Summary of Significant Accounting Policies *continued*

(e) Income tax *continued*

- when the 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 reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred 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 reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not 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 Statement of Financial Position.

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

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

(g) Foreign currency translation

Both the functional and presentation currency of Crown Limited and its Australian subsidiaries is Australian dollars.

Each foreign entity in the Group determines its own functional currency and items included in the financial statements of each foreign entity are measured using that functional currency, which is translated to the presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Limited at the rate of exchange ruling at the reporting date and the profit or loss is translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

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

(h) Cash and cash equivalents

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

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

(i) Trade and other receivables

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

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

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

1. Summary of Significant Accounting Policies *continued*

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

(k) Investments in associates

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

Investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The 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 Statement of Comprehensive Income.

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

(l) Investments and other financial assets

Financial assets are classified based on:

- the objective of the entity's business model for managing the financial assets; and
- the characteristics of the contractual cash flow.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. An irrevocable election is made by instrument to determine if the instrument is measured at fair value either through Other Comprehensive Income (OCI) or the Income Statement.

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

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

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

If the fair value through OCI approach is adopted, increments and decrements on the fair value are recognised in OCI, without recycling of gains and losses between Income Statement and OCI, even on disposal of the investment. Dividends in respect of these investments that are a return on investment are recognised in the Income Statement.

(m) Property, plant and equipment

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

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

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

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

Impairment

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

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

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

1. Summary of Significant Accounting Policies *continued*

(m) Property, plant and equipment *continued*

Derecognition

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

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

(n) Intangible assets

Licences

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

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

The casino 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.

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 created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

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

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

(o) Recoverable amount of assets

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

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

1. Summary of Significant Accounting Policies *continued*

(p) Trade and other payables

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

(q) Interest-bearing loans and borrowings

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

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

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

Borrowing costs

Borrowing costs directly associated with qualifying assets are capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation rate to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year, in this case 7.6%.

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

(r) Provisions

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

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

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

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

(s) Employee benefits

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

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary 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 26.

In valuing equity-settled transactions, only conditions linked to the price of the shares of Crown Limited are taken into account, further details of which are given in note 26.

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).

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

1. Summary of Significant Accounting Policies *continued*

(t) Share-based payment transactions *continued*

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 Group's 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 charge to the Income Statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

(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 and hedging

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

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

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

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

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

(ii) Cash flow hedges

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

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

(x) Impairment of financial assets

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

(i) Financial assets carried at amortised cost

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

1. Summary of Significant Accounting Policies *continued*

(x) Impairment of financial assets *continued*

(i) Financial assets carried at amortised cost *continued*

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Income Statement, 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.

(y) Contributed equity

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

(z) Revenue

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

Sale of goods

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

Rendering of services

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

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 (EPS)

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

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

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

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

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

1. Summary of Significant Accounting Policies *continued*

(ab) Segment Information

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

The Group has three operating segments being Crown Melbourne, Burswood and Aspinall's Club.

(ac) Business Combinations

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

2. Segment Information

30 June 2011

	Normalised Result ⁽¹⁾					Actual		
	Note	Crown Melbourne \$'000	Burswood \$'000	Aspinall's Club \$'000	Unall-ocated \$'000	Crown Group \$'000	Adjust-ment ⁽¹⁾ \$'000	Crown Group \$'000
Operating revenue								
Main floor gaming		930,657	413,770	–	–	1,344,427	–	1,344,427
VIP program play		418,236	116,772	30,583	–	565,591	(44,219)	521,372
Non Gaming		365,179	169,728	145	19	535,071	–	535,071
Intersegment						(194)	–	(194)
Operating revenue		1,714,072	700,270	30,728	19	2,444,895	(44,219)	2,400,676
Interest revenue	3					8,968	–	8,968
Total revenue		1,714,072	700,270	30,728	19	2,453,863	(44,219)	2,409,644⁽²⁾
Segment result								
Gaming taxes & commissions		(503,406)	(157,044)	(21,469)	–	(681,919)	16,251	(665,668)
Operating expenses		(704,955)	(348,073)	(5,339)	(39,906)	(1,098,273)	–	(1,098,273)
Intersegment						194	–	194
Earnings before interest, tax, depreciation and amortisation "EBITDA"		505,711	195,153	3,920	(39,887)	664,897	(27,968)	636,929
Depreciation and amortisation	3	(155,238)	(37,437)	(308)	(2,620)	(195,603)	–	(195,603)
Earnings before interest and tax "EBIT"		350,473	157,716	3,612	(42,507)	469,294	(27,968)	441,326
Equity accounted share of associates' net profit/(loss)						16,640	15,726	32,366
Net interest income/(expense)						(66,578)	–	(66,578)
Income tax benefit/(expense)						(79,074)	7,815	(71,259)
Profit/(loss) after tax		350,473	157,716	3,612	(42,507)	340,282	(4,427)	335,855
Capital expenditure		231,054	125,657	26	8	356,745	–	356,745
Investments in associates	10	–	–	–	851,721	851,721	–	851,721

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

(2) Total revenue of \$2,409.6 million includes \$0.4 million of profit on disposal of non-current assets, which is not included in revenue in the Income Statement.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

2. Segment Information *continued***30 June 2010**

	Normalised Result ⁽¹⁾				Actual		
	Note	Crown Melbourne \$'000	Burswood \$'000	Unall- ocated \$'000	Crown Group \$'000	Adjust- ment ⁽¹⁾ \$'000	Crown Group \$'000
Operating revenue							
Main floor gaming		876,810	396,157	–	1,272,967	–	1,272,967
VIP commission program play		363,511	172,491	–	536,002	49,303	585,305
Non Gaming		319,184	164,262	27	483,473	–	483,473
Intersegment					(142)	–	(142)
Operating revenue		1,559,505	732,910	27	2,292,300	49,303	2,341,603
Interest revenue	3				11,100	–	11,100
Total revenue		1,559,505	732,910	27	2,303,400	49,303	2,352,703⁽²⁾
Segment result							
Gaming taxes and commissions		(439,523)	(197,588)	–	(637,111)	(13,626)	(650,737)
Operating expenses		(645,117)	(321,696)	(31,285)	(998,098)	–	(998,098)
Intersegment					142	–	142
Earnings before interest, tax, depreciation and amortisation "EBITDA"		474,865	213,626	(31,258)	657,233	35,677	692,910
Depreciation and amortisation	3	(125,716)	(34,762)	(2,640)	(163,118)	–	(163,118)
Earnings before interest and tax "EBIT"		349,149	178,864	(33,898)	494,115	35,677	529,792
Equity accounted share of associates' net profit/(loss)					(48,409)	(21,048)	(69,457)
Net interest income/(expense)					(73,026)	–	(73,026)
Income tax benefit/(expense)					(84,313)	(10,703)	(95,016)
Profit/(loss) after tax		349,149	178,864	(33,898)	288,367	3,926	292,293
Capital expenditure		271,286	62,003	36	333,325	–	333,325
Investments in associates	10	–	–	1,029,669	1,029,669	–	1,029,669

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

⁽²⁾ Total revenue of \$2,352.7 million includes \$10.5 million of profit on disposal of non-current assets, which is not included in revenue in the Income Statement.

3. Revenue and Expenses

	2011 \$'000	2010 \$'000
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue from continuing operations		
Revenue from services	2,063,289	2,016,601
Revenue from sale of goods	315,947	295,533
Interest	8,968	11,100
Dividends	19	27
Other operating revenue	21,018	18,987
	2,409,241	2,342,248
(b) Other income from continuing operations		
Profit on disposal of non-current assets	403	10,455
(c) Expenses from continuing operations		
Cost of sales	119,623	115,327
Gaming activities	1,797,202	1,662,559
Other ordinary activities	42,526	33,925
	1,959,351	1,811,811
Depreciation of non-current assets <i>(included in expenses above)</i>		
Buildings	54,757	49,164
Plant and equipment	120,810	94,973
	175,567	144,137
Amortisation of non-current assets <i>(included in expenses above)</i>		
Casino licence fee and management agreement	14,417	14,417
Other assets	5,619	4,564
	20,036	18,981
Total depreciation and amortisation expense	195,603	163,118

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

3. Revenue and Expenses *continued*

	2011 \$'000	2010 \$'000
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	86,440	86,925
Capitalised interest	(10,895)	(2,799)
	75,545	84,126
Bad and doubtful debts – trade debtors	11,210	6,753
Rentals – operating leases	5,262	5,449
Superannuation expense	41,872	38,979
Other employee benefits expense	628,921	571,534
Executive share plan expenses	1,683	3,368
Net (gain)/loss on total return swaps	(7,775)	–
Net foreign currency (gains)/losses	2,885	(2,375)

4. Dividends Paid and Announced

	2011 \$'000	2010 \$'000
(a) Dividends declared and paid during the financial year		
<i>Prior year final dividend (paid 15 October 2010)</i>		
Paid at 19 cents (2009: 19 cents) per share franked at 60% (2009: 60% franked) at the Australian tax rate of 30% (2009: 30%)	144,095	144,095
<i>Current year interim dividend (paid 15 April 2011)</i>		
Paid at 18 cents (2010: 18 cents) per share franked at 60% (2010: 60% franked) at the Australian tax rate of 30% (2010: 30%)	136,511	136,511
Total dividends appropriated	280,606	280,606
(b) Dividends announced and not recognised as a liability		
<i>Current year final dividend (expected to be paid 14 October 2011)</i>		
Announced at 19 cents (2010: 19 cents) per share and franked at 50% (2010: 60%) at the Australian tax rate of 30% (2010: 30%)	144,095	144,095
(c) Franking credits		
The tax rate at which the final dividend will be franked is 30% (2010: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2011.		
The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2010: 30%)	24,612	46,189
Franking credits that will arise from the payment of income taxes payable as at the end of the financial year	16,846	19,199
Franking debits that will arise from the refund of income taxes receivable as at the end of the financial year	(7,975)	–
Total franking credits	33,483	65,388
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	(30,877)	(37,054)
Total franking credits available for future reporting periods	2,606	28,334

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

5. Income Tax

	2011 \$'000	2010 \$'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 before income tax	407,114	387,309
Prima facie income tax expense on profit at the Australian rate of 30% (2010: 30%)	122,134	116,192
Tax effect of:		
Non deductible depreciation and amortisation	2,247	2,247
Share of associates' net losses/(profits)	(9,710)	20,837
Differences in foreign tax rates	(30,335)	(24,928)
Non assessable income sheltered by capital losses	(14)	(3,065)
Other non assessable income	–	(5,002)
Other items – net	2,201	(14,524)
Deferred income tax on temporary differences	4,779	988
Income tax (over)/under provided in prior years	(20,043)	2,271
Income tax expense	71,259	95,016
Income tax expense comprises:		
Current expense	86,523	91,757
Deferred expense	4,779	988
Adjustments for current income tax of prior periods	(20,043)	2,271
	71,259	95,016
(b) Deferred income taxes		
Deferred income tax assets	108,731	111,081
Deferred income tax liabilities	209,527	207,098
Acquisitions	398	–
Net deferred income tax assets/(liabilities)	(101,194)	(96,017)

5. Income Tax *continued*

	2011 \$'000	2010 \$'000
(c) Deferred income tax assets and liabilities at the end of the financial year		
The balance comprises temporary differences attributable to:		
Doubtful debt provision	9,060	7,712
Employee benefits provision	24,647	22,258
Revenue losses carried forward	7,422	12,305
Other receivables	38,905	41,580
Other provisions	19,133	18,840
Investments	–	(639)
Prepaid casino tax	(18,870)	(20,379)
Licences and intangibles	(117,351)	(123,053)
Land and buildings	(71,593)	(69,958)
Property, plant & equipment	6,770	9,975
Other	683	5,342
Net deferred income tax assets/(liabilities)	(101,194)	(96,017)
(d) Movements in deferred income tax assets and liabilities during the financial year		
Carrying amount at the beginning of the year	(96,017)	(95,029)
Charged/(credited) to the income statement	(4,779)	(988)
Acquisitions	(398)	–
Carrying amount at the end of the year	(101,194)	(96,017)
(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.		
Capital gains tax – no expiry date	801,389	913,557
Total tax losses not brought to account	801,389	913,557
Potential tax benefit at respective tax rates	240,417	274,067

(f) Unrecognised temporary differences

At 30 June 2011, there is no recognised or unrecognised deferred income tax liability (2010: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures, as the Group has no liability for additional taxation should such amounts be remitted.

(g) Tax consolidation

Crown 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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

5. Income Tax *continued*

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

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

6. Trade and Other Receivables

	2011 \$'000	2010 \$'000
Current		
Trade receivables	122,776	140,884
Provision for doubtful debts (a)	(30,704)	(26,897)
	92,072	113,987
Loans to associated entities	426	13
Other receivables	31,258	33,252
	31,684	33,265
	123,756	147,252

(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

	2011 \$'000	2010 \$'000
Allowance for doubtful debts at the beginning of the year	(26,897)	(28,206)
Net doubtful debt expense ⁽¹⁾	(11,210)	(6,753)
Amounts written off	7,403	8,062
	(30,704)	(26,897)

⁽¹⁾ Amounts are included in other expenses.

6. Trade and Other Receivables *continued*

(a) Allowance for Doubtful Debts *continued*

Ageing analysis of trade debtors

	0-30 days \$'000	> 30 days \$'000	Total \$'000
2011 – consolidated			
Current	25,873	–	25,873
Past due not impaired	–	66,199	66,199
Considered impaired	130	30,574	30,704
	26,003	96,773	122,776
2010 – consolidated			
Current	90,097	–	90,097
Past due not impaired	–	23,890	23,890
Considered impaired	667	26,230	26,897
	90,764	50,120	140,884

	2011 \$'000	2010 \$'000
Non-current		
Loans to associated entities ⁽¹⁾	120,399	114,076
Other receivables	11,078	14,082
	131,477	128,158

⁽¹⁾ Loan terms are outlined in note 31.

7. Inventories

	2011 \$'000	2010 \$'000
Current		
Finished goods (at cost)	18,070	16,328

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

8. Other Financial Assets

	2011 \$'000	2010 \$'000
Current		
Receivable on forward exchange contracts	–	1,335
Receivable on interest rate swap	–	636
Receivable on total return swaps	7,775	–
	7,775	1,971
Non-current		
Receivable on forward exchange contracts	24,051	6,045
	24,051	6,045

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

9. Investments

	2011 \$'000	2010 \$'000
At fair value		
Shares – unlisted (Australia)	37,633	37,132
Shares – unlisted (North America)	61,025	69,502
	98,658	106,634

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

The fair value of the unlisted investments have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Management believes that the estimated fair values resulting from the valuation techniques and recorded in the Statement of Financial Position and the related changes in fair value recorded in the Income Statement are reasonable and the most appropriate at the reporting date.

Based on the valuation techniques performed, there has been no fair value movement during the year (2010: \$nil).

10. Investments in Associates

	2011 \$'000	2010 \$'000
Investment details:		
Associated entities – unlisted shares	3,669	6,158
Associated entities – listed shares	848,052	1,023,511
Total investments in associates	851,721	1,029,669
Fair value of listed investments:		
Melco Crown Entertainment Ltd ⁽¹⁾	2,129,988	792,247
	2,129,988	792,247

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

Investments in Associates	Reporting Date	Principal Activity	Country of Incorporation or Residence	%Interest	
				30 June 2011	30 June 2010
Melco Crown Entertainment Ltd	31 Dec ⁽²⁾	Resort/Casino and gaming machine operator	Macau	33.4	33.4
Betfair Australasia Pty Ltd	30 April ⁽²⁾	Betting exchange	Australia	50.0	50.0
Aspers Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	U.K.	50.0	50.0

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

	2011 \$'000	2010 \$'000
Share of associates' revenue and profits/(losses)		
Share of associates':		
Revenue	1,523,293	779,378
Operating profit/(loss) before income tax	31,681	(72,039)
Income tax benefit/(expense)	685	2,582
Share of associates' net profit/(loss) after income tax	32,366	(69,457)

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

10. Investments in Associates *continued*

	2011 \$'000	2010 \$'000
Carrying amount of investments in associates		
Balance at the beginning of the financial year	1,029,669	1,095,150
Carrying amount of investments in associates acquired during the year	15,106	63,565
Share of associates' net profit/(loss) for the year	32,366	(69,457)
Gain / (loss) on issue of shares by associate	–	(4,389)
Foreign exchange movements	(225,420)	(55,200)
Carrying amount of investment in associates at the end of the financial year	851,721	1,029,669
Represented by:		
• Melco Crown	848,052	1,023,511
• Betfair	3,669	6,158
	851,721	1,029,669
The consolidated entity's share of the assets and liabilities of associates in aggregate		
Current assets	402,997	403,607
Non-current assets	1,372,854	2,370,148
Current liabilities	(164,696)	(1,021,821)
Non-current liabilities	(775,949)	(997,264)
Net assets	835,206	754,670
Retained profits/(accumulated losses) of the consolidated entity attributable to associates		
Balance at the beginning of the financial year	(270,740)	(201,283)
Share of associates' net profits/(losses)	32,366	(69,457)
Balance at the end of the financial year	(238,374)	(270,740)

The investment in Aspers Holdings (Jersey) Ltd was previously written down to \$nil and Crown has therefore discontinued recognising its share of further losses. The Group's share of unrecognised losses as at 30 June 2011 for Aspers Group is \$6.4 million (2010: \$5.4 million).

Impairment Testing

Based on detailed impairment testing performed, there has been no impairment charge during the year (2010: \$nil).

For the purposes of impairment testing, management estimated the present value of the future cash flows expected to be generated from operations and the proceeds from ultimate disposal. These calculations use cash flow projections based on past performance and expectations for the future using a five year cash flow period. The implied terminal growth rate beyond the five year period does not exceed the forecasted long term inflation rates of up to 4.3%. Post-tax discount rates of between 9% and 11% were used in the impairment review calculations.

Any reasonable possible change in key assumptions used would not cause the carrying amount of the investments to exceed their recoverable amounts.

11. Property, Plant and Equipment

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
Year ended 30 June 2011						
At 1 July 2010, net of accumulated depreciation and impairment	966,556	675,132	535,942	142,829	–	2,320,459
Additions	1,120	34,043	165,483	156,099	–	356,745
Disposals	–	–	(92)	–	–	(92)
Depreciation expense	(22,376)	(32,381)	(120,810)	–	–	(175,567)
Acquisition of subsidiary	–	9,156	4,497	–	–	13,653
Exchange differences	–	(198)	(95)	–	–	(293)
Reclassification/ transfer	(39,287)	–	161,609	(122,322)	–	–
At 30 June 2011, net of accumulated depreciation and impairment	906,013	685,752	746,534	176,606	–	2,514,905
At 1 July 2010						
Cost (gross carrying amount)	1,137,453	1,046,742	1,409,420	142,829	10,679	3,747,123
Accumulated depreciation and impairment	(170,897)	(371,610)	(873,478)	–	(10,679)	(1,426,664)
Net carrying amount	966,556	675,132	535,942	142,829	–	2,320,459
At 30 June 2011						
Cost (gross carrying amount)	1,103,774	1,098,679	1,729,766	176,606	10,679	4,119,504
Accumulated depreciation and impairment	(197,761)	(412,927)	(983,232)	–	(10,679)	(1,604,599)
Net carrying amount	906,013	685,752	746,534	176,606	–	2,514,905

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

11. Property, Plant and Equipment *continued*

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
Year ended 30 June 2010						
At 1 July 2009, net of accumulated depreciation and impairment	685,363	677,503	499,468	272,296	–	2,134,630
Additions	1,535	29,954	39,632	262,204	–	333,325
Disposals	(3,283)	–	(76)	–	–	(3,359)
Depreciation expense	(16,839)	(32,325)	(94,973)	–	–	(144,137)
Reclassification/ transfer	299,780	–	91,891	(391,671)	–	–
At 30 June 2010, net of accumulated depreciation and impairment	966,556	675,132	535,942	142,829	–	2,320,459
At 1 July 2009						
Cost (gross carrying amount)	839,644	1,018,705	1,290,588	272,296	10,679	3,431,912
Accumulated depreciation and impairment	(154,281)	(341,202)	(791,120)	–	(10,679)	(1,297,282)
Net carrying amount	685,363	677,503	499,468	272,296	–	2,134,630
At 30 June 2010						
Cost (gross carrying amount)	1,137,453	1,046,742	1,409,420	142,829	10,679	3,747,123
Accumulated depreciation and impairment	(170,897)	(371,610)	(873,478)	–	(10,679)	(1,426,664)
Net carrying amount	966,556	675,132	535,942	142,829	–	2,320,459

12. Licences

	Casino Licence ⁽¹⁾ \$'000
Year ended 30 June 2011	
At 1 July 2010, net of accumulated amortisation and impairment	651,926
Additions	20,000
Amortisation expense	(7,471)
At 30 June 2011, net of accumulated amortisation and impairment	664,455
At 1 July 2010	
Cost (gross carrying amount)	774,899
Accumulated amortisation and impairment	(122,973)
Net carrying amount	651,926
At 30 June 2011	
Cost (gross carrying amount)	794,899
Accumulated amortisation and impairment	(130,444)
Net carrying amount	664,455
Year ended 30 June 2010	
At 1 July 2009, net of accumulated amortisation and impairment	659,397
Amortisation expense	(7,471)
At 30 June 2010, net of accumulated amortisation and impairment	651,926
At 1 July 2009	
Cost (gross carrying amount)	774,899
Accumulated amortisation and impairment	(115,502)
Net carrying amount	659,397

(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 Melbourne licence is being amortised over 34 years. The Burswood licence is perpetual and no amortisation is charged.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

13. Other Intangible Assets

	Goodwill ⁽¹⁾ \$'000	Casino Management Agreement ⁽¹⁾ \$'000	Other \$'000	Total \$'000
Year ended 30 June 2010				
At 1 July 2010, net of accumulated amortisation and impairment	11,892	162,570	908	175,370
Business acquisitions	45,853	–	–	45,853
Exchange differences	(1,227)	–	–	(1,227)
Amortisation expense	–	(6,946)	(20)	(6,966)
At 30 June 2011, net of accumulated amortisation and impairment	56,518	155,624	888	213,030
At 1 July 2010				
Cost (gross carrying amount)	11,892	245,279	1,025	258,196
Accumulated amortisation and impairment	–	(82,709)	(117)	(82,826)
Net carrying amount	11,892	162,570	908	175,370
At 30 June 2011				
Cost (gross carrying amount)	56,518	245,279	1,025	302,822
Accumulated amortisation and impairment	–	(89,655)	(137)	(89,792)
Net carrying amount	56,518	155,624	888	213,030
Year ended 30 June 2010				
At 1 July 2009, net of accumulated amortisation and impairment	11,892	169,516	928	182,336
Amortisation expense	–	(6,946)	(20)	(6,966)
At 30 June 2010, net of accumulated amortisation and impairment	11,892	162,570	908	175,370
At 1 July 2009				
Cost (gross carrying amount)	11,892	245,279	1,025	258,196
Accumulated amortisation and impairment	–	(75,763)	(97)	(75,860)
Net carrying amount	11,892	169,516	928	182,336

⁽¹⁾ Purchased as part of a business combination.

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 14).

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

14. Impairment Testing of Intangible Assets

Impairment tests for intangible assets

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

The recoverable amount of a CGU is determined based on 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 implied terminal growth rate beyond the five year period does not exceed the forecasted long term Australian inflation rate of 2.8%.

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

(a) Cash flow forecasts

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

(b) Residual value

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

(c) Forecast growth rates

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

(d) Discount rates

A weighted average cost of capital (after tax) of between 9% and 11% was used by the Group in impairment testing, risk adjusted where applicable.

15. Other Assets

	2011 \$'000	2010 \$'000
Non-current		
Prepaid casino tax at cost	100,800	100,800
Accumulated amortisation	(37,899)	(35,164)
	62,901	65,636
Other prepayments	3,424	–
	66,325	65,636

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

16. Trade and Other Payables

	2011 \$'000	2010 \$'000
Current – unsecured		
Trade and other payables	237,207	291,273
Deferred Income	682	1,010
	237,889	292,283
Non-current – unsecured		
Other	–	67
	–	67

17. Interest-Bearing Loans and Borrowings

	2011 \$'000	2010 \$'000
Current – unsecured		
Bank Loans – unsecured	19,752	20,000
Capital Markets Debt – unsecured	–	114,600
Derivatives	–	636
	19,752	135,236
Non-current – unsecured		
Bank Loans – unsecured	688,401	300,000
Capital Markets Debt – unsecured	361,306	412,758
	1,049,707	712,758

Fair Value Disclosures

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

Financial Risk Management

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

17. Interest-Bearing Loans and Borrowings *continued*

Financing and Credit Facilities

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

Facility Type	Facility Amount \$'000	Drawn Amount \$'000	Letters of Credit Issued \$'000	Available \$'000	Expiry Dates
Bank Facilities					
Bilateral Multi Option Facility ⁽¹⁾	70,000	20,000	17,728	32,272	October 2011
Syndicated Revolving Facility	750,000	–	–	750,000	2015 – 2016
Syndicated Revolving and Term Loan Facility	600,000	505,000	–	95,000	June 2013
GBP Bilateral Facilities	64,642	58,401	–	6,241	December 2012
Letter of Credit Facility	185,000	–	185,000	–	June 2021
Australian Dollar Bilateral Facilities	200,000	125,000	–	75,000	July 2013
	1,869,642	708,401	202,728	958,513	
Debt Capital Markets					
Euro Medium Term Note	174,634	174,634	–	–	July 2036
US Private Placement	186,672	186,672	–	–	2015 – 2020
	361,306	361,306	–	–	
Total at 30 June 2011	2,230,948	1,069,707	202,728	958,513	
Total at 30 June 2010	2,356,022	847,358	222,471	1,286,193	

⁽¹⁾ The \$20.0 million Bilateral Multi Option Facility has been drawn on a discounted basis. The discounted amount (\$19.8 million) is disclosed as an interest bearing loan in the Statement of Financial Position.

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

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

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

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

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

Refer to note 24(b) for a summary of Crown's overdraft facilities.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

18. Provisions

	Employee Entitlements \$'000	Other \$'000	Total \$'000
At 1 July 2010	107,633	21,024	128,657
Arising during the year	79,703	5,932	85,635
Utilised during the year	(72,113)	(11,563)	(83,676)
At 30 June 2011	115,223	15,393	130,616
Current 2011	91,888	11,029	102,917
Non-current 2011	23,335	4,364	27,699
At 30 June 2011	115,223	15,393	130,616
Current 2010	98,296	15,024	113,320
Non-current 2010	9,337	6,000	15,337
At 30 June 2010	107,633	21,024	128,657

19. Other Financial Liabilities

	2011 \$'000	2010 \$'000
Current		
Payables on forward exchange contracts	2,276	-
	2,276	-
Non-current		
Payables on interest rate swaps	10,970	17,100
Payables on cross currency swaps	63,255	23,500
	74,225	40,600

Other financial liabilities are outlined in note 35.

20. Contributed Equity

	2011 \$'000	2010 \$'000
Issued share capital		
Ordinary shares fully paid	645,475	638,690
Movements in issued share capital		
Carrying amount at the beginning of the financial year	638,690	634,364
ESP proceeds	6,785	2,893
Transfer from employee equity benefits reserve	–	1,433
Carrying amount at the end of the financial year	645,475	638,690

	2011 No.	2010 No.
Issued share capital		
Ordinary shares fully paid	758,394,185	758,394,185
Movements in issued share capital		
Balance at the beginning of the financial year	758,394,185	758,394,185
Shares issued	–	–
Balance at the end of the financial year	758,394,185	758,394,185

Terms and Conditions of Contributed Equity

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

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

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

Capital Management

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

During 2011, the Group paid dividends of \$280.6 million. The Group's dividend policy going forward is to pay the higher of 37 cents per share or 65% of normalised full year NPAT (excluding profits from associates), subject to the Group's financial position.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

21. Reserves and Retained Earnings

	2011 \$'000	2010 \$'000
Foreign currency translation reserve	(363,804)	(157,888)
Employee equity benefits reserve	13,010	11,327
Net unrealised gains reserve	629,032	628,532
Cash flow hedge reserve	(52,450)	(33,220)
	225,788	448,751
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	(157,888)	(94,107)
Net exchange difference on translation of foreign operations	(205,916)	(63,781)
Balance at the end of the financial year	(363,804)	(157,888)
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	11,327	9,392
Charged to the income statement	1,683	3,368
Transfer to contributed equity	–	(1,433)
Balance at the end of the financial year	13,010	11,327
Net Unrealised Gains Reserve		
The net unrealised gains reserve records the movement from changes in investments and associates equity.		
Balance at the beginning of the financial year	628,532	632,593
Change in net unrealised gains reserve	500	(4,061)
Balance at the end of the financial year	629,032	628,532
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	(33,220)	(63,900)
Movement in interest rate swaps	6,130	1,200
Movement in cross currency swaps	(39,755)	14,800
Movement in forward exchange contracts	14,395	7,380
Transfer to statement of financial position / statement of comprehensive income	–	7,300
Balance at the end of the financial year	(52,450)	(33,220)

21. Reserves and Retained Earnings *continued*

	2011 \$'000	2010 \$'000
Retained Earnings		
Balance at the beginning of the financial year	2,331,864	2,317,988
Net profit after tax	335,855	292,293
Total available for appropriation	2,667,719	2,610,281
Dividends provided for or paid	(278,622)	(278,417)
Balance at the end of the financial year	2,389,097	2,331,864

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

22. Business Combinations

Acquisition of Aspinall's Club Limited (ACL)

On 6 May 2011, Crown Limited acquired ACL (the owner and operator of the Aspinall's Club in London) from the Aspers Group (a 50:50 joint venture between Crown and the Aspinall family). The consideration transferred was \$58.9 million (£38.1 million). The transaction resulted in Crown Limited owning 100% of the shares in ACL.

The initial accounting for the business combination requires the identification of fair values to be assigned to ACL's identifiable assets, liabilities and contingent liabilities. Due to the acquisition occurring close to the reporting date, the fair values assigned to ACL's assets are provisional. Therefore the initial accounting for the business combination is provisional. In accordance with Australian Accounting Standards, Crown Limited will recognise any adjustments to these provisional values as a result of completing the initial accounting within 12 months of the acquisition date.

Based on the provisional fair values, ACL's net assets at the date of acquisition were \$13.8 million, resulting in \$45.2 million of goodwill. Key factors contributing to the \$45.2 million of provisional goodwill are the synergies existing within the acquired business. The acquisition of ACL will enable Crown Limited to integrate the London operation more fully into its international VIP business and leverage the sales and marketing capability of Crown Limited's international VIP organisation. None of the goodwill recognised is expected to be deductible for income tax purposes.

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

	Consolidated fair value at acquisition date \$'000
Cash and cash equivalents	3,807
Trade and other receivables	1,095
Inventories	238
Prepayments	1,799
Property, plant and equipment	13,653
	20,592
Trade and other payables	6,416
Deferred tax liabilities	407
	6,823
Provisional fair value of identifiable net assets	13,769
Goodwill arising on acquisition	45,172
Consideration transferred for acquisition of identifiable net assets	58,941
Net Cash Flow – Acquisition of subsidiary	
Cash Paid	58,941
Cash Acquired	(3,807)
Net Cash Flow – Acquisition of subsidiary	55,134

23. Expenditure Commitments

(a) Capital expenditure commitments

	2011 \$'000	2010 \$'000
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	325,630	191,137
Payable after one year but not more than five years	64,494	88,743
	390,124	279,880

At 30 June 2011, the Group has capital expenditure commitments principally relating to funding various projects at Burswood and Crown Melbourne.

(b) Non-cancellable operating lease commitments

	2011 \$'000	2010 \$'000
Payable within one year	1,924	1,036
Payable after one year but not more than five years	2,475	2,356
Payable more than five years	16,959	1,004
	21,358	4,396

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 12 years (2010: 4 years). The increase in the average lease term reflects the inclusion of Aspinall's Club's operating leases at the end of the current period. Operating leases include telecommunications rental agreements and leases on assets including motor vehicles, land and buildings and items of plant and equipment. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated. There are no restrictions placed upon the lessee by entering into these leases.

In addition, in 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which Crown Melbourne Entertainment complex is located. For years one to forty inclusive the annual rent payable by the parent entity is one dollar per annum. For years forty-one to ninety-nine inclusive the annual rent payable will be the then current market rent for the site. The aggregate lease expenditure contracted for at balance date but not provided for which is disclosed in this report does not include an estimate for the rent payable for years forty-one to ninety-nine inclusive due to the uncertainty of these amounts.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

24. Cash Flow Statement Reconciliation

	2011 \$'000	2010 \$'000
(a) Cash balance represents:		
• cash on hand and at bank	165,919	178,395
• deposits at call	17,780	18,000
	183,699	196,395

The above closing cash balances includes \$130.3 million (2010: \$126.7 million) of cash on the company's premises and cash held in bank accounts (including deposits on call) needed to run the day to day operations of the businesses.

	2011 \$'000	2010 \$'000
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit after tax	335,855	292,293
Depreciation and amortisation:		
• property, plant and equipment	175,567	144,137
• intangibles	20,036	18,981
(Profit)/loss on sale of property, plant and equipment	(403)	(10,455)
Unrealised foreign exchange loss	4,015	169
Share of associates' net (profit) / loss	(32,366)	69,457
Executive Share Plan expense	1,683	3,368
Net (gain)/loss on total return swaps	(7,775)	–
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(10,137)	(40,768)
Increase/(decrease) in doubtful debts	8,417	(1,254)
(Increase)/decrease in inventories	(1,504)	(2,826)
(Increase)/decrease in prepayments	(6,550)	139
(Increase)/decrease in deferred income tax asset	2,350	29,057
(Increase)/decrease in other assets	5	(4,503)
(Decrease)/increase in payables	(51,229)	33,172
(Decrease)/increase in current income tax liability	5,908	(4,025)
(Decrease)/increase in provisions	288	(31,417)
(Decrease)/increase in deferred income tax liability	6,809	(28,068)
Net cash flows from operating activities	450,969	467,457

Bank Overdraft Facilities

The consolidated entity has bank overdraft facilities available as follows:

Bank	2011	2010
ANZ Banking Group Limited	A\$20 million	A\$10 million
Citibank NA	US\$10 million	US\$10 million

There were no drawn down amounts at 30 June 2011.

25. Events After the Reporting Period

Subsequent to 30 June 2011, the directors of Crown announced a final dividend on ordinary shares in respect of the year ending 30 June 2011. The total amount of the dividend is \$144.1 million, which represents a dividend of 19 cents per share franked at 50%. The dividend has not been provided for in the 30 June 2011 financial statements.

On 11 May 2011, Crown announced the acquisition of the Holiday Inn hotel building and associated assets in Perth together with the termination of Burswood's partnership with the Intercontinental Hotel Group (IHG) pursuant to which both the Holiday Inn hotel and the Intercontinental Hotel at Burswood were operated. The cost of these transactions was approximately \$79 million. Settlement of the transactions occurred on 1 July 2011 and Burswood now operates both the Holiday Inn Burswood hotel and the Intercontinental Burswood hotel under a licence agreement with IHG.

On 26 August 2011, Crown announced its intention to conduct an on market share buy-back of up to 30,000,000 of its ordinary shares. This number represents approximately 4% of Crown shares on issue at balance date.

26. Executive Share Plan

Crown operates an Executive Share Plan (ESP) which was approved at the 1994 PBL Annual General Meeting. No ESP shares were issued to executives in the current financial year.

Crown ESP shares are subject to a performance condition, requiring a 7% compound annual growth in the Crown share price in order for the relevant portion of shares to vest and be released from restrictions under the ESP.

At 30 June 2011, 25 ESP participants held 4,952,807 Crown ESP shares or 0.65% percent of Crown's issued capital.

	2011 No.	2010 No.
Shares at the beginning of the financial year	5,748,815	6,073,815
Forfeited	(796,008)	(325,000)
Shares on issue at the end of the financial year	4,952,807	5,748,815
Loans to executives at the beginning of the financial year	\$66,559,688	\$70,258,313
Loans repaid and satisfied during the year	(\$8,833,613)	(\$3,698,625)
Loans to executives at year end	\$57,726,075	\$66,559,688

Methodology

In accordance with Australian Accounting Standards the ESP shares are accounted for as share based payments (see note 1(t)) and as such the loan values are not recorded in Crown's Statement of Financial Position until they become due.

The value that forms the basis was established at the time each ESP share was granted. As ESP shares were issued prior to the demerger the valuation was performed using assumptions relevant to PBL before demerger.

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; and
- 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 2011

26. Executive Share Plan *continued*

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 applied by external valuer

- PBL's share price was the loan amount per share as advised by Crown to the external valuer 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; and
- The dividend yield was calculated based on the consensus broker EPS forecast divided by PBL's share price.

New Long Term Incentive Plan (Crown LTI)

Crown has now established a new LTI. The Crown LTI was designed as a successor long term incentive to the Employee Share Plan which is in run off mode. The Crown LTI has been made available to selected senior executives with effect from 1 July 2010. The Crown LTI rewards relevant senior executives for achieving certain earnings per share targets over the four year period from 1 July 2010 to 30 June 2014. Further detail regarding the operation of the Crown LTI and the Senior Executives (or KMPs) who participate in the Crown LTI can be found in the Remuneration Report.

27. Contingent Liabilities and Related Matters

	2011 \$'000	2010 \$'000
(a) The Group has made guarantees in relation to commitments of certain of its associated entities	–	22,371
(b) The Group has made certain guarantees regarding contractual, performance and other commitments	17,728	15,100
Total unsecured contingent liabilities	17,728	37,471

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

Legal Actions

Entities within the group are defendants from time to time in legal proceedings arising from the conduct of their business. The group does not consider that the outcome of any proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

28. Auditors' Remuneration

	2011 \$'000	2010 \$'000
Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
Auditing the accounts	817	833
Taxation services:		
• Pre demerger matters	1,546	1,254
• Current matters	1,936	1,523
Other services:		
• Assurance related	–	24
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:		
Auditing the accounts	30	23
Other services:		
• Taxation services	321	537
• Consulting services	44	–
	4,694	4,194
Amounts received, or due and receivable, by non Ernst & Young audit firms for:		
Auditing services	71	271

29. Earnings Per Share (EPS)

	2011 \$'000	2010 \$'000
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Net profit / (loss) after tax used in calculating basic and diluted EPS	335,855	292,293
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	758,394	758,394

There are no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

30. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

James D Packer	Executive Chairman
John H Alexander	Executive Deputy Chairman
Benjamin A Brazil	Non Executive Director
Christopher D Corrigan	Non Executive Director
Rowen B Craigie	Chief Executive Officer and Managing Director
Rowena Danziger	Non Executive Director
Geoffrey J Dixon	Non Executive Director
David L B Gyngell	Non Executive Director (appointed 13 September 2010, resigned 25 November 2010)
John S Horvath	Non Executive Director (appointed 9 September 2010)
Ashok Jacob	Non Executive Director
Michael R Johnston	Non Executive Director
Harold C Mitchell	Non Executive Director (appointed 10 February 2011)
Richard W Turner	Non Executive Director (resigned 1 May 2011)

(ii) Executives

Kenneth M Barton	Chief Financial Officer – Crown Limited
David G Courtney	Chief Executive Officer – Crown Melbourne Limited (until 8 October 2010)
Barry J Felstead	Chief Executive Officer – Burswood Limited
Greg Hawkins	Deputy Chief Executive Officer – Crown Melbourne Limited (from 6 December 2010)
W Todd Nisbet	Executive Vice President – Strategy and Development (from 9 August 2010)

(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	2011 \$	2010 \$
Short term benefits	12,575,741	10,086,392
Post employment benefits	112,395	90,075
Termination benefits	3,790,845	1,435,000
Long term incentives	8,376,147	4,874,383
	24,855,128	16,485,850

Further details are contained in the Remuneration Report.

30. Key Management Personnel Disclosures *continued*

(c) Shareholdings of key management personnel

Ordinary shares held in Crown (directly and indirectly) 30 June 2011

Directors (including directors who left the Board during the year)	Balance 1 July 2010	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2011
James D Packer ⁽¹⁾	303,505,290	–	22,623,954	326,129,244
John H Alexander	506,047	–	–	506,047
Rowen B Craigie ⁽²⁾	2,341,102	–	–	2,341,102
Rowena Danziger	30,896	–	–	30,896
Harold C Mitchell ⁽³⁾	–	–	114,887	114,887
Richard W Turner ⁽⁴⁾	19,373	–	–	19,373

Executives	Balance 1 July 2010	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2011
David G Courtney ⁽¹⁾	700,377	–	(56,575)	643,802
Barry J Felstead ⁽²⁾	234,110	–	–	234,110

⁽¹⁾ Change is a result of an on market trade.

⁽²⁾ All of these shares are ESP shares.

⁽³⁾ Appointed 10 February 2011.

⁽⁴⁾ Resigned 1 May 2011.

The Company does not have any options on issue.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

30. Key Management Personnel Disclosures *continued***(c) Shareholdings of key management personnel** *continued***Ordinary shares held in Crown (directly and indirectly)****30 June 2010**

Directors (including directors who left the Board during the year)	Balance 1 July 2009	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2010
James D Packer ⁽¹⁾	280,753,465	–	22,751,825	303,505,290
John H Alexander ⁽²⁾	607,680	–	(101,633)	506,047
Rowen B Craigie ⁽³⁾	2,341,102	–	–	2,341,102
Rowena Danziger	30,896	–	–	30,896
David H Lowy ⁽⁴⁾	137,250	–	–	137,250
Richard W Turner ⁽¹⁾	29,373	–	(10,000)	19,373

Executives	Balance 1 July 2009	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2010
Robert F E Turner ⁽¹⁾	264,383	–	(1,010)	263,373
David G Courtney	700,377	–	–	700,377
Barry J Felstead ⁽³⁾	234,110	–	–	234,110

⁽¹⁾ Change is a result of an on market trade.⁽²⁾ Change is a result of an off market trade.⁽³⁾ All of these shares are ESP shares.⁽⁴⁾ Resigned 22 June 2010.

The Company does not have any options on issue.

31. Related Party Disclosures

(a) Parent entity

Crown Limited is the ultimate parent entity of the Group.

(b) Controlled entities, associates and joint ventures

Interests in significant controlled entities are set out in note 32.

Investments in associates and joint ventures are set out in note 10.

(c) Entity with significant influence over the Group

At balance date Consolidated Press Holdings Group ("CPH"), a group related to Mr James Packer, holds 43.00% (2010: 40.02%) of the Company's fully paid ordinary shares.

(d) Director related entities

Consolidated Media Holdings ("CMH") is an entity classified as a related party due to Crown and CMH having a number of common directors.

(e) Key management personnel

Disclosures relating to key management personnel are set out in note 30, and in the Remuneration Report.

(f) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arms length transactions both at normal market prices and on normal commercial terms, unless otherwise stated.

(g) Transactions with related parties

The continuing operations have had the following transactions with related parties:

(i) Director related entities and entities with significant influence over the Group

CPH provided corporate secretarial and administrative services to Crown and its controlled entities of \$0.2 million during the year (2010: \$0.2 million). In addition CPH paid costs on behalf of Crown to third parties totalling \$1.3 million during the year (2010: \$0.5 million). At 30 June 2011 there were no amounts owing to CPH (2010: \$nil).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$39,000 during the year (2010: \$32,000).

Crown and CMH jointly engaged certain legal and other advisers in relation to certain matters arising prior to the PBL demerger. Costs of these advisers are shared in a manner consistent with Section 14 of the PBL Scheme Booklet, generally Crown – 75% and CMH – 25%. Similarly, payments in relation to liabilities arising from activities prior to the PBL demerger were shared on the same basis. At 30 June 2011 \$0.1 million (2010: \$0.1 million) was owing to CMH in relation to pre-demerger matters.

(ii) Associates

Crown acquired additional equity in Melco Crown from Melco Crown SPV Limited for an amount of \$15.1 million (2010: \$nil).

Interest charged on loans previously advanced to Melco Crown was \$0.1 million for the year (2010: \$0.1 million). Crown provided Melco Crown IT and related services of \$0.6 million (2010: \$0.7 million) at cost during the year. Amounts receivable from Melco Crown at 30 June 2011 in relation to all charges made were \$0.1 million (2010: \$0.5 million).

Melco Crown provided \$40,000 (2010: \$6,000) in Hotel and other services to Crown during the year. In addition Melco Crown paid costs of \$0.1 million (2010: \$0.1 million) on behalf of Crown during the year which has subsequently been reimbursed in full.

Crown provided additional loans of \$51.2 million (2010: \$nil) to Aspers Holdings (Jersey) Ltd during the year. Aspers made loan repayments of \$28.1 million (2010: \$nil) to Crown during the year. Interest charged on loans advanced to Aspers was \$5.8 million for the year (2010: \$0.7 million). In addition Aspers paid costs of \$20,000 (2010: \$1.2 million) on behalf of Crown during the year. At 30 June 2011 there were no amounts owing to Aspers (2010: \$nil).

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

31. Related Party Disclosures *continued*

(g) Transactions with related parties *continued*

(ii) Associates *continued*

Crown paid costs of \$0.3 million (2010: \$0.3 million) on behalf of Gateway during the year which has subsequently been reimbursed as at 30 June 2011. Gateway did not pay any costs on behalf of Crown during the year (2010: \$48,000). At 30 June 2011 there were no amounts owing to Gateway (2010: \$nil).

Crown made no further loans to Betfair during the year (2010: \$4.0 million). The loan balance with Betfair at 30 June 2011 was \$11.7 million (2010: \$11.7 million). No interest is payable on the loan. Crown provided Betfair Hotel and Banqueting services of \$40,000 (2010: \$28,000) during the year.

For the year ended 30 June 2011, 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 (2010: \$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. During the financial year Crown has assessed there is no impairment to related party receivables.

32. 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 /Residence	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2011	2010		2011 %	2010 %
Crown Limited			Australia	Parent Entity	
Artra Pty Ltd			Australia	100	100
Aspinall's Club Limited			United Kingdom	100	50
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 Asia Investments Limited	A		Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Limited			Australia	100	100
Crown CCR Group Holdings One Pty Ltd	A	A	Australia	100	100
Crown CCR Group Holdings Two Pty Ltd			Australia	100	100
Crown CCR Group Holdings General Partnership			USA	100	100
Crown CCR Group Investments One LLC			USA	100	100
Crown CCR Group Investments Two LLC			USA	100	100
Crown CCR Holdings LLC			USA	100	100
Crown CPS Holdings Pty Ltd	A		Australia	100	100
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown Gateway Luxembourg Sarl			Luxembourg	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Management Holdings Pty Ltd	A		Australia	100	100
Crown Management Pty Ltd	A		Australia	100	100
Crown Melbourne Limited	A		Australia	100	100
Crown North America Holdings One Pty Ltd			Australia	100	100
Crown North America Investments LLC			USA	100	100
Crown Overseas Investments Pty Ltd	A		Australia	100	100
Crown Services (US) LLC			USA	100	100
Crown UK Investments Ltd			United Kingdom	100	–
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100
Flienn Pty Ltd	A	A	Australia	100	100
Jade West Entertainment Pty Ltd	A	A	Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Nine Television (Netherlands Antilles) Pty Ltd			Australia	100	100
PBL (CI) Finance Limited			Cayman Islands	100	100
Pennwin Pty Ltd			Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Publishing and Broadcasting International Holdings Ltd			Bahamas	100	100
Renga Pty Ltd	A	A	Australia	100	100

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

A These controlled entities have entered into a deed of cross guarantee with the parent entity under ASIC Class Order 98/1418 – the “Closed Group” (refer note 33).

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

33. Deed of Cross Guarantee

Certain controlled entities of Crown Limited, as detailed in note 32, are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

By entering into the deed, pursuant to ASIC Class Order 98/1418, certain controlled entities of Crown have been granted relief from the Corporations Act 2001 requirements for preparation, audit and publication of accounts.

The consolidated income statement and balance sheet of the entities which are members of the "Closed Group" are detailed below.

	Closed Group	
	2011 \$'000	2010 \$'000
Consolidated income statement		
Profit / (loss) before income tax	1,205,637	(311,533)
Income tax (expense) / benefit	(45,514)	55,437
Net profit / (loss) after income tax	1,160,123	(256,096)
Retained earnings / (accumulated losses) at the beginning of the financial year	(2,286,505)	(1,751,991)
Retained earnings of entities entering Closed Group	1,182,822	–
Dividends provided for or paid	(278,622)	(278,418)
Retained earnings / (accumulated losses) at the end of the financial year	(222,182)	(2,286,505)

33. Deed of Cross Guarantee *continued*

	Closed Group	
	2011 \$'000	2010 \$'000
Consolidated balance sheet		
Current assets		
Cash and cash equivalents	167,574	114,614
Trade and other receivables	122,562	54,963
Inventories	17,834	2,840
Other current assets	18,798	9,102
Total current assets	326,768	181,519
Non-current assets		
Receivables	1,259,496	2,053,674
Other financial assets	2,390,577	10,044,040
Investment in associates	851,721	6,158
Property, plant and equipment	2,501,567	609,328
Licences	555,426	420,426
Other intangible assets	169,165	11,892
Deferred tax assets	95,824	68,938
Other assets	62,901	–
Total non-current assets	7,886,677	13,214,456
Total assets	8,213,445	13,395,975
Current liabilities		
Trade and other payables	221,204	95,244
Interest-bearing loans and borrowings	19,752	135,236
Income tax payable	38,997	33,727
Provisions	100,154	50,031
Other financial liabilities	2,276	–
Total current liabilities	382,383	314,238
Non-current liabilities		
Interest-bearing loans and borrowings	2,657,007	5,210,800
Deferred tax liability	138,864	11,317
Provisions	27,699	9,654
Other financial liabilities	74,225	42,696
Total non-current liabilities	2,897,795	5,274,467
Total liabilities	3,280,178	5,588,705
Net assets	4,933,267	7,807,270
Equity		
Contributed equity	5,447,104	9,680,318
Reserves	(291,655)	413,457
Retained earnings	(222,182)	(2,286,505)
Total equity	4,933,267	7,807,270

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

34. Parent Entity Disclosures

	Crown Limited	
	2011 \$'000	2010 \$'000
Results of the parent entity		
Profit after tax for the period	280,287	278,328
Other comprehensive income/(loss)	–	–
Total comprehensive income for the period	280,287	278,328
Financial position of the parent entity		
Current assets	1	–
Non-current assets	9,482,802	9,335,949
Total assets	9,482,803	9,335,949
Current liabilities	39,073	33,727
Non-current liabilities	2,451,880	2,320,504
Total liabilities	2,490,953	2,354,231
Total equity of the parent entity comprising of:		
Issued capital	10,125,916	10,119,131
Employee equity benefits reserve	13,010	11,327
Accumulated losses	(3,147,076)	(3,148,740)
Total equity	6,991,850	6,981,718

Contingent liabilities

There are no contingent liabilities for the parent entity at 30 June 2011 (2010: \$nil).

Capital expenditure

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2011 (2010: \$nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in notes 32 and 33.

35. Financial Risk Management Objectives and Policies

The Group's principle financial instruments comprise receivables, payables, bank loans and capital market debt, investments, cash and short term deposits and derivatives.

The Group's business activities expose it to the following risks; market risks (interest rate and foreign exchange), credit risk and liquidity risk. For each of these risks, the Group considers the counterparties, geographical area, currency and markets as applicable to determine whether there are concentrations of risk. Other than as described in this note, the 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.

Financial 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 Treasury's risk management activities.

(a) Market Risk

(i) Interest rate risk – cash flow

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents and long term debt obligations as outlined in note 17.

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

	2011 \$'000	2010 \$'000
Financial assets		
AUD cash on hand and at bank	42,402	78,321
AUD deposits at call	17,780	18,000
GBP cash on hand and at bank	10,980	–
USD cash on hand and at bank	17	167
Total financial assets	71,179	96,488
Financial liabilities		
AUD bank loans	349,756	20,000
GBP bank loans	58,401	–
Total financial liabilities	408,157	20,000
Net exposure	(336,978)	76,488

As at balance date, the Group maintained floating rate borrowings of \$408.2 million (2010: \$20.0 million) that were not hedged by interest rate swaps. The associated interest rate risk is partially mitigated by total financial assets of \$71.2 million (2010: \$96.5 million). Under the bank loans, for AUD facilities, the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 150 and 220 basis points, whilst for GBP facilities, the Group pays LIBOR plus a margin of 220 basis points.

Of the AUD cash on hand and at bank \$42.4 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$17.8 million are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$112.5 million for operational purposes and is non interest bearing (2010: \$99.9 million).

As at balance date, the Group maintained no floating rate borrowings in USD (2010: \$nil) and had minimal cash and cash equivalents (2010: \$0.2 million).

As at balance date, the Group maintained floating rate borrowings of \$58.4 million in GBP (2010: \$nil) and had cash and cash equivalents of \$11.0 million (2010: \$nil) invested at the UK daily cash rate.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

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

Group Sensitivity

As a result of an increase of 150 basis points in AUD, GBP and USD interest rates, the Group's post-tax-profit for the year would have decreased by \$3.6 million. As a result of a decrease of 150 basis points in AUD interest rates, a decrease of 25 basis points in USD interest rates and a decrease of 50 basis points in GBP interest rates, the Group's post-tax-profit for the year would have increased by \$3.2 million.

The Group, where appropriate, uses interest rate swaps to manage the risk of adverse movements in interest rates for its long term floating rate borrowings which are subject to variable rates.

The Group uses cross-currency interest rate swaps to manage the risk of adverse movements in interest rates for its long term foreign currency denominated borrowings which are subject to variable rates.

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

	2011 \$'000	2010 \$'000
Cash flow hedge		
Maturity 1 – 5 years	300,000	300,000
Maturity over 5 years	174,634	174,634
Closing Balance	474,634	474,634

Under the interest swap contracts maturing June 2013, the Group has the right to receive floating rate (i.e. BBSW) quarterly and pay fixed rate of 6.99% quarterly. The terms of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective. The fair value of the swap at balance date was negative \$11.0 million (2010: negative \$17.1 million).

Under the cross currency swap contract (maturing July 2036), the Group has the right to receive USD interest at a fixed rate of 4.76% (2010: 4.76%) semi-annually and pay AUD interest at fixed rate of 7.05% (2010: 7.05%) quarterly. The term of the cross currency swap contract are matched directly against the appropriate loan and interest expense and as such is highly effective. The fair value of the swap at balance date was negative \$63.3 million (2010: negative \$23.5 million).

(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 \$661.3 million (2010: \$652.7 million).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances.

	2011 \$'000	2010 \$'000
Fair value hedge		
Maturity under 1 year	–	114,600
Maturity 1 – 5 years	–	–
Maturity over 5 years	–	–
Closing Balance	–	114,600

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk

As a result of operations in the United Kingdom, the Group's Statement of Financial Position and Income Statement can be affected by movements in the AUD/GBP exchange rate.

The Group also 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:

	2011 \$'000	2010 \$'000
USD Exposure		
Financial assets		
Cash and cash equivalents	17	167
Total financial assets	17	167
Financial liabilities		
US Private Placement	186,672	238,124
Total financial liabilities	186,672	238,124
Net exposure	(186,655)	(237,957)
GBP Exposure		
Financial assets		
Cash and cash equivalents	15,289	–
Trade and other receivables	1,727	–
Loans to associates	49,237	28,592
Total financial assets	66,253	28,592
Financial liabilities		
Trade and other payables	8,216	–
GBP Bilateral Facility	58,401	–
Total financial liabilities	66,617	–
Net exposure	(364)	28,592

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

35. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

Group sensitivity – USD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10¢ against the USD would be \$15.9 million higher or \$19.2 million lower (2010: \$25.3 million higher or \$32.2 million lower).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 10¢ against the USD would not be material as at balance date (2010: not material).

Group sensitivity – GBP

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 5¢ against the GBP would not be material as at balance date (2010 \$1.8 million lower or \$2.1 million higher).

The sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 5¢ against the GBP would not be material as at balance date (2010: not material).

Foreign Exchange Contracts

The Group uses derivative instruments such as forward exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance.

Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. These derivatives qualify for hedge accounting and are based on limits set by the Board.

Cash flow hedges

At balance date details of outstanding contracts denominated in AUD was:

	Notional Amounts		Average Rate	
	2011 \$'000	2010 \$'000	2011	2010
Buy USD/Sell AUD				
Maturity under 1 year	20,128	19,958	0.9290	0.8912
Maturity 1–5 years	–	–	–	–
Buy AUD/Sell USD				
Maturity under 1 year	–	–	–	–
Maturity 1–5 years	91,754	86,467	0.6992	0.7419

The change in fair value of cash flow hedges as at balance date was positive \$21.8 million (2010: positive \$7.4 million).

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.

35. Financial Risk Management Objectives and Policies *continued*

(b) Price Risk

(i) Equity Securities Price Risk

The Group is exposed to equity securities price risk. Equity securities price risk arises from investments held by the Group and classified on the balance sheet as investments.

	2011 \$'000	2010 \$'000
Shares – unlisted	98,658	106,634
Net exposure	98,658	106,634

Group sensitivity

The Group's sensitivity to equity securities price risk has been estimated using valuation techniques based on the fair value of securities held. The sensitivity to fair value movements through equity or profit and loss as a result of movement in value of the securities was not material as at balance date.

(ii) Commodity Price Risk

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

(iii) Total Return Swaps Price Risk

During the year, the Group entered into a series of cash settled total return swap contracts. The Group entered into these swaps for the purpose of gaining exposure to Tabcorp and Echo. These swaps are marked-to-market each period as these swaps do not qualify for hedge accounting. As such, all unrealised gains and losses related to those swaps are recorded directly to the Income Statement and are classified as other income/(expense). The current swaps are contracted to settle in 2011.

	2011 \$'000	2010 \$'000
Total return swap derivative asset	7,775	–
Net fair value	7,775	–

Group sensitivity

The sensitivity to movement in fair value of the total return swaps on the after-tax profit and loss of the Group as a result of the strengthening of the Tabcorp and Echo shares price by 10% would be an increase of \$17.4 million. The sensitivity to movement in fair value of the total return swaps on the after-tax profit and loss of the Group as a result of the weakening of the Tabcorp and Echo share price by 10% would be a reduction of \$17.4 million.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

35. Financial Risk Management Objectives and Policies *continued*

(c) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is outlined under each applicable note.

The Group does not hold any credit derivatives or collateral to offset its credit exposure.

All investment and financial instruments activity is with approved counterparties with investment grade ratings and is in accordance with approved policies. There are no significant concentrations of credit risk within the Group and the aggregate value of transactions is spread amongst a number of financial institutions to minimise the risk of default of counterparties.

Credit risk in trade receivables is managed in the following ways:

- (i) The provision of credit is covered by a risk assessment process for all customers.
- (ii) Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.
- (iii) The provision of cheque-cashing facilities for gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank opinions and the use of a central credit agency which collates information from major casinos around the world.

(d) Liquidity Risk

It is the Group's objective to maintain a balance between continuity of funding and flexibility through the use of cash reserves, committed bank lines and capital markets debt in order to meet its financial commitments in a timely manner.

At balance date 1.8% or \$20 million of the Group's debt will mature in less than 12 months (2010: 15.9%).

As at balance date the Group had \$958 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 assets and financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

35. Financial Risk Management Objectives and Policies *continued*

(d) Liquidity Risk *continued*

	1 year or less		1 to 5 years		more than 5 years		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assets								
Cash and cash equivalents	183,699	196,395	–	–	–	–	183,699	196,395
Receivables – trade	123,330	147,239	11,078	14,082	–	–	134,408	161,321
Receivables – associates	426	13	71,575	73,784	48,824	40,292	120,825	114,089
Total return swap contracts	7,775	–	–	–	–	–	7,775	–
Forward exchange contracts receivable	17,453	21,177	91,754	82,913	–	–	109,207	104,090
Interest rate swaps receivable	–	720	–	–	–	–	–	720
Cross currency interest rate swaps receivable	5,787	7,382	23,148	29,528	115,740	155,022	144,675	191,932
Total financial assets	338,470	372,926	197,555	200,307	164,564	195,314	700,589	768,547
Financial liabilities								
Trade and other payables	237,889	292,283	–	67	–	–	237,889	292,350
Capital markets	–	114,600	–	–	361,306	412,758	361,306	527,358
Bank loans	19,752	20,000	688,401	300,000	–	–	708,153	320,000
Forward exchange contracts payable	20,128	19,958	59,875	76,378	–	–	80,003	96,336
Interest rate swaps payable	5,882	6,222	5,883	12,445	–	–	11,765	18,667
Cross currency interest rate swaps payable	12,312	12,312	49,248	49,248	246,240	258,552	307,800	320,112
Total financial liabilities	295,963	465,375	803,407	438,138	607,546	671,310	1,706,916	1,574,823
Net maturity	42,507	(92,449)	(605,852)	(237,831)	(442,982)	(475,996)	(1,006,327)	(806,276)

(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.

Fair value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level One – the fair value is calculated using quoted prices in active markets;

Level Two – the fair value is estimated using inputs other than quoted prices included in Level One that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level Three – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Notes to the Financial Statements *continued*

For the year ended 30 June 2011

35. Financial Risk Management Objectives and Policies *continued***(e) Fair Value of Financial Instruments** *continued*

	Valuation Technique			Total \$'000
	Quoted market price Level One \$'000	Observable inputs Level Two \$'000	Non market observable Level Three \$'000	
Year ended 30 June 2011				
Financial Assets				
<i>Derivative Instruments</i>				
Receivable on total return swaps	–	7,775	–	7,775
Receivable on forward exchange contracts	–	24,051	–	24,051
<i>Investments</i>				
Shares – unlisted (Australia)	–	–	37,633	37,633
Shares – unlisted (North America)	–	–	61,025	61,025
	–	31,826	98,658	130,484
Financial Liabilities				
<i>Derivative Instruments</i>				
Payables on interest rate swaps	–	10,970	–	10,970
Payables on cross currency swaps	–	63,255	–	63,255
Payables on forward exchange contracts	–	2,276	–	2,276
	–	76,501	–	76,501
Year ended 30 June 2010				
Financial Assets				
<i>Derivative Instruments</i>				
Receivable on forward exchange contracts	–	7,380	–	7,380
Receivable on interest rate swap	–	636	–	636
<i>Investments</i>				
Shares – unlisted (Australia)	–	–	37,132	37,132
Shares – unlisted (North America)	–	–	69,502	69,502
	–	8,016	106,634	114,650
Financial Liabilities				
<i>Derivative Instruments</i>				
Payables on interest rate swaps	–	17,100	–	17,100
Payables on cross currency swaps	–	23,500	–	23,500
Payables on forward exchange contracts	–	–	–	–
	–	40,600	–	40,600

There have been no transfers during the financial year ended 30 June 2011.

35. Financial Risk Management Objectives and Policies *continued*

(e) Fair Value of Financial Instruments *continued*

Reconciliation of Level Three fair value movements:

	2011 \$'000	2010 \$'000
Opening Balance	106,634	86,313
Other Comprehensive Income	(7,976)	(263)
Purchases	–	20,584
Closing Balance	98,658	106,634

Shareholder Information

Substantial shareholders as at 9 September 2011:

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

Shareholder	Number of ordinary Shares	% of Issued Capital
Consolidated Press Holdings Limited ¹	326,129,244	43.00
Perpetual Limited	62,245,378	8.25
Janus Capital Management LLC	45,500,033	5.99

¹ On 26, 29 and 30 August 2011, Cairnton Holdings Limited, an entity associated with Consolidated Press Holdings Limited, acquired 6 million ordinary shares. A change to Substantial Shareholder Notice was not received in respect of this acquisition representing less than 1% of the total number of ordinary shares on issue. As at the date of this Report, the relevant interest of Consolidated Press Holdings Limited in ordinary shares is 43.79%.

Holders of each class of securities

Crown only has ordinary shares on issue. The total number of ordinary shares on issue is **758,394,185** held by **47,403** shareholders.

Voting rights of ordinary shares

Crown's Constitution sets out the information in relation to the voting rights attached to shares. In summary, at a general meeting on a show of hands, every member present has one vote; and on a poll, every member present has:

- (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 9 September 2011:

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	31,330	1.65
1,001 – 5,000	14,287	3.93
5,001 – 10,000	1,160	1.05
10,001 – 100,000	530	1.55
100,001+	96	91.82
Total	47,403	100.00
Holding less than a marketable parcel	3,361	

The 20 largest shareholders as at 9 September 2011:

Name	No. of Shares	% of Issued Capital
Bareage Pty Limited	158,486,104	20.90
Consolidated Press Holdings Limited	153,863,935	20.29
HSBC Custody Nominees (Australia) Limited	106,937,058	14.10
J P Morgan Nominees Australia Limited	61,638,296	8.13
National Nominees Limited	58,182,307	7.67
RBC Dexia Investor Services Australia Nominees Pty Limited <PIPOOLED A/C>	25,777,553	3.40
Citicorp Nominees Pty Limited	22,242,449	2.93
Cogent Nominees Pty Limited	14,743,417	1.94
Samenic Limited	10,188,370	1.34
JP Morgan Nominees Australia Limited <Cash Income A/C>	8,346,015	1.10
UBS Nominees Pty Ltd	7,832,744	1.03
AMP Life Limited	6,358,158	0.84
Cairnton Holdings Limited	6,000,000	0.79
Win Television Nsw Pty Limited	5,528,845	0.73
Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 4 A/C>	3,910,225	0.52
RBC Dexia Investor Services Australia Nominees Pty Limited <PIIC A/C>	3,305,439	0.44
Mr Rowen Bruce Craigie ¹	2,341,102	0.31
Cogent Nominees Pty Limited <SMP Accounts>	2,217,072	0.29
Consolidated Press Investments Pty Ltd	2,069,387	0.27
Argo Investments Limited	2,054,184	0.27
Total	662,022,660	87.29
Others	96,371,525	12.71

¹ Mr Craigie's holding is entirely comprised of Crown ESP shares.

Details of unquoted equity securities

Crown has **3,142,202** 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.

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the Share Registry's website at www.investorcentre.com. For security reasons, shareholders need to enter their Security holder Reference Number (SRN) or Holding Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online. Alternatively, download the relevant forms and have the completed forms mailed to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry, Computershare Investor Services, on telephone number 1300 659 795, or if calling from outside Australia (61 3) 9415 4000 or by fax (61 3) 9473 2500.

Electronic shareholder communications

Receiving shareholder communications electronically, instead of by post enables you to:

- Receive important shareholder and company information faster
- Reduce your impact on the environment
- Securely store important shareholder documents online, reducing clutter in your home or office
- Access all documents conveniently 24/7

Shareholders who wish to receive email alerts informing them of Annual Report, Notice of Meeting, Issuer Holding Statements, Payment Advices and other company related information on Crown's website, www.crownlimited.com, may either contact the Share Registry or lodge such instructions online at the Share Registry's website at www.investorcentre.com.

Change of address

Issuer sponsored shareholders should notify the Share Registry immediately in writing or by telephone upon any change in their address quoting their SRN. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate HIN.

Direct payment to shareholders' accounts

Dividends may be paid directly to any bank, building society or credit union account in Australia. Payments are electronically credited on the dividend date with advisory confirmation containing payment details mailed to shareholders. Shareholders who wish to have their dividends paid directly to their account may advise the Share Registry in writing or may update their payment instructions online on www.investorcentre.com prior to the dividend record date.

Tax File Numbers

Crown is obliged to deduct tax at the top marginal rate plus Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number (TFN) or exemption details. If you wish to provide your TFN or exemption details, please contact the Share Registry.

Consolidation of multiple holdings

If you have multiple holdings which you wish to consolidate, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Crown website

Crown has a dedicated corporate website, www.crownlimited.com which includes Crown's Annual Report, disclosures made to the ASX and Notices of Meeting and other Explanatory Memoranda.

Investment Warning

All information provided in the Annual Report is provided as of the date stated or otherwise as at the date of the Report. The Annual Report has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of Crown or seek independent professional advice.

Corporate Information

Directors

- James D Packer *Executive Chairman*
- John H Alexander BA *Executive Deputy Chairman*
- Rowen B Craigie BEc (Hons) *Chief Executive Officer and Managing Director*
- Benjamin Brazil BCom, LLB
- Christopher D Corrigan
- Rowena Danziger BA, TC, MACE
- Geoffrey J Dixon
- John S Horvath AO, MB, BS (Syd), FRACP
- Ashok Jacob MBA
- Michael R Johnston BEc, CA
- Harold C Mitchell AC

Company Secretaries

- Michael J Neilson BA, LLB
- Mary Manos BCom, LLB (Hons), GAICD

Crown's registered office and principal corporate office

Level 3
Crown Towers
8 Whiteman Street
Southbank VIC 3006
Australia
Phone: (61 3) 9292 8824

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Phone: 1300 659 795 (within Australia)
(61 3) 9415 4000 (outside Australia)
Fax: (61 3) 9473 2500
Website: www.computershare.com.au

Stock Exchange Listing

Crown's ordinary shares are listed on the Australian Stock Exchange under the code "CWN".
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

FSC logo
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