



# Crown Limited

2012 Half Year

Results Presentation

24 February 2012

Australia's

Integrated

Resort

Company

- Normalised<sup>1</sup> NPAT of \$211.6 million, up 27.6% and reported NPAT of \$274.4 million, up 79.2%. Crown considers that normalised earnings, which are calculated at theoretical win rates, are the best reflection of the underlying performance of the business
- Australian casinos' performance:
  - Normalised EBITDA up 5.2% to \$386.0 million
  - Normalised revenue up 10.7% to \$1,387.9 million
  - Main floor gaming revenue grew 5.5%
    - Reasonable revenue growth despite the challenging operating environment, the state of the broader consumer economy and disruption to some parts of the business by the ongoing refurbishment programs at both properties
  - VIP program play turnover grew 27.7%
    - Significant increase in turnover, albeit at a lower margin, reflects in part the benefits of completed redevelopment and refurbishment projects – particularly in Melbourne - combined with the continuing strategy to source new players from China to offset the ongoing impact of the Singapore integrated resorts
  - Non-gaming revenue grew 5.8%
- Melco Crown results were strong and were the major contributor to the growth in normalised NPAT for the Group
- Aspinall's Club normalised EBITDA of \$9.7 million was pleasing, reported EBITDA of \$3.2 million on a low win rate
- Interim dividend 18 cps announced

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

# Crown Limited Group Results



	1H12 Normalised \$m	1H11 Normalised \$m	Variance F/(U)	1H12 Actual \$m	1H11 Actual \$m	Variance F/(U)
Crown Melbourne EBITDA	269.4	259.7	3.7%	298.4	227.1	31.4%
Burswood EBITDA	116.6	107.3	8.7%	141.1	95.3	48.1%
Aspinall's Club EBITDA	9.7	0.0	N/A	3.2	0.0	N/A
Corporate Costs	(33.3)	(17.8)	(87.1%)	(33.3)	(17.8)	(87.1%)
<b>EBITDA</b>	<b>362.4</b>	<b>349.2</b>	<b>3.8%</b>	<b>409.4</b>	<b>304.6</b>	<b>34.4%</b>
Depreciation and Amortisation	(108.3)	(97.6)	(11.0%)	(108.3)	(97.6)	(11.0%)
<b>EBIT</b>	<b>254.1</b>	<b>251.6</b>	<b>1.0%</b>	<b>301.1</b>	<b>207.0</b>	<b>45.5%</b>
Net Interest	(47.1)	(32.9)	(43.2%)	(47.1)	(32.9)	(43.2%)
Income Tax	(40.2)	(44.6)	9.9%	(54.5)	(31.3)	(74.1%)
Equity Accounted - Melco Crown	41.3	(6.8)	707.4%	71.4	11.8	505.1%
- Betfair	3.5	(1.5)	333.3%	3.5	(1.5)	333.3%
<b>Net Profit / (Loss)</b>	<b>211.6</b>	<b>165.8</b>	<b>27.6%</b>	<b>274.4</b>	<b>153.1</b>	<b>79.2%</b>

- Normalised revenue growth: Crown Melbourne 11.8%; Burswood 8.2%; combined 10.7%
  - Main floor gaming revenue growth: Crown Melbourne 5.7%; Burswood 5.1%; combined 5.5%
  - Non-gaming revenue growth: Crown Melbourne 2.3%; Burswood 13.5%; combined 5.8%
  - VIP program play turnover growth: Crown Melbourne 34.0%; Burswood 10.6%; combined 27.7% - but at a lower margin
  
- Crown Melbourne VIP win rate of 1.50%; Burswood VIP win rate of 1.77%; combined win rate of 1.56% (compared to theoretical VIP win rate of 1.35%)
  
- Overall operating margin decreased from 29.3% to 27.8% due to an increase in costs associated with VIP program play, business mix changes, ongoing refurbishment disruption and gaming machine tax increases in Victoria
  
- Normalised EBITDA growth: Crown Melbourne 3.7%; Burswood 8.7%; combined 5.2%

# Crown Melbourne & Burswood Results

Normalised 1H12 (\$m)



\$m	Crown Melbourne	Variance F/(U)	Burswood	Variance F/(U)	Australian Casinos	Variance F/(U)
Main floor gaming	497.5	5.7%	222.0	5.1%	719.5	5.5%
VIP program play	284.8	34.0%	86.6	10.6%	371.4	27.7%
Non-gaming	197.9	2.3%	99.1	13.5%	297.0	5.8%
<b>Total Revenue (Normalised)</b>	<b>980.2</b>	<b>11.8%</b>	<b>407.7</b>	<b>8.2%</b>	<b>1,387.9</b>	<b>10.7%</b>
Gaming taxes & commissions	(327.6)	(27.7%)	(104.6)	(13.6%)	(432.2)	(24.0%)
Operating expenses	(383.2)	(6.3%)	(186.5)	(5.1%)	(569.7)	(5.9%)
<b>EBITDA</b>	<b>269.4</b>	<b>3.7%</b>	<b>116.6</b>	<b>8.7%</b>	<b>386.0</b>	<b>5.2%</b>
Depreciation & amortisation	(84.4)	(8.1%)	(21.8)	(19.9%)	(106.2)	(10.3%)
<b>EBIT</b>	<b>185.0</b>	<b>1.9%</b>	<b>94.8</b>	<b>6.4%</b>	<b>279.8</b>	<b>3.4%</b>
EBITDA / Revenue %	27.5%	(2.1%)	28.6%	0.1%	27.8%	(1.5%)
Total Revenue (Actual)	1,012.1	20.7%	434.6	19.6%	1,446.7	20.4%
VIP Turnover \$ billion	21.1	34.0%	6.4	10.6%	27.5	27.7%
VIP Win Rate (1.35% theoretical)	1.50%		1.77%		1.56%	

# Aspinall's Club Results



	1H12 Normalised \$m	1H12 Actual \$m
Total Revenue	51.5	38.6
Total Expenses	(41.8)	(35.4)
<b>EBITDA</b>	<b>9.7</b>	<b>3.2</b>
Depreciation & amortisation	(0.7)	(0.7)
<b>EBIT</b>	<b>9.0</b>	<b>2.5</b>
EBITDA / Revenue %	18.8%	8.3%
VIP Turnover (billion)	2.8	2.8
VIP Win Rate	1.79% <sup>1</sup>	1.34%

1. Normalised VIP win rate based on the mix of baccarat and roulette play during the period

# Major Projects Schedule



Completed Projects	Timing
Extension and refurbishment of the Mahogany Room and Club 23 at Crown Melbourne	October, 2011
Burswood Sky Gaming Salon	October, 2011
Crown Melbourne West End - Stage 1	December, 2011
New VVIP Mansions and New Spa & Pool at Burswood	January, 2012
Ongoing Projects	
Crown Melbourne West End - Stage 2 including Merrywell gastro pub	Quarter 3, 2012
Expansion of the Burswood main gaming floor including gastro pub	Quarter 4, 2012
Other Crown Melbourne projects include continuation of main gaming floor refurbishment, Queensbridge Square restaurant, Atrium bar, Conservatory restaurant and spa refurbishment	To be completed progressively through F13
Other Burswood projects include construction of multi story car park, completion of InterContinental hotel room refurbishment, additional Presidential Suite and Bistro Guillaume	To be completed progressively through F13

# Property Update: Crown Melbourne

Mahogany Room Expansion and Club 23





# Property Update: Crown Melbourne

West End



# Property Update: Burswood

Sky Gaming Salon



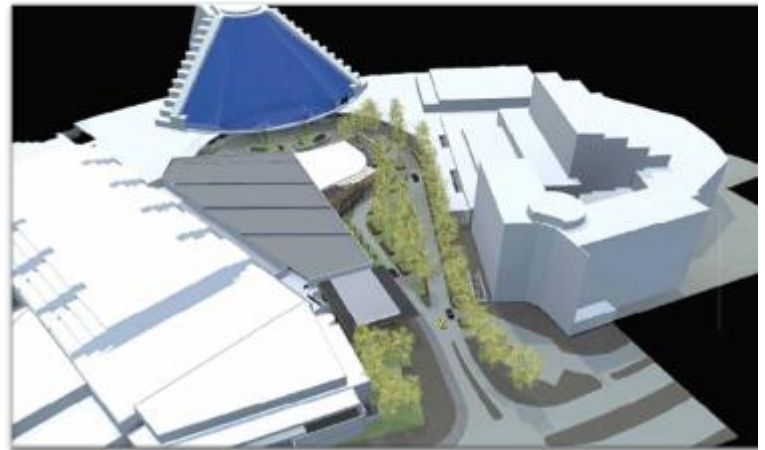
# Property Update: Burswood

VVIP Mansions and Pool



# Property Update: Burswood

Gaming Floor Expansion



# Property Update: Burswood

InterContinental Hotel Upgrade and New Presidential Suite



- MCE has reported strong operating performance at City of Dreams and Altira Macau for the period
- Crown's share of MCE's normalised profit for the period was \$41.3 million. Crown's share of MCE's reported profit for the period was \$71.4 million
- In July 2011, MCE completed the acquisition of a 60% equity interest in Macau Studio City, a mass market focussed, large scale integrated resort to be developed in Macau. When complete, Macau Studio City will meaningfully increase MCE's presence on Cotai
- MCE is currently working through its financing plans for the construction of Macau Studio City
- MCE completed a listing by introduction to the Stock Exchange of Hong Kong on 7 December 2011 – as a result, MCE now has dual listing

## Tabcorp and Echo

- Crown's economic interest in the shares of both companies resulted in a mark-to-market loss of \$30.6 million.

## Betfair

- Crown's equity accounted share of Betfair's gain was \$3.5 million. The profit includes the benefit of previously overpaid GST.
- Betfair has been granted special leave to appeal to the High Court against the judgement of the Full Federal Court in its case against Racing NSW and Harness Racing NSW. The High Court heard the appeal at the end of August 2011, although no decision has yet been made.

## Cannery

- Crown continues to hold a 24.5% equity share in Cannery. Crown did not receive a distribution of any profits or recognise any earnings from Cannery during the period.

## Aspers Group

- The Aspers Group was successful in obtaining the licence for a new casino in Stratford, London, within the new Westfield shopping complex, adjacent to the 2012 Olympic Games site. The new casino officially opened on 1 December 2011.
- Early trading at the new casino has been encouraging.

# Debt Structure and Refinancing

Nature of Facility	31 Dec 11 \$m	31 Dec 10 \$m
Bank Debt:	1,059.0	479.8
Capital Market Debt - MTN	-	114.6
- EMTN	174.6	174.6
- USPP (US\$200m)	195.6	196.0
<b>Total Outstanding Debt</b>	<b>1,429.2</b>	<b>965.0</b>
Less: Available Cash <sup>1</sup>	(29.1)	(6.2)
<b>Net Debt</b>	<b>1,400.1</b>	<b>958.8</b>

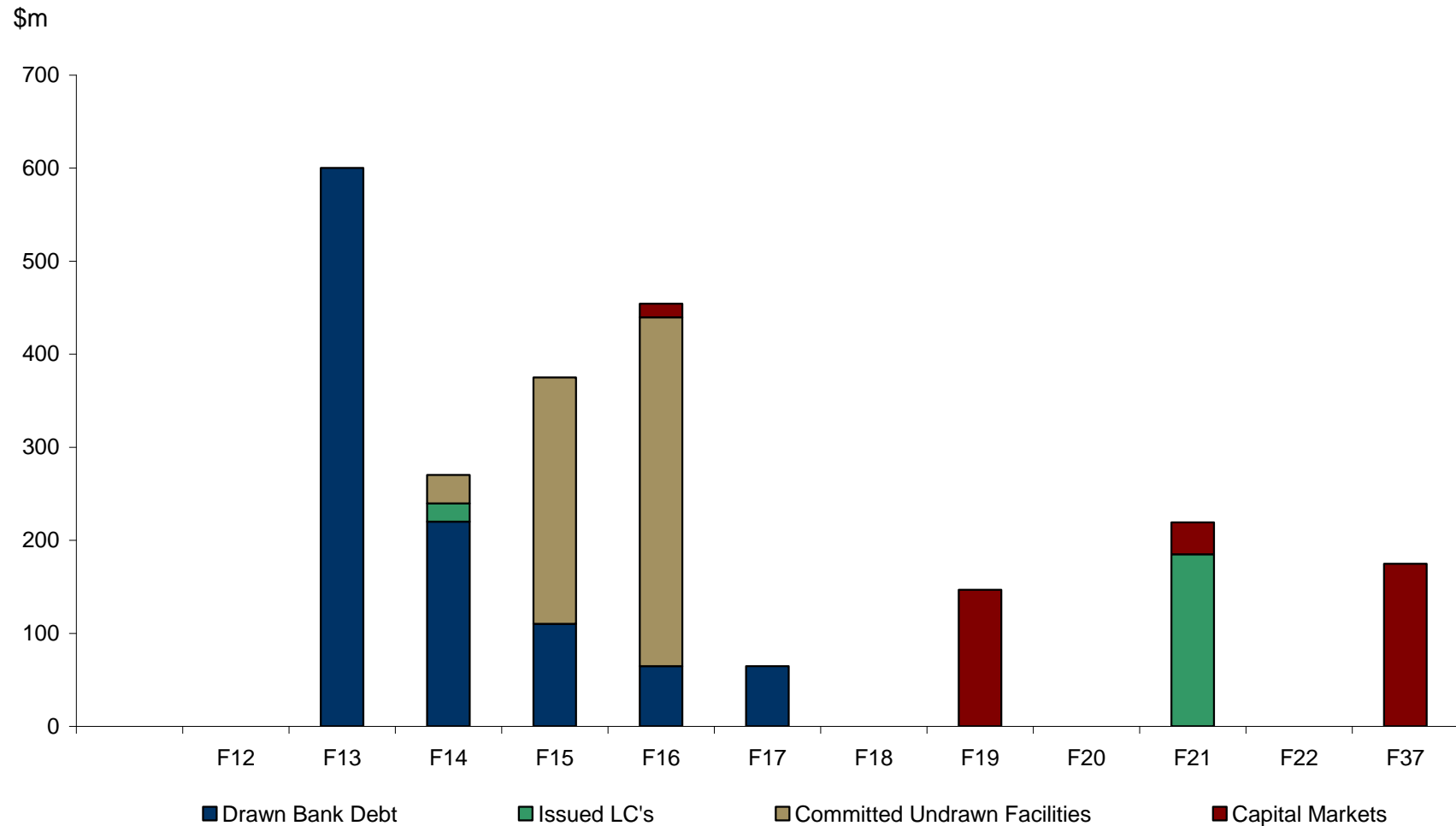
- Committed un-drawn bank facilities of \$670.5 million at 31 December 2011
- Weighted Average Maturity : 5.1 years
- Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB – all stable
- No major funding requirements until June 2013

1. Available cash refers to the closing cash balance of \$188.7m (Dec 2010: \$144.6m) less working capital cash of \$159.6m (Dec 2010: \$138.4m). 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

## Maturity Profile Facility Utilisation - 31 December 2011



# Operating Cash Flow



\$m	1H12	1H11
<b>Normalised EBITDA</b>	<b>362.4</b>	<b>349.2</b>
Win rate variance	47.0	(44.6)
<b>Reported EBITDA</b>	<b>409.4</b>	<b>304.6</b>
Working Capital Movements	(27.0)	(36.3)
<b>Cash Flow Generated by Operations</b>	<b>382.4</b>	<b>268.3</b>
Net Interest	(56.8)	(34.7)
Dividends Received	4.6	-
Income Tax Payments	(46.6)	(57.7)
<b>Operating Cash Flow</b>	<b>283.6</b>	<b>175.9</b>

# Group Net Cash Flow



\$m	1H12	1H11
<b>Operating Cash Flow</b>	<b>283.6</b>	<b>175.9</b>
Capital Expenditure (net) <sup>1</sup>	(268.5)	(188.2)
Payment in respect of licences <sup>2</sup>	-	(20.0)
Investment (net)	(21.1)	(43.2)
<b>Cash Flow Before Financing Activities</b>	<b>(6.0)</b>	<b>(75.5)</b>
Net Borrowings	350.5	160.0
Equity	39.3	6.8
Share Buy-back	(238.1)	-
Dividends Paid	(141.6)	(143.0)
Effect of exchange rates on cash	0.9	(0.1)
Net increase / (decrease) in cash	<b>5.0</b>	<b>(51.8)</b>
<b>Closing Cash</b> <sup>3</sup>	<b>188.7</b>	<b>144.6</b>

1. Net of proceeds from sale

2. Refers to Burswood's upfront fee payment to the Western Australian Government for extra gaming product

3. Includes \$159.6 million (Dec 2010: \$138.4 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

## Combined Year on Year Revenue Performance for Crown Melbourne and Burswood

1 January to 18 February 2012 (7 weeks)

Main Floor Gaming	5.7%
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Non Gaming	5.3%
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VIP Program Play volumes have experienced reasonable growth

## Australian Casinos' Performance

- Overall performance:
  - Reasonable revenue growth in both properties despite the challenging operating environment, the state of the broader consumer economy and the ongoing refurbishment disruption
  - Significant increase in VIP program play turnover, albeit at a lower margin, reflects in part the benefits from the completed redevelopment and refurbishment of VIP areas – particularly in Melbourne - combined with the continuing strategy to source new players from China to offset the ongoing impact of the two Singapore integrated resorts
  - Non-gaming revenue growth was reasonable

## Macau

- Melco Crown results were strong and MCE maintains its confidence in the future of Macau
- When complete, Macau Studio City will meaningfully increase MCE's presence on Cotai

## Primary Management Focus

- Continue to maximise the performance of Crown Melbourne and Burswood and manage the remaining capital expenditure projects underway
- Working with MCE to further build the value of MCE's Macau business

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