



**CROWN
RESORTS**

Crown Resorts Limited

2016 Full Year Results Presentation

17 August 2016



Crown Resorts Limited Results Overview



Crown Resorts Limited (Crown) performance:

- ◆ Normalised¹ NPAT attributable to the parent of \$406.2 million, down 22.7%
- ◆ Reported NPAT attributable to the parent of \$393.6 million, down 11.8% before significant items
- ◆ Reported NPAT attributable to the parent of \$948.8 million, up 146.4% after significant items
- ◆ Net gain from significant items of \$555.2 million, the major component of which is the net gain on sale of shares in MCE
- ◆ Final dividend of 39.5 cents per share declared (total full year dividend of 72.5 cents per share)

Australian resorts performance:

- ◆ Normalised revenue of \$3,234.5 million, up 0.8%
- ◆ Main floor gaming revenue of \$1,680.6 million, up 5.8%
- ◆ Non-gaming revenue of \$674.6 million, up 1.5%
- ◆ VIP program play turnover of \$65.1 billion, down 8.0%
- ◆ Normalised EBITDA of \$933.2 million, up 1.8%
- ◆ Reported EBITDA of \$949.2 million, up 0.2%

Melco Crown Entertainment Limited (MCE) performance:

- ◆ Weak market conditions in Macau adversely impacted MCE's performance
- ◆ Crown's share of MCE's normalised NPAT of \$58.1 million, down \$103.2 million or 64.0%
- ◆ Crown's share of MCE's reported NPAT of \$42.7 million, down \$79.3 million or 65.0%

1. Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinalls and Melco Crown), pre-opening costs from Melco Crown and significant items.

Crown Resorts Limited Group Result



	F16 Normalised \$m	F15 Normalised \$m	Variance F/(U)	F16 Actual \$m	F15 Actual \$m	Variance F/(U)
Australian Resorts EBITDA	933.2	916.5	1.8%	949.2	946.7	0.2%
Crown Aspinalls EBITDA	26.5	31.7	(16.4%)	16.0	(45.3)	135.3%
Wagering and Online Social Gaming Operations EBITDA	(5.4)	(16.0)	66.3%	(5.4)	(16.0)	66.3%
Corporate costs	(98.5)	(107.3)	8.2%	(98.5)	(107.3)	8.2%
EBITDA	855.8	824.9	3.8%	861.3	778.1	10.7%
Depreciation and amortisation	(282.7)	(262.9)	(7.6%)	(282.7)	(262.9)	(7.6%)
EBIT	573.1	562.0	2.0%	578.6	515.2	12.3%
Net interest	(141.6)	(112.3)	(26.1%)	(141.6)	(112.3)	(26.1%)
Income tax	(87.2)	(92.2)	5.4%	(89.9)	(85.3)	(5.4%)
Equity accounted - MCE	58.1	161.3	(64.0%)	42.7	122.0	(65.0%)
- Other	(1.4)	0.0	N/A	(1.4)	0.0	N/A
NPAT (pre non-controlling and significant items)	401.0	518.8	(22.7%)	388.4	439.6	(11.6%)
Non-controlling interest	5.2	6.7	(22.4%)	5.2	6.7	(22.4%)
NPAT (pre significant items)	406.2	525.5	(22.7%)	393.6	446.3	(11.8%)
Significant items (net of tax)	-	-		555.2	(61.3)	N/A
Net Profit - attributable to the parent	406.2	525.5	(22.7%)	948.8	385.0	146.4%

Crown Melbourne and Crown Perth Results

Normalised F16



	Crown Melbourne \$m	Variance F/(U)	Crown Perth \$m	Variance F/(U)	Australian Resorts \$m	Variance F/(U)
Main floor gaming	1,183.3	8.5%	497.3	(0.1%)	1,680.6	5.8%
VIP program play	676.5	(4.3%)	202.8	(18.7%)	879.3	(8.0%)
Non-gaming	452.7	3.7%	221.9	(2.7%)	674.6	1.5%
Total Revenue (Normalised)	2,312.5	3.5%	922.0	(5.5%)	3,234.5	0.8%
Gaming taxes, commissions & other	(754.5)	(2.5%)	(235.2)	21.6%	(989.7)	4.5%
Operating expenses	(884.7)	(5.8%)	(426.9)	(1.4%)	(1,311.6)	(4.3%)
EBITDA	673.3	1.7%	259.9	2.2%	933.2	1.8%
Depreciation & amortisation	(194.1)	(3.2%)	(66.8)	(6.3%)	(260.9)	(4.0%)
EBIT	479.2	1.1%	193.1	0.8%	672.3	1.0%
EBITDA / revenue %	29.1%	(0.5%)	28.2%	2.1%	28.9%	0.3%
Total revenue (actual)	2,297.4	(0.4%)	980.0	(6.6%)	3,277.4	(2.3%)
VIP turnover \$ billion	50.1	(4.3%)	15.0	(18.7%)	65.1	(8.0%)
VIP win rate (1.35% theoretical)	1.32%	(0.17%) ¹	1.74%	(0.01%) ¹	1.42%	(0.14%) ¹

1. Represents the difference in win rate compared to the pcp (the win rate at Crown Melbourne in the pcp was 1.49%, the win rate at Crown Perth in the pcp was 1.75% and the combined win rate in the pcp was 1.56%).

Crown Aspinalls Results



	F16 Normalised \$m	F15 Normalised \$m	Variance F/(U)	F16 Actual \$m	F15 Actual \$m	Variance F/(U)
Total revenue	108.2	105.6	2.4%	83.4	20.1	314.9%
Total expenses	(81.7)	(73.9)	(10.6%)	(67.4)	(65.4)	(3.1%)
EBITDA	26.5	31.7	(16.4%)	16.0	(45.3)	135.3%
Depreciation & amortisation	(1.2)	(1.1)	(5.7%)	(1.2)	(1.1)	(5.7%)
EBIT	25.3	30.6	(17.5%)	14.8	(46.4)	131.9%
EBITDA / revenue %	24.5%	30.1%	(5.6%)	19.2%	(225.4%)	244.6%
VIP turnover \$ billion	12.1	10.1	19.0%	12.1	10.1	19.0%
VIP win rate ¹	0.89%	1.03%		0.68%	0.19%	

1. Crown Aspinalls normalised VIP win rate based on the mix of play during the period.

Crown Wagering and On-line Social Gaming Operations



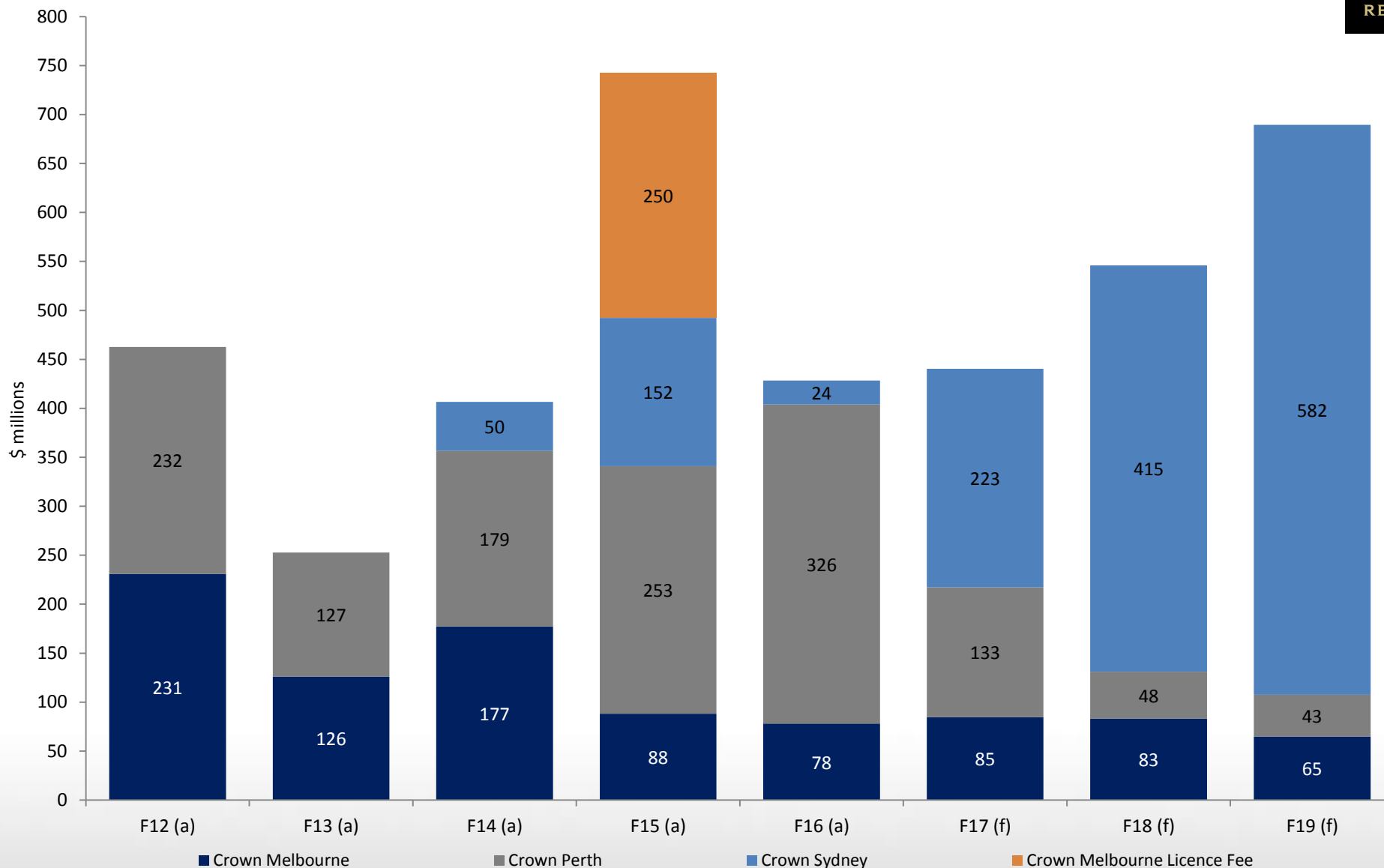
Crown Wagering and On-line Social Gaming Operations	F16 \$m	F15 \$m	Variance F/(U)
Total revenue	229.9	89.8	156.2%
Total expenses	(235.3)	(105.7)	(122.6%)
EBITDA	(5.4)	(16.0)	66.3%
Depreciation & amortisation	(15.8)	(6.9)	(130.1%)
EBIT	(21.3)	(22.9)	7.0%

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

Crown Wagering and On-line and Social Gaming Operations includes:

- ◆ CrownBet, a 62% owned, on-line wagering business, acquired in December 2014
- ◆ Betfair Australasia, a 100% owned, on-line betting exchange
- ◆ DGN Games, a 70% owned, on-line social gaming business based in Austin, Texas

Investment in Australian Resorts



This chart excludes investment in the Alon Las Vegas JV, the Queensbridge Hotel JV with Schiavello, Crown Aspinalls and Crown Wagering and On-line social gaming operations

Crown Perth Property Update - Crown Towers



- ◆ Crown Towers will feature 500 luxury hotel rooms and suites, villas, private gaming salons, restaurants, bars, a grand ballroom, convention centre, luxury retail outlets, resort pool and spa facilities
- ◆ The project is proceeding on time and on budget with a targeted opening in December 2016
- ◆ Upon opening, Crown Towers will be the largest hotel in Perth and will increase the total number of guest rooms and suites at the resort to 1,188 keys



Crown Sydney Project

- ◆ On 28 June 2016 the NSW Planning Assessment Commission (“PAC”) approved, subject to a number of substantial modifications and conditions, the applications for the modification of the approved concept plan for Barangaroo (known as “Mod 8”) and for the construction of the Crown Sydney Hotel Resort at Barangaroo South
- ◆ Subsequently, on 2 August 2016, Crown, Lendlease, the Barangaroo Delivery Authority, the Minister for Planning and the Sydney Harbour Foreshore Authority were served with legal proceedings challenging the validity of the decision of the PAC
- ◆ Crown has indicated it will defend these proceedings vigorously





Proposed Concept Renders



Proposed Queensbridge Hotel Tower

- ◆ 50/50 Joint Venture between Crown Resorts and Schiavello Group. Crown made an initial investment of \$50 million to acquire a 50% share of the land in December 2014. Crown would have the right to acquire and manage the hotel on completion.
- ◆ Crown and the Schiavello Group have submitted a planning approval application, for a new luxury six-star hotel and apartment complex at 1-25 Queensbridge Street, Melbourne on a site adjacent to the Crown Melbourne complex.
- ◆ The proposed Queensbridge Tower would comprise a 388 room six-star hotel with associated amenities and approximately 700 luxury apartments.
- ◆ The development of the Queensbridge project also remains conditional upon negotiation of final legal agreements with the Schiavello Group and financing arrangements.
- ◆ If approved, Queensbridge Hotel Tower will cement Crown Melbourne's position as the largest single-site accommodation provider in Australia and create over 3,900 new jobs for Victoria.



Alon Las Vegas project

- ◆ Las Vegas remains the centre of the United States gaming market
- ◆ Alon's location on the Las Vegas strip is positioned well to capitalise on the recently announced Convention Centre expansion and Resorts World projects
- ◆ Detailed design and pre-development activities are progressing
- ◆ The capital structure of the ownership entity is yet to be settled.



Melco Crown Entertainment (MCE)



- ◆ In May 2016 Crown entered into an agreement with MCE for the sale of 155 million ordinary shares in MCE which generated proceeds of \$1,067.1 million resulting in a net gain on sale of \$602.0 million, which is reported as a significant item. Crown continues to hold a 27.4% interest in MCE valued at approximately \$2.3 billion at 30 June 2016
- ◆ Crown's share of MCE's normalised NPAT for the full year to 30 June 2016 was an equity accounted profit of \$58.1 million, down \$103.2 million or 64.0% on the pcp¹. After adjusting for pre-opening costs and the variance from theoretical, Crown's share of MCE's reported NPAT result for the year was an equity accounted profit of \$42.7 million, down \$79.3 million or 65.0% on the pcp
- ◆ Macau continues to face challenges arising from softer gaming demand, which has adversely affected all casino operators. Overall, gross gaming revenue across the Macau market in the full year to 30 June 2016 declined 22.5%. However, MCE believes that revenue trends, particularly in the mass market segments, will improve as Macau further evolves in to a multi-faceted, mass market-focused destination
- ◆ Studio City², MCE's second integrated resort in Cotai, which opened in late 2015 is still in ramp-up phase
- ◆ City of Dreams Manila³ delivered impressive improvements in all gaming and non-gaming segments in Q2 2016. City of Dreams Manila provides MCE with a diversified earnings stream to complement MCE's operations in Macau

1. Crown had a 34.3% interest for the full reporting period in 2015 and 34.3% interest for approximately 10 months and 27.4% for approximately 2 months in 2016

2. Macau Studio City is 60% owned by MCE

3. The operator of City of Dreams Manila is owned by a subsidiary of Melco Crown (Philippines) Resorts Corporation which is a 72.2% owned subsidiary of MCE

Equity Accounted Investments

Crown's equity accounted result from other investments is comprised of its share of equity accounted profits from Nobu offset by Crown's share of the equity accounted losses arising from the operating costs of Ellerston and start-up costs of Draftstars. Crown's share of NPAT across all these investments was a loss of \$1.4 million.

Nobu

- ◆ During the period, Crown acquired a 20% ownership interest in the international restaurant and hotel company, Nobu, for US\$100 million (\$136.4 million). The other 80% will continue to be owned by the existing owners, entities associated with Nobu Matsuhisa, Robert De Niro and Meir Teper

Ellerston

- ◆ During the period, Crown acquired a 50% ownership interest in part of the property and operations at Ellerston in the Hunter Valley for \$59.1 million

Draftstars

- ◆ During the period, a joint venture, Draftstars, was established between CrownBet and Fox Sports. Draftstars is the Official Daily Fantasy Sports Partner of the AFL

Aspers Group

- ◆ Crown's investment in Aspers Group was written down to zero in 2009. As a result of recent strong operating results and a debt refinance, Crown has reversed the prior net impairment loss (after taking into account unbooked losses) of £19.8m (\$35.4m), which has been accounted for as a significant item

Major Initiatives To Enhance Shareholder Value



Following the announcement on 15 June 2016:

- Work on the proposed demerger is ongoing in particular, to obtain all the necessary approvals, consents and waivers from third parties, including from Governments and gaming regulators
- Work also continues on evaluating the potential IPO of a 49% interest in a property trust which would own some of Crown Resorts' Australian hotels (implementation subject to approval by the Crown Resorts Board)
- The evaluation of any IPO is being progressed independently of the proposed demerger

Significant Items



	F16 \$m	F15 \$m
Net gain on sale of MCE	602.0	-
Early debt retirements costs (net of tax)	(40.8)	-
Asset (impairment) / reversal	35.4	(61.3)
Proposed demerger related costs	(9.0)	-
Tax provision – amended assessments	(32.4)	-
Significant items net of tax – income / (expense)	555.2	(61.3)

During the period, there were events or transactions arising that were unusual in terms of both their size and their nature.

These items have been classified into Significant Items due to the one-off nature and individual significance of the income/expenditure.

Debt Structure



Nature of Facility	30 June 16 \$m	31 Dec 15 \$m	30 June 15 \$m
Bank debt	75.6	751.7	262.6
Finance Lease Liability	127.8	128.9	84.4
Capital market debt - EMTN	174.6	174.6	174.6
- USPP	-	254.3	257.6
- AMTN	750.0	750.0	750.0
- Subordinated Notes ¹	1,133.3	1,133.1	1,132.8
Total Outstanding Debt	2,261.3	3,192.6	2,662.0
Less available cash ²	(298.6)	(240.8)	(196.7)
Net Debt	1,962.7	2,951.8	2,465.3

- ◆ Committed un-drawn bank facilities of \$1,289.3 million at 30 June 2016
- ◆ Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB

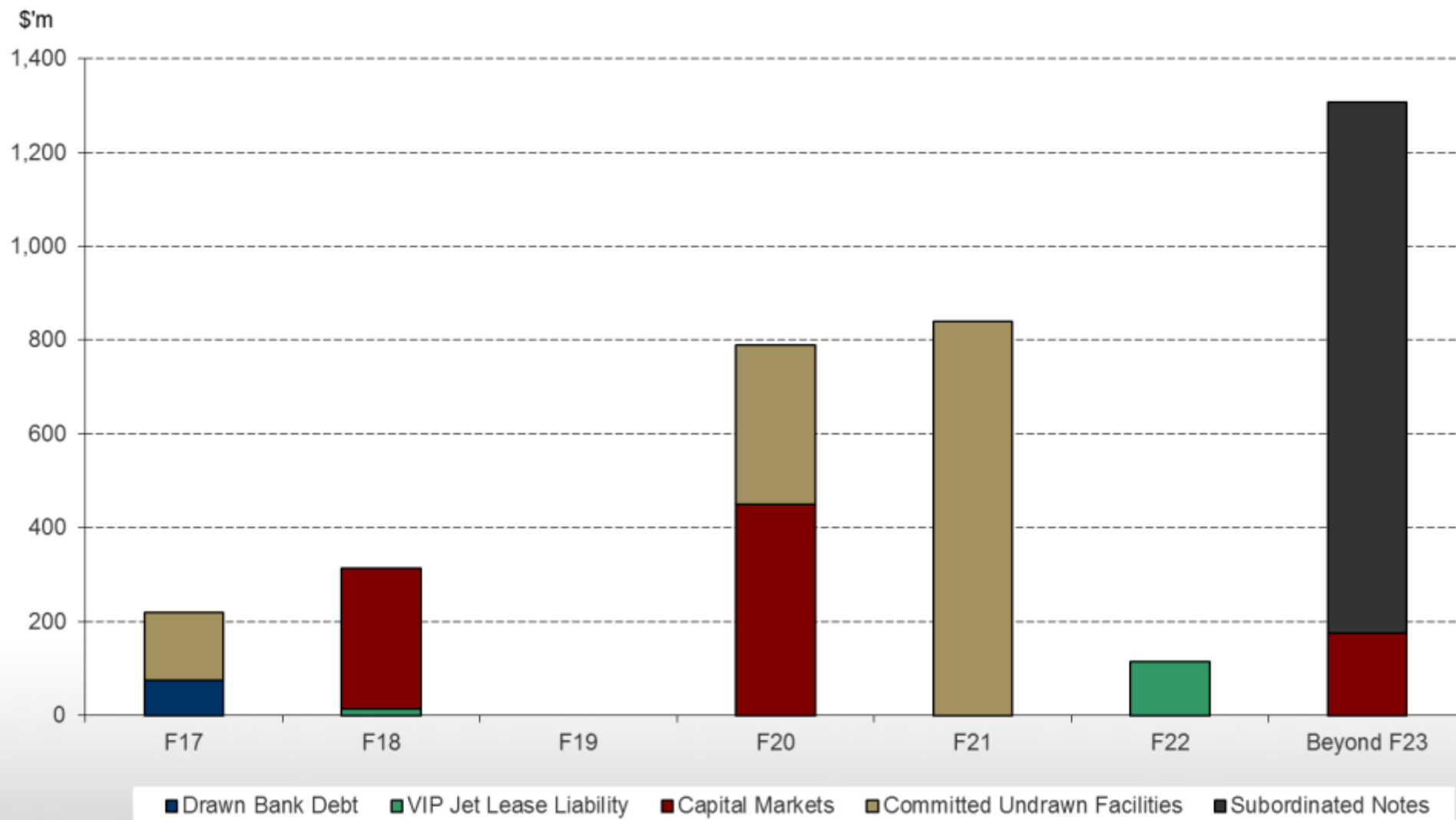
1. Net of unamortised transaction costs.

2. Available cash refers to the closing cash balance of \$449.7 million (Dec 2015: \$397.5 million, June 2015: \$341.0 million) less working capital cash of \$151.1 million (Dec 2015: \$156.7 million, June 2015: \$144.3 million). The working capital cash refers to cash held on the premises and in bank accounts for day-to-day operations of the businesses.

Debt Maturity Profile



Crown Resorts Limited Debt Profile - 30 June 2016



Group Cash Flow



\$m	F16	F15
Normalised EBITDA	855.8	824.9
Win rate variance	5.5	(46.9)
Reported EBITDA	861.3	778.1
Working capital movements	9.7	50.6
Cash Flow Generated by Operations	871.0	828.7
Net interest	(238.6)	(140.5)
Dividends received	195.9	52.6
Income tax payments	(345.6)	(106.2)
Operating Cash Flow	482.7	634.6
Capital expenditure (net) ¹	(490.3)	(502.0)
Licence payments	-	(345.0)
Investments (net)	943.4	(198.7)
Net borrowings	(448.3)	744.9
Dividends paid	(378.8)	(269.5)
Equity injection from non-controlling interests	-	72.4
Effect of exchange rates on cash	(0.0)	26.5
Net increase / (decrease) in cash	108.7	163.2
Closing Cash ²	449.7	341.0

1. Net of proceeds from sale

2. Includes \$151.1 million (Dec 2015: \$156.7 million, June 2015: \$144.3 million) of cash on the company's premises and cash held in bank accounts needed to run the day-to-day operations of the businesses

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- ◆ All information provided in this presentation is provided as of the date stated or otherwise as of the date of the presentation.
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