



# Crown Limited

2012 Full Year

Results Presentation

10 August 2012

Australia's

Integrated

Resort

Company

- Normalised<sup>1</sup> NPAT of \$415.0 million, up 22.0%, and reported NPAT of \$513.3 million, up 52.8%
- Australian casinos' performance:
  - Normalised EBITDA up 5.1% to \$736.9 million
  - Reported EBITDA up 21.5% to \$835.1 million
  - Normalised revenue up 8.9% to \$2,630.1 million
  - Main floor gaming revenue grew 6.6%
  - VIP program play turnover grew 18.7% at a lower margin
  - Non-gaming revenue grew 5.1%
- Melco Crown results were strong and a major contributor to the growth in normalised NPAT for the Group
- Aspinall's Club normalised EBITDA of \$20.6 million, reported EBITDA of \$1.7 million on a low win rate
- Final dividend of 19 cps announced (total full year dividend of 37 cps)

1. Crown considers that normalised earnings, which are calculated at theoretical win rates, are the best reflection of the underlying performance of the business. 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 Result



	F12 Normalised \$m	F11 Normalised \$m	Variance F/(U)	F12 Actual \$m	F11 Actual \$m	Variance F/(U)
Crown Melbourne EBITDA	510.6	505.7	1.0%	564.2	511.1	10.4%
Burswood EBITDA	226.3	195.2	15.9%	270.9	176.2	53.7%
Aspinall's Club EBITDA	20.6	3.9 <sup>1</sup>	428.2%	1.7	(10.5) <sup>1</sup>	116.2%
Corporate costs	(35.5)	(39.9)	11.0%	(35.5)	(39.9)	11.0%
<b>EBITDA</b>	<b>722.0</b>	<b>664.9</b>	<b>8.6%</b>	<b>801.3</b>	<b>636.9</b>	<b>25.8%</b>
Depreciation and amortisation	(218.3)	(195.6)	(11.6%)	(218.3)	(195.6)	(11.6%)
<b>EBIT</b>	<b>503.7</b>	<b>469.3</b>	<b>7.3%</b>	<b>583.0</b>	<b>441.3</b>	<b>32.1%</b>
Net interest	(102.1)	(66.6)	(53.3%)	(102.1)	(66.6)	(53.3%)
Income tax	(81.8)	(79.1)	(3.4%)	(106.5)	(71.2)	(49.6%)
Equity accounted - Melco Crown	92.1	19.2	379.7%	135.8	34.9	289.1%
- Betfair	3.1	(2.5)	224.0%	3.1	(2.5)	224.0%
<b>Net Profit / (Loss)</b>	<b>415.0</b>	<b>340.3</b>	<b>22.0%</b>	<b>513.3</b>	<b>335.9</b>	<b>52.8%</b>

1. Represents results post the acquisition of Aspinall's Club (May 2011)

# Crown Melbourne and Burswood Results



- Normalised revenue growth: Crown Melbourne 7.6%; Burswood 12.1%; combined 8.9%
  - Main floor gaming revenue growth: Crown Melbourne 6.6%; Burswood 6.5%; combined 6.6%
  - Non-gaming revenue growth: Crown Melbourne 1.9%; Burswood 12.0%; combined 5.1%
  - VIP program play turnover growth: Crown Melbourne 15.0%; Burswood 32.1%; combined 18.7% - but at a lower margin
- Crown Melbourne VIP win rate of 1.50%; Burswood VIP win rate of 1.84%; combined win rate of 1.58% (compared to theoretical VIP win rate of 1.35%)
- Overall operating margin decreased from 29.0% to 28.0%
- Normalised EBITDA growth: Crown Melbourne 1.0%; Burswood 15.9%; combined 5.1%
- Reported EBITDA growth: Crown Melbourne 10.4%; Burswood 53.7%; combined 21.5%

# Crown Melbourne and Burswood Results

## Normalised F12 (\$m)



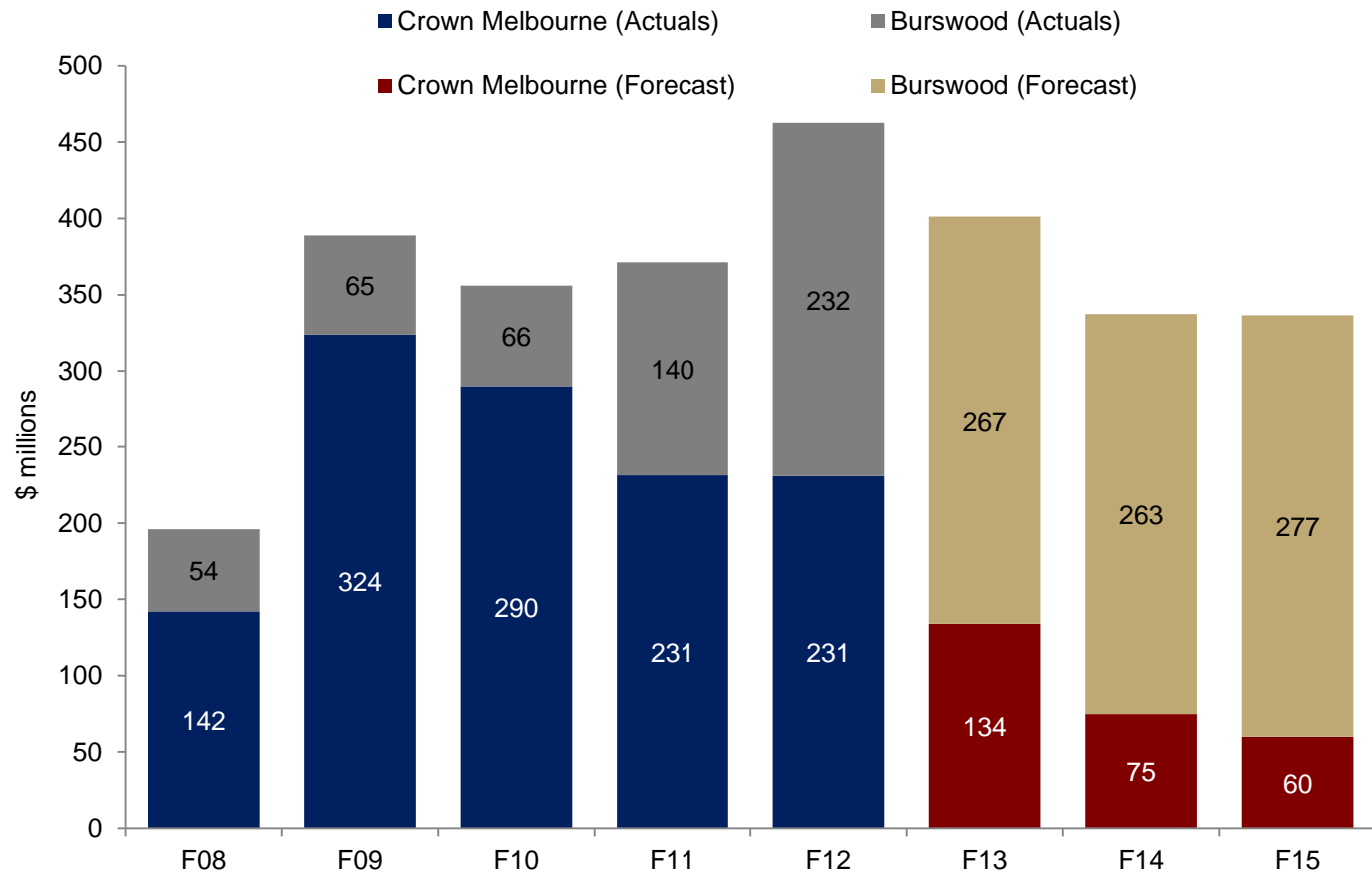
\$m	Crown Melbourne	Variance F/(U)	Burswood	Variance F/(U)	Australian Casinos	Variance F/(U)
Main floor gaming	991.9	6.6%	440.8	6.5%	1,432.7	6.6%
VIP program play	481.0	15.0%	154.3	32.1%	635.3	18.7%
Non-gaming	372.1	1.9%	190.0	12.0%	562.1	5.1%
<b>Total Revenue (Normalised)</b>	<b>1,845.0</b>	<b>7.6%</b>	<b>785.1</b>	<b>12.1%</b>	<b>2,630.1</b>	<b>8.9%</b>
Gaming taxes & commissions	(581.0)	(15.4%)	(195.9)	(24.8%)	(776.9)	(17.6%)
Operating expenses	(753.4)	(6.9%)	(362.9)	(4.3%)	(1,116.3)	(6.0%)
<b>EBITDA</b>	<b>510.6</b>	<b>1.0%</b>	<b>226.3</b>	<b>15.9%</b>	<b>736.9</b>	<b>5.1%</b>
Depreciation & amortisation	(168.5)	(8.6%)	(45.9)	(22.6%)	(214.4)	(11.3%)
<b>EBIT</b>	<b>342.1</b>	<b>(2.4%)</b>	<b>180.4</b>	<b>14.4%</b>	<b>522.5</b>	<b>2.8%</b>
EBITDA / revenue %	27.7%	(1.8%)	28.8%	1.0%	28.0%	(1.0%)
Total revenue (actual)	1,897.6	10.3%	841.5	24.1%	2,739.1	14.2%
VIP turnover \$ billion	35.6	15.0%	11.4	32.1%	47.0	18.7%
VIP win rate (1.35% theoretical)	1.50%		1.84%		1.58%	

	F12 Normalised <sup>1</sup> \$m	F12 Actual \$m
Total revenue	92.8	54.5
Total expenses	(72.2)	(52.8)
<b>EBITDA</b>	<b>20.6</b>	<b>1.7</b>
Depreciation & amortisation	(1.2)	(1.2)
<b>EBIT</b>	<b>19.4</b>	<b>0.5</b>
EBITDA / revenue %	22.2%	3.1%
VIP turnover (billion)	5.6	5.6
VIP win rate	1.64% <sup>1</sup>	0.95%

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

# Investment in Large Scale Tourism Attractions

Crown has undertaken capital expenditure projects of more than \$2 billion from F07 to F12 and has announced a further \$568 million for the construction of Crown Towers Perth



# Crown Towers Perth

- Crown has announced it will develop a new luxury 'six star' hotel at Burswood – Crown Towers Perth
- Subject to various regulatory approvals, it is expected the new hotel will be completed in 2016 and cost approximately \$568 million, inclusive of the land
- Crown Towers Perth will have approximately 500 rooms and include VIP gaming salons, restaurants, bars, resort and convention facilities
- The WA Government has agreed not to oppose an application for 500 additional gaming machines and 130 additional gaming tables





# Property Update: Crown Melbourne

## Mahogany Room Expansion and Club 23



Club 23



Mahogany



Club 23



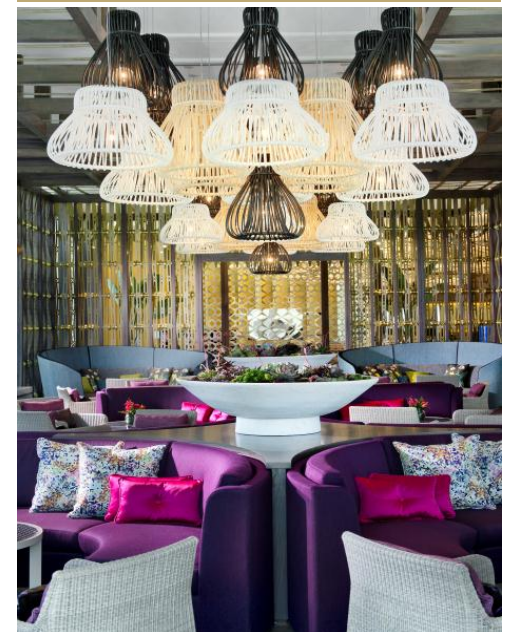
Mahogany



Mahogany



Mahogany



Mahogany



# Property Update: Crown Melbourne

West End



West End



West End



Cotta



The Merrywell



The Merrywell



Cotta



Lumia



# Property Update: Crown Melbourne

## Conservatory and Atrium



Atrium



Conservatory

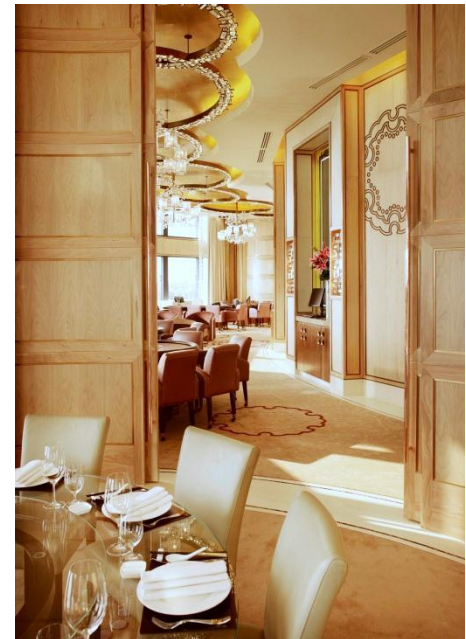


Conservatory



# Property Update: Burswood

## Sky Gaming Salon



# Property Update: Burswood

VVIP Mansions and Pool



# Property Update: Burswood

Introduction of Crown Metropol Perth and Crown Promenade Perth



# 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
New VVIP Mansions and New Spa & Pool at Burswood	January, 2012
West End (including The Merrywell, The Common Room and Cotta), Atrium bar and Conservatory restaurant at Crown Melbourne	Mid-2012
Ongoing & New Projects	Timing
Expansion of the Burswood main gaming floor including The Merrywell	Q3, 2012
Continuation of main gaming floor refurbishment, Queensbridge Square restaurant (Rosetta) and spa refurbishment at Crown Melbourne	To be completed progressively throughout 2013
Construction of multi-story car park, completion of Crown Metropol Perth (formerly the InterContinental) hotel room refurbishment, additional Presidential Suite and Bistro Guillaume at Burswood	To be completed progressively throughout 2013
Luxury 'six star' 500 room hotel Crown Towers Perth	2016

- Crown's share of MCE's normalised profit for the period was \$92.1 million. Crown's share of MCE's reported profit for the period was \$135.8 million
- In the twelve months to June 2012, the Macau gaming market as a whole grew 29%. However, the rate of growth in VIP revenues slowed in the second half, particularly in the fourth quarter
- MCE's June quarter 2012 result highlighted the strong year-on-year improvements in MCE's mass market segments, with mass market table games operations providing a more stable and profitable gaming mix, particularly at City of Dreams
- MCE has received the formal land grant approval and permit to restart construction of the Studio City project
- MCE entered a memorandum of agreement for the formation of a consortium to develop and operate a casino, hotel, retail and entertainment complex in the Philippines



## Tabcorp (TAH)

- Crown acquired a 4.9% economic interest in TAH prior to the demerger. Subsequently, Crown has substantially reduced its economic interest in TAH

## Echo Entertainment Group Limited (EGP)

- Crown holds 10% of EGP and has amended its application for regulatory approval to acquire more than 10% of shares in EGP, subject to a condition that Crown not acquire more than 25% of shares in EGP without first seeking approval from the gaming regulators
- The gaming regulators have accepted the amendment to Crown's application, but no decision has yet been made as to whether to grant Crown's application

## **Betfair**

- Crown's equity accounted share of Betfair's gain was \$3.1 million which includes the benefit of previously overpaid GST

## **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 opened a new casino in Stratford, London, in December 2011. Trading at the new casino has been encouraging
- The Aspers Group recently won its bid for a new casino licence in Milton Keynes, London, which is expected to open by the end of the 2013 financial year

Nature of Facility	30 June 12 \$m	30 June 11 \$m
Bank debt:	1,324.6	708.2
Capital market debt - EMTN	174.6	174.6
- USPP (US\$200m)	195.5	186.7
<b>Total Outstanding Debt</b>	<b>1,694.7</b>	<b>1,069.5</b>
Less: available cash <sup>1</sup>	(6.0)	(53.4)
<b>Net Debt</b>	<b>1,688.7</b>	<b>1,016.1</b>

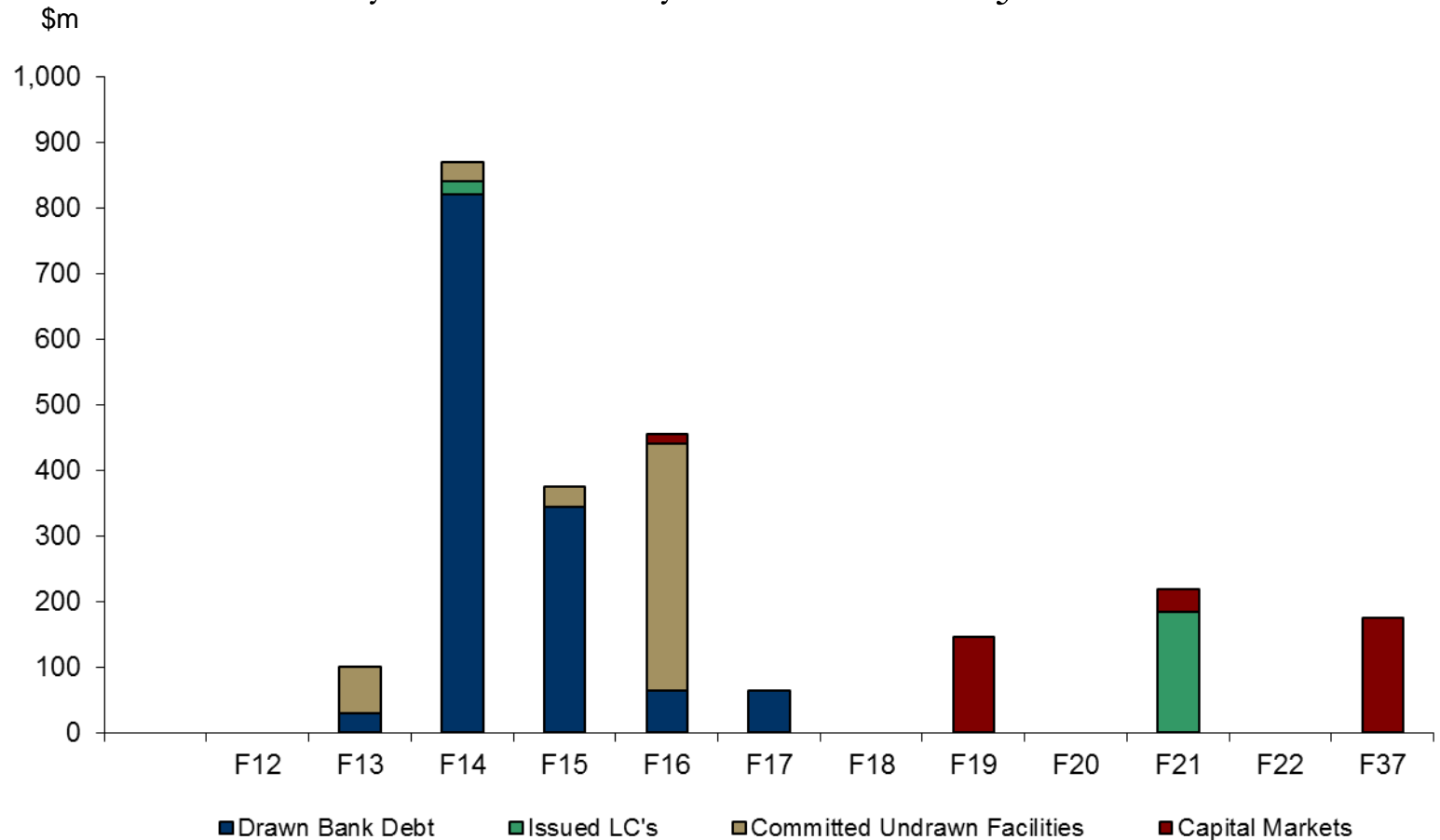
- Committed un-drawn bank facilities of \$512.4 million at 30 June 2012
- Weighted Average Maturity : 4.5 years
- Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB – all stable

1. Available cash refers to the closing cash balance of \$149.4m (Jun 2011: \$183.7m) less working capital cash of \$143.4m (Jun 2011: \$130.3m). The working capital cash refers to cash held on the premises and in bank accounts for day-to-day operations of the businesses.

- Crown has undertaken a number of significant refinancing tasks to maintain liquidity and extend maturities:
  - In July 2012, Crown issued \$300 million of Medium Term Notes maturing in July 2017. This is the first step in Crown's refinancing of the bank debt maturing in July 2013
  - In December 2011, Crown entered into a new £85 million syndicated facility which replaced an existing £42.5 million facility that was due to mature in December 2012
- Crown will continue to explore both available capital markets and bank markets to refinance the remaining July 2013 maturities

# Debt Maturity Profile

## Maturity Profile Facility Utilisation – 30 June 2012<sup>1</sup>



1. The maturity of a \$600 million bank facility has been extended to July 2013 – this facility is being refinanced

# Operating Cash Flow



\$m	F12	F11
<b>Normalised EBITDA</b>	<b>722.0</b>	<b>664.9</b>
Win rate variance	79.3	(28.0)
<b>Reported EBITDA</b>	<b>801.3</b>	<b>636.9</b>
Working capital movements	(64.1)	(32.0)
<b>Cash Flow Generated by Operations</b>	<b>737.2</b>	<b>604.9</b>
Net interest	(115.3)	(80.6)
Dividends received	4.6	-
Income tax payments	(55.8)	(73.3)
<b>Operating Cash Flow</b>	<b>570.7</b>	<b>451.0</b>

# Group Net Cash Flow



\$m	F12	F11
<b>Operating Cash Flow</b>	<b>570.7</b>	<b>451.0</b>
Capital expenditure (net) <sup>1</sup>	(463.9)	(351.1)
Payment in respect of licences <sup>2</sup>	-	(20.0)
Investment (net)	(285.7)	(96.1)
<b>Cash Flow before Financing Activities</b>	<b>(178.9)</b>	<b>(16.2)</b>
Net borrowings	614.8	275.7
ESP proceeds received	39.3	6.8
Share buy-back	(238.1)	-
Dividends paid	(272.7)	(278.6)
Effect of exchange rates on cash	1.3	(0.4)
Net increase / (decrease) in cash	<b>(34.3)</b>	<b>(12.7)</b>
<b>Closing Cash</b> <sup>3</sup>	<b>149.4</b>	<b>183.7</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 \$143.4 million (Jun 2011: \$130.3 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

## Australian Casinos

- During the year we saw reasonable revenue growth at both properties, although in some areas this was offset by higher operating costs
- In particular, at Crown Melbourne, there was a softening of activity in some segments of main floor gaming and non gaming operations together with the impact of refurbishment disruption on operating margins
- The significant capital expenditure program has ensured Crown Melbourne and Burswood continue to be two of Australia's premier tourist destinations

## Melco Crown Entertainment

- MCE reported strong results for the twelve months to June 2012 particularly in mass market but noted a recent slowdown in Macau market-wide VIP activity
- MCE believes the Studio City project provides a unique opportunity to further expand and diversify the leisure and tourism offerings, ensuring the long term success of the region as a leading tourism destination in Asia

## 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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