



**ASX / MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
27 February 2009**

### **CROWN ANNOUNCES HALF YEAR RESULTS**

- **Normalised NPAT of \$141.4 million**
- **Australian Casinos deliver 8.3% normalised EBITDA growth**
- **Domestic business continues to perform well to date in 2009**
- **City of Dreams expected to open in June 2009**
- **Major debt refinancing extends maturity profile**
- **Institutional placement raised \$300 million new equity**
- **Interim Dividend of 18 cps announced with 100% dividend payout of normalised NPAT for F09 confirmed**

**MELBOURNE: Crown Limited (ASX: CWN)** today announced a Normalised NPAT<sup>1</sup> of \$141.4 million for the six months ended 31 December 2008.

Crown recorded a Reported net loss of \$409.7 million for the period principally as a result of a non-recurring \$547.5 million write down in the accounting carrying value of Available for Sale Assets and Investments in Associates.

The Chief Executive Officer of Crown, Mr Rowen Craigie said:

“Crown’s wholly-owned Australian casino businesses, Crown Melbourne and Burswood, performed well, achieving ‘normalised’ EBITDA growth of 8.3%<sup>2</sup> for the period. The result at both properties was particularly pleasing considering the economic environment and industry wide performance both locally and internationally. Furthermore, the growth was achieved while there was a level of disruption to the operations in the half year from refurbishment works in the two properties.”

“Trading into the second half of the year has continued to be solid. The refurbishment programs continue to progress well and have begun to deliver benefits to the businesses which will help ensure these assets continue to generate solid growth into the future.”

“The recent \$300 million equity placement combined with the refinancing of \$1.6 billion of existing bank debt lengthened Crown’s debt maturity profile and further strengthened the company’s balance sheet.”

“Crown is looking forward to MPEL opening the City of Dreams property in June 2009. Crown believes City of Dreams to be an exciting and attractive property. The project is fully funded and is the only major property expected to open in Macau in the near future.”

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<sup>1</sup> Normalised NPAT represents NPAT adjusted to exclude impact of non-recurring items, the impact of any variance from theoretical win rate on VIP program play (see Attachment A for further information) and pre opening costs in respect of City of Dreams.

<sup>2</sup> Refer Attachment B for further information.

Mr Craigie also said that Crown management's focus over the near term for the Australian operations is on optimising operating performance and managing the major capital expenditure programs underway. Internationally, the focus is on improving the performance of recent acquisitions.

The Crown Board approved the payment of an 18 cent per share interim dividend and affirmed its intention to pay out 100% of normalised profits as dividends for the 2009 financial year.

## **AUSTRALIAN CASINO BUSINESSES**

### **Crown Melbourne: Australia**

Normalised EBITDA from Crown Melbourne was \$233.0 million, up 5.7% on the prior comparable period (pcp). Reported EBITDA for the period was \$264.2 million, reflecting an above theoretical win rate of 1.63%, which generated a positive variance of \$31.2 million, compared to a negative variance of \$12.1 million in the pcp when the win rate was 1.21%.

Normalised revenue increased by 10.1% over the pcp to \$752.5 million and reported revenue increased to \$788.1 million.

During the year, main floor gaming revenue grew 5.4% to \$428.4 million and VIP commission program play increased 32% (at theoretical) to \$173.9 million on turnover of \$12.9 billion.

Non-gaming revenue grew 4.0% to \$150.2 million which was pleasing given the impact of renovations at Crown Towers and the current economic climate. Hotel occupancy (on available rooms) was 96.5% with an average room rate of \$306 at Crown Towers and 94.9% and \$211 respectively at Crown Promenade.

Revenue growth was achieved consistently throughout the six month period and was spread across a wide range of customer and demographic segments, specifically high end table games, main floor gaming (tables and slots), both hotels, retail, high end and mid range restaurants and international and interstate VIP players.

The overall operating margin decreased from 32.3% to 31.0% primarily due a change in revenue mix as a result of the significant increase in VIP commission play whilst the margin on the non VIP commission program business was maintained.

The third hotel at Crown Melbourne is on budget and is expected to open one month early in April 2010. The Crown Promenade Conference facility is scheduled to open late in 2009. The refurbishment of the main casino floor is about 35% complete and the upgrade of the Crown Towers hotel is expected to be completed in the third quarter of calendar 2009. These refurbishments have already generated revenue improvements for the business which will gather momentum as the remaining projects come on line.

### **Burswood: Australia**

Normalised EBITDA from Burswood was \$110.0 million, up 14.3% on the pcp. Reported EBITDA for the period was \$76.4 million, reflecting a below theoretical win rate of 0.73% which generated a negative impact of \$33.6 million, compared to a positive impact of \$5.6 million in the pcp when the win rate was 1.55%.

Normalised revenue increased by 19.4% over the pcp to \$369.6 million and reported revenue increased to \$331.2 million.

During the year main floor gaming revenue grew 8.8% to \$200.9 million and VIP commission program play was up 105% (at theoretical) to \$83.4 million on turnover of \$6.2 billion.

Non-gaming revenue grew 1.3% to \$85.2 million with hotel occupancy of 78.3% and an average room rate of \$238 at the InterContinental and 88.1% and \$187 respectively at the Holiday Inn. Non-gaming revenue was impacted by a reduced number of major entertainment events and shows at Burswood.

Like Crown Melbourne, revenue growth was achieved consistently throughout the six month period and was seen in the majority of customer segments, including main floor gaming, restaurants, both hotels and international and interstate VIP players.

The overall operating margin decreased from 31.1% to 29.8% primarily due a change in revenue mix as a result of the very significant increase in VIP commission play. The margin on the non VIP commission program business improved slightly.

The refurbishment of the Burswood casino is well advanced (approximately 60% complete) with major projects opening during 2008 including the new casino entrance, the new poker room, the VIP infinity suites and “Mesh” (a contemporary bar and meeting place on the main gaming floor). These projects have lifted Burswood’s revenue growth and further growth should ensue as the remaining areas are refurbished.

### **Current Trading**

Revenue growth at Crown’s wholly owned Australian casinos, Crown Melbourne and Burswood, continues to be solid into 2009. For the period from 1 January 2009 up to 18 February 2009, combined revenue (excluding VIP commission program play) for both properties grew 6% compared to the same period last year. Both properties experienced solid levels of VIP commission program play over Chinese New Year.

### **JOINT VENTURE BUSINESSES**

#### **Melco Crown Entertainment Limited (“MPEL”): Macau (37.8% interest)**

Crown’s share of MPEL’s normalised result for the period – adjusted to theoretical win rates and excluding pre-opening expenses – was a loss of \$11.3 million.

Crown Macau generated adjusted<sup>3</sup> EBITDA in the half of US\$46.2 million.

The Macau gaming market grew 51.5% in the period January 2008 to August 2008 on the pcp. In the period September 2008 to January 2009 revenue experienced a decline of 4.0% on the pcp. The decline in revenue was predominantly in the VIP market, with the mass market showing moderate growth. Overall visitation to Macau continued to grow in 2008, a trend which continued in January 2009, showing the underlying strength of the mass market. MPEL is optimistic that a cap on junket commissions and relaxation of travel regulations could improve the operating environment in the near term.

The Crown Macau property has now been further repositioned to focus on the Asian VIP junket market.

MPEL is on schedule to open its flagship property in Macau, City of Dreams in June, which will be an exciting and attractive property located in Cotai. MPEL is in the fortunate position of being the only new project opening in Macau in 2009 with a reduced level of new supply coming into the market in the near future. City of Dreams remains on budget and is fully funded.

MPEL has announced that it held approximately US\$825 million of cash (excluding cage cash) at 31 December 2008 and drew down a further US\$270 million post balance date. MPEL expects to spend approximately US\$620 million on construction and pre opening costs through to the opening of Phase One of City of Dreams (expected in June 2009). MPEL has no debt maturities until 2012, when its US\$250 million revolving credit facility comes due. Their term loan of US\$1.5 billion matures in 2014.

#### **Gateway Casinos and Entertainment (“Gateway”): Canada (50% interest)**

Gateway’s contribution to Crown’s earnings comprises an equity accounted loss of \$14.2 million, partly offset by interest income of \$8.3 million on Crown’s shareholder loan, giving a net loss of \$5.9 million.

Crown has written down the accounting carrying value of the equity component of its investment in Gateway to nil, with a non-recurring loss of \$48.8 million taken to the Profit & Loss. The value of Crown’s \$166 million loan to Gateway was not adjusted. The asset write down reflects below expectation performance from the Starlight casino, the deterioration in the market outlook due to the slowdown in the Canadian economy, the impact of smoking bans and delays in implementing planned business improvement initiatives due to negotiations with government agencies.

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<sup>3</sup> Adjusted EBITDA is earnings before interest, taxes, depreciation, amortisation, pre-opening costs, stock based compensation cost and other non-operating income and expenses, as reported by MPEL.

### **Aspinalls: UK (50% interest)**

Aspinalls' contribution to Crown's earnings was an equity accounted loss of \$5.6 million. Trading was negatively impacted by a low win rate particularly at the Aspinalls Club (which impacted on Crown's share of equity accounted result by \$5.1 million), losses at Swansea and Northampton due to gaming revenue being below expectation.

Crown has written down the accounting carrying value of its investment in Aspinalls to \$39.8 million, with a non recurring loss of \$43.8 million taken to the Profit & Loss. The asset write-down is due to the poor outlook for the UK casino market as a result of the difficult economic environment in the UK, the UK Government's decision to increase the marginal tax rate on casino gaming to 50%, the introduction of smoking bans and the failure to deregulate the casino industry as initially announced.

### **Betfair (Australia and New Zealand): Australia (50% interest)**

Betfair's customer base continues to grow strongly and, with the recent lifting of advertising restrictions on the mainland, the business can now invest in customer acquisition in order to secure a solid growth profile over the near term. Betfair's contribution to Crown's earnings was an equity accounted loss of \$1.6 million primarily due to increased advertising and sponsorship costs.

### **AVAILABLE FOR SALE ASSETS**

As foreshadowed, Crown has written down the accounting carrying value of its minority US investments which are classified under Australian Accounting Standards as "available for sale assets" namely, Fontainebleau, Stations and Harrah's. The book value of these assets has been adjusted to \$106.6 million, with a non-recurring loss of \$454.9 million taken to the Profit & Loss.

The asset write-down has been precipitated by the current economic conditions in the United States. Crown has no obligation to contribute further equity to any of its minority US investments.

### **CASHFLOW / DEBT**

Net operating cash flow for the period was \$240.5 million. After capital expenditure of \$191.0 million, dividend payments of \$196.7 million and net proceeds from the equity raising to date of \$197.0 million, group net cash flow was \$66.7 million for the six months to 31 December 2008. Post 31 December 2008, Crown has received \$100 million from CPH as part of the December 2008 equity raising. The CPH payment was delayed, pending receipt of the full terms of a waiver from the ASX of certain Listing Rule restrictions.

Crown currently has US Dollar denominated borrowings of US\$1.04 billion and Australian dollar borrowings of \$1.56 billion. This mix will soon be adjusted to approximately US\$900 million of US dollar borrowings and Australian dollar borrowings of \$1.7 billion.

During the period, Crown raised \$410 million of new debt facilities with maturities between 5 and 12 years from Australian banks and the US Private Placement market. In addition, Crown "rolled over" its major bank facility of \$1.6 billion expiring in August 2010 with new maturities of 2, 3, 4 and 5 years. The impact has been to lengthen Crown's average debt maturity profile to 5 years.

At 31 December 2008, total liquidity was \$3.2 billion, represented by \$3.065 billion in cash and \$150 million in undrawn facilities. Of this, US\$1.59 billion of cash is denominated in US dollars, which is earmarked for the completion of the Cannery transaction.

### **INTEREST EXPENSE**

The increase in net interest expense (\$28.3 million net interest expense in the current period compared to \$63.9 million net interest income in the pcp) is due primarily to the impact of the \$2.05 billion return to shareholders as part of the PBL demerger in December 2007. In addition, included in the \$28.3 million net interest expense is a \$12.7 million cost associated with the debt refinancing referred to above.

Crown has fixed the interest rate on all of its USD debt at an average rate of 6.3% "all-in" for a period of approximately 5 years. The current average margin on Crown's Australian dollar debt is 160bp over BBSW, with approximately 90% of the Australian dollar debt at variable interest rates.

The net interest cost for the full year will be significantly influenced by the timing of the settlement of the Cannery acquisition.

## **CORPORATE COSTS**

During the period corporate overheads of \$21.5 million were incurred compared with \$13.8 million in the first half last year. The prior period expense was not reflective of the independent, stand-alone Crown Limited entity.

## **CANNERY CASINO RESORTS (“CANNERY”): USA**

Pennsylvania continues to be the only major US gaming market showing revenue growth over the last six months with the Meadows temporary casino in Pittsburgh continuing to exhibit double digit year on year revenue growth. This was achieved despite the introduction of smoking bans, construction disruption and the onset of the US recession. The Meadows permanent casino is on time and on budget for a mid April opening.

The Las Vegas Casinos, Cannery North, Eastside Cannery and the leased operations at Rampart, are struggling against the enormous headwinds facing Las Vegas. The contribution from the Las Vegas operation is now expected to be approximately 5% of Crown Limited's total EBITDA in the 2010 Financial Year. Consistent with its approach for the rest of its business portfolio, Crown does not intend to issue guidance for Cannery. Crown will provide an update on Cannery when the acquisition has completed.

The acquisition of Cannery by Crown is conditional on Crown obtaining gaming licences in Nevada and Pennsylvania. Crown's licence application was approved by the Nevada Gaming Commission last month.

The Pennsylvania Gaming Control Board (“PGCB”) is continuing to process Crown's licence application.

Crown has recently been advised that legal proceedings have been commenced in Delaware by Gretel Packer and Consolidated Custodians International Limited in its capacity as trustee of three Trusts against the sellers of the Cannery business. Crown is not a party to the litigation and cannot comment on it.

Gretel Packer and the three Trusts are not parties to the Cannery purchase contract and have no obligations under it. They are also seeking to withdraw from the Pennsylvania licensing process citing privacy and other licensing concerns. These parties have not been required to be licensed in other jurisdictions in which Crown holds casino licenses.

Discussions between these parties, Crown and the PGCB are continuing to try to resolve this issue.

Crown remains committed to completing the Cannery acquisition and continues to work with the Pennsylvania Gaming Control Board to complete the licensing process.

## **DIVIDEND**

The Directors have announced today an interim dividend on ordinary shares of 18 cents per share, franked to 60%, payable to shareholders registered at 5.00pm on 9th April 2009. No part of the unfranked portion of the dividend will consist of conduit foreign income. The Crown Board affirmed its intention to pay out 100% of normalised profits in dividends for the 2009 financial year.

## **ENDS**

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## **COPIES OF RELEASES**

Copies of previous media and ASX announcements issued by Crown are available at Crown's website at [www.crownlimited.com](http://www.crownlimited.com).



**CROWN GROUP RESULT**  
**Six Months ended 31 December 2008**

<b>Normalised Results<sup>(1)</sup></b>				<b>Actual Results</b>		
6 mths ended Dec 2007	6 mths ended Dec 2008	% movement on Normalised		6 mths ended Dec 2007	6 mths ended Dec 2008	% movement on Actual
\$ M	\$ M			\$ M	\$ M	
<u>992.7</u>	<u>1,122.0</u>	13.0%	OPERATING REVENUE	<u>984.7</u>	<u>1,119.2</u>	13.7%
			EARNINGS BEFORE INTEREST, TAX & DEPRECIATION			
302.8	321.5	6.2%		296.3	319.1	7.7%
<u>(63.2)</u>	<u>(72.9)</u>		Depreciation & Amortisation	<u>(63.2)</u>	<u>(72.9)</u>	
			EARNINGS BEFORE INTEREST & TAX			
239.6	248.6	3.8%		233.1	246.2	5.6%
<u>63.9</u>	<u>(28.3)</u>		Net Interest Income / (Expense)	<u>63.9</u>	<u>(28.3)</u>	
			PROFIT BEFORE TAX			
303.5	220.3	(27.4)%		297.0	217.9	(26.6)%
<u>(69.6)</u>	<u>(46.2)</u>		Taxation	<u>(67.6)</u>	<u>(45.5)</u>	
			PROFIT AFTER TAX			
233.9	174.1	(25.6)%		229.4	172.4	(24.8)%
<u>(22.5)</u>	<u>(32.7)</u>		Equity Accounted Profit / (Loss) <sup>(2)</sup>	<u>(33.1)</u>	<u>(34.6)</u>	
<u>0.0</u>	<u>0.0</u>		Minority Interests	<u>0.0</u>	<u>0.0</u>	
			NET PROFIT BEFORE DISCONTINUED OPERATIONS			
<u>211.4</u>	<u>141.4</u>	(33.1)%		196.3	137.8	(29.8)%
			Discontinued operations and non recurring items	<u>3,426.2</u>	<u>(547.5)</u>	
			NET PROFIT / (LOSS)	<u>3,622.5</u>	<u>(409.7)</u>	(111.3)%

(1) Adjusted to show underlying NPAT, ie. excluding the impact of the below theoretical win rate on VIP Program Play of \$1.7million (\$2.4 million pre tax less income tax of \$0.7 million) in H1 2009 and the below theoretical win rate of \$4.6 million (\$6.6 million pre tax less income tax of \$2.0 million) in H1 2008. The theoretical win rate is calculated at 1.35% in both years.

(2) Includes:  
50% Aspinals  
50% Betfair  
50% Gateway  
38% MPEL

Normalised results include an adjustment to equity share of earnings from MPEL to exclude the impact of an above theoretical win rate on VIP Play and pre-opening costs.



**CROWN DIVISIONAL RESULTS**  
**Six Months ended 31 December 2008**

<b>Normalised Results<sup>(1)</sup></b>			<b>Actual Results</b>			
6 mths ended Dec 2007	6 mths ended Dec 2008	% movement on Normalised		6 mths ended Dec 2007	6 mths ended Dec 2008	% movement on Actual
\$ M	\$ M			\$ M	\$ M	
			<b>REVENUE</b>			
992.7	1,122.0	13.0%	Gaming	984.7	1,119.2	13.7%
<u>0.0</u>	<u>0.0</u>	NA	Corporate	<u>0.0</u>	<u>0.0</u>	NA
<u>992.7</u>	<u>1,122.0</u>	13.0%		<u>984.7</u>	<u>1,119.2</u>	13.7%
			<b>EXPENDITURE</b>			
676.1	779.0	15.2%	Gaming	674.6	778.6	15.4%
<u>13.8</u>	<u>21.5</u>	55.8%	Corporate	<u>13.8</u>	<u>21.5</u>	55.8%
<u>689.9</u>	<u>800.5</u>	16.0%		<u>688.4</u>	<u>800.1</u>	16.2%
			<b>EBITDA</b>			
316.6	343.0	8.3%	Gaming	310.1	340.6	9.8%
<u>(13.8)</u>	<u>(21.5)</u>	55.8%	Corporate	<u>(13.8)</u>	<u>(21.5)</u>	55.8%
<u>302.8</u>	<u>321.5</u>	6.2%		<u>296.3</u>	<u>319.1</u>	7.7%
31.9%	30.6%		<b>GAMING EBITDA / REVENUE</b>	31.5%	30.4%	

(1) Adjusted to show underlying EBITDA; ie. excluding any variance from the theoretical win rate on VIP Program Play at Crown and Burswood, with theoretical win rate calculated at 1.35% for both years.