

## Appendix 4D

## Half year ended 31 December 2017

(previous corresponding period: half year ended 31 December 2016)

## Results for announcement to the market

Results in accordance with Australian Accounting Standards				\$'000
Revenue from operations	up	1.4%	to	1,793,161
Net profit for the period attributable to members of the parent	down	33.6%	to	238,587

	Normalised Results <sup>(1)</sup>		Actual Results <sup>(2)</sup>	
	\$'000	% Movement	\$'000	% Movement
Revenue from operations	1,797,718	5.7%	1,793,161	1.4%
Earnings before interest, tax, depreciation and amortisation	447,686	11.2%	400,324	0.3%
Depreciation & amortisation	(149,996)	3.9%	(149,996)	3.9%
Earnings before interest & tax	297,690	15.2%	250,328	(1.8%)
Share of associates' profits	2,488	(94.0%)	2,488	(93.3%)
Net interest expense	(27,919)		(27,919)	
Significant items (net of tax) <sup>(3)</sup>	-		93,793	
Income tax expense	(83,347)		(69,161)	
<b>Net profit after tax</b>	<b>188,912</b>	1.4%	<b>249,529</b>	(29.5%)
Non-controlling interest	3,447		(10,942)	
<b>Net profit attributable to members of the Parent</b>	<b>192,359</b>	0.6%	<b>238,587</b>	(33.6%)

(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 and Crown Aspinalls) and significant items (refer note 4e). 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, commission & other expenses and income tax expense. Refer to note 3 in the attached financial statements for more information. The Group believes that normalised results are the best measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue. Normalised results are a non-IFRS measure.

(2) Actual results reflect revenues & expenses at actual win rates and include significant items.

(3) Refer note 4e in the attached financial statements for further details.

Dividends	Amount per security	Franked amount per security
Interim dividend	30.0 cents	18.0 cents
Previous corresponding period	113.0 cents	67.8 cents
Record date for determining entitlements to the dividend	21 March 2018	
Interim dividend payment date	4 April 2018	
<b>Net Tangible Asset Backing</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
Net tangible asset backing per ordinary security on issue at period end	\$5.13	\$4.80

For an explanation of any of the figures reported above, see Crown Resorts' announcement made to the ASX on the same date as this Appendix 4D. Non-IFRS measures have not been subject to audit or review.

## **Directors' Report**

For the half year ended 31 December 2017

Your directors submit their report for the half year ended 31 December 2017.

### **Directors**

The directors of Crown Resorts Limited ("Crown" or the "Company") in office during the half-year, and until the date of this Report are as below. Directors were in office for this entire period unless otherwise stated.

John H Alexander  
The Hon. Helen A Coonan  
Rowena Danziger (resigned 26 October 2017)  
Andrew Demetriou  
Geoffrey J Dixon  
Professor John S Horvath  
Michael R Johnston  
Harold C Mitchell  
James D Packer (appointed 3 August 2017)

### **Review and Results of Operations**

For the half year ended 31 December 2017 Crown reported a net profit of \$249.5 million, compared to \$354.0 million in the prior comparable period ("pcp"). The net profit attributable to members of the Parent was \$238.6 million. Total normalised revenue across Crown's Australian resorts increased by 4.8% on the pcp. Main floor gaming revenue increased by 0.7%, with modest revenue growth in Melbourne offset by softness in Perth. VIP program play turnover in Australia of \$22.6 billion increased by 15.9%.

### **Cash flow**

Net operating cash flow for the period of \$368.5 million compared to net operating cash flow of \$230.0 million in the pcp. After net proceeds received from the sale of investments of \$95.8 million, net capital expenditure of \$166.9 million and dividend payments of \$206.7 million, the Group's net debt position (excluding working capital cash of \$168.4 million) at 31 December 2017 was \$249.9 million, consisting of total debt of \$1,517.4 million and cash (excluding working capital cash) of \$1,267.5 million.

### **Dividend**

The Directors have declared dividends totalling 30 cents per share franked at 60% payable on 4 April 2018 to shareholders registered at 5.00pm on 21 March 2018. No part of the unfranked portion of the dividend will consist of conduit foreign income.

### **Auditor's Independence Declaration**

Attached is a copy of the auditor's independence declaration in relation to the review for the half year ended 31 December 2017. This auditor's independence declaration forms part of this Directors' report.

### **Rounding**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this Instrument applies.

Signed in accordance with a resolution of the directors.



**John Alexander**  
Executive Chairman

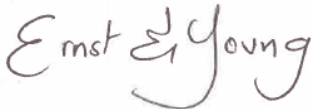
Melbourne, 22<sup>nd</sup> day of February, 2018.

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

As lead auditor for the review of Crown Resorts Limited for the half-year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Crown Resorts Limited and the entities it controlled during the financial period.



Ernst & Young



Michael Collins  
Partner  
22 February 2018

## Statement of Profit or Loss

For the half year ended 31 December 2017

	Note	31 December 2017 \$'000	31 December 2016 \$'000
Revenues	4	1,793,161	1,769,157
Other income	4	164	166,945
Expenses	4	(1,423,970)	(1,494,193)
Share of profits/(losses) of associates and joint venture entities		(162)	37,167
<b>Profit before income tax and finance costs</b>		369,193	479,076
Finance costs	4	(41,167)	(71,844)
<b>Profit before income tax</b>		328,026	407,232
Income tax expense		(78,497)	(53,175)
<b>Net profit after tax</b>		<b>249,529</b>	<b>354,057</b>
<b>Attributable to:</b>			
Equity holders of the Parent		238,587	359,141
Non-controlling interests		10,942	(5,084)
		<b>249,529</b>	<b>354,057</b>

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

	31 December 2017 Cents per share	31 December 2016 Cents per share
<b>Earnings per share (EPS)</b>		
Basic EPS attributable to ordinary equity holders of the Parent	<b>34.64</b>	49.31
Diluted EPS attributable to ordinary equity holders of the Parent	<b>34.64</b>	49.31
EPS calculation is based on the weighted average number of shares on issue throughout the period		
<b>Dividends per share</b>		
Current year interim dividend declared	<b>30.00</b>	113.00
Prior year final dividend paid	<b>30.00</b>	39.50

## Statement of Comprehensive Income

For the half year ended 31 December 2017

	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net profit after tax</b>	<b>249,529</b>	<b>354,057</b>
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	(3,526)	59,802
Movement in cash flow hedge reserve	(6,002)	27,213
<i>Items reclassified to profit or loss:</i>		
Foreign currency translation	-	(21,075)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Employee equity benefits reserve	-	1,375
<b>Other comprehensive income / (loss) for the period, net of income tax</b>	<b>(9,528)</b>	<b>67,315</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>240,001</b>	<b>421,372</b>
<b>Attributable to:</b>		
Equity holders of the Parent	229,651	423,564
Non-controlling interests	10,350	(2,192)
	<b>240,001</b>	<b>421,372</b>

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

## Statement of Financial Position

As at 31 December 2017

	Note	31 December 2017 \$'000	30 June 2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	5	1,435,939	1,771,227
Trade and other receivables		246,408	225,290
Inventories		18,174	17,457
Prepayments		36,281	35,465
Other financial assets		5,051	9,375
Assets classified as held for sale	6	568,651	-
<b>Total current assets</b>		<b>2,310,504</b>	<b>2,058,814</b>
<b>Non-current assets</b>			
Receivables		143,048	145,735
Other financial assets		17,177	21,892
Investments		-	64,764
Investments in associates		176,260	235,511
Property, plant and equipment		3,759,633	3,959,191
Licences		1,088,964	1,097,296
Other intangible assets		458,150	562,720
Deferred tax assets		260,981	354,701
Other assets		51,190	51,996
<b>Total non-current assets</b>		<b>5,955,403</b>	<b>6,493,806</b>
<b>Total assets</b>		<b>8,265,907</b>	<b>8,552,620</b>
<b>Current liabilities</b>			
Trade and other payables		546,555	446,503
Interest-bearing loans and borrowings		54,111	350,109
Income tax payable		83,991	118,168
Provisions		215,183	210,788
Liabilities directly associated with assets classified as held for sale	6	79,518	-
<b>Total current liabilities</b>		<b>979,358</b>	<b>1,125,568</b>
<b>Non-current liabilities</b>			
Other payables		205,361	224,802
Interest-bearing loans and borrowings		1,463,281	1,594,889
Deferred tax liabilities		371,260	377,423
Provisions		31,018	51,783
Other financial liabilities		2,325	2,790
<b>Total non-current liabilities</b>		<b>2,073,245</b>	<b>2,251,687</b>
<b>Total liabilities</b>		<b>3,052,603</b>	<b>3,377,255</b>
<b>Net assets</b>		<b>5,213,304</b>	<b>5,175,365</b>
<b>Equity</b>			
Contributed equity		(53,233)	(53,233)
Treasury shares		(15,705)	(19,377)
Reserves		52,776	60,792
Retained earnings		5,185,013	5,153,080
<b>Equity attributable to equity holders of the Parent</b>		<b>5,168,851</b>	<b>5,141,262</b>
Non-controlling interest		44,453	34,103
<b>Total equity</b>		<b>5,213,304</b>	<b>5,175,365</b>

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

## Cash Flow Statement

For the half year ended 31 December 2017

	31 December 2017	31 December 2016
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	1,883,385	1,750,305
Payments to suppliers and employees	(1,422,897)	(1,392,522)
Dividends received	3,916	13,890
Interest received	13,171	1,936
Borrowing costs paid	(59,092)	(74,791)
Income tax paid	(50,012)	(68,826)
<b>Net cash flows from/(used in) operating activities</b>	<b>368,471</b>	<b>229,992</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(166,955)	(189,863)
Proceeds from sale of property, plant and equipment	95	35
Investment in equity accounted associates	(3,885)	(2,775)
Proceeds from disposal of investments	100,698	35,728
Proceeds from the disposal of equity accounted associates	-	430,559
Loans to associated entities	(1,000)	(400)
<b>Net cash flows from/(used in) investing activities</b>	<b>(71,047)</b>	<b>273,284</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	55,586	215,389
Repayment of borrowings	(458,042)	(220,724)
Payments for share buy-back	(140)	-
Dividends paid to equity holders of the Parent	(206,654)	(287,716)
<b>Net cash flows from/(used in) financing activities</b>	<b>(609,250)</b>	<b>(293,051)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(311,826)</b>	<b>210,225</b>
Cash and cash equivalents at the beginning of the period	1,771,227	449,663
Effect of exchange rate changes on cash	67	(839)
Cash accounted for as held for sale assets	(23,529)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>5 1,435,939</b>	<b>659,049</b>

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

## Statement of Changes in Equity

For the half year ended 31 December 2017

	Ordinary Shares \$'000	Shares Held in Trust \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
<b>31 December 2017</b>							
Balance at 1 July 2017	(53,233)	(19,377)	5,153,080	60,792	5,141,262	34,103	5,175,365
Profit for the period	-	-	238,587	-	238,587	10,942	249,529
Other comprehensive income/(loss)	-	-	-	(8,936)	(8,936)	(592)	(9,528)
Total comprehensive income for the period	-	-	238,587	(8,936)	229,651	10,350	240,001
Dividends paid	-	-	(206,654)	-	(206,654)	-	(206,654)
Share based payments	-	3,672	-	920	4,592	-	4,592
<b>Balance at 31 December 2017</b>	<b>(53,233)</b>	<b>(15,705)</b>	<b>5,185,013</b>	<b>52,776</b>	<b>5,168,851</b>	<b>44,453</b>	<b>5,213,304</b>
<b>31 December 2016</b>							
Balance at 1 July 2016	446,763	(8,886)	3,767,765	796,630	5,002,272	89,852	5,092,124
Profit/(loss) for the period	-	-	359,141	-	359,141	(5,084)	354,057
Other comprehensive income	-	-	-	64,423	64,423	2,892	67,315
Total comprehensive income/(loss) for the period	-	-	359,141	64,423	423,564	(2,192)	421,372
Dividends paid	-	-	(287,716)	-	(287,716)	-	(287,716)
Share based payments	-	(11,532)	-	-	(11,532)	-	(11,532)
<b>Balance at 31 December 2016</b>	<b>446,763</b>	<b>(20,418)</b>	<b>3,839,190</b>	<b>861,053</b>	<b>5,126,588</b>	<b>87,660</b>	<b>5,214,248</b>

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



# Notes to the Financial Statements

For the half year ended 31 December 2017

## **1. Corporate Information**

The consolidated interim financial report of Crown Resorts Limited for the half year ended 31 December 2017 was authorised for issue, subject to final approval by a sub committee, in accordance with a resolution of the directors on 21 February 2018. Crown Resorts Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

## **2. Basis of preparation and changes to the Group's accounting policies**

### **Basis of preparation**

The half year financial report for the six months ended 31 December 2017 has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The half year financial report does not include all the information and disclosures required in the annual financial report, and should be read in conjunction with the annual financial report of Crown Resorts Limited as at 30 June 2017. It is also recommended that the half year financial report be considered together with any public announcements made by Crown Resorts Limited and its controlled entities during the half year ended 31 December 2017 and up to the date of this report in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the ASX Listing Rules.

The half year financial report is presented in Australian dollars and all values are rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this Instrument applies. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

### **New standards, interpretations and amendments thereof, adopted by the Group**

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the annual financial report of Crown Resorts Limited for the year ended 30 June 2017, except for the adoption of new standards effective as of 1 July 2017. The adoption of these standards did not have a material effect on the financial position or performance of the Group during the period.

## Notes to the Financial Statements

For the half year ended 31 December 2017

## 3. 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 believes that normalised results<sup>(1)</sup> are the best measure of viewing the performance of the business. The normalised results presented below are reconciled to the reported results. The Group has four operating segments being Crown Melbourne, Crown Perth, Crown Aspinalls and Wagering & Online.

31 December 2017	Normalised Result <sup>(1)</sup>						Adjustment <sup>(1)</sup> \$'000	Significant Items <sup>(3)</sup> \$'000	Actual Crown Group \$'000
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinalls \$'000	Wagering & Online \$'000	Unallocated \$'000	Crown Group \$'000			
<b>Operating revenue</b>									
Main floor gaming	618,199	241,416	-	-	-	859,615	-	859,615	
VIP program play	262,790	42,725	39,161	-	-	344,676	(4,557)	340,119	
Wagering & Non gaming	246,743	143,380	573	191,518	105	582,319	-	582,319	
Intersegment						(1,976)	-	(1,976)	
Operating revenue	1,127,732	427,521	39,734	191,518	105	1,784,634	(4,557)	1,780,077	
Interest revenue						13,248	-	13,248	
<b>Total revenue</b>	<b>1,127,732</b>	<b>427,521</b>	<b>39,734</b>	<b>191,518</b>	<b>105</b>	<b>1,797,882</b>	<b>(4,557)</b>	<b>1,793,325</b> <sup>(2)</sup>	
<b>Segment result</b>									
Gaming taxes, commissions & other	(339,775)	(59,802)	(16,386)	-	-	(415,963)	(42,805)	(458,768)	
Operating expenses	(462,613)	(239,007)	(13,652)	(182,701)	(24,988)	(922,961)	-	(922,961)	
Intersegment						1,976	-	1,976	
<b>Earnings before interest, tax, depreciation and amortisation "EBITDA"</b>	<b>325,344</b>	<b>128,712</b>	<b>9,696</b>	<b>8,817</b>	<b>(24,883)</b>	<b>447,686</b>	<b>(47,362)</b>	<b>400,324</b>	
Depreciation and amortisation	(90,648)	(44,216)	(665)	(11,836)	(2,631)	(149,996)	-	(149,996)	
<b>Earnings before interest and tax "EBIT"</b>	<b>234,696</b>	<b>84,496</b>	<b>9,031</b>	<b>(3,019)</b>	<b>(27,514)</b>	<b>297,690</b>	<b>(47,362)</b>	<b>250,328</b>	
Asset impairment reversal						-	121,779	121,779	
Restructuring & other expenses						-	(16,000)	(16,000)	
Equity accounted share of associates' net profit/(loss)						2,488	(2,650)	(162)	
Net interest income/(expense)						(27,919)	-	(27,919)	
Income tax benefit/(expense)						(83,347)	14,186	(78,497)	
<b>Profit/(loss) after tax</b>	<b>234,696</b>	<b>84,496</b>	<b>9,031</b>	<b>(3,019)</b>	<b>(27,514)</b>	<b>188,912</b>	<b>(33,176)</b>	<b>249,529</b>	
Non-Controlling Interest						3,447	-	(10,942)	
<b>Profit/(loss) attributable to equity holders of the Parent</b>	<b>234,696</b>	<b>84,496</b>	<b>9,031</b>	<b>(3,019)</b>	<b>(27,514)</b>	<b>192,359</b>	<b>(33,176)</b>	<b>238,587</b>	

(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 and Crown Aspinalls) and significant items. The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commission & other expenses and income tax expense.

(2) Total revenue of \$1,793.3 million includes \$164,000 of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) Significant items of \$79.4 million includes the Alon asset impairment reversal, partially offset by restructuring & other expenses and significant items relating to Crown's equity accounted interests.

## Notes to the Financial Statements

For the half year ended 31 December 2017

3. Segment Information *continued*

31 December 2016	Normalised Result <sup>(1)</sup>						Adjustment <sup>(1)</sup> \$'000	Significant Items <sup>(3)</sup> \$'000	Actual Crown Group \$'000
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinalls \$'000	Wagering & Online \$'000	Unallocated \$'000	Crown Group \$'000			
<b>Operating revenue</b>									
Main floor gaming	604,113	249,756	-	-	-	853,869	-	853,869	
VIP program play	191,142	72,471	61,594	-	-	325,207	68,451	393,658	
Wagering & Non gaming	247,366	118,666	604	153,702	-	520,338	-	520,338	
Intersegment						(758)	-	(758)	
Operating revenue	1,042,621	440,893	62,198	153,702	-	1,698,656	68,451	1,767,107	
Interest revenue						2,069	-	2,069	
<b>Total revenue</b>	<b>1,042,621</b>	<b>440,893</b>	<b>62,198</b>	<b>153,702</b>	<b>-</b>	<b>1,700,725</b>	<b>68,451</b>	<b>1,769,176</b> <sup>(2)</sup>	
<b>Segment result</b>									
Gaming taxes, commissions & other	(280,896)	(80,595)	(28,049)	-	-	(389,540)	(71,785)	(461,325)	
Operating expenses	(458,267)	(224,738)	(15,860)	(156,666)	(51,724)	(907,255)	-	(907,255)	
Intersegment						758	-	758	
<b>Earnings before interest, tax, depreciation and amortisation "EBITDA"</b>	<b>303,458</b>	<b>135,560</b>	<b>18,289</b>	<b>(2,964)</b>	<b>(51,724)</b>	<b>402,619</b>	<b>(3,334)</b>	<b>399,285</b>	
Depreciation and amortisation	(95,533)	(35,054)	(510)	(10,577)	(2,625)	(144,299)	-	(144,299)	
<b>Earnings before interest and tax "EBIT"</b>	<b>207,925</b>	<b>100,506</b>	<b>17,779</b>	<b>(13,541)</b>	<b>(54,349)</b>	<b>258,320</b>	<b>(3,334)</b>	<b>254,986</b>	
Net gain on sale of MRE						-	-	166,926	
Asset impairment reversal						-	-	35,728	
Restructuring & other expenses						-	-	(17,800)	
Equity accounted share of associates' net profit/(loss)						41,728	(4,561)	37,167	
Net interest income/(expense)						(50,038)	-	(69,775)	
Income tax benefit/(expense)						(63,795)	(641)	(53,175)	
<b>Profit/(loss) after tax</b>	<b>207,925</b>	<b>100,506</b>	<b>17,779</b>	<b>(13,541)</b>	<b>(54,349)</b>	<b>186,215</b>	<b>(8,536)</b>	<b>354,057</b>	
Non-Controlling Interest						5,084	-	5,084	
<b>Profit/(loss) attributable to equity holders of the Parent</b>	<b>207,925</b>	<b>100,506</b>	<b>17,779</b>	<b>(13,541)</b>	<b>(54,349)</b>	<b>191,299</b>	<b>(8,536)</b>	<b>359,141</b>	

(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 Resorts & Entertainment Ltd 'MRE') and significant items. The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commission & other expenses, income tax expense and equity accounted share of associates' results.

(2) Total revenue of \$1,769.2 million includes \$19,000 of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) Significant items of \$176.4 million consist of a net gain on sale of MRE shares and proceeds received following the disposal of Cannery, partially offset by early debt retirement costs and restructuring & other expenses.

## Notes to the Financial Statements

For the half year ended 31 December 2017

**4. Revenue and Expenses**

	<b>31 December 2017 \$'000</b>	<b>31 December 2016 \$'000</b>
Profit before income tax expense includes the following revenues and expenses:		
<b>(a) Revenue</b>		
Revenue from services	1,527,819	1,533,888
Revenue from sale of goods	234,494	215,316
Interest	13,248	2,069
Other operating revenue	17,600	17,884
	<b>1,793,161</b>	<b>1,769,157</b>
<b>(b) Other income</b>		
Profit on disposal of non-current assets	164	19
Net gain on sale of MRE	-	166,926
	<b>164</b>	<b>166,945</b>
<b>(c) Expenses</b>		
Cost of sales	85,338	80,188
Gaming activities	1,416,792	1,377,584
Restructuring & other expenses	16,000	17,800
Asset impairment reversal	(121,779)	(35,728)
Other expenses	27,619	54,349
	<b>1,423,970</b>	<b>1,494,193</b>
<b>Depreciation of non-current assets</b> <i>(included in expenses above)</i>		
Buildings	48,824	47,317
Plant and equipment	86,140	81,969
	134,964	129,286
<b>Amortisation of non-current assets</b> <i>(included in expenses above)</i>		
Casino licence fee and management agreement	10,167	10,167
Other assets	4,865	4,846
	15,032	15,013
<b>Total depreciation and amortisation expense</b>	<b>149,996</b>	<b>144,299</b>
<b>(d) Other income and expense disclosures</b>		
<b>Finance costs expensed:</b>		
Debt facilities	54,307	80,614
Capitalised interest	(13,140)	(28,507)
	41,167	52,107
Early debt retirement costs	-	19,737
	<b>41,167</b>	<b>71,844</b>
<b>(e) Significant items - income / (expense)</b>		
Asset impairment reversal	121,779	35,728
Associates significant items	(2,650)	-
Restructuring & other expenses	(16,000)	(17,800)
Net gain on sale of MRE	-	166,926
Early debt retirement costs	-	(19,737)
Net tax on significant items	(9,336)	11,261
	<b>93,793</b>	<b>176,379</b>

# Notes to the Financial Statements

For the half year ended 31 December 2017

## 5. Cash and Cash Equivalents

For the purpose of the half year cash flow statement, cash and cash equivalents are comprised of the following:

	<b>31 December 2017 \$'000</b>	<b>31 December 2016 \$'000</b>
Cash on hand and at bank	545,801	623,819
Deposits on call	890,138	35,230
	<b>1,435,939</b>	<b>659,049</b>

The above closing cash balances includes \$168.4 million (2016: \$166.9 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 and cash of \$1,267.5 million (2016: \$492.1 million) for other purposes.

## 6. Assets Classified as Held for Sale

Crown has entered into the following arrangements:

1. On 29 December 2017, Crown announced it had entered into an agreement for the sale of its 62% interest in CrownBet, together with loans advanced by it to CrownBet, for \$150 million. The purchaser is an entity associated with other shareholders in CrownBet, including the CrownBet management team led by Matthew Tripp, or its nominee. Completion of this transaction is scheduled to occur on or before the end of February 2018 subject to the purchaser arranging satisfactory financing.
2. On 14 December 2017, Crown agreed to sell its interest (through certain security holdings) in part of the property and operations at Ellerston in the Hunter Valley for \$62.5 million to Consolidated Press Holdings Pty Limited and an entity associated with Ms Gretel Packer. Following completion of the sale, Crown will have ongoing access rights to the golf course and other facilities at Ellerston in line with its commitment to the NSW Government. The sale has been approved by Crown's independent directors and was completed in February 2018.
3. A majority owned subsidiary of Crown, Alon Las Vegas Resort, LLC, entered into an agreement with a subsidiary of Wynn Resorts, Limited to sell its interest in a 34.6 acre vacant site on Las Vegas Boulevard for US\$300 million. The transaction was completed in January 2018. Crown's share of the proceeds (after taking into account minority interests) is approximately US\$264 million. As a result of the sale agreement, Crown revalued its Alon investment, resulting in a US\$95 million (A\$121.8 million) impairment reversal.

As at 31 December 2017, Crown has recognised its interest in CrownBet, Ellerston and Alon as assets held for sale.

## Notes to the Financial Statements

For the half year ended 31 December 2017

**6. Assets Classified as Held for Sale** *continued*

The major classes of assets and liabilities associated with the assets classified as held for sale are below. As a consequence of this classification all assets and liabilities associated with these investments have been classified as current and described as held for sale.

	<b>31 December 2017 \$'000</b>
<b>Assets</b>	
Cash and cash equivalents	23,529
Trade and other receivables	12,367
Prepayments	5,374
Investments in associates	58,023
Property, plant and equipment	304,966
Other intangible assets	133,746
Deferred tax assets	30,646
<b>Total assets</b>	<b>568,651</b>
<b>Liabilities</b>	
Trade and other payables	67,925
Provisions	8,412
Deferred tax liabilities	3,181
<b>Total liabilities</b>	<b>79,518</b>

**7. Dividends Paid and Declared**

	<b>31 December 2017 \$'000</b>	<b>31 December 2016 \$'000</b>
<b>(a) Dividends declared and paid during the half year</b>		
<i>Prior year final dividend (paid 6 October 2017)</i>		
Paid at 30.0 cents (2016: 39.5 cents) per share and franked at 60% (2016: 70%) at the Australian tax rate of 30% (2016: 30%)	<b>206,654</b>	<b>287,716</b>
<b>(b) Dividends declared and not recognised as a liability</b>		
<i>Current year interim dividend (expected to be paid 4 April 2018)</i>		
Declared at 30.0 cents (2016: 113.0 cents) per share and franked at 60% (2016: 60%) at the Australian tax rate of 30% (2016: 30%)	<b>206,654</b>	<b>823,085</b>

No shareholders' dividend plans are in operation.

No part of the unfranked portion of the dividend will consist of conduit foreign income.

## Notes to the Financial Statements

For the half year ended 31 December 2017

**8. Financial Instruments**

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 31 December 2017:

	Loans and receivables at amortised cost		Fair value profit or loss		Fair value other comprehensive income	
	31 Dec 2017 \$'000	30 Jun 2017 \$'000	31 Dec 2017 \$'000	30 Jun 2017 \$'000	31 Dec 2017 \$'000	30 Jun 2017 \$'000
<b>Financial assets:</b>						
Trade and other receivables	246,408	225,290	-	-	-	-
Foreign currency derivative assets	-	-	-	-	5,051	9,375
<b>Total current</b>	<b>246,408</b>	<b>225,290</b>	<b>-</b>	<b>-</b>	<b>5,051</b>	<b>9,375</b>
Trade and other receivables	143,048	145,735	-	-	-	-
Cross currency swap contracts	-	-	-	-	17,177	21,892
Equity instruments	-	-	-	64,764	-	-
<b>Total non-current</b>	<b>143,048</b>	<b>145,735</b>	<b>-</b>	<b>64,764</b>	<b>17,177</b>	<b>21,892</b>
<b>Total</b>	<b>389,456</b>	<b>371,025</b>	<b>-</b>	<b>64,764</b>	<b>22,228</b>	<b>31,267</b>
<b>Financial liabilities:</b>						
Trade and other payables	546,555	446,503	-	-	-	-
Interest bearing loans and borrowings	54,111	350,109	-	-	-	-
<b>Total current</b>	<b>600,666</b>	<b>796,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other long term payables	160,751	179,525	44,610	45,277	-	-
Interest bearing loans and borrowings	1,463,281	1,594,889	-	-	-	-
Interest rate swap contracts	-	-	-	-	2,325	2,790
<b>Total non-current</b>	<b>1,624,032</b>	<b>1,774,414</b>	<b>44,610</b>	<b>45,277</b>	<b>2,325</b>	<b>2,790</b>
<b>Total</b>	<b>2,224,698</b>	<b>2,571,026</b>	<b>44,610</b>	<b>45,277</b>	<b>2,325</b>	<b>2,790</b>

Instruments allocated to the column 'fair value other comprehensive income' are derivative financial instruments designated as cash flow hedges.

**Risk management activities**

The Group's business activities expose it to the following risks; market risks (interest rate, share price 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.

During the period, the Group held and entered into foreign exchange contracts to hedge future transactions in foreign currencies, which were designated in hedge accounting relationships. In addition, the Group maintained interest rate swap contracts and cross currency swap contracts, which were designated in hedge accounting relationships. These hedges were assessed to be highly effective as at 31 December 2017.

For the period ended 31 December 2017, an unrealised loss of \$6.0 million in relation to the above foreign exchange and interest rate contracts was included in other comprehensive income.

## Notes to the Financial Statements

For the half year ended 31 December 2017

**8. Financial Instruments** *continued***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.

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.

As at 31 December 2017, the Group held the following classes of financial instruments measured at fair value:

	Valuation Technique			Total \$'000
	Quoted market price	Observable inputs	Non market observable	
	Level One \$'000	Level Two \$'000	Level Three \$'000	
<b>31 December 2017</b>				
<b>Financial Assets</b>				
Foreign currency derivative assets	-	5,051	-	5,051
Cross currency swap contracts	-	17,177	-	17,177
	-	<b>22,228</b>	-	<b>22,228</b>
<b>Financial Liabilities</b>				
Contingent consideration	-	-	44,610	44,610
Interest rate swap contracts	-	2,325	-	2,325
	-	<b>2,325</b>	<b>44,610</b>	<b>46,935</b>
<b>30 June 2017</b>				
<b>Financial Assets</b>				
Foreign currency derivative assets	-	9,375	-	9,375
Cross currency swap contracts	-	21,892	-	21,892
Equity instruments	64,764	-	-	64,764
	<b>64,764</b>	<b>31,267</b>	-	<b>96,031</b>
<b>Financial Liabilities</b>				
Contingent consideration	-	-	45,277	45,277
Interest rate swap contracts	-	2,790	-	2,790
	-	<b>2,790</b>	<b>45,277</b>	<b>48,067</b>

During the period ended 31 December 2017, there were no transfers between fair value measurement levels.



# Notes to the Financial Statements

For the half year ended 31 December 2017

## 8. Financial Instruments *continued*

### *Reconciliation of Level Three recurring fair value movements*

	31 December 2017 \$'000	30 June 2017 \$'000
<b>Financial Assets</b>		
Opening balance	-	2,017
Profit or Loss	-	38,113
Distributions received	-	(40,130)
<b>Closing Balance - Financial Assets</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>		
Opening balance	45,277	154,094
Profit or Loss	-	(104,085)
Other comprehensive income	(667)	(4,732)
<b>Closing Balance - Financial Liabilities</b>	<b>44,610</b>	<b>45,277</b>

The profit or loss amount in the prior comparative period represents a 12 month movement.

## 9. Contingent Liabilities

On 15 February 2016 Crown was issued with amended assessments and notice of penalty by the Australian Taxation Office for a total of approximately \$362 million which comprises primary tax, interest and penalties. The amended assessments are in respect of income tax paid for the financial years ended 30 June 2009 to 30 June 2014 (inclusive) and relate to the tax treatment of some of the financing for Crown's investment in Cannery Casino Resorts and other investments in North America. Crown considers that it has paid the correct amount of tax and intends to pursue all available avenues of objection (including, if necessary, court proceedings) to the amended assessments.

As announced by Crown on 4 December 2017, Maurice Blackburn Lawyers have commenced a class action proceeding against Crown in the Federal Court of Australia. The proceeding has been filed on behalf of persons who acquired an interest in Crown shares between 6 February 2015 and 16 October 2016. Crown has announced that it intends to vigorously defend the proceeding.

In addition to the above matters, 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.

The group has no other material contingent liabilities at 31 December 2017.

## 10. Significant Related Party Transactions

The Group had the following significant transactions with related parties during the period:

### (i) Ellerston

Crown agreed to sell its interest (through certain security holdings) in part of the property and operations at Ellerston in the Hunter Valley for \$62.5 million to Consolidated Press Holdings Pty Limited and an entity associated with Ms Gretel Packer. Following completion of the sale, Crown will have ongoing access rights to the golf course and other facilities at Ellerston in line with its commitment to the NSW Government. The sale has been approved by Crown's independent directors and was completed in February 2018.

### (ii) Crown Sydney Residences

Crown reached an in-principle agreement with Mr James Packer to sell two floors of the Crown Sydney Residences at the Crown Sydney Hotel Resort to Mr Packer for \$60 million. The floors are located above the mid-levels of the Crown Sydney Hotel Resort. The sale documentation will be on the same, or materially the same, terms as the documents to be entered into with other purchasers. The sale has been approved by Crown's independent directors.

# Notes to the Financial Statements

For the half year ended 31 December 2017

## **11. Events After the Reporting Period**

Subsequent to 31 December 2017, the directors of Crown Resorts declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2017. The total amount of the dividend is \$206.7 million, which represents a dividend of 30 cents per share franked at 60%. No part of the unfranked portion of the dividend will consist of conduit foreign income.

On 29 January 2018, Crown announced that through its majority owned subsidiary, Alon Las Vegas Resort, LLC, it had completed the sale of its interest in a site on Las Vegas Boulevard to a subsidiary of Wynn Resorts, Limited for US\$300 million. Refer to note 6 for further details.

In February 2018, Crown completed the sale of its interest in part of the property and operations at Ellerston in the Hunter Valley for \$62.5 million.

Subsequent to 31 December 2017, Crown entered into an agreement with a company controlled by Mr Harold Mitchell, a Director of Crown, in relation to the sale of its interest in an aircraft for US\$4.35 million. The aircraft, a 16 year old Bombardier Global Express, is subject to a lease which is due to expire in March 2018. The disposal of the aircraft has been approved by Crown's independent directors.

# **Directors' Declaration**

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001;
- (b) the financial statements and notes comply with International Reporting Standards issued by the International Accounting Standards Board; and
- (c) 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.

Signed in accordance with a resolution of the Directors.



**John Alexander**  
Executive Chairman

Melbourne, 22<sup>nd</sup> day of February, 2018.

# Independent Auditor's Review Report to the Members of Crown Resorts Limited

## Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Crown Resorts Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

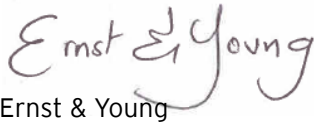
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that appears to read 'Michael Collins' in a cursive style.

Michael Collins  
Partner  
Melbourne  
22 February 2018